

Policy: Standing Orders, Reservation & Delegation of Powers & Standing Financial Instructions

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Target audience	All Trust Staff
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Policy Version and advice on document history, availability and storage

Once ratified by Board of Directors needs to be submitted to Monitor for approval.

This policy has been updated to reflect current Trust practice.

This policy is stored and available through the SHSC Intranet. It replaces the previous Standing Orders, Reservation & Delegation of Powers and Standing Financial Instructions and all copies of the previous policy should be destroyed.

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i. Scope of this Policy

This is a Trust-wide Policy and relates to all Sheffield Health & Social Care NHS Foundation Trust staff.

ii. Dissemination, storage and archiving

This policy will be posted on the Sheffield Health and Social Care NHS Foundation Trust's website and available to all staff.

An e-mail will be sent to managers within the Trust informing them that the policy has been updated and will include a summary of the main changes.

iii. Training and other resource implications

There are no training implications associated with this policy.

iv. Audit, Monitoring and Review

The implementation of this policy will be reviewed as a result of changes to legislation and audit recommendations.

v. Implementation plan

The processes in this policy have already been implemented.

vi. Links to Other Policies

- Delegation of Budgetary Authority
- Scheme of Delegation

vii. Contact Details

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SECTION A

Sheffield Health & Social Care NHS Foundation Trust

Standing Orders

Board of Directors

FOREWORD

Trust Boards have a responsibility to agree Standing Orders and Schedules of Reservation of Powers and Delegation of Powers to their boards.

These documents, together with Standing Financial Instructions, provide a regulatory framework for the business conduct of the Trust. They fulfill the dual role of protecting the Trust's interests (by ensuring, for example, that all transactions maximise the benefit to the Trust) and protecting staff from possible accusations that they have acted less than properly. This is provided of course, staff have followed the correct procedures outlined in the relevant document.

The Standing Orders, Scheme of Delegation document and Standing Financial Instructions provide a comprehensive business framework. All Directors and all staff should be aware of the existence of these documents and, where necessary, be familiar with their detailed provisions to the extent required for the proper conduct of their duties.

INTRODUCTION

Statutory Framework

The Sheffield Health and Social Care NHS Foundation Trust (“**the Trust**”) is a public benefit corporation which was established under the 2006 Act on 1st July 2008 subject to its Constitution and Terms of Authorisation.

The Headquarters of the Trust is Fulwood House, Old Fulwood Road, Sheffield S10 3TH.

NHS Foundation Trusts are governed by a regulatory framework that confers the functions of the Trust and comprises the 2006 Act, the Constitution and the Terms of Authorisation. The powers of the Trust are set out in the 2006 Act subject to any restrictions in the Terms of Authorisation. Functions are also conferred on the Trust by virtue of the S.75 Partnership Agreement with Sheffield City Council.

The Trust will be bound by such other statute and legal provisions or guidance which governs the conduct of its affairs.

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 note it is accountable to the Charity Commission for those funds deemed to be charitable. In addition, the Trust has a common law duty as a bailee for patients' property held by the Trust on behalf of the patients.

The Trust also has statutory powers under section 256 of the 2006 Act to fund projects jointly planned with local authorities, voluntary organisations and other bodies.

In accordance with paragraph 27 of the Constitution, the Standing Orders of the Board of Directors are to be set out in this Annex 8. The Trust adopts Standing Orders for the regulation of proceedings and business. The Trust has adopted Standing Financial Instructions as an integral part of the Standing Orders setting out the responsibilities of individuals.

NHS Framework

The Code of Accountability – (see section 1.3.2 of the Corporate Governance Framework Manual) – requires that, inter alia, Boards draw up a schedule of decisions reserved to the Board, and ensure that management arrangements are in place to ensure responsibility to be clearly delegated to the Executive Directors' Group and to senior executives (a scheme of delegation). The Code (and the Constitution) also require the establishment of Audit and Remuneration Committees with formally agreed terms of reference. The Constitution and the Code of Conduct (see section 1.3.1 of the Corporate Governance Framework Manual) – makes various requirements concerning possible conflicts of interest of Directors.

The Code of Practice on Openness in the NHS (which is subject to the Freedom of Information Act 2000) sets out the requirements for public access to information on the NHS.

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 by Delegation (SO 4) 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 appointed by virtue of Standing Order 5 or by an Officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit ". Delegated Powers are covered in a separate document (Scheme of Delegation document). (See Section 1.8 and Appendix 2 of the Corporate Governance Framework Manual). This document has effect as if incorporated into the Standing Orders. Further powers to delegate and make arrangements for delegation are provided through the S.75 Partnership Agreement with Sheffield City Council.

