


<p><b>STANDING ORDERS</b></p> <p><b>RESERVATION AND DELEGATION of POWERS</b></p> <p><b>STANDING FINANCIAL INSTRUCTIONS</b></p>	 <p><b>Leeds Community Healthcare</b> NHS Trust</p>
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## SECTION A

### 1. INTERPRETATION AND DEFINITIONS FOR STANDING ORDERS AND STANDING FINANCIAL INSTRUCTIONS

- 1.1 Save as otherwise permitted by law, at any meeting the Chair of the Trust shall be the final authority on the interpretation of Standing Orders (on which they should be advised by the Chief Executive or Secretary to the Board).
- 1.2 Any expression to which a meaning is given in the National Health Service Act 1977, National Health Service and Community Care Act 1990 and other Acts relating to the National Health Service or in the Financial Regulations made under the Acts shall have the same meaning in these Standing Orders and Standing Financial Instructions and in addition:
- 1.2.1 "**Accountable Officer**" means the NHS Officer responsible and accountable for funds entrusted to the Trust. The officer shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.
- 1.2.2 "**Trust**" means the Leeds Community Healthcare NHS Trust.
- 1.2.3 "**Board**" means the Chair, officer and non-officer members of the Trust collectively as a body.
- 1.2.4 "**Budget**" means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.
- 1.2.5 "**Budget holder**" means the director of employee with delegated authority to manage finances (income and expenditure) for a specific area of the organisation.
- 1.2.6 "**Chair of the Board (or Trust)**" is the person appointed by the Secretary of State for Health to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression "the Chair of the Trust" shall be deemed to include the Vice-Chair of the Trust if the Chair is absent from the meeting or is otherwise unavailable.
- 1.2.7 "**Chief Executive**" means the chief officer of the Trust.
- 1.2.8 "**Committee**" means a committee or sub-committee created and appointed by the Trust.
- 1.2.9 "**Committee members**" means persons formally appointed by the Board to sit on or to chair specific committees.
- 1.2.10 "**Contracting and procuring**" means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.
- 1.2.11 "**Director of Finance**" means the Chief Financial Officer of the Trust.
- 1.2.12 "**Funds held on trust**" shall mean those funds which the Trust holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under S.90 of the NHS Act 1977, as amended. Such funds may or may not be charitable.



- 1.2.13 "**Member**" means officer or non-officer member of the Board as the context permits. Member in relation to the Board does not include its Chair.
- 1.2.14 "**Associate Member**" means a person appointed to perform specific statutory and non-statutory duties which have been delegated by the Trust Board for them to perform and these duties have been recorded in an appropriate Trust Board minute or other suitable record.
- 1.2.15 "**Membership, Procedure and Administration Arrangements Regulations**" means NHS Membership and Procedure Regulations (SI 1990/2024) and subsequent amendments.
- 1.2.16 "**Nominated officer**" means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
- 1.2.17 "**Non-officer member**" means a member of the Trust who is not an officer of the Trust and is not to be treated as an officer by virtue of regulation 1(3) of the Membership, Procedure and Administration Arrangements Regulations.
- 1.2.18 "**Officer**" means employee of the Trust or any other person holding a paid appointment or office with the Trust.
- 1.2.19 "**Officer member**" means a member of the Trust who is either an officer of the Trust or is to be treated as an officer by virtue of regulation 1(3) (i.e. the Chair of the Trust or any person nominated by such a Committee for appointment as a Trust member).
- 1.2.20 "**Secretary**" means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chair and monitor the Trust's compliance with the law, Standing Orders, and Department of Health and Social Care guidance.
- 1.2.21 "**SFIs**" means Standing Financial Instructions.
- 1.2.22 "**SOs**" means Standing Orders.
- 1.2.23 "**Vice-Chair**" means the non-officer member appointed by the Board to take on the Chair's duties if the Chair is absent for any reason.

## **SECTION B – STANDING ORDERS**

### **1. INTRODUCTION**

#### **1.1 Statutory framework**

The Leeds Community Healthcare NHS Trust (the Trust) is a statutory body which came into existence on 1st April 2011 under The Leeds Community Healthcare NHS Trust (Establishment) Order 2011 No [800], (the Establishment Order).

- (1) The principal place of business of the Trust is: First Floor, Stockdale House, Headingley Park, Victoria Road, Leeds, LS6 1PF
- (2) NHS Trusts are governed by Act of Parliament, mainly the National Health Service Act 1977 (NHS Act 1977), the National Health Service and Community Care Act 1990 (NHS & CC Act 1990) as amended by the Health Authorities Act 1995 and the Health Act 1999 and the Health and Social Care Act 2012
- (3) The functions of the Trust are conferred by this legislation.
- (4) As a statutory body, the Trust has specified powers to contract in its own name and to act as a corporate trustee. In the latter role it is accountable to the Charity Commission for those funds deemed to be charitable as well as to the Secretary of State for Health.
- (5) The Trust also has statutory powers under Section 28A of the NHS Act 1977, as amended by the Health Act 1999, to fund projects jointly planned with local authorities, voluntary organisations and other bodies.
- (6) The Code of Accountability requires the Trust to adopt Standing Orders for the regulation of its proceedings and business. The Trust must also adopt Standing Financial Instructions as an integral part of Standing Orders setting out the responsibilities of individuals.
- (7) The Trust will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.

#### **1.2 NHS framework**

- (1) In addition to the statutory requirements, the Secretary of State, through the Department of Health and Social Care, issues further directions and guidance. These are normally issued under cover of a circular or letter.
- (2) The Code of Accountability requires that, Boards draw up a schedule of decisions reserved to the Board, and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives (a scheme of delegation). The code also requires the establishment of audit and remuneration committees with formally agreed terms of reference. The Codes of Conduct makes various requirements concerning possible conflicts of interest of Board members.
- (3) The Code of Practice on Openness in the NHS and the provisions of the Freedom of Information Act 2000 sets out the requirements for public access to information on the NHS.

#### **1.3 Delegation of powers**

The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Under the Standing Order relating to the arrangements for the exercise of functions the Trust is given

powers to make arrangements for the exercise, on behalf of the Trust of any of their functions by a committee, sub-committee or joint committee or by an officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit or as the Secretary of State may direct". Delegated powers are covered in the Schedule of Matters Reserved to the Board and Scheme of Delegation. This document has effect as if incorporated into the Standing Orders and Standing Financial Instructions.

#### **1.4 Integrated governance**

Trust Boards are now encouraged to develop integrated governance that will lead to good governance and to ensure that decision-making is informed by intelligent information covering the full range of corporate, financial, clinical, information and research governance. Guidance from the Department of Health and Social Care on the implementation of integrated governance has been issued and has been incorporated in the Trust's governance framework. Integrated governance will better enable the Board to take a holistic view of the organisation and its capacity to meet its legal and statutory requirements and clinical, quality and financial objectives.

## **2. THE TRUST BOARD: COMPOSITION OF MEMBERSHIP, TENURE AND ROLE OF MEMBERS**

### **2.1 Composition of the membership of the Trust Board**

In accordance with the Establishment Order and Membership and Procedure Regulations (1990) as amended the composition of the Board shall be:

- (1) The Chair of the Trust;
- (2) Up to five non-officer members;
- (3) Up to five officer members (but not exceeding the number of non-officer members) including:
  - the Chief Executive;
  - the Director of Finance;
  - one member is to be a registered medical practitioner or a registered dentist (within the meaning of the Dentists Act 1984)
  - one member is to be a registered nurse or registered midwife

The Trust Board shall have not more than 11 and not less than eight voting members (unless otherwise determined by the Secretary of State for Health and set out in the Trust's Establishment Order or such other communication from the Secretary of State).

### **2.2 Appointment of Chair and members of the Trust**

- (1) Appointment of the Chair and members of the Trust (Paragraph 4 of Schedule 5A to the 1977 Act, as inserted by the Health Act 1999), provides that the Chair is appointed by the Secretary of State, but otherwise the appointment and tenure of office of the Chair and members are set out in the Membership and Procedure Regulations.

### **2.3 Terms of office of the Chair and members**

- (1) The regulations setting out the period of tenure of office of the Chair and members and for the termination or suspension of office of the Chair and members are contained in Sections 2 to 4 of the Membership and Procedure Regulations.

### **2.4 Appointment and powers of Vice-Chair**

- (1) Subject to Standing Order 2.4 (2) below, the Chair and members of the Trust may appoint one of their numbers, who is not also an officer member, to be Vice-Chair, for such period, not exceeding the remainder of the term as a member of the Trust, as specified on appointment.
- (2) Any member so appointed may at any time resign from the office of Vice-Chair by giving notice in writing to the Chair. The Chair and members may thereupon appoint another member as Vice-Chair in accordance with the provisions of Standing Order 2.4 (1).
- (3) Where the Chair of the Trust has died or has ceased to hold office, or is unable to perform the duties as Chair owing to illness or any other cause, the Vice-Chair shall act as Chair until a new Chair is appointed or the existing Chair resumes their duties, as the case may be; and references to the Chair in these Standing Orders shall, so long as there is no Chair able to perform those duties, be taken to include references to the Vice-Chair.

### **2.5 Joint members**

- (1) Where more than one person is appointed jointly to a post mentioned in regulation 2(4)(a) of the Membership and Procedure Regulations those persons shall count for the purpose of Standing Order 2.1 as one person.
- (2) Where the office of a member of the Board is shared jointly by more than one person:
  - (a) either or both of those persons may attend or take part in meetings of the Board;
  - (b) if both are present at a meeting they should cast one vote if they agree;
  - (c) in the case of disagreements no vote should be cast;
  - (d) the presence of either or both of those persons should count as the presence of one person for the purposes of Standing Order 3.11 quorum.

### **2.6 Role of members**

The Board will function as a corporate decision-making body, officer and non-officer members will be full and equal members. Their role as members of the Board will be to consider the key strategic and managerial issues facing the Trust in carrying out its statutory and other functions.

#### **(1) Executive members**

Executive Members shall exercise their authority within the terms of these Standing Orders and Standing Financial Instructions and the Scheme of Delegation.

(2) **Chief Executive**

The Chief Executive shall be responsible for the overall performance of the executive functions of the Trust. He/she is the Accountable Officer for the Trust and shall be responsible for ensuring the discharge of obligations under Financial Directions and in line with the requirements of the Accountable Officer Memorandum for Trust Chief Executives.

(3) **Director of Finance**

The Director of Finance shall be responsible for the provision of financial advice to the Trust and to its members and for the supervision of financial control and accounting systems. He/she shall be responsible along with the Chief Executive for ensuring the discharge of obligations under relevant Financial Directions.

(4) **Non-executive members**

The non-executive members shall not be granted nor shall they seek to exercise any individual executive powers on behalf of the Trust. They may however, exercise collective authority when acting as members of or when chairing a committee of the Trust which has delegated powers.

(5) **Chair**

The Chair shall be responsible for the operation of the Board and chair all Board meetings when present. The Chair has certain delegated executive powers. The Chair must comply with the terms of appointment and with these Standing Orders.

The Chair shall liaise with NHS Improvement over the appointment of non-executive members and once appointed shall take responsibility either directly or indirectly for their induction, their portfolios of interests and assignments, and their performance.

The Chair shall work closely with the Chief Executive and shall ensure that key and appropriate issues are discussed by the Board in a timely manner with all the necessary information and advice being made available to the Board to inform the debate and ultimate resolutions.

## **2.7 Corporate role of the Board**

- (1) All business shall be conducted in the name of the Trust.
- (2) All funds received in trust shall be held in the name of the Trust as corporate trustee.
- (3) The powers of the Trust established under statute shall be exercised by the Board meeting in public session except as otherwise provided for in Standing Order No. 3.
- (4) The Board shall define and regularly review the functions it exercises on behalf of the Secretary of State.

## **2.8 Schedule of Matters Reserved to the Board and Scheme of Delegation**

- (1) The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These powers and decisions are set out in the Schedule of Decisions Reserved to the Board and shall have effect as if incorporated into the Standing Orders. Those powers which it has delegated to officers and other bodies are contained in the Scheme of Delegation.

## **2.9 Lead roles for Board members**

The Chair will ensure that the designation of lead roles or appointments of Board members as required by the Department of Health and Social Care or as set out in any statutory or other guidance will be made in accordance with that guidance or statutory requirement (e.g. appointing a lead Board member with responsibilities for infection control or child protection services etc.).

## **3. MEETINGS OF THE TRUST**

### **3.1 Calling meetings**

- (1) Ordinary meetings of the Board shall be held in public at regular intervals at such times and places as the Board may determine.
- (2) The Chair of the Trust may call a meeting of the Board at any time.
- (3) One third or more members of the Board may requisition a meeting in writing. If the Chair refuses, or fails, to call a meeting within seven days of a requisition being presented, the members signing the requisition may forthwith call a meeting.
- (4) In case of emergencies or the need to conduct urgent business, a meeting may be called giving to members such notice of the date, time and place of the meeting as is considered reasonable by the Chair

### **3.2 Notice of meetings and the business to be transacted**

- (1) Save in the case of emergencies or the need to conduct urgent business, before each meeting of the Board a written notice specifying the business proposed to be transacted shall be delivered to every member, either by hand, electronically or by post, so as to be available to members at least five working days before the meeting. The notice shall be signed by the Chair or by an officer authorised by the Chair to sign on their behalf. Want of service of such a notice on any member shall not affect the validity of a meeting.
- (2) In the case of a meeting called by members in default of the Chair calling the meeting, the notice shall be signed by those members.
- (3) No business shall be transacted at the meeting other than that specified on the agenda, or emergency motions allowed under Standing Order 3.6.
- (4) A member desiring a matter to be included on an agenda shall make his/her request verbally or in writing to the Chair at least 10 working days before the meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than 10 days before a meeting may be included on the agenda at the discretion of the Chair.
- (5) Before each meeting of the Board a public notice of the time and place of the meeting, and the public part of the agenda, shall be displayed at the Trust's principal offices at least three working days before the meeting, (required by the Public Bodies (Admission to Meetings) Act 1960 Section 1 (4) (a)).
- (6) Members of the public wishing to submit questions to the Board will be required to submit questions in writing. There will a separate agenda item for public questions at each public meeting. The Chair will have discretion to accept questions at the meeting if appropriate. The Chair's ruling on the appropriateness of the question or statement is final. The Chair will reserve the right to respond to questions in writing if time does not permit these questions to be answered in the meeting.

### **3.3 Agenda and supporting papers**

The agenda will be sent to members no less than five working days before the meeting and supporting papers, whenever possible, shall accompany the agenda. Papers may be dispatched no later than three working days before the meeting, save in an emergency. The Board may determine that certain matters shall appear on every agenda for a meeting and shall be addressed prior to any other business being conducted.

### **3.4 Petitions**

Where a petition has been received by the Trust, the Chair shall include the petition as an item for the agenda of the next meeting.

### **3.5 Notice of motion**

- (1) Subject to the provision of Standing Orders 3.7 'Motions: procedure at and during a meeting' and 3.8 'Motion to rescind a resolution', a member of the Board wishing to move a motion shall send a written notice to the Chief Executive who will ensure that it is brought to the immediate attention of the Chair.
- (2) The notice shall be delivered at least 15 working days before the meeting. The Chief Executive shall include in the agenda for the meeting all notices so received that are in order and permissible under governing regulations. This Standing Order shall not prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.

### **3.6 Emergency motions**

Subject to the agreement of the Chair, and subject also to the provision of Standing Order 3.7 'Motions: Procedure at and during a meeting', a member of the Board may give written notice of an emergency motion after the issue of the notice of meeting and agenda, up to one hour before the time fixed for the meeting. The notice shall state the grounds of urgency. If in order, it shall be declared to the Trust Board at the commencement of the business of the meeting as an additional item included in the agenda. The Chair's decision to include the item shall be final.

### **3.7 Motions: procedure at and during a meeting**

#### **i) Who may propose**

A motion may be proposed by the Chair of the meeting or any member present. It must also be seconded by another member.

#### **ii) Contents of motions**

The Chair may exclude from the debate at their discretion any such motion of which notice was not given on the notice summoning the meeting other than a motion relating to:

- the reception of a report;
- consideration of any item of business before the Trust Board;
- the accuracy of minutes;
- that the Board proceeds to next business;
- that the Board adjourns;
- that the question be now put.

iii) **Amendments to motions**

A motion for amendment shall not be discussed unless it has been proposed and seconded.

Amendments to motions shall be moved relevant to the motion, and shall not have the effect of negating the motion before the Board.

If there are a number of amendments, they shall be considered one at a time. When a motion has been amended, the amended motion shall become the substantive motion before the meeting, upon which any further amendment may be moved.

iv) **Rights of reply to motions**

a) Amendments

The mover of an amendment may reply to the debate on their amendment immediately prior to the mover of the original motion, who shall have the right of reply at the close of debate on the amendment, but may not otherwise speak on it.

b) Substantive or original motion

The member who proposed the substantive motion shall have a right of reply at the close of any debate on the motion.

v) **Withdrawing a motion**

A motion, or an amendment to a motion, may be withdrawn.

vi) **Motions once under debate**

When a motion is under debate, no motion may be moved other than:

- an amendment to the motion;
- the adjournment of the discussion, or the meeting;
- that the meeting proceeds to the next business;
- that the question should be now put;
- the appointment of an 'ad hoc' committee to deal with a specific item of business;
- that a member or director be not further heard;
- a motion under Section I (2) or Section I (8) of the Public Bodies (Admissions to Meetings) Act 1960 resolving to exclude the public, including the press (see Standing Order 3.17).

In those cases where the motion is either that the meeting proceeds to the next business or that the question be now put in the interests of objectivity these should only be put forward by a member of the Board who has not taken part in the debate and who is eligible to vote.

If a motion to proceed to the next business or that the question be now put, is carried, the Chair should give the mover of the substantive motion under debate a right of reply, if not already exercised. The matter should then be put to the vote.

**3.8 Motion to rescind a resolution**

- (1) Notice of motion to rescind any resolution (or the general substance of any resolution) which has been passed within the preceding six calendar months shall bear the signature of the member who gives it and also the signature of three other members, and before considering any such motion of which notice shall have been



given, the Trust Board may refer the matter to any appropriate Committee or the Chief Executive for recommendation.

- (2) When any such motion has been dealt with by the Trust Board it shall not be competent for any Board member, other than the Chair, to propose a motion to the same effect within six months. This Standing Order shall not apply to motions moved in pursuance of a report or recommendations of a Committee or the Chief Executive.

### **3.9 Chair of meeting**

- (1) At any meeting of the Trust Board the Chair, if present, shall preside. If the Chair is absent from the meeting, the Vice-Chair (if the Board has appointed one), if present, shall preside.
- (2) If the Chair is absent temporarily on the grounds of a declared conflict of interest the Vice-Chair, if present, shall preside. If the Chair and Vice-Chair are absent, or are disqualified from participating, such non-officer member as the members present shall choose shall preside.

### **3.10 Chair's ruling**

The decision of the Chair of the meeting on questions of order, relevancy and regularity (including procedure on handling motions) and their interpretation of the Standing Orders and Standing Financial Instructions, at the meeting, shall be final.

### **3.11 Quorum**

- (i) The meeting will be held at such times as the Board may determine.
- (ii) No business shall be transacted at a meeting unless at least one-third of the whole number of the Chair and voting officer and non-officer members are present including not less than two non-officer members and one officer member. The Chair of the meeting will have a casting vote.
- (iii) An Officer in attendance for an officer member but without formal acting up status may not count towards the quorum.
- (iv) If the Chair or member has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest that person shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business.

### **3.12 Voting**

- (i) Save as provided in Standing Orders 3.13 - suspension of Standing Orders and 3.14 - variation and amendment of Standing Orders, every question put to a vote at a meeting shall be determined by a majority of the votes of members present and voting on the question. In the case of an equal vote, the person presiding (i.e. the Chair of the meeting) shall have a second, and casting vote.
- (ii) At the discretion of the Chair all questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chair directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.

- (iii) If at least one-third of the members present so request, the voting on any question may be recorded so as to show how each member present voted or did not vote (except when conducted by paper ballot).
- (iv) If a member so requests, their vote shall be recorded by name.
- (v) In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.
- (vi) An officer who has been formally appointed to act up for an officer member during a period of incapacity or temporarily to fill an executive director vacancy shall be entitled to exercise the voting rights of the officer member.
- (vii) An officer attending the Trust Board meeting to represent an officer member during a period of incapacity or temporary absence without formal acting up status may not exercise the voting rights of the officer member. An officer's status when attending a meeting shall be recorded in the minutes.
- (viii) For the voting rules relating to joint members see Standing Order 2.5.

### **3.13 Suspension of Standing Orders**

- (i) Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to the quorum (Standing Order 3.11), any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the whole number of the members of the Board are present (including at least one member who is an officer member of the Trust and one member who is not) and that at least two-thirds of those members present signify their agreement to such suspension. The reason for the suspension shall be recorded in the Trust Board's minutes.
- (ii) A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chair and members of the Trust.
- (iii) No formal business may be transacted while Standing Orders are suspended.
- (iv) The Audit Committee shall review every decision to suspend Standing Orders.