1. INTERPRETATIONS AND DEFINITIONS

- 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 he should be advised by the Chief Executive or Company Secretary).
- 1.2 All references in these Standing Orders to the masculine gender shall be read equally applicable to the feminine gender.
- 1.3 For convenience, and unless the context otherwise requires, the terms and expressions contained within the Interpretations and Definitions section of the Constitution at page 1 are incorporated and are deemed to have been repeated here verbatim for the purposes of interpreting words contained in this Annex 8 and in addition:

"Audit and Assurance Committee" & "Quality Assurance Committee" means a committee whose functions are concerned with providing the Trust Board with a means of independent and objective review and monitoring financial systems and information, quality and clinical effectiveness, compliance with law, guidance and codes of conduct, effectiveness of risk management, the processes of governance and the delivery of the Board Assurance Framework.

"Committee" means a committee or sub-committee appointed by the Trust.

"Committee Members" shall be persons formally appointed by the Trust to sit on or to chair specific committees.

"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.

"Funds held on trust" means those funds which the Trust holds at its date of incorporation, receives on distribution by statutory instrument, or chooses subsequently to accept under powers derived under Schedule 6, paragraph 8 of the 2006 Act. Such funds may or may not be charitable.

"Commissioning" means the process for determining the need for and for obtaining the supply of healthcare and related services by the Trust within available resources.

"Nominated Officer" means an Officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.

"Officer" means an employee of the Trust or any other person holding a paid appointment or office with the Trust.

"SFIs" means Standing Financial Instructions.

"SOs" means Standing Orders.

2. THE BOARD

- 2.1 All business shall be conducted in the name of the Trust.
- 2.2 All funds received in trust shall be held in the name of the Trust as corporate trustee. Powers exercised by the Trust as corporate trustee shall be exercised separately and distinctly from those powers exercised as a Foundation Trust.
- 2.3 The powers of the Trust shall be exercised in public or private session as provided for in SO 3.
- 2.4 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 Reservation of Powers to the Board and have effect as if incorporated into the Standing Orders.

- 2.5 **Composition of the Board** - In accordance with the Constitution, the composition of the Board shall comprise Directors being:
- 2.5.1 the non-executive Chair of the Trust;
- 2.5.2 up to five other Non-Executive Directors;
- 2.5.3 up to five Executive Directors, including:
- (a) the Chief Executive (Accounting Officer);
- (b) Finance Director;
- (c) a registered medical practitioner or a registered dentist;
- (d) a registered nurse or a registered midwife
- unless, subject to SO 2.5A below, the Board determines at any time to increase the number in SO 2.5.2 or 2.5.3 above.
- 2.5A The Board of Directors shall at all times be constituted so that the number of Non-Executive Directors (excluding the Chair) equals or exceeds the number of Executive Directors.
- 2.5B **Senior Independent Director** – The Board of Directors shall appoint one of the Non-Executive Directors to be the Senior Independent Director, in consultation with the Council of Governors. The Senior Independent Director shall be available to Members and Governors if they have concerns which contact through the normal channels of the Chair, Chief Executive or Finance Director has failed to resolve or for which such contact is inappropriate.
- 2.5C **Associate Directors** – The Board may appoint Associate Directors to assist the Board in exercising its specific functions. Such Associate Directors:
- 2.5C(i) may attend Board meetings by invitation and serve on any committee or sub-committee; and
- 2.5C(ii) are not members of the Board and are not entitled to vote on any resolution of the Board.
- 2.6 **Appointment of the Chair and Directors** – The Chair and Non-Executive Directors are appointed (and removed) by the Council of Governors. The Chief Executive will be appointed or removed by the Non-Executive Directors subject to approval by the Council of Governors. The Trust shall appoint an Appointments Committee whose members shall be the Chair, Non-Executive Directors and the Chief Executive whose function will be to appoint the other Executive Directors of the Trust.
- 2.7 **Terms of Office of the Chair and Directors** – The provisions governing the period of tenure of office of the Chair and Directors and for the termination or suspension of office of the Chair and Directors are set out in the Constitution and these Standing Orders.
- 2.8 **Appointment and Powers of Vice-Chair** – Subject to SO 2.10 below, the Council of Governors may appoint a Non-Executive Director to be Vice-Chair for such a period, not exceeding the remainder of his term as Non-Executive Director of the Trust, as they may specify on appointing him.
- 2.9 Any Non-Executive Director so elected may at any time resign from the office of Vice-Chair by giving notice in writing to the Chair and the Council of Governors may thereupon appoint another Non-Executive Director as Vice-Chair in accordance with standing order 2.8.
- 2.10 Where the Chair of the Trust has died or has ceased to hold office or where he has been unable to perform his 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 his 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 his duties, be taken to include references to the Vice-Chair.

- 2.11 **Joint Directors** - Where more than one person is appointed jointly to a post of Director, those persons shall count for the purpose of SO 2.5 as one person.
- 2.12 **Role of Directors** – The Board will function as a corporate decision-making body within which all Directors will be equal. 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. In exercising these functions the Board will consider guidance from the NHS Foundation Trust Code of Governance as amended from time to time.

3. MEETINGS OF THE BOARD

- 3.1 **Admission of the Public and the Press** – The meetings of the Board of Directors shall be open to members of the public and press unless the Board decides otherwise in relation to all or part of a meeting for reasons of confidentiality or on other proper grounds. A Director shall not disclose any matter reported to the Board, notwithstanding that the matter or action has been concluded, if the Board shall resolve that it is confidential.
- 3.2 In the event that the public and press are admitted to all or part of a Board meeting pursuant to SO 3.1 above, the Chair (or Vice Chair) shall give such directions as he thinks fit in regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Board's business shall be conducted without interruption and disruption and the public will be required to withdraw upon the Board resolving "that in the interests of public order the meeting adjourn for (*the period to be specified*) to enable the Board to complete business without the presence of the public".
- 3.3 Nothing in these Standing Orders shall be construed as permitting the introduction by the public or press representatives of recording, transmitting, video or small apparatus into meetings of the Board or Committee. Such permissions shall be granted only upon resolution of the Trust.
- 3.4 **Calling of Meetings** – Ordinary meetings of the Board shall be held six times per year.
- 3.5 The Chair of the Trust may call a meeting of the Board at any time. If the Chair refuses to call a meeting after a requisition for that purpose, signed by at least one-third of the whole number of Directors, has been presented to him/her, or if, without so refusing, the Chair does not call a meeting within seven days after such requisition has been presented to him at the Trust's Headquarters, such one third or more Directors may forthwith call a meeting.
- 3.6 **Notice of Meetings** - Before each meeting of the Board, a notice of the meeting, specifying the business proposed to be transacted at it, and signed by the Chair or by an Officer authorised by the Chair to sign on his behalf shall be delivered to every Director, or sent by post to the usual place of residence of such Director, so as to be available to him at least three clear days before the meeting.
- 3.7 Want of service of the notice on any Director shall not affect the validity of a meeting.
- 3.8 In the case of a meeting called by Directors in default of the Chair, the notice shall be signed by those Directors and no business shall be transacted at the meeting other than that specified in the notice.
- 3.9 Agendas will normally be sent to members 5 days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be despatched no later than three clear days before the meeting, save in emergency. Failure to serve such a notice on more than three Directors will invalidate the meeting. A notice shall be presumed to have been served one day after posting.
- 3.10 Before any meeting of the Board which is to be held in public, 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 office at least three clear days before the meeting.
- 3.11 **Setting the Agenda** - 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.

- 3.12 A Director desiring a matter to be included on an agenda shall make his/her request in writing to the Chair at least 10 clear 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.
- 3.13 **Petitions** - Where a petition has been received by the Trust the Chair of the Board shall include the petition as an item for the agenda of the next Board meeting.
- 3.14 **Chair of Meeting** - At any meeting of the Board, the Chair of the Board, if present, shall preside. If the Chair is absent from the meeting the Vice-Chair, if there is one and he/she is present, shall preside. If the Chair and Vice-Chair are absent such Non-Executive as the Directors present shall choose shall preside.
- 3.15 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-Executive Director as the Directors present shall choose shall preside.
- 3.16 **Notices of Motion** - A Director of the Board desiring to move or amend a motion shall send a written notice thereof at least 10 clear days before the meeting to the Chair, who shall insert in the agenda for the meeting all notices so received subject to the notice being permissible under the appropriate regulations. This standing order shall not prevent any motion being moved during the meeting, without notice on any business mentioned on the agenda.
- 3.17 **Withdrawal of Motion or Amendments** - A motion or amendment once moved and seconded may be withdrawn by the proposer with the concurrence of the seconder and the consent of the Chair.
- 3.18 **Motion to Rescind a Resolution** - Notice of motion to amend or rescind any resolution (or the general substance of any resolution) which has been passed within the preceding 6 calendar months shall bear the signature of the Director who gives it and also the signature of 4 other Board Directors. When any such motion has been disposed of by the Board, it shall not be competent for any Director other than the Chair to propose a motion to the same effect within 6 months, however the Chair may do so if he/she considers it appropriate.
- 3.19 **Motions** - The mover of a motion shall have a right of reply at the close of any discussion on the motion or any amendment thereto.
- 3.20 When a motion is under discussion or immediately prior to discussion it shall be open to a Director to move¹:
- 3.20.1 an amendment to the motion²;
- 3.20.2 the adjournment of the discussion or the meeting;
- 3.20.3 that the meeting proceed to the next business; (*)
- 3.20.4 the appointment of an ad hoc committee to deal with a specific item of business;
- 3.20.5 that the motion be now put. (*)
- 3.21 **Chair's Ruling** - Statements of Directors made at meetings of the Board shall be relevant to the matter under discussion at the material time and the decision of the Chair of the meeting on questions of order, relevancy, regularity and any other matters shall be final.
- 3.22 **Voting** - Every question at a meeting shall be determined by a majority of the votes of the Chair of the meeting and Directors present and voting on the question and, in the case of the