### **3.14 Variation and amendment of Standing Orders**

These Standing Orders shall not be varied except in the following circumstances:

- upon a notice of motion under Standing Order 3.5;
- upon a recommendation of the Chair or Chief Executive included on the agenda for the meeting;
- that two thirds of the Board members are present at the meeting where the variation or amendment is being discussed, and that at least half of the Trust's non-officer members vote in favour of the amendment;
- providing that any variation or amendment does not contravene a statutory provision or direction made by the Secretary of State.

### **3.15 Record of attendance**

The names of the Chair and members present at the meeting shall be recorded.

### **3.16 Minutes**

The minutes of the proceedings of a meeting shall be drawn up and submitted for agreement at the next ensuing meeting and, once agreed, shall be signed by the person presiding at it.

No discussion shall take place upon the minutes except upon their accuracy or where the Chair considers discussion appropriate.

Minutes shall be circulated in accordance with members' wishes. Where providing a record of a meeting held in public the minutes shall be made available to the public.

### **3.17 Admission of public and the press**

#### **(i) Admission and exclusion on grounds of confidentiality of business to be transacted**

The public and representatives of the press may attend all meetings of the Trust, but shall be required to withdraw upon the Trust Board as follows:

- 'that representatives of the press, and other members of the public, be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest', Section 1 (2), Public Bodies (Admission to Meetings) Act 1960
- Guidance should be sought from the Trust's freedom of information lead officer to ensure correct procedure is followed on matters to be included in the exclusion.

#### **(ii) General disturbances**

The Chair (or Vice-Chair if one has been appointed) or the person presiding over the meeting shall give such directions as he thinks fit with regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Trust's business shall be conducted without interruption and disruption and, without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted. The public will be required to withdraw upon the Trust Board resolving as follows:

- "That in the interests of public order the meeting adjourn for (the period to be specified) to enable the Trust Board to complete its business without the presence of the public". Section 1(8) Public Bodies (Admissions to Meetings) Act 1960.

#### **(iii) Business proposed to be transacted when the press and public have been excluded from a meeting**

Matters to be dealt with by the Trust Board following the exclusion of representatives of the press, and other members of the public, as provided in (i) and (ii) above, shall be confidential to the members of the Board.

Members and officers or any employee of the Trust in attendance shall not reveal or disclose the contents of papers or minutes marked for consideration

in private, without the express permission of the Chair. This prohibition shall apply equally to the content of any discussion during the Board meeting which may take place on such reports or papers.

(iv) **Use of mechanical or electrical equipment for recording or transmission of meetings**

Nothing in these Standing Orders shall be construed as permitting the introduction by the public, or press representatives, of recording, transmitting, video or similar apparatus into meetings of the Trust' Board or committees thereof. Such permission shall be granted only upon resolution of the Board.

**3.18 Observers at Trust meetings**

The Trust will decide what arrangements and terms and conditions it feels are appropriate to offer in extending an invitation to observers to attend and address any of the Trust Board's meetings and may change, alter or vary these terms and conditions as it deems fit.

**4. APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES**

**4.1 Appointment of committees**

Subject to such directions as may be given by the Secretary of State for Health, the Trust Board may appoint committees of the Trust. The Trust shall determine the membership and terms of reference of committees and shall if it requires to, receive and consider reports of such committees.

**4.2 Appointment of Committee subgroups**

Any committee appointed under this Standing Order may, subject to such directions as may be given by the Secretary of State, appoint subgroups consisting wholly or partly of members of the committees (whether or not they include directors of the Trust) or wholly of persons who are not members of the committee (whether or not they include directors of the Trust).

**4.3 Joint committees**

(i) Joint committees may be appointed by the Trust by joining together with one or more other trusts or health service bodies consisting of, wholly or partly of the Chair and members of the Trust or other health service bodies, or wholly of persons who are not members of the Trust or other health service bodies in question.

(ii) Any committee or joint committee appointed under this Standing Order may, subject to such directions as may be given by the Secretary of State or the Trust or other health bodies in question, appoint sub-committees consisting wholly or partly of members of the committees or joint committee (whether or not they are members of the Trust or health bodies in question) or wholly of persons who are not members of the Trust or health bodies in question or the committee of the Trust or health bodies in question.

**4.4 Applicability of Standing Orders and Standing Financial Instructions to committees**

The Standing Orders and Standing Financial Instructions of the Trust, as far as they are applicable, shall as appropriate apply to meetings and any committees established by the Trust. In which case the term "Chair" is to be read as a reference to the Chair of other committees as the context permits, and the term

“member” is to be read as a reference to a member of other committees also as the context permits. There is no requirement to hold meetings of committees established by the Trust in public.

#### **4.5 Terms of reference**

Each such committee shall have such terms of reference and powers and be subject to such conditions (as to reporting back to the Board), as the Board shall decide and shall be in accordance with any legislation and regulation or direction issued by the Secretary of State. Such terms of reference shall have effect as if incorporated into the Standing Orders.

#### **4.6 Delegation of powers by committees to sub-committees**

Where committees are authorised to establish sub-committees they may not delegate executive powers to the sub-committee unless expressly authorised by the Trust Board.

#### **4.7 Approval of appointments to committees**

The Board shall approve the appointments to each of the committees which it has formally constituted. Where the Board determines, and regulations permit, that persons, who are neither members nor officers, shall be appointed to a committee the terms of such appointment shall be within the powers of the Board as defined by the Secretary of State. The Board shall define the powers of such appointees and shall agree allowances, including reimbursement for loss of earnings, and/or expenses in accordance where appropriate with national guidance.

#### **4.8 Appointments for statutory functions**

Where the Board is required to appoint persons to a committee and/or to undertake statutory functions as required by the Secretary of State, and where such appointments are to operate independently of the Board such appointment shall be made in accordance with the regulations and directions made by the Secretary of State.

#### **4.9 Committees established by the Trust Board**

The committees and joint-committees established by the Board are:

##### **4.9.1 Audit Committee**

In line with the requirements of the NHS Audit Committee Handbook, NHS Codes of Conduct and Accountability, and more recently the Higgs report, an Audit Committee will be established and constituted to provide the Trust Board with an independent and objective review on its financial systems, financial information and compliance with laws, guidance and regulations governing the NHS. The terms of reference will be approved by the Trust Board and reviewed on a periodic basis.

The Higgs report recommends a minimum of three non-executive directors (non-officer members) be appointed, unless the Board decides otherwise, of which one must have significant, recent and relevant financial experience.

The chair of the Audit Committee is appointed in line with current approved practice

#### 4.9.2 **Nominations and Remuneration Committee**

In line with the requirements of the NHS Codes of Conduct and Accountability, and more recently the Higgs Report, a Nominations and Remuneration Committee will be established and constituted.

The Higgs Report recommends the Committee be comprised exclusively of non-executive directors (non-officer members), a minimum of three, who are independent of management.

The purpose of the Committee will be to advise the Trust Board about appropriate remuneration and terms of service for the Chief Executive and other executives including:

- (i) All aspects of salary (including any performance-related elements/bonuses);
- (ii) Provisions for other benefits, including pensions and cars;
- (iii) Arrangements for termination of employment and other contractual terms.

#### 4.9.3 **Charitable Funds Committee**

In line with its role as a corporate trustee for any funds held in trust, either as charitable or non charitable funds, the Trust Board will establish a Charitable Funds Committee to administer those funds in accordance with any statutory or other legal requirements or best practice required by the Charities Commission.

The provisions of this Standing Order must be read in conjunction with Standing Financial Instruction 29.

#### 4.9.4 **Business Committee**

The Trust Board has established a Business Committee with delegated authority from the Board to oversee, coordinate, review and assess the financial and performance management arrangements including workforce, estates and informatics activities within the Trust.

The Business Committee will assist in ensuring that Board members have a sufficiently robust understanding of key performance and financial issues to enable sound decision-making.

#### 4.9.5 **Quality Committee**

The Trust Board has established a Quality Committee to enable the Board to obtain assurance that high standards of safe and effective care are provided by the Trust and, in particular, that adequate and appropriate governance structures, processes and controls are in place throughout the organisation.

#### 4.9.6 **Mental Health Collaborative Committees in Common**

The West Yorkshire Mental Health Services Collaborative (WYMHSC) is a collaboration or joint working arrangement of the four mental health and community NHS trusts in West Yorkshire (Bradford District Care NHS Foundation Trust, Leeds and York Partnerships NHS Foundation Trust, Leeds Community Healthcare NHS Trust, and South West Yorkshire Partnership NHS Foundation Trust) to work to ensure high quality, sustainable mental health services. The Collaborative has established its 'committees in common'.

The key features of a committees in common approach are:

- each provider appoints its own committee, these committees can meet at the same time and with the same remit

- they are accountable to their respective boards and decisions made bind their own trust, they do not bind any other trust
- coordinated decision making is improved by each committee having, wherever possible, the same membership
- commissioning contracts remain with the respective providers
- assets remain in each provider's ownership but committees in common can be given responsibility for managing them

Therefore, the committees in common have joint working arrangements setting out the principles and terms of the agreement but it is not a joint committee. The memorandum of understanding including the terms of reference is approved by the Trust Board and will be reviewed on a periodic basis.

#### **4.9.7 Leeds Primary Healthcare Collaborative**

The Leeds Primary Healthcare Collaborative (LPHC) is a collaboration or joint working arrangement of Leeds Community Healthcare NHS Trust and Leeds GP Confederation to collaborate in delivering city-wide seamless and efficient primary care and community health services for patients. The Parties have formed Committees in Common which have the specific remit of overseeing a comprehensive system-wide collaborative programme to deliver the objective of a more collaborative model of primary care in the City of Leeds. The intention being to deliver a system model that is coherent, integrated, consistent (reducing unwanted variation) and focused on quality and value for the population of Leeds. The memorandum of understanding including the terms of reference is approved by the Trust Board and will be reviewed on a periodic basis.

#### **4.9.8 Other Committees**

The Board may also establish such other committees as required to discharge the Trust's responsibilities.

#### **4.9.9 Auditor Panel**

An Auditor Panel has been established to advise on the appointment of external auditors as detailed under Schedule 4 of the Local Audit and Accountability Act 2014 (see SO 4.8).

## **5. ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION**

### **5.1 Delegation of functions to committees, officers or other bodies**

- 5.1.1 Subject to such directions as may be given by the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions by a committee, sub-committee appointed by virtue of Standing Order 4, or by an officer of the Trust, or by another body as defined in Standing Order 5.1.2 below, in each case subject to such restrictions and conditions as the Trust thinks fit.

Section 16B of the NHS Act 1977 allows for regulations to provide for the functions of Trusts to be carried out by third parties. In accordance with (Membership and Procedure Regulations 1990 the functions of the Trust may also be carried out in the following ways:

- (i) by another Trust;

- (ii) jointly with any one or more other health service bodies
- (iii) by arrangement with the Trust or health service body by a joint committee or joint sub-committee of the Trust and one or more other health service bodies;
- (iv) in relation to arrangements made under S63(1) of the Health Services and Public Health Act 1968, jointly with one or more health service bodies.

5.1.3 Where a function is delegated by these regulations to another trust, then that trust or health service body exercises the function in its own right; the receiving trust has responsibility to ensure that the proper delegation of the function is in place. In other situations, i.e. delegation to committees, sub-committees or officers, the trust delegating the function retains full responsibility.

## **5.2 Emergency powers and urgent decisions**

The powers which the Board has reserved to itself within these Standing Orders (see Standing Order 2.8 ) may in emergency or for an urgent decision be exercised by the Chief Executive and the Chair after having consulted at least two non-officer members. The exercise of such powers by the Chief Executive and Chair shall be reported to the next formal meeting of the Trust Board in public session for formal ratification.

## **5.3 Delegation to committees**

5.3.1 The Board shall agree from time to time to the delegation of executive powers to be exercised by other committees, or sub-committees, or joint committees, which it has formally constituted in accordance with directions issued by the Secretary of State. The constitution and terms of reference of these committees, or sub-committees, or joint committees, and their specific executive powers shall be approved by the Board.

5.3.2 When the Board is not meeting as the Trust in public session it shall operate as a committee and may only exercise such powers as may have been delegated to it by the Trust in public session.

## **5.4 Delegation to officers**

5.4.1 Those functions of the Trust which have not been retained as reserved by the Board or delegated to other committees or sub-committees or joint committees shall be exercised on behalf of the Trust by the Chief Executive. The Chief Executive shall determine which functions he/she will perform personally and shall nominate officers to undertake the remaining functions for which he/she will still retain accountability to the Trust.

5.4.2 The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals which shall be considered and approved by the Board. The Chief Executive may periodically propose amendment to the Scheme of Delegation which shall be considered and approved by the Board.

5.4.3 Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Director of Finance to provide information and advise the Board in accordance with statutory or Department of Health and Social Care requirements. Outside these statutory requirements the roles of the Director of Finance shall be accountable to the Chief Executive for operational matters.

## **5.5 Schedule of Decisions Reserved to the Board and Scheme of Delegation of Powers**



- 5.5.1 The arrangements made by the Board as set out in the Schedule of Decisions Reserved to the Board and Scheme of Delegation of Powers shall have effect as if incorporated in these Standing Orders.

**5.6 Duty to report non-compliance with Standing Orders and Standing Financial Instructions**

If for any reason these Standing Orders are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance, shall be reported to the next formal meeting of the Audit Committee for review. All members of the Trust Board and staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive as soon as possible.

**6. OVERLAP WITH OTHER TRUST POLICY STATEMENTS/ PROCEDURES, REGULATIONS AND THE STANDING FINANCIAL INSTRUCTIONS**

**6.1 Policy statements: general principles**

The Trust Board will from time to time agree and approve strategic policy statements which will apply to all or specific groups of staff employed by the Trust. The decisions to approve such policies will be recorded in an appropriate Trust Board minute and will be deemed where appropriate to be an integral part of the Trust's Standing Orders and Standing Financial Instructions.

The Trust Board shall delegate the approval of corporate, clinical and workforce policies and procedures to committees or officers in accordance with the Scheme of Delegation with the exception of those strategic policies the approval of which is reserved to the Board.

**6.2 Specific policy statements**

Notwithstanding the application of Standing Order 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the policy statements applicable to: declarations of interest; gifts, hospitality and sponsorship; counter fraud and anti-bribery, and disciplinary procedures which shall have effect as if incorporated in these Standing Orders.

**6.3 Standing Financial Instructions**

Standing Financial Instructions adopted by the Trust Board in accordance with the Financial Regulations shall have effect as if incorporated in these Standing Orders.

**6.4 Specific guidance**

Notwithstanding the application of Standing Order 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following guidance and any other issued by the Secretary of State for Health:

- Caldicott Guardian 1997;
- Human Rights Act 1998;
- Freedom of Information Act 2000;
- The Bribery Act 2010

**7. DUTIES AND OBLIGATIONS OF BOARD MEMBERS/DIRECTORS AND SENIOR MANAGERS UNDER THESE STANDING ORDERS**

## **7.1 Declaration of interests**

### **7.1.1 Requirements for declaring interests and applicability to Board members**

The NHS Code of Accountability requires Trust Board members to declare interests which are relevant and material to the NHS Board of which they are a member. All existing Board members should declare such interests. Any Board members appointed subsequently should do so on appointment.

### **7.1.2 Interests which are relevant and material**

- (i) Interests which should be regarded as relevant and material are:
  - a) Directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies);
  - b) Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS;
  - c) Majority or controlling shareholdings in organisations likely or possibly seeking to do business with the NHS;
  - d) A position of authority in a charity or voluntary organisation in the field of health and social care;
  - e) Any connection with a voluntary or other organisation contracting for NHS services;
  - f) Research funding/grants that may be received by an individual or their department;
  - g) Interests in pooled funds that are under separate management.
- (ii) Any member of the Trust Board who comes to know that the Trust has entered into or proposes to enter into a contract in which he/she or any person connected with him/her (as defined in Standing Order 7.3 below and elsewhere) has any pecuniary interest, direct or indirect, the Board member shall declare his/her interest by giving notice in writing of such fact to the Trust as soon as practicable.
- (iii) Influence rather than the immediacy of the relationship is more important in assessing the relevance of an interest. The interests of partners in professional partnerships including general practitioners should also be considered.

### **7.1.3 Advice on interests**

If Board members or senior officers have any doubt about the relevance of an interest, this should be discussed with the Chair of the Trust, Chief Executive or with the Company Secretary.

### **7.1.4 Recording of interests in Trust Board minutes**

At the time Board members' interests are declared, they should be recorded in the Trust Board minutes.

Any changes in interests should be declared at the next Trust Board meeting following the change occurring and recorded in the minutes of that meeting.

### **7.1.5 Publication of declared interests in annual report**

Board members' directorships of companies likely or possibly seeking to do business with the NHS should be published in the Trust's annual report. The information should be kept up to date for inclusion in succeeding annual reports.

#### **7.1.6 Conflicts of interest which arise during the course of a meeting**

During the course of a Trust Board meeting, if a conflict of interest is established, the Board member concerned should withdraw from the meeting and play no part in the relevant discussion or decision. (See overlap with Standing Order 7.3)

### **7.2 Register of interests**

7.2.1 The Chief Executive will ensure that a register of interests is established to record formally declarations of interests of Board or Committee members. In particular the register will include details of all directorships and other relevant and material interests (as defined in Standing Order 7.1.2) which have been declared by both executive and non-executive Trust Board members.

7.2.2. These details will be kept up to date by means of an annual review of the register in which any changes to interests declared during the preceding twelve months will be incorporated.

7.2.3 The register will be available to the public and the Chief Executive will take reasonable steps to bring the existence of the register to the attention of local residents and to publicise arrangements for viewing it.

### **7.3 Exclusion of Chair and members in proceedings on account of pecuniary interest**

#### **7.3.1 Definition of terms used in interpreting pecuniary interest**

For the sake of clarity, the following definition of terms is to be used in interpreting this Standing Order:

- (i) Contract shall include any proposed contract or other course of dealing.
- (ii) Pecuniary interest: subject to the exceptions set out in this Standing Order, a person shall be treated as having an indirect pecuniary interest in a contract if
  - a) he/she, or a nominee of his/her, is a member of a company or other body (not being a public body), with which the contract is made, or to be made or which has a direct pecuniary interest in the same, or
  - b) he/she is a partner, associate or employee of any person with whom the contract is made or to be made or who has a direct pecuniary interest in the same.
- (iii) Exception to pecuniary interests

A person shall not be regarded as having a pecuniary interest in any contract if:-

- a) neither he/she or any person connected with him/her has any beneficial interest in the securities of a company of which he/she or such person appears as a member, or
- b) any interest that he/she or any person connected with him/her may have in the contract is so remote or insignificant that it cannot

reasonably be regarded as likely to influence him/her in relation to considering or voting on that contract, or

- c) those securities of any company in which he/she (or any person connected with him/her) has a beneficial interest do not exceed £5,000 in nominal value or one per cent of the total issued share capital of the company or of the relevant class of such capital, whichever is the less.

Provided however, that where paragraph (c) above applies the person shall nevertheless be obliged to disclose/declare their interest in accordance with Standing Order 7.1.2 (ii).

### 7.3.2 **Exclusion in proceedings of the Trust Board**

- (i) Subject to the following provisions of this Standing Order, if the Chair or a member of the Trust Board has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Trust Board at which the contract or other matter is the subject of consideration, they shall at the meeting and as soon as practicable after its commencement disclose the fact and shall not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it.
- (ii) The Secretary of State may, subject to such conditions as he/she may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to him/her in the interests of the NHS that the disability should be removed. (See Standing Order 7.3.3 on the waiver which has been approved by the Secretary of State for Health).
- (iii) The Trust Board may exclude the Chair or a member of the Board from a meeting of the Board while any contract, proposed contract or other matter in which he/she has a pecuniary interest is under consideration.
- (iv) Any remuneration, compensation or allowance payable to the Chair or a member by virtue of paragraph 11 of Schedule 5A to the National Health Service Act 1977 (pay and allowances) shall not be treated as a pecuniary interest for the purpose of this Standing Order.
- (v) This Standing Order applies to a committee or sub-committee and to a joint committee or sub-committee as it applies to the Trust and applies to a member of any such committee or sub-committee (whether or not he/she is also a member of the Trust) as it applies to a member of the Trust.

### 7.3.3 **Waiver of Standing Orders made by the Secretary of State for Health**

#### (1) **Power of the Secretary of State to make waivers**

Under the NHS Membership and Procedure Regulations there is a power for the Secretary of State to issue waivers if it appears to the Secretary of State in the interests of the health service that the disability in regulation 11 (which prevents a Chair or a member from taking part in the consideration or discussion of, or voting on any question with respect to, a matter in which he has a pecuniary interest) is removed. A waiver has been agreed in line with sub-sections (2) to (4) below.

#### (2) **Definition of 'Chair' for the purpose of interpreting this waiver**

For the purposes of paragraph 7.3.3.(3) (below), the "relevant Chair" is –

- (a) at a meeting of the Trust, the Chair of that Trust;

- (b) at a meeting of a Committee –
  - (i) in a case where the member in question is the Chair of that Committee, the Chair of the Trust;
  - (ii) in the case of any other member, the Chair of that Committee.

(3) **Application of waiver**

A waiver will apply in relation to the disability to participate in the proceedings of the Trust on account of a pecuniary interest.