¹ *in the case of sub-paragraphs denoted by (*), to ensure objectivity motions may only be put by a Director who has not previously taken part in the debate and who is eligible to vote.

² No amendment to the motion shall be admitted if, in the opinion of the Chair of the meeting, the amendment negates the substance of the motion.

- number of votes for and against a motion being equal, the Chair of the meeting shall have a second or casting vote.
- 3.23 All questions put to the vote shall, at the discretion of the Chair of the meeting, be determined by oral expression or by a show of hands. A paper ballot may also be used if a majority of the Directors present so request.
- 3.24 If at least one-third of the Directors present so request, the voting (other than by paper ballot) on any question may be recorded to show how each Director present voted or abstained.
- 3.25 If a Director so requests, his/her vote shall be recorded by name upon any vote (other than by paper ballot).
- 3.26 In no circumstances may an absent Director vote by proxy. Absence is defined as being absent at the time of the vote.
- 3.27 An Officer who has been appointed formally by the Board to act up for an Executive Director during a period of incapacity or temporarily to fill an Executive Director vacancy, shall be entitled to exercise the voting rights of the Executive Director. An Officer attending the Board to represent an Executive Director during a period of incapacity or temporary absence without formal acting up status may not exercise the voting rights of the Executive Director. An Officer's status when attending a meeting shall be recorded in the minutes.
- 3.28 **Minutes** - The Minutes of the proceedings of a meeting shall be drawn up and submitted for agreement at the next ensuing meeting where they will be signed by the person presiding at it.
- 3.29 No discussion shall take place upon the minutes except upon their accuracy or where the Chair considers discussion appropriate. Any amendment to the minutes shall be agreed and recorded at the next meeting.
- 3.30 Minutes shall be circulated in accordance with Director' wishes. Where providing a record of a public meeting the minutes shall be made available to the public as required by Code of Practice on Openness in the NHS.
- 3.31 **Joint Directors** - Where the Office of a Director is shared jointly by more than one person:
- 3.31.1 Either or both of those persons may attend or take part in meetings of the Board:
- 3.31.2 If both are present at a meeting they should cast one vote if they agree:
- 3.31.3 In the case of disagreements no vote should be cast:
- 3.31.4 The presence of either or both of those persons should count as the presence of one person for the purposes of SO 3.39 (Quorum).
- 3.32 **Suspension of Standing Orders** - Except where the Standing Orders would contravene any statutory provision or any provision in the Constitution or the Terms of Authorisation, any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the Board are present, including one Executive Director and one Non-Executive Director, and that a majority of those present vote in favour of suspension.
- 3.33 A decision to suspend Standing Orders shall be recorded in the minutes of the meeting.
- 3.34 A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chair and Directors of the Board.
- 3.35 No formal business may be transacted while Standing Orders are suspended.
- 3.36 The Audit and Assurance Committee shall review every decision to suspend Standing Orders.
- 3.37 **Variation and Amendment of Standing Orders** - These Standing Orders shall be amended only if:

- 3.37.1 a notice of motion under Standing Order 3.16 has been given; and
 - 3.37.2 no fewer than half the total of the Trust's Non-Executive Directors vote in favour of amendment; and
 - 3.37.3 at least two-thirds of the Board Directors are present; and
 - 3.37.4 the variation proposed does not contravene any applicable Statutory provision or direction, the Constitution or the Terms of Authorisation.
- 3.38 **Record of Attendance** - The names of the Chair and Directors present at the meeting shall be recorded in the minutes.
- 3.39 **Quorum** - No business shall be transacted at a meeting unless at least one-third of the whole number of the Chair and Directors appointed, (including at least one Non-Executive Director and one Executive Director) are present.
- 3.40 An Officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.
- 3.41 If the Chair or Director has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of the declaration of a conflict of interest (see Standing Order 6 or 7) he 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. The above requirement for at least one Executive Director to form part of the quorum shall not apply where the Executive Directors are excluded from a meeting (for example when the Board considers the recommendations of the Remuneration and Nominations Committee).

4. ARRANGEMENTS FOR THE EXERCISE OF FUNCTIONS BY DELEGATION

- 4.1 Subject to the Constitution, Terms of Authorisation or any relevant statutory provision, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions:
- 4.1.1 by a committee, sub-committee or,
 - 4.1.2 appointed by virtue of Standing Order 5.1 or 5.2 below or by an Officer of the Trust,
 - 4.1.3 or by another body as defined in Standing Order 4.2 below,
- in each case subject to such restrictions and conditions as the Trust thinks fit.
- 4.2 Where a function is delegated to a third party, the Trust has responsibility to ensure that the proper delegation is in place. In other situations, i.e. delegation to committees, sub committees or Officers, the Trust retains full responsibility.
- 4.3 **Emergency Powers** - The powers which the Board has retained to itself within these Standing Orders (Standing Order 2.4) may in emergency be exercised by the Chief Executive and the Chair after having consulted at least two Non-Executive Directors. The exercise of such powers by the Chief Executive and Chair shall be reported to the next formal meeting of the Executive Directors' Group and the Board for ratification.
- 4.4 **Powers of Discharge** – where the Trust is exercising the powers of discharge under Section 45 of the Mental Health Act 2007 such powers may be exercised by three or more persons authorised by the Board of Directors in that behalf, each of whom is neither an Executive Director nor an employee of the Trust.
- 4.5 **Delegation to Committees** - The Board shall agree from time to time to the delegation of executive powers to be exercised by committees, or sub-committees, or joint-committees, which it has formally constituted. 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 in respect of its sub-committees.

- 4.6 **Delegation to Officers** - Those functions of the Trust which have not been retained as reserved by the Board or delegated to a committee or sub-committee or joint-committee 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 an accountability to the Trust.
- 4.7 The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals which shall be considered and approved by the Board, subject to any amendment agreed during the discussion. The Chief Executive may periodically propose amendment to the Scheme of Delegation that shall be considered and approved by the Board as indicated above.
- 4.8 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 Independent Regulator requirements. Notwithstanding these requirements, the Director of Finance shall be accountable to the Chief Executive for operational matters.
- 4.9 The arrangements made by the Board as set out in the Scheme of Delegation document shall have effect as if incorporated in these Standing Orders.
- 4.10 **Overriding Standing Orders** – 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 Board for action or ratification. All Directors of the Board and staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive/Deputy Chief Executive as soon as possible.

5. COMMITTEES

- 5.1 Subject to the Constitution, (and to any guidance issued by the Department of Health applicable to Foundation Trusts or as may be given by the Independent Regulator), the Trust may appoint committees of the Trust, or together with one or more Health Authorities or other Trusts, appoint joint committees, consisting 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.
- 5.2 A committee or joint committee appointed under SO 5.1 may, subject to such directions as may be given the Trust or other health service bodies in question, appoint sub-committees consisting wholly or partly of members of the committee or joint committee (whether or not they are members of the Trust or other health service bodies in question); or wholly of persons who are not members of the Trust or other health service bodies or the committee of the Trust or other health service bodies in question.
- 5.3 The Standing Orders of the Trust, as far as they are applicable, shall apply with appropriate alteration to meetings of any committees established by the Trust. In which case the term “Chair” is to be read as a reference to the Chair of the committee as the context permits, and the term “member” is to be read as a reference to a member of the committee also as the context permits. (There is no requirement to hold meetings of committees, established by the Trust in public).
- 5.4 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 applicable legislation and regulation or direction. Such terms of reference shall have effect as if incorporated into the Standing Orders. A member of a committee shall not disclose any matter reported to the Board or otherwise dealt with by the committee, notwithstanding that the matter has been reported or action has been concluded, if the Board or committee shall resolve that it is confidential.

- 5.5 Where committees are authorised to establish sub-committees they may not delegate executive powers to the sub-committee unless expressly authorised by the Board.
- 5.6 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 Directors nor Officers, shall be appointed to a committee the terms of such appointment shall be within the powers of the Board. The Board shall define the powers of such appointees and shall agree allowances (including reimbursement for loss of earnings) and/or expenses in accordance with national guidance (where appropriate).
- 5.7 Where the Board is required to appoint persons to a committee and/or to undertake statutory functions, and where such appointments are to operate independently of the Board such appointment shall be made in accordance with the Constitution, the Terms of Reference and any applicable regulations and directions.
- 5.8 The committees, sub-committees, and joint-committees established by the Board are:

Audit and Assurance Committee

[See section 1.4 of the Corporate Governance Framework Manual]

As laid down in the Constitution and the 2006 Act, a committee of Non-Executive Directors will be established and constituted.