It will apply to:

- (i) A member of the Trust who is a healthcare professional, within the meaning of the Regulations, and who is providing or performing, or assisting in the provision or performance, of:
  - (a) services under the National Health Service Act 1977; or
  - (b) services in connection with a pilot scheme under the National Health Service Act 1977;

for the benefit of persons for whom the Trust is responsible.
- (ii) Where the pecuniary interest of the member in the matter which is the subject of consideration at a meeting at which he is present:
  - (a) arises by reason only of the member's role as such a professional providing or performing, or assisting in the provision or performance of, those services to those persons;
  - (b) has been declared by the relevant Chair as an interest which cannot reasonably be regarded as an interest more substantial than that of the majority of other persons who:–
    - (i) Are members of the same profession as the member in question,
    - (ii) Are providing or performing, or assisting in the provision or performance of, such of those services as he provides or performs, or assists in the provision or performance of, for the benefit of persons for whom the Trust is responsible.

(4) **Conditions which apply to the waiver and the removal of having a pecuniary interest**

The removal is subject to the following conditions:

- (a) The member must disclose his/her interest as soon as practicable after the commencement of the meeting and this must be recorded in the minutes;
- (b) The relevant Chair must consult the Chief Executive before making a declaration in relation to the member in question pursuant to paragraph 7.3.3 (2) (b) above, except where that member is the Chief Executive;
- (c) **in the case of a meeting of the Trust:**
  - (i) The member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;

- (ii) May not vote on any question with respect to it.

(d) **in the case of a meeting of the Committee:**

- (i) The member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
- (ii) May vote on any question with respect to it; but
- (iii) The resolution which is subject to the vote must comprise a recommendation to, and be referred for approval by, the Trust Board.

## **7.4 Standards of business conduct**

### **7.4.1 Trust policy and national guidance**

All Trust members and officers must comply with the Trust's standards of business conduct as defined in relevant policies and the national guidance contained in HSG(93)5 on Standards of Business Conduct for NHS staff.

### **7.4.2 Interest of officers in contracts**

- i) Any officer or employee of the Trust who comes to know that the Trust has entered into or proposes to enter into a contract in which he/she or any person connected with him/her (as defined in Standing Order 7.3) has any pecuniary interest, direct or indirect, the officer shall declare their interest by giving notice in writing of such fact to the Chief Executive or Trust's Company Secretary as soon as practicable.
- ii) An officer should also declare to the Chief Executive any other employment or business or other relationship of his/her, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.
- iii) The Trust will require interests, employment or relationships so declared to be entered in a register of interests of staff.

### **7.4.3 Canvassing of and recommendations by members in relation to appointments**

- i) Canvassing of members of the Trust or of any committee of the Trust directly or indirectly for any appointment under the Trust shall disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.
- ii) Members of the Trust shall not solicit for any person any appointment under the Trust or recommend any person for such appointment; but this paragraph of this Standing Order shall not preclude a member from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.

### **7.4.4 Relatives of members or officers**

- i) Candidates for any staff appointment under the Trust shall, when making an application, disclose in writing to the Trust whether they are related to any member or the holder of any office under the Trust. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render him liable to instant dismissal.

- ii) The Chair and every member and officer of the Trust shall disclose to the Trust Board any relationship between himself and a candidate of whose candidature that member or officer is aware. It shall be the duty of the Chief Executive to report to the Trust Board any such disclosure made.
- iii) On appointment, members (and prior to acceptance of an appointment in the case of executive directors) should disclose to the Trust whether they are related to any other member or holder of any office under the Trust.
- iv) Where the relationship to a member of the Trust is disclosed, the Standing Order headed 'Disability of Chair and members in proceedings on account of pecuniary interest' (Standing Order 7) shall apply.

## **7.5 Fit and proper person declaration**

7.5.1 The Board requires Board members to declare on appointment and thereafter on an annual basis that they remain a fit and proper person to be employed as a Board member. If Board members have any doubt about the declaration, this should be discussed with the Chair of the Trust or with the Company Secretary.

7.5.2 Failure to comply with this requirement or failure to meet the necessary elements of the fit and proper person test will be addressed under the Trust's disciplinary procedures (for officer members) and will be reported to NHS Improvement for non-officer members.

7.5.3 In addition to being of good character, persons appointed to the post of officer or non-officer Board member must:

- Have the qualifications, competence, skills and experience necessary to undertake the role
- Be able by reason of their health to properly perform the role's intrinsic tasks after any reasonable adjustment
- Not be prohibited from holding the position under any other legislation
- Not have been responsible for, privy to, contributed to or facilitated any serious misconduct or mismanagement (whether unlawful or not) in the course of carrying out a regulated activity

He/she must not be:

- An undischarged bankrupt or a person whose estate has had sequestration awarded in respect of it and who has not been discharged.
- Subject of a bankruptcy restrictions order or an interim bankruptcy restrictions order or an order to like effect made in Scotland or Northern Ireland.
- A person to whom a moratorium period under a debt relief order applies under Part VIIA (debt relief orders) of the Insolvency Act 1986
- A person has made a composition or arrangement with, or granted a trust deed for, creditors and not been discharged in respect of it.
- A person included in the children's barred list or the adults' barred list maintained under section 2 of the Safeguarding Vulnerable Groups Act 2006, or in any corresponding list maintained under an equivalent enactment in force in Scotland or Northern Ireland.

## **8. CUSTODY OF SEAL, SEALING OF DOCUMENTS AND SIGNATURE OF DOCUMENTS**

### **8.1 Custody of seal**

The common seal of the Trust shall be kept by the Chief Executive or a nominated officer by him/her in a secure place.

### **8.2 Sealing of documents**

Where it is necessary that a document shall be sealed, the seal shall be affixed in the presence of two senior officers duly authorised by the Chief Executive, and not also from the originating department, and shall be attested by them.

### **8.3 Register of sealing**

The Chief Executive shall keep a register in which he/she, or another officer of the Authority authorised by him/her, shall enter a record of the sealing of every document.

### **8.4 Signature of documents**

Where any document will be a necessary step in legal proceedings on behalf of the Trust, it shall, unless any enactment otherwise requires or authorises, be signed by the Chief Executive or any executive director.

In land transactions, the signing of certain supporting documents will be delegated to officers and set out clearly in the Scheme of Delegation but will not include the main or principal documents effecting the transfer (e.g. sale/purchase agreement, lease, contracts for construction works and main warranty agreements or any document which is required to be executed as a deed).

## **9. MISCELLANEOUS**

### **9.1 Joint finance arrangements**

The Board may confirm contracts to purchase from a voluntary organisation or a local authority using its powers under Section 28A of the NHS Act 1977. The Board may confirm contracts to transfer money from the NHS to the voluntary sector or the health related functions of local authorities where such a transfer is to fund services to improve the health of the local population more effectively than equivalent expenditure on NHS services, using its powers under Section 28A of the NHS Act 1977, as amended by section 29 of the Health Act 1999.



# **LEEDS COMMUNITY HEALTHCARE NHS TRUST**

## **SCHEDULE OF DECISIONS RESERVED TO THE BOARD AND SCHEME OF DELEGATION**

**May 2019**

## DECISIONS RESERVED TO THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD

<b>DECISIONS RESERVED TO THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD</b>
<b>General enabling provision</b> <ol style="list-style-type: none"><li>1. The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.</li></ol>
<b>Regulations and control</b> <ol style="list-style-type: none"><li>1. Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions (SFIs) for the regulation of its proceedings and business.</li><li>2. Suspend Standing Orders.</li><li>3. Vary or amend the Standing Orders.</li><li>4. Ratify any urgent decisions taken by the Chair and Chief Executive in public session</li><li>5. Approve a scheme of delegation of powers from the Board to other committees.</li><li>6. Require and receive the declaration of Board members' interests which may conflict with those of the Trust and, taking account of any waiver which the Secretary of State for Health may have made in any case, determining the extent to which that member may remain involved with the matter under consideration.</li><li>7. Require and receive the declaration of officers' interests that may conflict with those of the Trust.</li><li>8. Adopt the organisation's executive structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications.</li><li>9. Receive reports from committees including those that the Trust is required by the Secretary of State or other regulation to establish and to take appropriate action.</li><li>10. Confirm the recommendations of the Trust's committees where the committees do not have executive powers.</li><li>11. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate Trustee for funds held on Trust.</li><li>12. Establish terms of reference and reporting arrangements of all committees that are established by the Board.</li><li>13. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property.</li><li>14. Ratify use of the seal.</li><li>15. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention following review by Audit Committee</li><li>16. Discipline members of the Board or employees who are in breach of statutory requirements or SOs.</li></ol>
<b>Appointments and dismissal</b> <ol style="list-style-type: none"><li>1. Appoint the Vice-Chair of the Board.</li><li>2. Appoint the Senior Independent Director</li><li>3. Appoint and dismiss other committees (and individual members) that are directly accountable to the Board.</li><li>4. Appoint, appraise, discipline and dismiss executive directors.</li><li>5. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.</li><li>6. Appoint appraise, discipline and dismiss the Secretary (if the appointment of a Secretary is required under Standing Orders).</li><li>7. Approve proposals of the Nominations and Remuneration Committee regarding directors and senior employees and those of the Chief Executive for staff not covered by the Nominations and Remuneration Committee.</li></ol>

## DECISIONS RESERVED TO THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD

### DECISIONS RESERVED TO THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD

#### Strategy, plans and budgets

1. Define the strategic aims and objectives of the Trust.
2. Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State.
3. Approve the Trust's Management of Risk Policy and Procedure and Health and Safety Policy
4. Approve outline and final business cases for capital investment of more than £500,000.
5. Approve outline and final business cases for revenue investment involving income or expenditure of more than £500,000 in any 12 months.
6. Approve investment decisions concerning the introduction or discontinuation of services with a gross income or expenditure effect of over £250,000.
7. Approve budgets.
8. Approve annually Trust's proposed organisational development proposals.
9. Ratify proposals for acquisition, disposal or change of use of land and/or buildings.
10. Approve PFI proposals.
11. Approve the opening and closing of bank accounts.
12. Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over £500,000 over a 3 year period or the period of the contract if longer.
13. Approve proposals in individual cases for the write off of losses or making of special payments above the £10,000 limit delegated to the Chief Executive and Director of Finance acting jointly.
14. Approve strategic plans for business continuity.
15. Approve plans for business development outside of the Leeds area.
16. Approve proposals for action on litigation against or on behalf of the Trust. Review use of NHS Resolution risk pooling schemes.
17. Approve expenditure from charitable funds in excess of £25,000

#### Audit

1. Receive the annual management letter from the external auditor, taking account of the advice, where appropriate, of the Audit Committee.
2. Approve the appointment of external auditors
3. Approve arrangements for the separate audit of funds held on trust, and to receive reports of Audit Committee meetings and take appropriate action.
4. Approve an annual governance statement

#### Annual reports and accounts

1. Receipt and approval of the Trust's annual report and annual accounts.
2. Receipt and approval of the annual report and accounts for funds held on trust.
3. Receipt of the annual report of the Audit Committee.
4. Receipt of the annual quality account.
5. Receipt of other annual reports as may be required by the Secretary of State or as determined by the Chair and Chief Executive.

## DECISIONS RESERVED TO THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD

### DECISIONS RESERVED TO THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD

#### **Policy determination**

1. Approve the policy related to the development of policies

#### **Monitoring**

1. Receipt of such reports as the Board sees fit from committees in respect of their exercise of powers delegated.
2. Continuous appraisal of the affairs of the Trust by means of the provision to the Board of such information as the Board may require from directors, committees, and officers of the Trust as set out in management policy statements and as included in other monitoring returns to external regulators.
3. Receive reports from Director of Finance on financial performance against budget and plans.
4. Receive reports from the Director of Nursing on the quality of care provided by the Trust.

**DECISIONS/DUTIES DELEGATED BY THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD TO COMMITTEES**

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES (as contained in terms of reference)
SO 4.8.1 SFI 11.1	Audit Committee	<p><b>The Committee will:</b>  <b>Governance, risk management and internal control</b></p> <ul style="list-style-type: none"> <li>• Review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the organisation's activities that supports the achievement of the organisation's objectives.</li> <li>• Review the adequacy and effectiveness of:</li> <li>• The Trust's general risk management structures, processes and responsibilities including all risk and control related disclosure statements (in particular the annual governance statement), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board</li> <li>• The underlying assurance processes that indicate the degree of achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements</li> <li>• The policies for ensuring compliance with the relevant regulatory, legal and code of conduct requirements and related reporting and self-certification</li> <li>• The policies and procedures for all work related to fraud and corruption as set out in the Secretary of State directions and as required by NHS Counter Fraud Authority</li> <li>• Ensure the provision and maintenance of an effective system of financial risk identification and associated controls, reporting and governance.</li> <li>• The Committee will review the Board Assurance Framework's sources of assurance for appropriateness, independence, and frequency, and evaluate whether these can effectively evidence that the controls are working.</li> <li>• Review Board Assurance Framework assurance activity and assess whether the assurance process is being effectively applied.</li> <li>• Ensure that appropriate governance is in place to ensure that the Trust can comply with its statutory duties relating to information governance.</li> <li>• Be the custodian of the Board and sub-committee annual effectiveness process and the review of the adequacy of the governance of the Board sub-committees and their reporting groups. This will include the receipt of annual self-assessments and reports.</li> <li>• In carrying out this work the Committee will primarily utilise the work of internal audit, external audit and other assurance functions but it will not be limited to these sources. It will also seek reports and assurances</li> </ul>

**DECISIONS/DUTIES DELEGATED BY THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD TO COMMITTEES**

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES (as contained in terms of reference)
		<p>from directors and managers as appropriate, concentrating on the over-arching systems of integrated governance, risk management and internal control. The Committee will use an effective assurance framework to guide its work and that of the audit and assurance functions that report to it</p> <p><b>Internal audit</b></p> <ul style="list-style-type: none"> <li>• Ensure that there is an effective internal audit function established by management that meets mandatory NHS internal audit standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board. This will be achieved by:</li> <li>• Consideration of the provision of the internal audit service, the cost of the audit and any questions of resignation or dismissal</li> <li>• Review and approval of the internal audit strategy, annual audit plan and more detailed organisation as identified in the assurance framework</li> <li>• Considering the major findings of internal audit work (and management's response), and ensuring co-ordination between the internal and external auditors to optimise audit resources</li> <li>• Ensuring that the internal audit function is adequately resourced and has appropriate standing within the organisation</li> <li>• Consider the performance of internal audit and undertake an annual review of the effectiveness of internal audit</li> <li>• Approval of the appointment and termination of the Head of Internal Audit and/or the internal audit service</li> </ul> <p><b>External audit</b></p> <ul style="list-style-type: none"> <li>• Review the work and findings of the external auditor appointed and considering the implications of and management's responses to their work. This will be achieved by:</li> <li>• Consideration of the appointment of the external auditors in line with the regulations governing the appointment (discharged through an appointed auditor panel)</li> <li>• Discussion and agreement with the external auditors, before the audit commences, of the nature and scope of the audit as set out in the annual plan, and ensuring co-ordination, as appropriate, with other external auditors in the local health economy</li> <li>• Discussion with the external auditors of their local evaluation of audit risks and assessment of the Trust and associated impact on the audit fee</li> <li>• Review of all external audit reports, including the report to those charged with governance, agreement of the annual audit letter before submission to the Board and any work undertaken outside the annual audit plan,</li> </ul>

**DECISIONS/DUTIES DELEGATED BY THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD TO COMMITTEES**

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES (as contained in terms of reference)
		<p>together with the appropriateness of management responses</p> <p><b>Financial reporting and annual accounts review</b></p> <ul style="list-style-type: none"> <li>• Monitor the integrity of the financial statements of the Trust and any formal announcements relating to the Trust's financial performance.</li> <li>• Ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board;</li> <li>• Review schedules of debtors/creditors balances over six months old and over £5,000 and require explanations and action plans</li> <li>• Review, at least annually, all losses and special payments</li> <li>• Review the annual statutory accounts before they are presented to the Board to determine their completeness, objectivity, integrity and accuracy. This review will cover but is not limited to: <ul style="list-style-type: none"> <li>• The meaning and significance of the figures, notes and significant changes</li> <li>• Areas where judgement has been exercised</li> <li>• Adherence to accounting policies and practices</li> <li>• Explanation of estimates or provisions having material effect</li> <li>• The schedule of losses and special payments</li> <li>• Any unadjusted statements</li> <li>• Any reservations and disagreements between the external auditors and management which have not been satisfactorily resolved</li> <li>• The letter of representation</li> <li>• Qualitative aspects of financial reporting.</li> </ul> </li> <li>• Review the annual report before it is submitted to the Board to determine completeness, objectivity, integrity and accuracy.</li> <li>• Review all accounting and reporting systems for reporting to the Board including in respect of budgetary control</li> <li>• Approve the investment policy.</li> </ul>

**DECISIONS/DUTIES DELEGATED BY THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD TO COMMITTEES**

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES (as contained in terms of reference)
		<ul style="list-style-type: none"> <li>• Approve the treasury management policy.</li> </ul> <p><b>Standing Orders, Standing Financial Instructions and standards of business conduct</b></p> <ul style="list-style-type: none"> <li>• Review, on behalf of the Board, the operation of and proposed changes to the Standing Orders, Standing Financial Instructions and standards of business conduct, codes of conduct and scheme of delegation.</li> <li>• Receive a report on, and review, all instances of waivers to Standing Orders.</li> <li>• Receive reports on any non-compliance with the Standing Orders and Standing Financial Instructions, any justification for non-compliance and the circumstances around the non-compliance</li> </ul> <p><b>Counter fraud</b></p> <ul style="list-style-type: none"> <li>• Satisfy itself that the Trust has adequate arrangements in place for countering fraud</li> <li>• Review the annual plan and outcomes of counter fraud work and receive a report from the local counter fraud specialist at least annually</li> </ul> <p><b>Other matters</b></p> <ul style="list-style-type: none"> <li>• Review any reported incident of fraud, corruption or possible breach of ethical standards or legal or statutory requirements that has a significant impact on the Trust’s published financial accounts or reputation.</li> <li>• Investigate any matter within its terms of reference, having the right of access to any information relating to the particular matter under investigation.</li> <li>• Receive a report from the local security management specialist, at least annually, on security management work within the Trust</li> <li>• Review at least annually, gifts, hospitality and sponsorship registers</li> <li>• Review at least annually, a register of contracts for services held by the Trust</li> </ul> <p><b>Other assurance functions</b></p> <ul style="list-style-type: none"> <li>• Review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications for the governance of the organisation. This will include, but will not be limited to: reports and assurances from directors and managers focussing on the over-arching systems of integrated governance, risk management and internal control and their effectiveness.</li> </ul>



**DECISIONS/DUTIES DELEGATED BY THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD TO COMMITTEES**

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES (as contained in terms of reference)
SO 4.8.2 SFI 20.1	Nominations and Remuneration Committee	<p><b>The Committee will:</b></p> <p>Nominations:</p> <ul style="list-style-type: none"> <li>• Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board and make recommendations to the Board with regard to any changes.</li> <li>• Give full consideration to and make plans for succession planning for the Chief Executive and other executive directors taking into account the challenges and opportunities facing the Trust and the skills and expertise needed, in particular, on the Board in future.</li> <li>• Identify and nominate for appointment candidates to fill posts within the Committee's remit as and when they arise.</li> <li>• Before an appointment is made, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee shall use open advertising or the services of external advisers to facilitate the search; consider candidates from a wide range of backgrounds; and consider candidates on merit against objective criteria.</li> <li>• Consider any matter relating to the continuation in office of any Board executive director at any time including the suspension or termination of service of an individual as an employee of the Trust.</li> <li>• Consider the engagement or involvement of any suitably qualified third party or advisers to assist with any aspects of the Committee's responsibilities.</li> </ul> <p>Remuneration:</p> <ul style="list-style-type: none"> <li>• Advise and make recommendations to the Board about appropriate remuneration and terms of service for the Chief Executive, executive directors and other senior managers not covered by the Agenda for Change Terms and Conditions.</li> <li>• Make recommendations on any residual local pay arrangements not covered by national terms.</li> <li>• Monitor, review and report to the Board on relevant processes of remuneration that are not covered by the Agenda for Change pay, terms and conditions or by the consultant contract, the salaried dental contract or the staff and associate specialist contract pay, terms and conditions that may require consideration by exception to meet the business needs of the Trust.</li> <li>• Ratify and agree any awards at the discretion of the Trust as the employer.</li> <li>• Advise and make recommendations on termination of employment and severance payments as detailed in Standing Financial Instructions and employment policies.</li> </ul>