Remuneration and Nominations Committee

[See section 1.5 of the Corporate Governance Framework Manual]

As laid down in the Constitution and the 2006 Act, a committee of Non-Executive Directors will be established to decide this remuneration and allowances of, and other terms and conditions of the Executive Directors.

Quality Assurance Committee

A committee of Non-Executive and Executive Directors established to provide assurance to the Board on the quality of care and treatment in all services provided by the Trust. The definition of 'Quality' includes clinical effectiveness and outcomes, safety, service user and carer experience, equality and inclusion.

Finance and Investment Committee

A committee of Non-Executive and Executive Directors will be established to maintain the overview of the Trust's financial processes, ensuring finances are managed within the allocated resources to deliver an efficient and effective service.

Workforce & Organisation Development Committee

A committee of Non-Executive Directors and Executive Directors established to provide assurance to the Board that:

- The human resource structures, systems and processes are in place and functioning to support employees in the provision and delivery of high quality, safe patient care.
- Processes are in place to support optimum employee performance to enable the delivery of strategy and business plans in line with the Trust's values.
- The Trust is meeting its legal and regulatory duties in relation to its employees.
- Where there are human resource risks and issues that may jeopardise the Trust's ability to deliver its objectives, that these are being managed in a controlled way through the Executive Directors' Group.

6. DECLARATIONS OF INTERESTS AND REGISTER OF INTERESTS

- 6.1 **Declaration of Interests** - The Constitution, 2006 Act and the Code of Conduct and Accountability requires Directors to declare interests which are relevant and material to the NHS board of which they are a director. All existing Board Directors should declare such interests. Any Directors appointed subsequently should do so on appointment.
- 6.2 Interests which should be regarded as "relevant and material" are:
- 6.2.1 directorships, including non-executive directorships held in private companies or public limited companies (with the exception of those of dormant companies);

- 6.2.2 ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS;
- 6.2.3 membership of a local authority;
- 6.2.4 majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS;
- (a) a position of trust in a charity or voluntary organisation in the field of health and social care;
 - (b) any connection with a voluntary or other organisation contracting for NHS services;
 - (c) any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the Trust including but not limited to , lenders or banks;
 - (d) interests in pooled funds that are under separate management;
 - (e) research funding/grants that may be received by an individual or their department;
 - (f) any other commercial interest in the decision before the meeting.
- 6.2.5 At the time Directors' interests are declared; they should be recorded in the Board minutes. Any changes in interests should be declared at the next Board meeting following the change occurring.
- 6.2.6 Directors' directorships of companies likely or possibly seeking to do business with the NHS should be published in the Board's Annual Report. The information should be kept up to date for inclusion in succeeding annual reports.
- 6.2.7 During the course of a Board meeting, if a conflict of interest is established, the Director concerned should withdraw from the meeting and play no part in the relevant discussion or decision.
- 6.2.8 SO 6.2.7 above sets out the Trust's requirements for addressing potential conflicts of interest. In addition, the Board recognises that some Directors have positions of authority within other organisations (for example, local authorities). Such Directors will clearly have a 'relevant and material' interest in that external organisation. However, a 'relevant and material' interest is not necessarily the same as a 'material conflict'. As to whether there is a material conflict will need to be looked at on a case by case basis. There are two general areas where a material conflict may arise:
- (i) confidential information – where the Director is in possession of confidential information (for example, in relation to finances) that puts that Director in a difficult position in a Board meeting, or likewise if that Director is about to learn some confidential information in a meeting which may be relevant; and
 - (ii) duty of good faith – if a Director has a 'joint role', such Director will have a duty of good faith to both organisations. There may be times when, by supporting one organisation, such Director would be in breach of their duty to the other organisation. However, where the organisations are working towards common objectives, a material conflict is unlikely to arise,
- and therefore, each Director will need to consider any circumstances in which the above may apply.
- 6.2.9 Where the Chair considers that SO 6.2.8 may apply, the Chair shall ask Directors to confirm that:
- (i) they are not in possession of any confidential information which may unduly affect their decision; and

(ii) they will not be in breach of any duty of good faith to either party,

and, if either of the above applies, the Director will exclude themselves from the proceedings of the Board.

6.2.10 There is no requirement in the Code of Conduct and Accountability for the interests of Directors' spouses or partners to be declared. However Standing Order 7 requires that the interest of Directors' spouses, if living together, in contracts should be declared. Therefore the interests of Board Directors' spouses and cohabiting partners should also be regarded as relevant.