**DECISIONS/DUTIES DELEGATED BY THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD TO COMMITTEES**

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES (as contained in terms of reference)
SO 4.8.5	Quality Committee	<p><b>The Committee will:</b></p> <p>General governance:</p> <ul style="list-style-type: none"> <li>• Review systems of governance in relation to quality matters relating to the provision of care.</li> <li>• Consider governance implications to the Trust of the findings and reports of regulatory, professional and independent bodies such as (but not limited to) Care Quality Commission, NHS Improvement, NICE and Royal Colleges</li> <li>• Consider and comment on revisions to the Trust’s quality strategy and receive assurance on the implementation of the strategy including matters of quality governance.</li> <li>• Oversee the progress of quality developments as described in the quality improvement plan.</li> <li>• Produce the annual quality account and monitor progress</li> </ul> <p>Safety:</p> <ul style="list-style-type: none"> <li>• Ensure the Board is sighted on key areas of risk, concern and other major issues in respect of patient care, safety and quality.</li> <li>• Review performance of the Trust’s quality measures, considering the information contained therein, with regard to providing adequate assurance as to the quality and safety of patient care to the Board.</li> <li>• Receive assurance that all reasonable steps are taken to prevent, detect and rectify irregularities or deficiencies in the quality and safety of care provided.</li> <li>• Assure the Board that structures, policies, systems and processes are effective to deliver the achievement of safe quality care.</li> <li>• Receive annual reports on safeguarding and infection, prevention and control</li> </ul> <p>Effectiveness:</p> <ul style="list-style-type: none"> <li>• Assure the Board that appropriate processes are in place to monitor and promote compliance with national standards and guidance.</li> <li>• Assure the Board that the Trust is achieving expected standards of evidence-based care and evidencing this through the development of outcome measures</li> <li>• Approve and oversee an annual programme of clinical audit</li> <li>• Oversee the development and implementation of the Trust’s research and development strategy and embedding positive research-focused outlook</li> </ul> <p>Caring:</p> <ul style="list-style-type: none"> <li>• Assure the Trust Board that reliable, real time and up to date information about patient experience and care is utilised to identify and ensure improvements are effected.</li> <li>• Obtain assurance that patients are involved in the decision making of their treatment and receive timely treatment.</li> </ul> <p>Responsiveness:</p> <ul style="list-style-type: none"> <li>• Review the underlying quality of data used in compiling quantitative and qualitative information and to provide</li> </ul>

**DECISIONS/DUTIES DELEGATED BY THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD TO COMMITTEES**

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES (as contained in terms of reference)
		<p>assurance to the Board that it is accurate and relevant at both services and aggregate level.</p> <ul style="list-style-type: none"> <li>• Review incidents, complaints and claims (including action plans to prevent reoccurrence) which have the potential to adversely affect the reputation of the Trust and that lessons are learnt to improve patient safety and are fully embedded across the Trust.</li> <li>• Ensure that the Trust learns from national and local reviews and inspections and implements all necessary recommendations to improve the safety and quality of care.</li> <li>• Consider and review the adequacy of responses to address potential gaps in quality performance measures.</li> </ul> <p>Well led:</p> <ul style="list-style-type: none"> <li>• Deliver appropriate assurance to the Board that processes are in place to record all incidents; that they are adequately investigated and that lessons learned are disseminated and incorporated in future practice and fully embedded.</li> <li>• Deliver appropriate assurance on the effectiveness of policies, procedures and practices with regard to identification and management of clinical risks, including the review of the risk register and provide challenge that clinical risks are being appropriately managed in line with identified mitigation.</li> <li>• Deliver appropriate assurance to the Board that policies, procedures and practices meet the requirements of all relevant regulators and incorporate best practice.</li> <li>• Review progress and compliance with regulation and accreditation requirements with external agencies including Care Quality Commission, NHS Resolution, National Institute for Health and Care Excellence (NICE) and NHS Improvement. To support quality assurance mechanisms, enhance the quality of service provision and address deficiencies in quality.</li> <li>• Ensure measures are in place to promote a culture of safe practice and innovation.</li> </ul>
SO 4.8.4	Business Committee	<p><b>The Committee will:</b></p> <p><b>Finance and performance</b></p> <ul style="list-style-type: none"> <li>• Review the underlying quality of data used in compiling quantitative and qualitative non-clinical information and to provide assurance to the Board that it is accurate at service and corporate levels.</li> <li>• Provide assurance that the finance and performance reporting systems of the organisation are robust through detailed review of an integrated performance report.</li> <li>• Keep the content of the Trust’s integrated performance report under review ensuring that it provides appropriate performance metrics to provide assurance to the Board on all aspects of organisational performance against its strategic goals and corporate objectives.</li> <li>• Review financial and operational performance against strategic goals and corporate objectives through the receipt of reports in a form determined by the Committee.</li> <li>• Seek assurance from the executive that any appropriate management action has been taken to return the Trust’s</li> </ul>

**DECISIONS/DUTIES DELEGATED BY THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD TO COMMITTEES**

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES (as contained in terms of reference)
		<p>performance to plan and that any such actions or recovery plans are in place are adequately resourced, implemented and monitored.</p> <ul style="list-style-type: none"> <li>• Provide assurance to the Board that cost improvement plans to support organisational changes are being achieved</li> <li>• Review the Trust's financial plans to test assumptions and provide assurance that reports and returns represent a true and fair view of the financial performance for the period under review.</li> <li>• Review all significant non-clinical risks and provide challenge that non-clinical risks are appropriately managed in line with identified mitigations</li> <li>• Provide assurance to the Board on the content of the annual report and accounts through a review of year end performance</li> <li>• Provide assurance to the Board that the Trust is compliant with its health and safety obligations</li> </ul> <p><b>Business and commercial development</b></p> <ul style="list-style-type: none"> <li>• Ensure compliance with Monitor's Risk Evaluation for Investment Decisions (REID) guidance and treasury management guidance on business development and investment in assets</li> <li>• Consider revenue or capital business cases with cost implications in excess of £100,000 (capital) or £250,000 (revenue) ensuring that outcomes and benefits are clearly defined, are measurable and support the delivery of key objectives for the Trust. Approve those in excess of £100,000 and up to £500,000 (capital) or in excess of £250,000 and up to £500,000 (revenue) and make recommendation to the Board on any over £500,000.</li> <li>• Consider investment decisions concerning the introduction or discontinuation of services with a gross income or expenditure effect of over £100,000. Approve those in excess of £100,000 and up to £250,000 and make recommendations to the Board on any over £250,000.</li> <li>• Review the Trust's annual operational plan and budget and recommend to the Board for approval.</li> <li>• Review and monitor the Trust's investment policy (<i>Approval is through the Audit Committee</i>)</li> <li>• Review individual tenders, bids and acquisitions to ensure proper financial and performance impact evaluation and make recommendations to the Board.</li> <li>• Periodically review the market analysis for the Trust.</li> </ul> <p><b>Resource management</b></p> <ul style="list-style-type: none"> <li>• Maintain an oversight of the Trust's workforce, estates and informatics management activities, including progress against strategic objectives for these areas and receiving appropriate assurances that the Trust is managing its human, estate and informatics assets safely, effectively and efficiently.</li> </ul> <p><b>Treasury management</b></p> <ul style="list-style-type: none"> <li>• Maintain an oversight of the Trust's treasury management activities, ensuring compliance with Trust's policies.</li> <li>• Monitor the application of safeguards on investment of funds including: <ul style="list-style-type: none"> <li>• List of institutions within whom funds can be placed</li> <li>• Appointment of bankers and brokers</li> <li>• Investment limits for each institution</li> </ul> </li> </ul>

**DECISIONS/DUTIES DELEGATED BY THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD TO COMMITTEES**

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES (as contained in terms of reference)								
		<ul style="list-style-type: none"> <li>• Investment types</li> <li>• Review the performance of treasury management investments.</li> <li>• Review and monitor the Trust’s Treasury Management Policy (<i>approval is through the Audit Committee</i>).</li> </ul>								
SO 4.8.3	Charitable Funds Committee	<p><b>The Committee will:</b></p> <ul style="list-style-type: none"> <li>• Ensure that the Charity complies with current legislation and acts reasonably and prudently in all matters relating to the Charitable Funds.</li> <li>• Determine the charitable fund’s investment policy, including the selection of appropriate investment advisers and banking service provider.</li> <li>• Review the performance of the Charity’s deposits and investments and ensure funds are invested to achieve as high a level of income at low risk.</li> <li>• Set and review an expenditure policy, including the use of investment gains.</li> <li>• Note, approve or recommend expenditure as follows:</li> </ul> <table border="1" data-bbox="707 762 1740 922"> <tbody> <tr> <td style="text-align: center;">Less than £500</td> <td style="text-align: center;">Deputy Director of Finance</td> </tr> <tr> <td style="text-align: center;">£500 - £5,000</td> <td style="text-align: center;">Deputy Director of Finance and Executive Director of Finance and Resources</td> </tr> <tr> <td style="text-align: center;">£5,000 - £25,000</td> <td style="text-align: center;">Charitable Funds Committee</td> </tr> <tr> <td style="text-align: center;">Over £25,000</td> <td style="text-align: center;">Board</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• Review individual fund balances within the overall Charity on a regular basis.</li> <li>• Ensure proper accounting records are kept and systems for internal control and fraud prevention are maintained.</li> <li>• Agree guidance and procedures for fundraising and expenditure and agree expenditure plans from individual fund holders.</li> <li>• Review and ensure audit recommendations are actioned.</li> <li>• Approve the annual report and accounts for the Charity and ensure relevant information is disclosed and produce an annual report for the Charity in accordance with section 45 of the Charities Act 1993.</li> <li>• Encourage a culture of fundraising and raise the profile of the Charity within the Trust and local population.</li> <li>• Develop and approve promotional material of the Charity on behalf of the Trustees to ensure that material used will not place the Charity’s reputation at undue risk.</li> <li>• Ensure that all fundraising and expenditure is clinically and ethically appropriate and funds are used for the purpose set out in the objects of the fund.</li> <li>• Ensure funding decisions are appropriate and consistent with objectives, and to ensure said funding provides added value and benefit to patients and staff above those afforded by income for commissioned services.</li> </ul>	Less than £500	Deputy Director of Finance	£500 - £5,000	Deputy Director of Finance and Executive Director of Finance and Resources	£5,000 - £25,000	Charitable Funds Committee	Over £25,000	Board
Less than £500	Deputy Director of Finance									
£500 - £5,000	Deputy Director of Finance and Executive Director of Finance and Resources									
£5,000 - £25,000	Charitable Funds Committee									
Over £25,000	Board									

**DECISIONS/DUTIES DELEGATED BY THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD TO COMMITTEES**

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES (as contained in terms of reference)
SO 4.8.6	Mental Health Collaborative (Committees in Common) Committee	<ul style="list-style-type: none"> <li>• Receive regular reports on charitable fundraising activities and provide regular reports to the Audit Committee to enable it to provide assurance to the Board that the Charity is properly governed and well managed across the full range of activities.</li> <li>• Implement appropriate policies and procedures to ensure that accounting systems are robust, donations received are acknowledged and that all expenditure is reasonable and in accordance with donors wishes.</li> </ul> <p><b>COMMITTEES IN COMMON</b></p> <p>A 'Committees in Common' approach is a mechanism to facilitate co-ordinated decision making across organisations.</p> <p>Leeds Community Healthcare NHS Trust has Board approved memorandums of understanding with the following collaboratives for which a Committees in Common approach is applied.</p> <p><b>Mental Health Collaborative (Committees in Common)</b></p> <p><b>The Committee will:</b></p> <ul style="list-style-type: none"> <li>• Provide overall strategic oversight and direction to the development of the WYMHS Collaborative Programme;</li> <li>• Ensure alignment of all Parties to the vision and strategy;</li> <li>• Formally recommend the final form of the collaborative programme, including determining roles and responsibilities within the work-streams;</li> <li>• Review the key deliverables and ensuring adherence with the required timescales;</li> <li>• Receive assurance that work-streams have been subject to robust quality impact assessments</li> <li>• Review the risks associated with the performance of any of the Parties in terms of the impact to the WYMHS Collaborative Programme- recommending remedial and mitigating actions across the system;</li> <li>• Receive assurance that risks associated with the WYMHS Collaborative Programme are being identified, managed and mitigated;</li> <li>• Promote and encourage commitment to the Key Principles;</li> <li>• Formulate, agree and implement strategies for delivery of the WYMHS Collaborative Programme;</li> <li>• Seek to determine or resolve any matter referred to it by the WYMHS Collaborative Programme Executive or any individual Party and any dispute in accordance with the MoU;</li> <li>• Approve the appointment, removal or replacement of key programme personnel;</li> <li>• Agree the Programme Budget, financial contribution and use of resources in accordance with the Risk and Gain Sharing Principles;</li> <li>• The Committee can commit resources at the Mental Health Collaboratives Committees in Common, subject to having received prior approval in line with the Trust's scheme of delegation for investment decisions in the Trust's investment policy</li> </ul>

**DECISIONS/DUTIES DELEGATED BY THE LEEDS COMMUNITY HEALTHCARE NHS TRUST BOARD TO COMMITTEES**

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES (as contained in terms of reference)
SO 4.8.7	Leeds Primary Healthcare Collaborative (Committees in Common) Committee	<p><b>Leeds Primary Healthcare Collaborative (Committees in Common)</b>  <b>The Committee will::</b></p> <ul style="list-style-type: none"> <li>• Provide overall strategic oversight and direction to the development of a collaborative programme;</li> <li>• Ensure alignment of both Parties to the vision and strategy;</li> <li>• Formally recommend the final form of the collaborative programme, including determining roles and responsibilities within workstreams;</li> <li>• Review the key deliverables and ensuring adherence with the required timescales;</li> <li>• Receive assurance that workstreams have been subject to robust quality impact assessments</li> <li>• Review the risks associated with the performance of any of the Parties in terms of the impact to the collaborative programme - recommending remedial and mitigating actions across the system;</li> <li>• Receive assurance that risks associated with the collaborative programme are being identified, managed and mitigated;</li> <li>• Promote and encouraging commitment to the principles of collaboration;</li> <li>• Formulate, agree and implement strategies for delivery of the collaborative programme;</li> <li>• Seek to determine or resolve any matter referred to it by either individual Party and any dispute in accordance with the MoU;</li> <li>• Approve the appointment, removal or replacement of key programme personnel;</li> <li>• Agree the collaborative programme budget and financial contribution (in line with each Party's standing orders/standing financial instructions –and use of resources in accordance with the Risk and Gain Sharing Principles;</li> <li>• The Committee can commit resources at the Leeds Primary Healthcare Collaborative Committees in Common, subject to having received prior approval in line with the Trust's scheme of delegation for investment decisions in the Trust's investment policy</li> </ul>

## SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM

REF	DELEGATED TO	DUTIES DELEGATED
	Chief Executive	Accountable through NHS Accounting Officer to Parliament for stewardship of Trust resources.
	Chief Executive & Director of Finance	Ensure the accounts of the Trust are prepared under principles and in a format directed by the Secretary of State. Accounts must disclose a true and fair view of the Trust's income and expenditure, and its state of affairs. Sign the accounts on behalf of the Board.
	Chief Executive	Sign a statement in the accounts outlining responsibilities as the Accountable Officer. Sign a statement in the accounts outlining responsibilities in respect of internal control.
	Chief Executive	Ensure effective management systems that safeguard the public, public funds and assist the Trust's Chair to implement requirements of corporate governance including ensuring managers: <ul style="list-style-type: none"> <li>• have a clear view of their objectives and the means to assess achievements in relation to those objectives</li> <li>• be assigned well defined responsibilities for patient safety and making best use of resources</li> <li>• have the information, training and access to the expert advice they need to exercise their responsibilities effectively.</li> </ul>
	Chair	Implement requirements of corporate governance.
	Chief Executive	Achieve value for money from the resources available to the Trust and avoid waste and extravagance in the organisation's activities. Follow through the implementation of any recommendations affecting good practice as set out on reports from such bodies as the Audit Commission and the National Audit Office (NAO).
	Director of Finance	Operational responsibility for effective and sound financial management and information.
	Chief Executive	Primary duty to see that the Director of Finance discharges responsibility for effective and sound financial management and information.
	Chief Executive	Ensuring that expenditure by the Trust complies with Parliamentary requirements.
	Chief Executive & Director of Finance	Chief Executive, supported by Director of Finance, to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
	Chief Executive	If the Chief Executive considers the Board or the Chair is doing something that might infringe probity or regularity, he/she should set this out in writing to the Chair and the Board. If the matter is unresolved, he/she should ask the Audit Committee to inquire and if necessary NHS Improvement and Department of Health and Social Care.
	Chief Executive	If the Board is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the Chief Executive's responsibility for value for money, the Chief Executive should draw the relevant factors to the attention of the Board. If the outcome is that the Chief Executive is overruled it is normally sufficient to ensure that the advice and the overruling of it are clearly apparent from the papers. Exceptionally, the Chief Executive should inform NHS Improvement. In such cases, the Chief Executive should as a member of the Board vote against the course of action rather than merely abstain from voting.



## SCHEME OF DELEGATION DERIVED FROM THE CODES OF CONDUCT AND ACCOUNTABILITY

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	All Board members	Subscribe to Code of Conduct.
	The Board	Board members share corporate responsibility for all decisions of the Board.
	Chair and non-officer members	Chair and non-officer Board members are responsible for monitoring the executive management of the organisation and are responsible to the Secretary of State for the discharge of those responsibilities.
	The Board	<p>The Board has six key functions for which it is held accountable by the Department of Health and Social Care on behalf of the Secretary of State:</p> <ol style="list-style-type: none"> <li>1. to ensure effective financial stewardship through value for money, financial control and financial planning and strategy;</li> <li>2. to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation;</li> <li>3. to appoint, appraise and remunerate senior executives;</li> <li>4. to ratify the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer term objectives and agree plans to achieve them;</li> <li>5. to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary;</li> <li>6. to ensure effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs.</li> </ol>
	The Board	<p>It is the Board's duty to:</p> <ol style="list-style-type: none"> <li>1. act within statutory financial and other constraints;</li> <li>2. be clear what decisions and information are appropriate to the Board and draw up Standing Orders, a Schedule of Decisions Reserved to the Board and Standing Financial Instructions to reflect these;</li> <li>3. ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives for the main programmes of action and for performance against programmes to be monitored and senior executives held to account;</li> <li>4. establish performance and quality measures that maintain the effective use of resources and provide value for money;</li> <li>5. specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities;</li> <li>6. establish Audit and Remuneration Committees on the basis of formally agreed terms of reference which set out the membership of the sub-committee, the limit to their powers, and the arrangements for reporting back to the main Board.</li> </ol>
	Chair	<p>It is the Chair's role to:</p> <ol style="list-style-type: none"> <li>1. provide leadership to the Board;</li> <li>2. enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team;</li> <li>3. ensure that key and appropriate issues are discussed by the Board in a timely manner;</li> </ol>

## SCHEME OF DELEGATION DERIVED FROM THE CODES OF CONDUCT AND ACCOUNTABILITY

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<p>4. ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions;</p> <p>5. lead non-officer Board members through a formally-appointed Remuneration Committee of the main Board on the appointment, appraisal and remuneration of the Chief Executive and (with the latter) other executive Board members;</p> <p>6. appoint Non-Executive Board members to an Audit Committee of the main Board;</p> <p>7. advise the Secretary of State through the NHS Improvement on the performance of Non-Executive Board members.</p>
	Chief Executive	<p>The Chief Executive is accountable for ensuring that its decisions are implemented, that the organisation works effectively, in accordance with Government policy and public service values and for the maintenance of proper financial stewardship. The Chief Executive should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Board.</p> <p>The other duties of the Chief Executive as Accountable Officer are laid out in the Accountable Officer Memorandum.</p>
	Non-Executive Directors	<p>Non-Executive Directors are appointed by the NHS Improvement to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health and Social Care to Ministers and to the local community.</p>
	Chair and Board Members	<p>Declaration of conflict of interests.</p>
	The Board	<p>NHS Boards must comply with legislation and guidance issued by the Department of Health and Social Care on behalf of the Secretary of State, respect agreements entered into by themselves or on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money.</p>

## SCHEME OF DELEGATION FROM STANDING ORDERS

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
Sec A 1.1	Chair	Final authority in interpretation of Standing Orders.
3.1	Chair	Calling meetings.
3.9	Chair	Chair all Board meetings and associated responsibilities.
3.10	Chair	Give final ruling in questions of order, relevancy and regularity of meetings.
3.12	Chair	Having a second or casting vote.
3.13	Audit Committee	Audit Committee to review every decision to suspend Standing Orders
5.2	Chair & Chief Executive	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chair and Chief Executive after having consulted at least two Non-Executive members.
5.4	Chief Executive	The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals that shall be considered and approved by the Board, subject to any amendment agreed during the discussion.
5.6	All Members of the Board and Employees	Disclosure of non-compliance with Standing Orders to the Chief Executive as soon as possible.
6.1	Chief Executive	Approval of corporate, clinical and workforce policies and procedures
7.1	All Board members and employees	Declare relevant and material interests.
7.2	Chief Executive	Maintain register(s) of interests.
7.4	All Members of the Board and Employees	Comply with national guidance contained in HSG 1993/5 Standards of Business Conduct for NHS Staff.
7.4	All Members of the Board and Employees	Disclose relationships between self and candidates for staff appointment.
8.1/8.3	Chief Executive	Keep seal in safe place and maintain a register of sealing.
8.4	Chief Executive/ Executive Director	Approve and sign all documents which will be necessary in legal proceedings.