6.2.11 If Directors have any doubt about the relevance of an interest, this should be discussed with the Chair. Financial Reporting Standard No 8 (issued by the Accounting Standards Board) specifies that 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.

6.3 **Register of Interests** - The Chief Executive will ensure that a Register of Interests is established to record formally declarations of interests of Board Directors. In particular the Register will include details of all directorships and other relevant and material interests which have been declared by both Executive and Non-Executive Directors, as defined in Standing Order 6.2.

6.4 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.

6.5 The Register will be available to the public in accordance with paragraph 30 - 32 of the Constitution and the Chief Executive will take reasonable steps to bring the existence of the Register to the attention of the local population and to publicise arrangements for viewing it.

6.6 All senior managers and clinicians have a duty to ensure that declarations of interests are made which could materially affect the outcome of decisions made by them. Where in doubt, all senior managers and clinicians should contact their respective Directors for clarification. The staff register of interests will be kept up to date by means of an annual review.

7. DISABILITY OF CHAIR AND DIRECTORS IN PROCEEDINGS ON ACCOUNT OF PECUNIARY INTEREST

7.1 Subject to the following provisions of this Standing Order, if the Chair or a Director has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Trust at which the contract or other matter is the subject of consideration, he 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.

7.2 The Board may exclude the Chair or a Director of the Board from a meeting of the Board while any contract, proposed contract or other matter in which he has a pecuniary interest, is under consideration.

7.3 Any remuneration, compensation or allowances payable to the Chair or a Director by virtue of the 2006 Act shall not be treated as a pecuniary interest for the purpose of this Standing Order.

7.4 For the purpose of this Standing Order the Chair or a Director shall be treated, subject to SO 7.5, as having indirectly a pecuniary interest in a contract, proposed contract or other matter, if:

7.4.1 he, or a nominee of his, is a director of a company or other body, not being a public body, with which the contract was made or is proposed to be made or which has a direct pecuniary interest in the other matter under consideration; or

- 7.4.2 he is a partner of, or is in the employment of a person with whom the contract was made or is proposed to be made or who has a direct pecuniary interest in the other matter under consideration;
- 7.4.3 and in the case of married persons living together and co-habiting partners the interest of one spouse or co-habiting partner shall, if known to the other, be deemed for the purposes of this Standing Order to be also an interest of the other.
- 7.5 The Chair or a Director shall not be treated as having a pecuniary interest in any contract, proposed contract or other matter by reason only:
 - 7.5.1 of his membership of a company or other body, if he has no beneficial interest in any securities of that company or other body;
 - 7.5.2 of an interest in any company, body or person with which he is connected as mentioned in SO 7.4 above which is so remote or insignificant that it cannot reasonably be regarded as likely to influence a Director in the consideration or discussion of or in voting on, any question with respect to that contract or matter.
- 7.6 Where the Chair or a Director has an indirect pecuniary interest in a contract, proposed contract or other matter by reason only of a beneficial interest in securities of a company or other body, and the total nominal value of those securities does not exceed £5,000 or one-hundredth of the total nominal value of the issued share capital of the company body, whichever is the less, and if the share capital is of more than one class, the total nominal value of shares of any one class in which he has a beneficial interest does not exceed one-hundredth of the total issued share capital of that class, this Standing Order shall not prohibit him/her from taking part in the consideration or discussion of the contract or other matter or from voting on any question with respect to it, without prejudice however to his/her duty to disclose his/her interest.
- 7.7 The Standing Order applies to a committee or sub-committee and to a joint committee as it applies to the Trust and applies to a director of any such committee or sub-committee (whether or not he is also a Director of the Trust) as it applies to a Director of the Trust.

8. STANDARDS OF BUSINESS CONDUCT POLICY

- 8.1 Staff should comply with the national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff" and the Bribery Act. This section of Standing Orders should be read in conjunction with this document.
- 8.2 **Interest of Officers in Contracts** - If it comes to the knowledge of an Officer of the Trust that a contract in which he has any pecuniary interest not being a contract to which he is himself a party, has been, or is proposed to be, entered into by the Trust he shall, at once, give notice in writing to the Chief Executive of the fact that he is interested therein. In the case of persons living together as partners, the interest of one partner shall, if known to the other, be deemed to be also the interest of that partner.
- 8.3 An Officer must also declare to the Chief Executive any other employment or business or other relationship of his, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.
- 8.4 The Trust requires interests, employment or relationships declared, to be entered in a register of interests of staff.
- 8.5 **Canvassing of, and Recommendations by, Directors in Relation to Appointments** - Canvassing of Directors 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.
- 8.6 A Director of the Board 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 Director from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.