## SCHEME OF DELEGATION FROM MODEL STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
10.1.3	Director of Finance	Approval of all financial procedures.
10.1.4	Director of Finance	Advice on interpretation or application of SFIs.
10.1.6	All members of the Board and Employees	Have a duty to disclose any non-compliance with the Standing Financial Instructions to the Director of Finance as soon as possible, for reporting to the Audit Committee.
10.2.2	Chief Executive	Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
10.2.2	Chief Executive & Director of Finance	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
10.2.2	Chief Executive	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
10.2.3	Director of Finance	Responsible for: <ul style="list-style-type: none"> <li>a) Implementing the Trust's financial policies and co-ordinating corrective action;</li> <li>b) Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented;</li> <li>c) Ensuring that sufficient records are maintained to explain Trust's transactions and financial position;</li> <li>d) Providing financial advice to members of Board and staff;</li> <li>e) Maintaining such accounts, certificates etc as are required for the Trust to carry out its statutory duties;</li> <li>f) The design, implementation and supervision of systems of internal control.</li> </ul>
10.2.4	All members of the Board and Employees	Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Standing Financial Instructions and financial procedures.
10.2.5	Chief Executive	Ensure that any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income are made aware of these instructions and their requirement to comply.
11.1.2	Audit Committee Chair	Draw to the attention of the Board any issues that require disclosure to the full Board or require executive action

## SCHEME OF DELEGATION FROM MODEL STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
11.1.3	Audit Committee Chair	Raise the matter at the Board meeting where Audit Committee considers there is evidence of ultra vires transactions or improper acts.
11.2.1	Director of Finance	a) Ensure an adequate internal audit service, for which he/she is accountable, is provided (and involve the Audit Committee in the selection process when/if an internal audit service provider is changed); b) Ensure the annual audit report is prepared for consideration by the Audit Committee.
11.2.1	Director of Finance	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption.
11.3	Head of Internal Audit	Review, appraise and report in accordance with the NHS Internal Audit manual and best practice
11.5	Chief Executive & Director of Finance	Monitor and ensure compliance with directions on fraud and corruption including the appointment of the Local Counter Fraud Specialist.
11.6	Chief Executive	Monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management including appointment of the Local Security Management Specialist.
13.1.1	Chief Executive	Compile and submit to the Board an operational plan which takes into account financial targets and forecast limits of available resources. The operational plan will contain: <ul style="list-style-type: none"> <li>a statement of the significant assumptions on which the plan is based;</li> <li>details of major changes in workload, delivery of services or resources required to achieve the plan.</li> </ul>
13.1.2 & 13.1.3	Director of Finance	Submit budgets to the Board for approval. Monitor performance against budget; submit to the Board financial estimates and forecasts.
13.1.6	Director of Finance	Ensure adequate training is delivered on an ongoing basis to budget holders.
13.2.1	Chief Executive	Delegate budget and authority to incur expenditure to budget holders.
13.3.1	Director of Finance	Devise and maintain systems of budgetary control.
13.3.2	Budget Holders	Ensure that: <ul style="list-style-type: none"> <li>a) no overspend or reduction of income that cannot be met from virement is incurred without prior consent of the Board;</li> <li>b) approved budget is not used for any other than specified purpose subject to rules of virement;</li> </ul>

## SCHEME OF DELEGATION FROM MODEL STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
13.3.2	Budget holders	c) no permanent employees are appointed without the approval of the Chief Executive other than those provided for within available resources and manpower establishment.
13.6.1	Chief Executive	Submit monitoring returns.
14.1	Director of Finance	Preparation of annual accounts and reports.
15	Director of Finance	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories. Review commercial banking arrangements at regular intervals and at least every five years seek competitive tenders.
16.	Director of Finance	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
16.2.3	All employees	Duty to inform Director of Finance of money due from transactions which they initiate/deal with.
17.	Chief Executive	Tendering and contracting procedures
17.5.3	Chief Executive	Waive formal tendering procedures, subject to provisions in Standing Financial Instructions
17.5.3	Chief Executive	Report waivers of tendering procedures to the Audit Committee.
17.5.7	Director of Finance	Maintaining a register of contracts and submitting to the Audit Committee annually
17.6	Chief Executive	Nominating representatives to undertake his/her responsibilities under contracting and tendering procedure
17.6.3	Chief Executive	Responsible for the receipt, endorsement and safe custody of tenders received.
17.6.4	Chief Executive	Decide whether any late tenders should be received.
17.6.5	Chief Executive	Shall maintain a register to show each set of competitive tender invitations dispatched.
17.6.6	Chief Executive & Director of Finance	Where one tender is received will assess for value for money and fair price.
17.6.6	Chief Executive	No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.

## SCHEME OF DELEGATION FROM MODEL STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
17.6.6	Chief Executive	Shall ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.
17.7.2	Chief Executive	Determine, or nominate an officer to determine, that it is impractical to obtain written quotations where it is impractical to do so
17.7.2	Chief Executive	The Chief Executive or his nominated officer should evaluate the quotation and select the quote which gives the best value for money.
17.7.4	Chief Executive or Director of Finance	No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these instructions except with the authorisation of the Chief Executive or Director of Finance
17.10	Chief Executive	The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
17.10	The Board	All PFI proposals must be agreed by the Board.
17.11	Chief Executive	The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.
17.12	Chief Executive	The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.
17.17	Chief Executive	The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis.
17.17.5	Chief Executive	The Chief Executive shall nominate an officer to oversee and manage the in-house contract on behalf of the Trust.
18.1.1	Chief Executive	Must ensure the Trust enters into suitable Service Level Agreements (SLAs) with service commissioners for the provision of NHS services.
20.1.1	The Board	Establish a Nominations and Remuneration Committee.
20.1.2	Nominations and Remuneration Committee	Advise the Board on and make recommendations on the remuneration and terms of service of the Chief Executive, other officer members and senior employees to ensure they are fairly rewarded having proper regard to the Trust's circumstances and any national agreements. Monitor and evaluate the performance of individual senior employees.

**SCHEME OF DELEGATION FROM MODEL STANDING FINANCIAL INSTRUCTIONS**

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
20.1.2	Nominations and Remuneration Committee	Advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments
20.1.3	Nominations and Remuneration Committee	Report in writing to the Board its advice and its bases about remuneration and terms of service of directors and senior employees.
20.1.4	The Board	Approve proposals presented by the Chief Executive for setting of remuneration and conditions of service for those employees and officers not covered by the Nominations and Remuneration Committee.
20.2.2	Chief Executive	Approval of variation to funded establishment of any department.
20.3	Chief Executive	Authorise officers, members or employees to appoint permanent or temporary staff. .
20.4.1 and 20.4.2	Director of Finance	Payroll a) specifying timetables for submission of properly authorised time records and other notifications; b) final determination of pay and allowances; c) making payments on agreed dates; d) agreeing method of payment; e) issuing instructions
20.4.3	Director of Finance	Nominate managers with delegated payroll responsibilities
20.4.3	Nominated Managers*	Submit time records in line with timetable; Complete time records and other notifications in required form; Submitting termination forms in prescribed form and on time.
20.4.4	Director of Finance	Ensure that the chosen method for payroll processing is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.
20.5	Director of Workforce	Ensure that all employees are issued with a contract of employment in a form approved by the Board and which complies with employment legislation and recognised best practice. Deal with variations to, or termination of, contracts of employment.



## SCHEME OF DELEGATION FROM MODEL STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
21.1	The Board	The Board will approve the level of non-pay expenditure on an annual basis.
21.1	Chief Executive	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level.
21.1.3	Chief Executive	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
21.2.1	Requisitioner*	In choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought.
21.2.2	Director of Finance	Shall be responsible for the prompt payment of accounts and claims.
21.2.3	Director of Finance	<ul style="list-style-type: none"> <li>a) Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed;</li> <li>b) Prepare procedural instructions [where not already provided in the Scheme of Delegation or procedure notes for budget holders] on the obtaining of goods, works and services incorporating the thresholds;</li> <li>c) Be responsible for the prompt payment of all properly authorised accounts and claims;</li> <li>d) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable;</li> <li>e) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment;</li> <li>f) Instructions to employees regarding the handling and payment of accounts within the Finance Department;</li> <li>g) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received</li> </ul>
21.2.3	Appropriate Executive Director	Make a written case to the Director of Finance to support the need for a pre-payment.
21.2.3	Director Of Finance	Approve proposed pre-payment arrangements.
21.2.3	Budget Holder	Ensure that all items due under a prepayment contract are received (and immediately inform DoF if problems are encountered).
21.2.5	Director of Finance	Authorise who may use and be issued with official requisitions, in line with budget holders/budget managers.
21.2.5	Managers And Officers	Ensure that they comply fully with the guidance and limits specified by the Director of Finance.

## SCHEME OF DELEGATION FROM MODEL STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
21.2.5	Chief Executive & Director Of Finance	Ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.
21.3	Director Of Finance	Lay down procedures for payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act.
22.1.1	Director Of Finance	The Director of Finance will advise the Board on the Trust's ability to pay dividend on PBC and report, periodically, concerning the PDC debt and all loans and overdrafts.
22.1.2	The Board	Approve a list of employees authorised to make short term borrowings on behalf of the Trust. (This must include the Chief Executive and Director of Finance.)
22.1.3	Director Of Finance	Prepare detailed procedural instructions concerning applications for loans and overdrafts.
22.1.5	Chief Executive Or Director Of Finance	Be on an authorising panel comprising one other member for short term borrowing approval.
22.2.2	Director Of Finance	Will advise the Board on investments and report, periodically, on performance of same.
22.2.3	Director of Finance	Prepare detailed procedural instructions on the operation of investments held.
23	Director of Finance	Ensure that Board members are aware of the financial framework and ensure compliance
24.1.1 & 2	Chief Executive	Capital investment programme: a) ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on plans b) responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost; c) ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences; d) ensure that a business case is produced for each proposal.
24.1.2	Director of Finance	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
24.1.3	Chief Executive	Issue procedures for management of contracts involving stage payments.

## SCHEME OF DELEGATION FROM MODEL STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
24.1.4	Director of Finance	Assess the requirement for the operation of the construction industry taxation deduction scheme.
24.1.5	Director of Finance	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
24.1.6	Chief Executive	Issue manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender. Issue a scheme of delegation for capital investment management.
24.1.7	Director of Finance	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
24.2.1	Director of Finance	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
24.2.1	The Board	Proposal to use PFI must be specifically agreed by the Board.
24.3.1	Chief Executive	Maintenance of asset registers (on advice from Director of Finance).
24.3.5	Director of Finance	Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
24.3.8	Director of Finance	Calculate and pay capital charges in accordance with Department of Health and Social Care requirements.
24.4.1	Chief Executive	Overall responsibility for fixed assets.
24.4.2	Director of Finance	Approval of fixed asset control procedures.
24.4.4	Board, Executive Members and All senior staff	Responsibility for security of assets including notifying discrepancies to Director of Finance, and reporting losses in accordance with Trust procedure.
25.2	Chief Executive	Delegate overall responsibility for control of stores (subject to Director of Finance responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded.
25.2	Director of Finance	Responsible for systems of control over stores and receipt of goods.
25.2	Designated Pharmaceutical officer	Responsible for controls of pharmaceutical stocks.

## SCHEME OF DELEGATION FROM MODEL STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
25.2	Designated Estates Officer	Responsible for control of stocks of fuel oil and coal.
25.2	Nominated Officers*	Security arrangements and custody of keys.
25.2	Director of Finance	Set out procedures and systems to regulate the stores.
25.2	Director of Finance	Agree stocktaking arrangements.
25.2	Director of Finance	Approve alternative arrangements where a complete system of stores control is not justified.
25.2	Director of Finance	Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items.
25.2	Nominated officers*	Operate system for slow moving and obsolete stock, and report to Director of Finance evidence of significant overstocking.
25.3.1	Chief Executive	Identify persons authorised to requisition and accept goods from NHS Supplies stores.
26.1.1	Director of Finance	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.
26.2.1	Director of Finance	Prepare procedures for recording and accounting for losses, special payments and informing police in cases of suspected arson or theft.
26.2.2	All Staff	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department / nominated officer should then inform the Chief Executive and Director of Finance.
26.2.2	Director of Finance	Where a criminal offence is suspected, Director of Finance must inform the police if theft or arson is involved. In cases of fraud and corruption Director of Finance must inform the relevant LCFS and CFSMS Regional Team in line with Secretary of State directions.
26.2.2	Director of Finance	Notify CFSMS and External Audit of all frauds.
26.2.3	Director of Finance	Notify Board and External Auditor of losses caused theft, arson, neglect of duty or gross carelessness (unless trivial).
26.2.4	The Board	Approve proposals in individual cases for the write off of losses or making of special payments above the £10,000 limit delegated to the Chief Executive and Director of Finance acting jointly.

## SCHEME OF DELEGATION FROM MODEL STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
26.2.7	Director of Finance	Consider whether any insurance claim can be made.
26.2.8	Director of Finance	Maintain losses and special payments register.
27.1.1	Director of Finance	Responsible for accuracy and security of computerised financial data.
27.1.2	Director of Finance	Satisfy him/herself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation assurances of adequacy must be obtained from them prior to implementation.
27.1.3	Director of Finance	Shall publish and maintain a Freedom of Information Scheme.
27.2.1	Relevant officers	Send proposals for general computer systems to Director of Finance
27.3	Director of Finance	Ensure that contracts with other bodies for the provision of computer services for financial applications clearly define responsibility of all parties for security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage, and allow for audit review. Seek periodic assurances from the provider that adequate controls are in operation.
27.4	Director of Finance	Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place.
27.5	Director of Finance	Where computer systems have an impact on corporate financial systems satisfy himself that: a) systems acquisition, development and maintenance are in line with corporate policies; b) data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management rail exists; c) Director of Finance and staff have access to such data; d) Such computer audit reviews are being carried out as are considered necessary.
28.2	Chief Executive	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
28.3	Director of Finance	Provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of.
28.6	Departmental managers	Inform staff of their responsibilities and duties for the administration of the property of patients.

## SCHEME OF DELEGATION FROM MODEL STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
29.1	Director of Finance	Shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately.
30	Director of Finance	Ensure all staff are made aware of the Trust policy on the acceptance of gifts and other benefits in kind by staff.
32	Chief Executive	Retention of document procedures in accordance with HSC 1999/053.
33.1	Chief Executive	Risk management programme.
33.1	The Board	Approve and monitor risk management programme.
33.2	The Board	Decide whether the Trust will use the risk pooling schemes administered by the NHS Resolution or self-insure for some or all of the risks (where discretion is allowed). Decisions to self-insure should be reviewed annually.
33.4	Director of Finance	Where the Board decides to use the risk pooling schemes administered by the NHS Resolution, the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance shall ensure that documented procedures cover these arrangements.  Where the Board decides not to use the risk pooling schemes administered by the NHS Resolution for any one or other of the risks covered by the schemes, the Director of Finance shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Director of Finance will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.
33.4	Director of Finance	Ensure documented procedures cover management of claims and payments below the deductible.
34.1	Executive Director of Nursing	The director responsible for infection prevention and control will lead and assume day to day responsibility for systems and processes and people to lead assure and report on compliance with the Health and Social Care Act 2008: Code of Practice for the NHS on the Prevention and Control of Health Care Associated Infections and Related Guidance (January 2009).
34.2	Executive Director of Nursing	The director responsible for quality and safety will take day to day responsibility for leading strategy and establishing systems to improve quality and safety to meet regulatory standards.

\* Nominated officers and the areas for which they are responsible should be documented

**SCHEME OF DELEGATION FROM MODEL STANDING FINANCIAL INSTRUCTIONS**

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## **SECTION D - STANDING FINANCIAL INSTRUCTIONS**

### **10. INTRODUCTION**

#### **10.1 General**

- 10.1.1 These Standing Financial Instructions (SFIs) are issued in accordance with the Trust (Functions) Directions 2000 issued by the Secretary of State which require that each Trust shall agree Standing Financial Instructions for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. They shall have effect as if incorporated in the Standing Orders (SOs).
- 10.1.2 These Standing Financial Instructions detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust.
- 10.1.3 These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations including trading units. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Director of Finance.
- 10.1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Director of Finance must be sought before acting. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the Trust's Standing Orders.
- 10.1.5 The failure to comply with Standing Financial Instructions can, in certain circumstances, be regarded as a disciplinary matter that could result in a disciplinary investigation that could result in dismissal.
- 10.1.6 If for any reason these Standing Financial Instructions are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit Committee for referring action or ratification. All members of the Board and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance as soon as possible.

#### **10.2 Responsibilities and delegation**

##### **10.2.1 The Trust Board**

The Board exercises financial supervision and control by:

- (a) formulating the financial strategy;
- (b) requiring the submission and approval of budgets within approved allocations/overall income;
- (c) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money);
- (d) defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Delegation document.



The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the Reservation of Decisions Reserved to the Board document. All other powers have been delegated to such other committees as the Trust has established.

#### 10.2.2 **The Chief Executive and Director of Finance**

The Chief Executive and Director of Finance will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.

Within the Standing Financial Instructions, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as Accountable Officer, to the Secretary of State, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the Trust's activities; is responsible to the Chair and the Board for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.

It is a duty of the Chief Executive to ensure that members of the Board and, employees and all new appointees are notified of, and put in a position to understand their responsibilities within these Instructions.

#### 10.2.3 **The Director of Finance**

The Director of Finance is responsible for:

- (a) implementing the Trust's financial policies and for coordinating any corrective action necessary to further these policies;
- (b) maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;
- (c) ensuring that sufficient records are maintained to show and explain the Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time;

and, without prejudice to any other functions of the Trust, and employees of the Trust, the duties of the Director of Finance include:

- (d) the provision of financial advice to other members of the Board and employees;
- (e) the design, implementation and supervision of systems of internal financial control;
- (f) the preparation and maintenance of such accounts, certificates, estimates, records and reports as the Trust may require for the purpose of carrying out its statutory duties.

#### 10.2.4 **Board members and employees**

All members of the Board and employees, severally and collectively, are responsible for:

- (a) the security of the property of the Trust;
- (b) avoiding loss;

- (c) exercising economy and efficiency in the use of resources;
- (d) conforming to the requirements of Standing Orders, Standing Financial Instructions, financial procedures and the Scheme of Delegation.

#### 10.2.5 **Contractors and their employees**

Any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.

For all members of the Board and any employees who carry out a financial function, the form in which financial records are kept and the manner in which members of the Board and employees discharge their duties must be to the satisfaction of the Director of Finance.

## 11. **AUDIT**

### 11.1 **Audit Committee**

11.1.1 An independent Audit Committee is a central means by which a Board ensures effective internal control arrangements are in place. In addition, the Audit Committee provides a form of independent check upon the executive arm of the Board. In accordance with Standing Orders, the Board shall formally establish an Audit Committee, with clearly defined terms of reference and following guidance from the NHS Audit Committee Handbook (2018) to perform the following tasks:

- (a) Ensuring there is an effective internal audit function established by management, that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board;
- (b) Consider the appointment of the external auditors in line with the regulations governing the appointment (discharged through an appointed auditor panel). Reviewing the work and findings of the appointed external auditor and considering the implications of and management's responses to their work;
- (c) Reviewing the findings of other significant assurance functions, both internal and external to the organisation, and considering the implications for the governance of the organisation;
- (d) Ensuring that the systems for financial reporting to the Board, including those of budgetary control, performance, safety and quality are subject to review as to completeness and accuracy of the information provided to the Board;
- (e) Reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgements;
- (f) Reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the organisation's activities, that supports the achievement of the organisation's objectives. This will include the receipt of annual self assessments and reports from other Board Committees;
- (g) Monitoring compliance with Standing Orders, Standing Financial Instructions and the Scheme of Delegation;

- (h) Reviewing schedules of losses and special payments;
- (i) Reviewing schedules of debtors / creditors balances over six months old and over £5,000 and explanations / action plans;
- (j) Review the annual report and financial statements prior to submission to the Board focusing particularly on;
  - (i) the wording in the annual governance statement and other disclosures relevant to the Terms of Reference of the Committee;
  - (ii) changes in, and compliance with, accounting policies and practices;
  - (iii) unadjusted mis-statements in the financial statements;
  - (iv) major judgmental areas;
  - (v) significant adjustments resulting from audit.
- (k) Reviewing the annual financial statements and recommend their approval to the Board;
- (l) Reviewing the external auditor's report on the financial statements and the annual management letter;
- (m) Conducting a review of the Trust's major accounting policies;
- (n) Reviewing any incident of fraud or corruption or possible breach of ethical standards or legal or statutory requirements that could have a significant impact on the Trust's published financial accounts or reputation;
- (o) Reviewing any objectives and effectiveness of the internal audit services including its working relationship with external auditors;
- (p) Reviewing major findings from internal audit reports and ensure appropriate action is taken;
- (q) Reviewing 'value for money' audits reporting on the effectiveness and efficiency of the selected departments or activities;
- (r) Reviewing the mechanisms and levels of authority (e.g. Standing Orders, Standing Financial Instructions, delegated limits) and make recommendations to the Trust Board;
- (s) Reviewing the scope of both internal and external audit including the agreement on the number of audits per year for approval by the Trust Board;
- (t) Reviewing gifts, hospitality and sponsorship registers;
- (u) Maintaining and reviewing a register of contracts for services held by the Trust.

11.1.2 The minutes of the Audit Committee meetings shall be formally recorded by the Trust's Company Secretary and submitted to the Board. The Chair of the Committee shall draw to the attention of the Board any issues that require disclosure to the full Board, or require executive action. The Committee will report to the Board annually on its work in support of the annual governance statement, specifically commenting on the fitness for purpose of the assurance framework, the completeness and embeddedness of risk management in the organisation, the integration of governance arrangements and the appropriateness of the self-assessment against the CQC Fundamental Standards.

- 11.1.3 Where the Audit Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chair of the Audit Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Department of Health and Social Care (to the Director of Finance in the first instance).
- 11.1.4 It is the responsibility of the Director of Finance to ensure an adequate internal audit service is provided and the Audit Committee shall be involved in the selection process when/if an internal audit service provider is changed.

## **11.2 Director of Finance**

11.2.1 The Director of Finance is responsible for:

- (a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective internal audit function;
- (b) ensuring that the internal audit function meets the NHS mandatory audit standards and provides sufficient independent and objective assurance to the Audit Committee and the Accountable Officer;
- (c) deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption;
- (d) ensuring that an annual Internal Audit report is prepared for the consideration of the Audit Committee. The report must cover:
  - (i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health and Social Care including for example compliance with control criteria and standards;
  - (ii) major internal financial control weaknesses discovered;
  - (iii) progress on the implementation of internal audit recommendations;
  - (iv) progress against plan over the previous year;
  - (iv) strategic audit plan covering the coming three years;
  - (vi) a detailed plan for the coming year.

11.2.2 The Director of Finance or designated auditors are entitled without necessarily giving prior notice to require and receive:

- (a) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
- (b) access at all reasonable times to any land, premises or members of the Board or employee of the Trust;
- (c) the production of any cash, stores or other property of the Trust under a member of the Board and an employee's control; and
- (d) explanations concerning any matter under investigation.

### **11.3 Internal audit**

11.3.1 Internal audit is an independent and objective appraisal service within an organisation which provides:

- (1) an independent and objective opinion to the Accountable Officer, the Board, and the Audit Committee on the degree to which risk management, control and governance support the achievement of the organisation's agreed objectives;
- (2) an independent and objective service specifically to help line management improve the organisation's risk management, control and governance arrangements.

11.3.2 Internal Audit will review, appraise and report upon:

- (a) the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;
- (b) the adequacy and application of financial and other related management controls;
- (c) the suitability of financial and other related management data;
- (d) the extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:
  - (i) fraud and other offences;
  - (ii) waste, extravagance, inefficient administration;
  - (iii) poor value for money or other causes.
- (e) Internal audit shall also independently verify the assurance statements in accordance with guidance from the Department of Health and Social Care.

11.3.3 The Head of Internal Audit will provide to the Audit Committee;

- (a) A risk-based plan of internal audit work, agreed with management and approved by the Audit Committee, based upon the management's assurance framework that will enable the auditors to collect sufficient evidence to give an opinion on the adequacy and effective operation of the organisation;
- (b) Regular updates on the progress against plan;
- (c) Reports of management's progress on the implementation of action agreed as a result of internal audit findings;
- (d) An annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes
- (e) Additional reports as requested by the Audit Committee.

11.3.4 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Finance must be notified immediately.

- 11.3.5 The Head of Internal Audit will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chair and Chief Executive of the Trust.
- 11.3.6 The Head of Internal Audit reports to the Audit Committee and is managed by the Director of Finance. The reporting system for internal audit shall be agreed between the Director of Finance, the Audit Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit Standards. The reporting system shall be reviewed at least every three years.
- 11.3.7 The appointment and termination of the Head of Internal Audit and/or the internal audit service must be approved by the Audit Committee.

#### **11.4 External audit**

- 11.4.1 The external auditor is appointed by the Trust Board (with effect from 2017/18) and paid for by the Trust. The Audit Committee must ensure the Trust has appropriate processes in place to appoint a cost efficient external audit service. If there are any problems relating to the service provided by the external auditor, then this should be raised with the external auditor.

#### **11.5 Fraud and corruption**

- 11.5.1 In line with their responsibilities, the Chief Executive and Director of Finance shall monitor and ensure compliance with directions issued by the Secretary of State for Health and/or NHS Counter Fraud Authority on fraud and corruption.
- 11.5.2 The Bribery Act 2010 sets out corporate and individual offences. All staff and contractors must be made aware of the Act so as to ensure compliance.
- 11.5.3 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the Department of Health and Social Care Fraud and Corruption Manual and guidance.
- 11.5.4 The Local Counter Fraud Specialist shall report to the Director of Finance and shall work with staff in the Counter Fraud and Security Management Services, NHS Counter Fraud Authority in accordance with the NHS Anti-Fraud Manual.
- 11.5.5 The Local Counter Fraud Specialist will provide a written report, at least annually, on counter fraud work within the Trust.

#### **11.6 Security management**

- 11.6.1 In line with their responsibilities, the Trust Chief Executive will monitor and ensure compliance with directions issued by the Secretary of State for Health on NHS security management.
- 11.6.2 The Trust shall nominate a suitable person to carry out the duties of the Local Security Management Specialist as specified by the Secretary of State for Health guidance on NHS security management.
- 11.6.3 The Chief Executive has overall responsibility for controlling and coordinating security. However, key tasks are delegated to the director with responsibility for security management and the appointed local security management specialist.
- 11.6.4 The local security management specialist will provide a written report to the Audit Committee, at least annually, on security management work within the Trust.

## **12. RESOURCE LIMIT CONTROL**

Not applicable to NHS Trusts.

## **13. ALLOCATIONS, PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING**

### **13.1 Preparation and approval of plans and budgets**

13.1.1 The Chief Executive will compile and submit to the Board an operational plan which takes into account financial targets and forecast limits of available resources. The plan will contain:

- (a) a statement of the significant assumptions on which the plan is based;
- (b) details of major changes in workload, delivery of services or resources required to achieve the plan.

13.1.2 Prior to the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board. Such budgets will:

- (a) be in accordance with the aims and objectives set out in the operational plan;
- (b) accord with workload and workforce plans;
- (c) be produced following discussion with appropriate budget holders;
- (d) be prepared within the limits of available funds;
- (e) identify potential risks.

13.1.3 The Director of Finance shall monitor financial performance against budget and plan, periodically review them, and report to the Board.

13.1.4 All budget holders must provide information as required by the Director of Finance to enable budgets to be compiled.

13.1.5 All budget holders will sign up to their allocated budgets at the commencement of each financial year.

13.1.6 The Director of Finance has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

### **13.2 Budgetary delegation**

13.2.1 The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:

- (a) The amount of the budget;
- (b) the purpose(s) of each budget heading;
- (c) individual and group responsibilities;
- (d) authority to incur expenditure;

- (e) authority to exercise virement;
- (f) achievement of planned levels of service;
- (f) the provision of regular reports.

13.2.2 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.

13.2.3 Invoice approval limits are set in the general ledger system. The following limits apply:

<b>Approval Limits</b>	<b>£</b>
Chief Executive/Director of Finance	1,000,000
Other Directors	100,000
General Manager/Asst. Director	30,000
Head of Service	20,000
Budget Holder (higher level)	10,000
Budget Holder (other)	5,000
Senior Team Leader	2,000
Team Leader	500
Requisitioner	0

13.2.4 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.

13.2.5 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Director of Finance.

### **13.3 Budgetary control and reporting**

13.3.1 The Director of Finance will devise and maintain systems of budgetary control. These will include:

- (a) monthly financial reports to the Board in a form approved by the Board containing:
  - (i) income and expenditure to date showing trends and forecast year-end position;
  - (ii) movements in working capital;
  - (iii) a balance sheet;
  - (iv) capital project spend and projected outturn against plan;
  - (v) explanations of any material variances from plan;
  - (vi) details of any corrective action where necessary and the Chief Executive's and/or Director of Finance's view of whether such actions are sufficient to correct the situation;
- (b) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;
- (c) investigation and reporting of variances from financial, workload and workforce budgets;



- (d) monitoring of management action to correct variances; and
- (e) arrangements for the authorisation of budget transfers.

13.3.2 Each budget holder is responsible for ensuring that:

- (a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board;
- (b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement;
- (c) no permanent employees are appointed without the approval of the Chief Executive other than those provided for within the available resources and workforce establishment as approved by the Board.

13.3.3 The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the operational plan and a balanced budget.

#### **13.4 Capital expenditure**

13.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in Standing Financial Instruction 24).

#### **13.5 Monitoring Returns**

13.6.1 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation.

### **14. ANNUAL ACCOUNTS AND REPORTS**

14.1 The Director of Finance, on behalf of the Trust, will:

- (a) prepare financial returns in accordance with the accounting policies and guidance given by the Department of Health and Social Care and the Treasury, the Trust's accounting policies, International Financial Reporting Standards (IFRS) and generally accepted accounting practice;
- (b) prepare and submit annual financial reports to the Department of Health and Social Care certified in accordance with current guidelines;
- (c) submit financial returns to the Department of Health and Social Care for each financial year in accordance with the timetable prescribed by the Department of Health and Social Care.

14.2 The Trust's annual accounts must be audited by an auditor appointed by the Trust Board (with effect from 2017/18). The Trust's audited annual accounts must be presented to a public meeting and made available to the public.

14.3 The Trust will publish an annual report, in accordance with guidelines on local accountability, and present it at a public meeting. The document will comply with the Department of Health and Social Care's Group Accounting Manual.

## **15. BANK AND GBS ACCOUNTS**

### **15.1 General**

15.1.1 The Director of Finance is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance and directions issued from time to time by the Department of Health and Social Care. In line with Cash Management in the NHS Trusts should minimise the use of commercial bank accounts and consider using Government Banking Service (GBS) accounts for all banking services.

15.1.2 The Board shall approve the banking arrangements.

### **15.2 Bank and Government banking service (GBS) accounts**

15.2.1 The Director of Finance is responsible for:

- (a) Bank accounts and Government Banking Service (GBS) accounts;
- (b) Establishing separate bank accounts for the Trust's non-exchequer funds;
- (c) Ensuring payments made from bank or GBS accounts do not exceed the amount credited to the account except where arrangements have been made;
- (d) Reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn.
- (e) Monitoring compliance with Department of Health and Social Care guidance on the level of cleared funds.

### **15.3 Banking procedures**

15.3.1 The Director of Finance will prepare detailed instructions on the operation of bank and GBS accounts which must include:

- (a) The conditions under which each bank and GBS account is to be operated;
- (b) Those authorised to sign cheques or other orders drawn on the Trust's accounts.

15.3.2 The Director of Finance must advise the Trust's bankers in writing of the conditions under which each account will be operated.

### **15.4 Tendering and review**

15.4.1 The Director of Finance will review the commercial banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust's commercial banking business.

15.4.2 Competitive tenders should be sought at least every five years. The results of the tendering exercise should be reported to the Board. This review is not necessary for GBS accounts.

## **16. INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS**

### **16.1 Income systems**

- 16.1.1 The Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.
- 16.1.2 The Director of Finance is also responsible for the prompt banking of all monies received.

### **16.2 Fees and charges**

- 16.2.1 The Trust shall follow the Department of Health and Social Care's advice in the Costing Manual in setting prices for NHS service agreements.
- 16.2.2 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health and Social Care or by statute. Independent professional advice on matters of valuation shall be taken as necessary. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered the guidance in the Department of Health and Social Care's Commercial Sponsorship – Ethical standards in the NHS shall be followed.
- 16.2.3 All employees must inform the Director of Finance promptly of money due arising from transactions which they initiate or deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

### **16.3 Debt recovery**

- 16.3.1 The Director of Finance is responsible for the appropriate recovery action on all outstanding debts.
- 16.3.2 Income not received should be dealt with in accordance with losses procedures.
- 16.3.3 Overpayments should be detected (or preferably prevented) and recovery initiated.

### **16.4 Security of cash, cheques and other negotiable instruments**

- 16.4.1 The Director of Finance is responsible for:
  - (a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
  - (b) ordering and securely controlling any such stationery;
  - (c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines;
  - (d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.
- 16.4.2 Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.

- 16.4.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.
- 16.4.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the Trust is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the Trust from responsibility for any loss.

## **17. TENDERING AND CONTRACTING PROCEDURE**

### **17.1 Duty to comply with Standing Orders and Standing Financial Instructions**

The procedure for making all contracts by or on behalf of the Trust shall comply with these Standing Orders and Standing Financial Instructions (except where Standing Order No. 3.13 Suspension of Standing Orders is applied).

### **17.2 European Union directives governing public procurement**

- (a) Directives by the Council of the European Union (EU) promulgated by the Public Procurement Regulations 2015 for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders and Standing Financial Instructions.
- (b) The Trust should consider obtaining support from the Commercial Procurement Collaborative for procurement to ensure compliance when engaging in tendering procedures. In the case of management consultancy contracts, the Trust shall comply as far as is practicable with Department of Health and Social Care (NHS Executive) guidance The Procurement and Management of Consultants within the NHS.
- (c) Nothing in these Standing Financial Instructions can override these Directives.

### **17.3 Reverse e-Auctions**

- 17.3.1 The Trust may, if the category of procured goods or service is suitable, use an electronic auction to obtain tender submissions. The Trust will follow prevailing guidance from the relevant regulatory authority or Crown Commercial Service to decide if an e-Auction is required.
- 17.3.2 Under Article 35 (Use of e-Auctions) of the Public Sector Directive 2014/24/EC (which is adopted in the UK by the Public Contracts Regulations 2015), in open, restricted or negotiated procedures in the case referred to in Article 35 (2) the Trust may decide that the award of a public contract shall be preceded by an electronic auction when the contract specifications can be established with precision.
- 17.3.3 The electronic auction shall be based:
- a) either solely on prices when the contract is awarded to the lowest price; or
  - b) on prices and/or on the new values of the features indicated in the procurement documents, where the contract is awarded
    - (i) on the basis of the best price-quality ratio, or
    - (ii) to the tender with the lowest cost using effectiveness approach.

- 17.3.4 Should it decide to hold an electronic auction, the Trust shall state that fact in the contract notice or invitation to confirm interest.
- 17.3.5 The procurement documents shall include the following details:
- a) the features of the products whose costs shall be the subject of electronic auction, provided that such features are quantifiable and can be expressed in figures or percentages;
  - b) any limits on the values which may be submitted, as they result from the specifications relating to the subject of the contract;
  - c) the information which will be made available to tenderers in the course of the electronic auction and, where appropriate, when it will be made available to them;
  - d) the relevant information concerning the electronic auction process;
  - e) the conditions under which the tenderers will be able to bid and, in particular, the minimum differences which will, where appropriate, be required when bidding;
  - f) the relevant information concerning the electronic equipment used and the arrangements and technical specifications for connection.
- 17.3.6 Before proceeding with the electronic auction, the Trust shall make a full initial evaluation of the specification in accordance with the award criteria set and the weighting fixed for them. Clarification will also be sought through the paper-based tender route that the tenderers accept the proposed terms and conditions and that the non-collusion document has been completed.
- 17.3.7 All tenderers which have been selected shall be invited simultaneously by electronic means to submit prices and/or values. The invitation shall contain all relevant information concerning individual connection to the electronic equipment being used and shall state the date and time of the start of the electronic auction. The electronic auction may take place in a number of successive phases. The electronic auction may not start sooner than two working days after the date on which invitations are sent out.
- 17.3.8 Throughout each phase of an electronic auction the Trust shall instantaneously communicate to all tenderers at least sufficient information to enable them to ascertain their relative rankings at any moment. The Trust may also communicate points of clarification through the electronic auction process provided that the specification is not changed in any way and that the information is sent to all participants. The Trust may also at any time announce the number of participants in that phase of the auction. In no case, however, may the Trust disclose the identities of the tenderers during any phase of an electronic auction, nor the values of their bids.
- 17.3.9 The Trust shall close an electronic auction at either of the following times:
- a) in the invitation to take part in the auction, the date and time shall be indicated, fixed in advance;
  - b) closure will be when no more new prices are received, or new values which meet the requirements concerning minimum differences (in this case the Trust shall state in the invitation to take part in the auction the time which will be allowed to elapse after receipt of the last submission before the electronic auction is closed).
- 17.3.10 When the Trust has closed an electronic auction and satisfied itself as to specification compliance and value for money, the Trust shall award the contract in accordance with the Trust's Standing Orders and Standing Financial Instructions.

- 17.3.11 The Trust may not have improper recourse to electronic auctions nor may they be used in such a way as to prevent, restrict or distort competition or to change the subject of the contract as put up for tender in the published contract notice and defined in the specification.
- 17.3.12 Following tender approval and contract award the electronic tender documents shall be stored by the electronic auction service provider for the appropriate time period in accordance with Department of Health and Social Care guidance concerning the preservation, retention and destruction of records.
- 17.3.13 The selection of the e-Auction service provider shall meet the following standards:
- a) Means of communication must not restrict access to a tendering procedure for potential participants. They must be non-discriminatory, generally available and capable of operation with IT products in general use.
  - b) The communication and storage of tenders must protect the integrity of the content.
- 17.3.14 The Trust must satisfy itself annually that the appointed service provider has the necessary protocols in place to meet the above requirements along with satisfactory archive and retrieval processes. The process shall be fully documented by the service provider with agreed service levels. Furthermore, the Trust shall obtain a formal and independent affirmation of the controls operated by any service provider which supports electronic auctions and receive periodic updates of this assurance.

#### **17.4 Capital Investment Manual and other Department of Health and Social Care guidance**

The Trust shall comply as far as is practicable with the requirements of the Department of Health and Social Care Capital Investment Manual and Estate code in respect of capital investment and estate and property transactions. In the case of management consultancy contracts the Trust shall comply as far as is practicable with Department of Health and Social Care guidance The Procurement and Management of Consultants within the NHS.

#### **17.5 Formal competitive tendering**

##### **17.5.1 General Applicability**

###### **Procurement below £5,000**

The purchase of goods or services under an estimated value of £5,000 (excluding VAT) does not require formal competition. However, the purchase must still represent value for money and offer fair and equitable treatment to suppliers. It may therefore be necessary from time to time to obtain three quotations, although this must be considered against the associated procurement administration costs.

###### **Procurement between £5,000 and £30,000**

The provision for the purchase of goods and services between an estimated value of £5,000 and £30,000 (excluding VAT) should be advertised electronically to ensure adequate competition. Depending on the nature of the purchase, particularly in respect of potentially complex or high risk requirements, the Trust should consider the appropriateness of formal tender procedures. This must be considered in line with the Public Contracts Regulations 2015, which specifically require a degree of advertising appropriate to the nature of the procurement

requirement. In particular, contracts valued above £30,000 but below any applicable EU threshold (as confirmed from procurement from time to time) need to be advertised on Contracts Finder if it is being advertised anywhere else.

The value of contracts within these values will include the cost of any potential extension written into the contract.

### **Procurement between £30,000 and EU procurement threshold**

For current Official Journal of the European Union (OJEU) thresholds, please consult <http://www.ojec.com/thresholds.aspx>

The Trust will adopt formal tendering procedures for all procurements in excess of an estimated value of £30,000 (and in some cases for lower value procurement which has been considered to be potentially complex or high risk).

However, the extent and complexity of the documentation should be no greater than is necessary for the nature or value of the requirements. Additionally, when selecting a suitable tender process for below EU threshold contracts as outlined above, care should be taken to ensure that there is no PQQ/pre selection stage introduced as this is prohibited by current procurement regulations. All tenders must be advertised appropriately. This will usually be through the Trust's e-tendering portal and in keeping with the requirements of Regulation 110 of the Public Contracts Regulations 2015 contracts valued over £30,000 (but below the general EU threshold) must also be advertised on Contracts Finder.

### **Requirements above the EU threshold**

The tender process and timescales are governed by the Public Contracts Regulations 2015 (and the Public Contracts Regulations 2006 for processes commenced after 26th February 2015, including call offs from framework agreements established before 26th February 2015). Failure to comply with this the relevant legislation carries severe penalties.

The Trust shall ensure that competitive tenders are invited for:

- a) the supply of goods, materials and manufactured articles;
- b) the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DH);
- c) the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); for disposals.
- d) the maintenance of equipment;

#### **17.5.2 Health care services**

Where the Trust elects to invite tenders for the supply of healthcare services these Standing Orders and Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure and need to be read in conjunction with Standing Financial Instruction 18 and 19.

#### **17.5.3 Exceptions and instances where formal tendering need not be applied**

Formal tendering procedures **need not be applied** where:

- (a) the estimated expenditure or income does not, or is not reasonably expected to, exceed £30,000 (this figure to be reviewed bi-annually);

- (b) The supply is proposed under special arrangements negotiated by the Department of Health and Social Care in which event the said special arrangements must be complied with;
- (b) Regarding disposals as set out in Standing Financial Instructions 25;

Formal tendering procedures **may be waived** in the following circumstances:

- (d) In very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Trust record;
- (e) Where the requirement is covered by an existing contract;
- (f) Where Commercial Procurement Collaborative (CPC) or other authorised NHS agreements are in place and have been approved by the Board;
- (g) Where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;
- (h) Where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
- (i) Where specialist expertise is required and is available from only one source;
- (j) When the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;
- (k) There is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;
- (l) For the provision of legal advice and services providing that any legal firm or partnership commissioned by the Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned. The Director of Finance will ensure that any fees paid are reasonable and within commonly accepted rates for the costing of such work.
- (m) Where allowed and provided for in the Capital Investment Manual.

Where special arrangements referred to in (l) above or national arrangements referred to in (g) above (e.g. Crown Commercial Service , NHS Supply Chain and North of England Commercial Procurement Collaborative) apply, then the relevant framework rules whether this involves running a mini-competition or allowing a direct award under the framework, non-competitive as well as competitive tendering procedures may be waived.

The waiving of competitive tendering procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.



Where it is decided that competitive tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented and recorded in an appropriate Trust record and reported to the Audit Committee at the next meeting.

#### **17.5.4 Fair and adequate competition**

Where the exceptions set out in Standing Financial Instructions 17.1 and 17.3.3 apply, the Trust shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, and in no case less than two firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.

#### **17.5.5 Building and engineering construction works**

Competitive Tendering cannot be waived for building and engineering construction works and maintenance without Departmental of Health approval.

#### **17.5.6 Items which subsequently breach thresholds after original approval**

Items estimated to be below the limits set in this Standing Financial Instruction for which formal tendering procedures are not used which subsequently prove to have a value above such limits shall be reported to the Chief Executive, and be recorded in an appropriate Trust record.

#### **17.5.7 Register of contracts**

The Executive Director of Finance and Resources shall be responsible for maintaining a register of contracts that will be submitted to the Audit Committee annually.

### **17.6 Contracting and tendering procedure**

#### **17.6.1 Use of Electronic Tendering (e-tendering)**

17.6.1.1 The Trust uses only electronic tendering procedures, hereinafter referred to as e-procurement.

17.6.1.2 The Procurement Manager, or authorised member of staff, will use e-procurement to conduct any tendering exercise or enter into any contract using e-tendering.

#### **17.6.2 Invitation to tender**

17.6.2.1 All invitations to tender shall state the latest date and time for the receipt of tenders.

17.6.2.2 Every tender for goods, materials, manufactured articles supplied as part of a works contract and services shall embody such of the main contract conditions as may be appropriate in accordance with the contract forms described in 17.6.2.3 and 17.6.2.4 below.

17.6.2.3 Every tender for building or engineering works, except for maintenance work only, where Estmancode (Estate Management (building, Engineering and Grounds) Practices Code for the National Health Service) guidance should be followed, shall embody or be in the terms of the current edition of the appropriate Joint Contracts Tribunal (JCT) or NEC3 Term Service Contract or Department of the Environment (GC/Wks) standard forms of contract amended as appropriate. When the content of the works is primarily engineering, tenders shall embody or be in the terms of the General Conditions of Contract recommended by the Institute of Mechanical Engineers, Institution of Engineering and Technology and the Association of Consulting Engineers (Form A) or, in the case of civil engineering work, the General Conditions of Contract recommended by the Institution of Civil Engineers, the

Association of Consulting Engineers and the Civil Engineering Contractors Association. The standard documents should be amended to comply with any relevant regulatory guidance and, in minor respects, to cover special features of individual projects.

17.6.2.4 Every tender for goods, materials, services (including consultancy services) or disposals shall embody such of the NHS Standard Contract Conditions as are applicable. Every tenderer must have given or give a written undertaking not to engage in collusive tendering or other restrictive practices.

17.6.2.5 Tendering based on other forms of contract may be used only after prior consultation with the independent regulator.

### **17.6.3 Receipt and safe custody of tenders**

17.6.3.1 No tender submitted using e-tendering will be considered unless it is received in the format requested by the Trust in the tender documents and at the electronic address specified by the Trust and unless it is received prior to the deadline for the receipt of tenders, as stated in the tender documents.

17.6.3.2 The Procurement Manager, or authorised member of their staff, shall ensure that each tender is kept unopened in a single secure electronic mailbox that cannot be opened before the deadline for the receipt of tenders.

17.6.3.3 The system used must not allow the identity of the contractor submitting the tender to be revealed prior to the tender being opened after the deadline for the receipt of tenders.

17.6.3.4 The Procurement Manager, or authorised member of their staff, shall ensure that for each procurement project, the system used shall keep and, if required, produce a record showing the time and date of receipt of all tenders received.

17.6.3.5 Late tenders, tenders received in the wrong format or not at the notified address will not be considered and they shall be returned to the tenderer with an explanation as to why that tender has not been considered.

### **17.6.4 Late, incomplete and amended tenders**

17.6.4.1 Suppliers wishing to submit tenders after the due time and date may be considered only if the Chief Executive or nominated officer decides that there are exceptional circumstances such as IT system failure. The Chief Executive or nominated officer shall decide whether such tenders are admissible and whether re-tendering is desirable. Re-tendering must not be limited to only late submissions and must include all bidders. For OJEU tenders, if re-tendering is required, then the current tender process must be aborted and a new tender started with a new OJEU advert of the opportunity.

17.6.4.2 Evidence of technically late tenders (i.e. those despatched in good time but delayed through no fault of the tenderer e.g. failures of the e-procurement system) must have supporting evidence stored safely in the relevant tender folder if the justification and evidence is not clearly apparent on the e-tendering portal.

17.6.4.3 Incomplete tenders (i.e. those from which information necessary for the adjudication of the tender is missing) and amended tenders (i.e. those amended by the tenderer on his own initiative either orally or in writing after the due time for receipt) will be rejected.

17.6.4.4 Where examination of tenders reveals errors which would affect the tender figure, the tenderer is to be given details of such errors and afforded the opportunity of confirming or withdrawing his offer, however this must be done in the clarification

stage of the tender process. Procurement must ensure transparency and fairness in all dealings with the bidders involved in the tender process. All communication must be through the e-procurement portal.

- 17.6.4.5 Necessary discussions with a tenderer of the contents of his tender, in order to elucidate technical points etc., before the award of a contract can only be carried out by the procurement department as part of the clarification Stage and all communications must be through the e-tendering portal and shared with all other bidders,

#### **17.6.5 Register of tenders**

Details of all tenders, which have been invited using e-tendering, will be entered in the register of tenders, held by the Procurement Manager.

#### **17.6.6 Acceptance of formal tenders**

Acceptance of tenders invited using e-tendering shall be made in accordance with rules and mandatory requirements associated with the tender and in compliance with the Standing Financial Instructions.

- 17.6.6.1 Tenders must be evaluated and assessed on the basis of the evaluation criteria, sub criteria and marking schemes disclosed to the bidders in the relative tender. Tender and quotes can only be advertised and conducted based on the Most Economically Advantageous Tender (MEAT). In considering which bid to accept, if any, the designated officers shall have regard to price, cost, total life cycle costing, sustainability and environmental factors, running costs, maintenance costs and, technical support, staffing implications, product quality, and ethical sourcing all of which must be linked to the subject matter of the contract in question. Any evaluation criteria, sub criteria or marking scheme, must be disclosed to the bidders prior to the launch of the tender in accordance with the Public Contracts Regulations 2015. If the number of tenders received does not provide adequate competition, the tender exercise may be re-launched. In such actions or in the case of doubt, the Chief Executive may be consulted for his authorisation to proceed with the award or re-conduct the tender process.
- 17.6.6.2 Where only one tender or quotation is received the Trust shall, as far as practicable, ensure that the price to be paid is fair and reasonable against available benchmarks.
- 17.6.6.3 A tender other than the lowest (if payment is to be made by the Trust) or other than the highest (if payment is to be received by the Trust) may be accepted if evaluation criteria prove that the Trust is receiving the MEAT. Where other factors are taken into account in selecting a tenderer, these must be clearly recorded and documented in the contract file. Awarded tenders will be reported to the Board highlighting whether the lowest or highest was awarded in line with levels of authorisation. All evaluation scores will be retained by the Trust to ensure that this can be audited and reviewed by the Board when requested.
- 17.6.6.4 It is accepted that for professional services such as management consultancy the lowest price does not always represent the best value for money. Other factors affecting the success of a project include:
- (a) experience and qualifications of team members;
  - (b) understanding of client's needs;
  - (c) feasibility and credibility of proposed approach;
  - (d) ability to complete the project on time.

Where other factors are taken into account in selecting a tenderer, these must be clearly shared with the bidder, comply with the regulations and always be recorded

and documented in the contract file and the reason(s) for not accepting the lowest tender clearly stated.

- 17.6.6.5 No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Standing Financial Instructions except with the authorisation of the Chief Executive.
- 17.6.6.6 The use of these procedures must demonstrate that the award of the contract was:
- (a) Not in excess of the going market rate or price current at the time the contract was awarded;
  - (b) MEAT
- 17.6.6.7 Where the form of contract includes a fluctuation clause, all applications for price variations must be submitted in writing by the tenderer and shall be approved by the Chief Executive or nominated officer.
- 17.6.6.8 All tender documents, responses, communications must be retained by the Trust or the e-Tendering provider but must remain at all times the property of the Trust.
- 17.6.6.9 If for any reason the designated officers are of the opinion that the tenders received are not strictly competitive (e.g. because their numbers are insufficient or any are amended, incomplete or qualified), no contract shall be awarded without the approval of the Chief Executive.

#### **17.6.7 Tender reports**

Tender reports to the Board will only be made in exceptional circumstances and in line with levels of authorisation. The Audit Committee will receive a full list of contracts over £50,000 at least annually.

#### **17.7 Quotations: competitive and non-competitive**

##### **17.7.1 General position on quotations**

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed £5,000 but not exceed £30,000.

Where the potential supplier has the ability to use an e-quote system, this should be used in preference to a manual system. Detailed instructions regarding the e-quote procedure will be put in place.

##### **17.7.2 Competitive quotations**

- (i) Quotations should be obtained from at least three firms or individuals based on specifications or terms of reference prepared by, or on behalf of, the Trust.
- (ii) Quotations should be in writing unless the Chief Executive or his nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone. Confirmation of telephone quotations should be obtained in writing within 72 hours and the reasons why the telephone quotation was obtained should be set out in a permanent record.
- (iii) All quotations should be treated as confidential and should be retained for inspection.
- (iii) The Chief Executive or his nominated officer should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the Trust, or the highest if

payment is to be received by the Trust, then the choice made and the reasons why should be recorded in a permanent record.

- (iv) The Chief Executive or his nominated officer should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the Trust, or the highest if payment is to be received by the Trust, then the choice made and the reasons why should be recorded in a payment record.

### **17.7.3 Non-competitive quotations**

Non-competitive quotations in writing may be obtained in the following circumstances:

- (i) the supply of proprietary or other goods of a special character and the rendering of services of a special character, for which it is not, in the opinion of the responsible officer, possible or desirable to obtain competitive quotations;
- (ii) the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts;
- (iii) miscellaneous services, supplies and disposals;
- (iv) where the goods or services are for building and engineering maintenance the responsible officer must certify that the first two conditions of this SFI (i.e. (i) and (ii) apply).

### **17.7.4 Quotations to be within financial limits**

No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with Standing Financial Instructions except with the authorisation of either the Chief Executive or Director of Finance.

### **17.8 Authorisation of tenders and competitive quotations**

Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation and awarding of a new contract may be decided by the following staff where an approved budget is held for that purpose and the value is for the whole life of the contract:

Designated budget holders		Nil
Directors	up to	£100,000
Chief Executive	up to	£250,000
A group comprising the Chair or Vice Chair, Chief Executive and the Director of Finance [or one other Executive Director where the DoF is unavailable]	up to	£500,000
Trust Board	over	£500,000

These levels of authorisation may be varied or changed and need to be read in conjunction with the Trust Board's Scheme of Delegation.

Formal authorisation must be put in writing. In the case of authorisation by the Trust Board this shall be recorded in their minutes.

### **17.9 Instances where formal competitive tendering or competitive quotation is not required**

Where competitive tendering or a competitive quotation is not required the Trust should adopt one of the following alternatives:

- (a) The Trust shall use authorised managed procurement routes e.g. The Commercial Procurement Collaborative (CPC) for procurement of all goods and services unless the Chief Executive or nominated officers deem it inappropriate. The decision to use alternative sources must be documented.
- (b) If the Trust does not use authorised procurement routes where tenders or quotations are not required, because expenditure is below £5,000, the Trust shall procure goods and services in accordance with procurement procedures approved by the Director of Finance.

### **17.10 Private finance for capital procurement**

The Trust should normally market-test for Private Finance Initiative (PFI) funding when considering a capital procurement. When the Board proposes, or is required, to use finance provided by the private sector the following should apply:

- (a) The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
- (b) Where the sum exceeds delegated limits, a business case must be referred to the appropriate Department of Health and Social Care for approval or treated as per current guidelines.
- (c) The proposal must be specifically agreed by the Board of the Trust.
- (d) The selection of a contractor or finance company must be on the basis of competitive tendering or quotations.

### **17.11 Compliance requirements for all contracts**

The Board may only enter into contracts on behalf of the Trust within the statutory powers delegated to it by the Secretary of State and shall comply with:

- (a) The Trust's Standing Orders and Standing Financial Instructions;
- (b) EU Directives and other statutory provisions;
- (c) Standards for Better Health
- (d) such of the NHS Standard Contract Conditions as are applicable.
- (e) contracts with foundation trusts must be in a form compliant with appropriate NHS guidance.
- (f) Where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited.
- (g) In all contracts made by the Trust, the Board shall endeavour to obtain best value for money by use of all systems in place. The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.

- (h) any relevant directions including guidance on the procurement and management of consultants.

#### **17.12 Personnel and agency or temporary staff contracts**

The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.

#### **17.13 Cancellation of contracts**

Except where specific provision is made in model forms of contracts or standard Schedules of Conditions approved for use within the National Health Service, there shall be inserted in every written contract a clause empowering the Trust to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor shall have offered, given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the contract or any other contract with the Trust, or for showing or forbearing to show favour or disfavour to any person in relation to the contracts or any other contract with the Trust, or if the like acts shall have been done by any person employed by him or acting on his behalf (whether with or without the knowledge of the contractor), or if in relation to any contract with the Trust the contractor or any person employed by him or acting on his behalf shall have committed any offence under the Prevention of Corruption Acts 1889 and 1916 or other appropriate legislation.

#### **17.14 Determination of contracts for failure to deliver goods or material**

There shall be inserted in every written contract for the supply of goods or materials a clause to secure that, should the contractor fail to deliver the goods or materials or any portion thereof within the time or times specified in the contract, the Trust may without prejudice determine the contract either wholly or to the extent of such default and purchase other goods or material of similar description to make good

- (a) such default or
- (b) (in the event of the contract being wholly determined) the goods or materials remaining to be delivered.

The clause shall further secure that the amount by which the cost of so purchasing other goods or materials exceeds the amount which would have been payable to the contractor in respect of the goods or materials shall be recoverable from the contractor.

#### **17.15 Healthcare services agreements**

Service agreements with NHS providers for the supply of healthcare services shall be drawn up in accordance with the NHS and Community Care Act 1990 and administered by the Trust. Service agreements are not contracts in law and therefore not enforceable by the courts. However, a contract with a Foundation Trust, being a Public Benefit Company (PBC), is a legal document and is enforceable in law.

#### **17.16 Disposals**

Competitive tendering or quotation procedures shall not apply to the disposal of:

- (a) Any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his nominated officer;

- (b) Obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;
- (c) Items to be disposed of with an estimated sale value of less than £20,000, this figure to be reviewed on a bi-annual basis;
- (d) Items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- (e) Land or buildings concerning which DH guidance has been issued but subject to compliance with such guidance.

#### **17.17 In-house services**

17.17.1 The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis. The Trust may also determine from time to time that in-house services should be market tested by competitive tendering.

17.17.2 In all cases where the Board determines that in-house services should be subject to competitive tendering the following groups shall be set up:

- (a) Specification group, comprising the Chief Executive or nominated officers and specialist.
- (b) In-house tender group, comprising a nominee of the Chief Executive and technical support.
- (c) Evaluation team, comprising normally a specialist officer, a procurement officer and a Director of Finance representative. For services having a likely annual expenditure exceeding £100,000, a non-officer member should be a member of the evaluation team.

17.17.3 All groups should work independently of each other and individual officers may be a member of more than one group but no member of the in-house tender group may participate in the evaluation of tenders.

17.17.4 The evaluation team shall make recommendations to the Board.

17.17.5 The Chief Executive shall nominate an officer to oversee and manage the contract on behalf of the Trust.

#### **17.18 Applicability of Standing Financial Instructions on tendering and contracting to funds held in trust**

These instructions shall not only apply to expenditure from exchequer funds but also to works, services and goods purchased from the Trust's charitable funds and private resources.

#### **17.19 Confidentiality of contract information**

All documentation and minutes relating to contract prices shall at all times be treated as private and confidential.



## **18. NHS SERVICE AGREEMENTS FOR PROVISION OF SERVICES**

### **18.1 Service level agreements**

18.1.1 The Chief Executive, as the Accountable Officer, is responsible for ensuring the Trust enters into suitable service level agreements (SLA) with service commissioners for the provision of NHS services.

18.1.2 All SLAs should aim to implement the agreed priorities contained within the operational plan and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:

- a) the standards of service quality expected;
- b) the relevant national service framework (if any);
- c) the provision of reliable information on cost and volume of services;
- d) the NHS National Performance Assessment Framework;
- e) that SLAs build, where appropriate, on existing Joint Investment Plans;
- f) that SLAs are based on integrated care pathways.

### **18.2 Involving partners and jointly managing risk**

A good SLA will result from a dialogue of clinicians, users, carers, public health professionals and managers. It will reflect knowledge of local needs and inequalities. This will require the Chief Executive to ensure that the Trust works with all partner agencies involved in both the delivery and the commissioning of the service required. The SLA will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way, the Trust can jointly manage risk with all interested parties.

## **19. COMMISSIONING**

Not applicable to NHS Trusts.

## **20. TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF MEMBERS OF THE TRUST BOARD AND EXECUTIVE COMMITTEE AND EMPLOYEES**

### **20.1 Nominations and Remuneration Committee**

20.1.1 In accordance with Standing Orders the Board shall establish a Nominations and Remuneration Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting. (See NHS guidance contained in the Higgs report.)

20.1.2 The Committee will:

- a) Review the structure, size and composition (including the skills, knowledge and experience) required of the Board and make recommendations to the Board with regard to any changes.

- b) Consider plans for succession planning for the Chief Executive and other executives
- c) Identify and nominate for appointment candidates to fill posts within the Committee's remit as and when they arise.
- d) Before an appointment is made, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall use open advertising or the services of external advisers to facilitate the search; consider candidates from a wide range of backgrounds; and consider candidates on merit against objective criteria.
- e) Consider any matter relating to the continuation in office of any Board executive at any time including the suspension or termination of service of an individual as an employee of the Trust.
- f) Advise and make recommendations to the Board about appropriate remuneration and terms of service for the Chief Executive, executives and other senior managers not covered by the Agenda for Change Terms and Conditions.
- g) Make recommendations on any residual local pay arrangements not covered by national terms.
- h) Monitor, review and report to the Board on relevant processes of remuneration that are not covered by the Agenda for Change pay, terms and conditions or by the consultant contract, the salaried dental contract or the staff and associate specialist contract pay, terms and conditions that may require consideration by exception to meet the business needs of the Trust.
- i) Ratify and agree any awards at the discretion of the Trust as the employer.

20.1.3 The Committee shall report in writing to the Board. The Board shall remain accountable for taking decisions on the remuneration and terms of service of officer members. Minutes of the Board's meetings should record such decisions.

20.1.4 The Board will consider and need to approve proposals presented by the Chief Executive for the setting of remuneration and conditions of service for those employees and officers not covered by the Committee.

20.1.5 The Trust will pay allowances to the Chair and non-officer members of the Board in accordance with instructions issued by the Secretary of State for Health.

## **20.2 Funded establishment**

20.2.1 The workforce plans incorporated within the annual budget will form the funded establishment.

20.2.2 The funded establishment of any department may not be increased without the approval of the Chief Executive. Any increases in cost or funding must be linked to the financial plan.

## **20.3 Staff appointments**

20.3.1 No officer or member of the Trust Board or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:

- (a) Unless authorised to do so by the Chief Executive;

(b) Within the limit of their approved budget and funded establishment.

20.3.2 The Board, or as delegated will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc, for employees.

## **20.4 Processing payroll**

20.4.1 The Director of Workforce is responsible for:

- (a) Specifying timetables for submission of properly authorised time records and other notifications;
- (b) The final determination of pay and allowances;
- (c) Making payment on agreed dates;
- (d) Agreeing method of payment.

20.4.2 The Director of Workforce will issue instructions regarding:

- (a) Verification and documentation of data;
- (b) The timetable for receipt and preparation of payroll data and the payment of employees and allowances;
- (c) Maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- (d) Security and confidentiality of payroll information;
- (e) Checks to be applied to completed payroll before and after payment;
- (f) Authority to release payroll data under the provisions of the Data Protection Act;
- (g) Methods of payment available to various categories of employee and officers.

20.4.3 The Director of Finance will issue instructions regarding:

- (h) Procedures for payment by cheque, bank credit, or cash to employees and officers;
- (i) Procedures for the recall of cheques and bank credits;
- (j) Pay advances and their recovery;
- (k) Maintenance of regular and independent reconciliation of pay control accounts;
- (l) Separation of duties of preparing records and handling cash;
- (m) A system to ensure the recovery from those leaving the employment of the Trust of sums of money and property due by them to the Trust.

20.4.4 Appropriately nominated managers have delegated responsibility for:

- (a) Submitting time records and other notifications in accordance with agreed timetables;

- (b) Completing time records and other notifications in accordance with the Director of Finance's instructions and in the form prescribed by the Director of Finance;
- (c) Submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfil obligations in circumstances that suggest they have left without notice, the Director of Finance must be informed immediately.

20.4.5 Regardless of the arrangements for providing the payroll service, the Director of Finance shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

## **20.5 Contracts of employment**

20.5.1 The Board shall delegate responsibility to an officer for:

- (a) ensuring that all employees are issued with a contract of employment in a form approved by the Board and which complies with employment legislation;
- (b) dealing with variations to, or termination of, contracts of employment, in accordance with approved organisational change, performance management, disciplinary and sickness absence policies.

## **21. NON-PAY EXPENDITURE**

### **21.1 Delegation of authority**

21.1.1 The Board will approve the level of non-pay expenditure on an annual basis and the Chief Executive will determine the level of delegation to budget managers.

21.1.2 The Chief Executive will set out:

- (a) the list of managers who are authorised to place requisitions for the supply of goods and services;
- (b) the maximum level of each requisition and the system for authorisation above that level.

21.1.3 The Chief Executive shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

### **21.2 Choice, requisitioning, ordering, receipt and payment for goods and services**

#### **21.2.1 Requisitioning**

The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought. Where this advice is not acceptable to the requisitioner, the Director of Finance (and/or the Chief Executive) shall be consulted.

## 21.2.2 System of payment and payment verification

The Director of Finance shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with national guidance.

The Director of Finance will:

- (a) Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in Standing Orders and Standing Financial Instructions and regularly reviewed;
- (b) Prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds;
- (c) Be responsible for the prompt payment of all properly authorised accounts and claims;
- (d) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
  - (i) A list of Board employees (including specimens of their signatures) authorised to certify invoices.
  - (ii) Certification that:
    - Goods have been duly received, examined and are in accordance with specification and the prices are correct;
    - Work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
    - In the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
    - Where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
    - The account is arithmetically correct;
    - The account is in order for payment.
  - (iii) A timetable and system for submission to NHS Shared Business Services of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
  - (iv) Instructions to employees regarding the handling of accounts within the finance department.
- (e) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in Standing Financial Instruction 21.2.4 below.

### **21.2.3 Prepayments to non NHS and non-government bodies**

Prepayments to non NHS and non-government Bodies are only permitted where exceptional circumstances apply. In such instances:

- (a) Prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using the National Loans Fund (NLF) rate plus 2%).
- (b) The appropriate officer must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;
- (c) The Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold);
- (d) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.

### **21.2.4 Official orders**

Official Orders must:

- (a) Be consecutively numbered;
- (b) Be in a form approved by the Director of Finance;
- (c) State the Trust's terms and conditions of trade;
- (d) Only be issued to, and used by, those duly authorised by the Chief Executive.

### **21.2.5 Duties of managers and officers**

Officers must ensure that they comply fully with the guidance and limits specified by the Director of Finance and that:

- (a) All contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance in advance of any commitment being made;
- (b) Contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;
- (c) Where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health and Social Care;
- (d) No order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:
  - (i) Isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;

- (ii) Conventional hospitality, such as lunches in the course of working visits;

This provision needs to be read in conjunction with the principles outlined in the national guidance contained in the Trust's Managing Conflicts of Interest Policy and Procedure.

- (e) No requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive;
- (f) All goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash;
- (g) Verbal orders must only be issued very exceptionally - by an employee designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked confirmation order.
- (h) Orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- (i) Goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- (j) Changes to the list of employees and officers authorised to certify invoices are notified to the Director of Finance;
- (k) Purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance;
- (l) Petty cash records are maintained in a form as determined by the Director of Finance.

The Chief Executive and Director of Finance shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant director.

### **21.3 Joint finance arrangements with local authorities and voluntary bodies**

- 21.3.1 Payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act shall comply with procedures laid down by the Director of Finance which shall be in accordance with these Acts.

## **22. EXTERNAL BORROWING**

- 22.1.1 The Director of Finance will advise the Board concerning the Trust's ability to pay dividend on, and repay public dividend capital (PDC) and any proposed new borrowing, within the limits set by the Department of Health and Social Care. The Director of Finance is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.
- 22.1.2 The Board will agree the list of employees (including specimens of their signatures) who are authorised to make short term borrowings on behalf of the Trust. This must contain the Chief Executive and the Director of Finance.

- 22.1.3 The Director of Finance must prepare detailed procedural instructions concerning applications for loans and overdrafts.
- 22.1.4 All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cash flow position, represent good value for money, and comply with the latest guidance from the Department of Health and Social Care.
- 22.1.5 Any short-term borrowing must be with the authority of two members of an authorised panel, one of which must be the Chief Executive or the Director of Finance. The Board must be made aware of all short term borrowings at the next Board meeting.
- 22.1.6 All long-term borrowing must be consistent with the plans currently outlined to NHS Improvement and be approved by the Trust Board.

## **22.2 Investments**

- 22.2.1 Temporary cash surpluses must be held only in such public or private sector investments as notified by the Secretary of State and authorised by the Board.
- 22.2.2 The Director of Finance is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.
- 22.2.3 The Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

## **23. FINANCIAL FRAMEWORK**

- 23.3.1 The Director of Finance should ensure that members of the Board are aware of the financial framework. This document contains directions which the Trust must follow. It also contains directions to NHS Improvement and NHS England regarding resource and capital allocation and funding to trusts. The Director of Finance should also ensure that the direction and guidance in the framework is followed by the Trust.

## **24. CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTERS AND SECURITY OF ASSETS**

### **24.1 Capital Investment**

- 24.1.1 The Chief Executive:
  - (a) Shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
  - (b) Is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
  - (c) Shall ensure that the capital investment is not undertaken without confirmation of commissioner(s) support and the availability of resources to finance all revenue consequences, including capital charges.
- 24.1.2 For every capital expenditure proposal the Chief Executive shall ensure:



(a) That a business case with sufficient detail to reflect the value of the capital investment (in line with the guidance contained within the Capital Investment Manual) is produced setting out:

- (i) An option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
- (ii) The involvement of appropriate Trust officers and external agencies;
- (ii) Appropriate project management and control arrangements;

(b) That the Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case and involved appropriate Trust personnel and external agencies in the process.

24.1.3 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management, incorporating the recommendations of ESTATECODE.

24.1.4 The Director of Finance shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with HM Revenue and Customs guidance.

24.1.5 The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

24.1.6 The approval of a capital programme shall not constitute approval for expenditure on any scheme.

The Chief Executive shall issue to the manager responsible for any scheme:

- (a) Specific authority to commit expenditure;
- (b) Authority to proceed to tender (see Standing Financial Instruction 17.6);
- (c) Approval to accept a successful tender (Standing Financial Instruction 17.6).

The Chief Executive will issue a scheme of delegation for capital investment management in accordance with ESTATECODE guidance and the Trust's Standing Orders.

24.1.7 The Director of Finance shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall fully take into account the delegated limits for capital schemes included in HSC (1999) 246.

## **24.2 Private finance**

24.2.1 The Trust should normally test for PFI when considering capital procurement. When the Trust proposes to use finance which is to be provided other than through its Allocations, the following procedures shall apply:

- (a) The Director of Finance shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
- (b) Where the sum involved exceeds delegated limits, the business case must be referred to the Department of Health and Social Care or in line with any current guidelines.

- (c) The proposal must be specifically agreed by the Board.

### **24.3 Asset registers**

- 24.3.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Finance concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted such that 25% of assets will be verified each year such that over a rolling four year period all assets are physically verified.
- 24.3.2 Each Trust shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as specified in the Capital Accounting Manual as issued by the Department of Health and Social Care.
- 24.3.3 Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:
  - (a) Properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
  - (b) Stores, requisitions and wages records for own materials and labour including appropriate overheads;
  - (c) Lease agreements in respect of assets held under a finance lease and capitalised.
- 24.3.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).
- 24.3.5 The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 24.3.6 The value of each asset shall be indexed to current values in accordance with methods specified in the Capital Accounting Manual issued by the Department of Health and Social Care.
- 24.3.7 The value of each asset shall be depreciated using methods and rates as specified in the Capital Accounting Manual issued by the Department of Health and Social Care.
- 24.3.8 The Director of Finance of the Trust shall calculate and pay capital charges as specified in the Capital Accounting Manual issued by the Department of Health and Social Care.

### **24.4 Security of assets**

- 24.4.1 The overall control of fixed assets is the responsibility of the Chief Executive.
- 24.4.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance. This procedure shall make provision for:
  - (a) Recording managerial responsibility for each asset;
  - (b) Identification of additions and disposals;

- (c) Identification of all repairs and maintenance expenses;
  - (d) Physical security of assets;
  - (e) Periodic verification of the existence of, condition of, and title to, assets recorded;
  - (f) Identification and reporting of all costs associated with the retention of an asset;
  - (g) Reporting, recording and safekeeping of cash, cheques, and negotiable instruments.
- 24.4.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Director of Finance.
- 24.4.4 Whilst each employee and officer has a responsibility for the security of property of the Trust, it is the responsibility of Board members and senior officers in all disciplines to apply such appropriate routine security practices in relation to NHS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with agreed procedures.
- 24.4.5 Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board members and employees in accordance with the procedure for reporting losses.
- 24.4.6 Where practical, assets should be marked as Trust property.

## **25. STORES AND RECEIPT OF GOODS**

### **25.1 General position**

- 25.1.1 Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:
- (a) Kept to a minimum;
  - (b) Subjected to annual stock take;
  - (c) Valued at the lower of cost and net realisable value.

### **25.2 Control of stores, stocktaking, condemnations and disposal**

- 25.2.1 Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by him/her to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance. The control of any pharmaceutical stocks shall be the responsibility of a designated pharmaceutical officer; the control of any fuel oil and coal of a designated estates manager.
- 25.2.2 The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, stocks should be marked as health service property.
- 25.2.3 The Director of Finance shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.

- 25.2.4 Stocktaking arrangements shall be agreed with the Director of Finance and there shall be a physical check covering all items in store at least once a year.
- 25.2.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.
- 25.2.6 The designated pharmaceutical officer shall be responsible for a system approved by the Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated officer shall report to the Director of Finance any evidence of significant overstocking and of any negligence or malpractice. Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

### **25.3 Goods supplied by NHS Supply Chain**

- 25.3.1 For goods supplied via the NHS Supply Chain central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note and original requisition. The Director of Finance shall satisfy himself that the goods have been received before accepting the recharge. This will be achieved through sample checking and tolerance levels.

## **26. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS**

### **26.1 Disposals and condemnations**

- 26.1.1 **Procedures:** The Director of Finance must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers.
- 26.1.2 When it is decided to dispose of a Trust asset, the head of department or authorised deputy will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.
- 26.1.3 All unserviceable articles shall be:
- (a) Condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Finance;
  - (b) Recorded by the condemning officer in a form approved by the Director of Finance which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Director of Finance.
- 26.1.4 The condemning officer shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Finance who will take the appropriate action.

### **26.2 Losses and special payments**

- 26.2.1 **Procedures:** The Director of Finance must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.
- 26.2.2 In accordance with guidance, any employee who suspects or discovers that there has been an incident of fraud or bribery must report the matter directly to the Local Counter Fraud Specialist, the Director of Finance, or through the NHS Fraud and Corruption Reporting Line. The Director of Finance must notify the counter fraud

and security management services and the external auditor of the outcome of all fraud investigations.

- 26.2.3 Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved.
- 26.2.4 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Director of Finance must, as soon as practicable, notify:
  - (a) The Board, and
  - (b) The external auditor.
- 26.2.5 Within limits delegated to it by the Department of Health and Social Care, the Board shall approve the writing off of losses.
- 26.2.6 The Director of Finance shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 26.2.7 For any loss, the Director of Finance should consider whether any insurance claim can be made.
- 25.2.8 The Director of Finance shall maintain a losses and special payments register in which write off action is recorded.
- 26.2.9 No special payments exceeding delegated limits shall be made without the prior approval of the Department of Health and Social Care.
- 26.2.10 All losses and special payments must be reported to the Audit Committee at least annually.

## **27. INFORMATION TECHNOLOGY**

### **27.1 Responsibilities and duties of the Director of Finance**

- 27.1.1 The Director of Finance, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:
  - (a) Devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programmes and computer hardware for which the Director is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 2018;
  - (b) Ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
  - (c) Ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
  - (d) Ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.
- 27.1.2 The Director of Finance shall need to ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another

organisation, assurances of adequacy must be obtained from them prior to implementation.

- 27.1.3 The Director responsible for information technology shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model publication scheme approved by the information Commissioner. A publication scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about our Trust that we make publicly available.

## **27.2 Responsibilities and duties of other directors and officers in relation to computer systems of a general application**

- 27.2.1 In the case of computer systems which are proposed general applications (i.e. normally those applications which the majority of trusts in the area wish to sponsor jointly) all responsible directors and employees will send to the Director of Finance:

- (a) Details of the outline design of the system;
- (b) In the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.

## **27.3 Contracts for computer services with other health bodies or outside agencies**

- 27.3.1 The Director of Finance shall ensure that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.
- 27.3.2 Where another health organisation or any other agency provides a computer service for financial applications, the Director of Finance shall annually seek assurances that adequate controls are in operation.

## **27.4 Risk assessment**

The Director of Finance shall ensure that risks to the Trust arising from the use of IT are effectively identified and considered and appropriate action taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans.

## **27.5 Requirements for computer systems which have an impact on corporate financial systems**

Where computer systems have an impact on corporate financial systems the Director of Finance shall need to be satisfied that:

- (a) Systems acquisition, development and maintenance are in line with corporate policies such as an information technology strategy;
- (b) Data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;
- (c) Director of Finance staff have access to such data;
- (d) Such computer audit reviews as are considered necessary are being carried out.
- (e) Regular backups and contingency plans are in place

## **28. PATIENTS' PROPERTY**

28.1 The Trust has a responsibility to provide safe custody for money and other personal property (hereafter referred to as property) handed in by patients to Trust staff, in the possession of unconscious or confused patients, or found in the possession of patients dying in hospital or dead on arrival.

28.2 The Chief Executive is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission by:

- Notices and information booklets; (*notices are subject to sensitivity guidance*)
- Hospital admission documentation and property records;
- The oral advice of administrative and nursing staff responsible for admissions,

that the Trust will not accept responsibility or liability for patients' property brought into NHS premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.

28.3 The Director of Finance must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients. Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.

28.4 Where Department of Health and Social Care instructions require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Director of Finance.

28.5 In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965), the production of Probate or letters of administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.

28.6 Staff should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.

28.7 Where patients' property or income is received for specific purposes and held for safekeeping the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

## **29. FUNDS HELD ON TRUST**

### **29.1 Corporate trustee**

(1) Standing Order No. 2.7 outlines the Trust's responsibilities as a corporate trustee for the management of funds it holds on trust, along with Standing Order 4.8.3 that defines the need for compliance with Charity Commission latest guidance and best practice.

(2) The discharge of the Trust's corporate trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.

The Director of Finance shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately with regard to its purpose and to its requirements.

## **29.2 Accountability to Charity Commission and Secretary of State for Health**

- (1) The trustee responsibilities must be discharged separately and full recognition given to the Trust's dual accountabilities to the Charity Commission for charitable funds held on trust and to the Secretary of State for all funds held on trust.
- (2) The Schedule of Decisions Reserved to the Board and the Scheme of Delegation make clear where decisions regarding the exercise of discretion regarding the disposal and use of the funds are to be taken and by whom. All Trust Board members and Trust officers must take account of that guidance before taking action.

## **29.3 Applicability of Standing Financial Instructions to funds held on trust**

- (1) In so far as it is possible to do so, most of the sections of these Standing Financial Instructions will apply to the management of funds held on trust.
- (2) The over-riding principle is that the integrity of each Trust must be maintained and statutory and Trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

## **30. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT**

The Company Secretary shall ensure that all staff are made aware of the Trust's policy on acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in the Trust's Managing Conflicts of Interest Policy and Procedure; the Code of Conduct for NHS Managers 2002; the Bribery Act 2010 and the ABPI Code of Professional Conduct relating to hospitality and gifts from pharmaceutical and external industry and is also deemed to be an integral part of these Standing Orders and Standing Financial Instructions

## **31. PAYMENTS TO INDEPENDENT CONTRACTORS**

Not applicable to NHS Trusts

## **32. RETENTION OF RECORDS**

- 32.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with legislation and guidance issued by the Department of Health and Social Care and other regulators. The Chief Executive shall develop a policy and ensure all staff are aware of the mandatory requirements and best practice relating to the retention of documents. .
- 32.2 The records held in archives shall be capable of retrieval by authorised persons.
- 32.3 Records shall only be destroyed at the express instigation of the Chief Executive. Details shall be maintained of records so destroyed.



## **33. RISK MANAGEMENT AND INSURANCE**

### **33.1 Programme of risk management**

The Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with current Department of Health and Social Care assurance framework requirements, which must be approved and monitored by the Board.

The programme of risk management shall include:

- a) a process for identifying and quantifying risks and potential liabilities;
- b) engendering among all levels of staff a positive attitude towards the control of risk;
- c) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk;
- d) contingency plans to offset the impact of adverse events;
- e) audit arrangements including; internal audit, clinical audit, health and safety review;
- f) a clear indication of which risks shall be insured;
- g) arrangements to review the risk management process .

The existence, integration and evaluation of the above elements will assist in providing a basis to make a statement on the effectiveness in the annual governance statement within the annual report and accounts as required by current Department of Health and Social Care guidance.

### **33.2 Insurance: risk pooling schemes administered by NHS Resolution**

The Board shall decide if the Trust will insure through the risk pooling schemes administered by NHS Resolution or self-insure for some or all of the risks covered by the risk pooling schemes. If the Board decides not to use the risk pooling schemes for any of the risk areas (clinical, property and employers/third party liability) covered by the scheme this decision shall be reviewed annually.

### **33.3 Insurance arrangements with commercial insurers**

33.3.1 There is a general prohibition on entering into insurance arrangements with commercial insurers. There are, however, three exceptions when Trust's may enter into insurance arrangements with commercial insurers. The exceptions are:

- (1) Trust's may enter commercial arrangements for insuring motor vehicles owned by the Trust including insuring third party liability arising from their use;
- (2) Where the Trust is involved with a consortium in a private finance initiative contract and the other consortium members require that commercial insurance arrangements are entered into; and
- (3) Where income generation activities take place. Income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the Trust for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from the NHS Resolution. In any

case of doubt concerning a Trust's powers to enter into commercial insurance arrangements, the Director of Finance should consult the Department of Health and Social Care.

### **33.4 Arrangements to be followed by the Board in agreeing insurance cover**

- (1) Where the Board decides to use the risk pooling schemes administered by the NHS Resolution, the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management process. The Director of Finance shall ensure that documented procedures cover these arrangements.
- (2) Where the Board decides not to use the risk pooling schemes administered by NHS Resolution for one or other of the risks covered by the schemes, the Director of Finance shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Director of Finance will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed.
- (3) All the risk pooling schemes require scheme members to make some contribution to the settlement of claims (the deductible). The Director of Finance should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

## **34. QUALITY AND SAFETY OF CARE**

### **34.1 Infection prevention and control**

- 34.1.1 The Chief Executive and the Board retain overall responsibility for infection prevention and control
- 34.1.2 The Director responsible for infection prevention and control (DIPC) will lead and assume day to day responsibility for systems and processes and people to lead assure and report on compliance with the Health and Social Care Act 2008: Code of Practice for the NHS on the Prevention and Control of Health Care Associated Infections and Related Guidance (January 2009).
- 34.1.3 The DIPC will report annually to the Board on strategies to prevent and control infection. Reporting best practice and any breaches in good practice through the Quality Committee and performance report to the Board.

### **34.2 Quality and safety**

- 34.2.1 The Chief Executive and the Board retain overall responsibility for quality and safety.
- 34.2.2 The Director responsible for quality and safety will take day to day responsibility for leading strategy and establishing systems to improve quality and safety.
- 34.2.3 The Director responsible for quality and safety will report compliance with the Health and Social Care Act 2008, monitored using the Care Quality Commission Fundamental Standards guidance (CQC March 2015) to the Quality Committee and the Board.
- 34.2.4 The Director responsible for quality and safety will oversee registration with the Care Quality Commission and compliance with section 12 regulations of the Health and Social Care Act 2008 (regulated Activities) Regulations 2010.

- 34.2.5 The Board will promote and monitor quality and safety through the performance report as a key strategic objective and statutory duty.
- 34.2.6 The Board will approve and publish the annual quality account.
- 34.2.7 The Audit Committee will report assurance on systems for quality and safety as part of the annual audit plan.
- 34.2.8 The Quality Committee will oversee quality and safety management.

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