- 8.7 Informal discussions outside appointments panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.
- 8.8 **Relatives of Directors or Officers** - Candidates for any staff appointment under the Trust shall, when making application, disclose in writing to the Trust whether they are related to any Director 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.
- 8.9 The Chair and every Director and Officer of the Trust shall disclose to the Chief Executive any relationship between himself and a candidate of whose candidature that Director or Officer is aware. It shall be the duty of the Chief Executive to report to the Board any such disclosure made.
- 8.10 On appointment, Directors (and prior to acceptance of an appointment in the case of Executive Directors) should disclose to the Board whether they are related to any other Director or holder of any office in the Trust.
- 8.11 Where the relationship to a Director of the Trust is disclosed, the Standing Order headed 'Disability of Chair and Directors in proceedings on account of pecuniary interest' (SO 7) shall apply.

9. TENDERING AND CONTRACT PROCEDURE

- 9.1 **Duty to comply with Standing Orders** - The procedure for making all contracts by or on behalf of the Trust shall comply with these Standing Orders (except where Standing Order 3.32 is applied).
- 9.2 **EU Directives Governing Public Procurement** - European Union Directives on public sector purchasing promulgated by the Department of Health (under HSG(95)38) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders..
- 9.3 The Trust shall comply as far as is practicable with the requirements of the Department of Health "Capital Investment Manual" and "Estatecode" and shall consider the guidance "Best Practice in making Investments for NHS Foundation Trusts" and such other guidance as may be issued by the Independent Regulator from time to time 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 guidance "The Procurement and Management of Consultants within the NHS".
- 9.4 **Formal Competitive Tendering** - The Trust shall ensure that competitive tenders are invited for the supply of goods, materials and manufactured articles and for the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DoH); for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); and for disposals.
- 9.5 Where the Trust elects to invite tenders for the supply of healthcare these Standing Orders shall apply as far as they are applicable to the tendering procedure.
- 9.6 Formal tendering procedures may be waived by Officers to whom powers have been delegated by the Chief Executive without reference to the Chief Executive (except in 9.6.3 to 9.6.6 below) where:
 - 9.6.1 the estimated expenditure or income does not, or is not reasonably expected to, exceed £30,000 (excluding VAT) in total, (this figure to be reviewed annually);
 - 9.6.2 where the supply is proposed under special arrangements negotiated by Government Procurement Service or other recognised collaborative procurement organisations (e.g. NHS Supply Chain, North of England Commercial Procurement Collaborative) such arrangements must be complied with where overall benefit to the Trust can be demonstrated;

- 9.6.3 the timescale genuinely precludes competitive tendering. Failure to plan the work properly is not a justification for single tender;
- 9.6.4 specialist expertise is required and is available from only one source;
- 9.6.5 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;
- 9.6.6 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.
- 9.6.7 where provided for in the Capital Investment Manual,
- 9.7 The limited application of the single tender rules 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.
- 9.8 Where it is decided that competitive tendering is not applicable and should be waived by virtue of 9.6.3 to 9.6.6 above the fact of the waiver and the reasons should be documented and reported by the Chief Executive to the Trust in a formal meeting. Such reports shall be received by the Audit and Assurance Committee.
- 9.9 Except where Standing Order 9.6, or a requirement under Standing Order 9.2, applies, 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 three firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.
- 9.10 Subject to EU directives governing EU procurements, the Trust shall ensure that the firms/individuals invited to tender (and, where appropriate, quote) are among those on approved lists compiled. Where in the opinion of the Director of Finance it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the Chief Executive for approval (see Appendix A: Tendering Procedure).
- 9.11 Compliance requirements for all contracts:

The Board shall, when entering into contracts, comply with and/or have regard to:

- (a) the Trust's Standing Orders, Standing Financial Instructions and Terms of Authorisation;
- (b) EU Directives and other statutory provisions;
- (c) any relevant directions including the Capital Investment Manual, Estatecode and guidance on the Procurement and Management of Consultants;
- (d) such of the NHS Standard Contract Conditions as are applicable (as amended to take into account the Trust's Foundation Trust status);
- (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.

- 9.12 **Quotations** - are required where formal tendering procedures are waived under Standing Order 9.5, 9.6.1 or 9.6.3 and where the intended expenditure or income exceeds, or is reasonably expected to exceed £10,000.
- 9.13 Where quotations are required under Standing Order 9.12 they should be obtained from at least three firms/individuals as per Annex A based on specifications or terms of reference prepared by, or on behalf of, the Trust.
- 9.14 Quotations should be in writing, unless the Chief Executive or his nominated Officer determine that it is impractical to do so, in which case quotations may be obtained by telephone. Confirmation of telephone quotation should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.
- 9.15 All quotations should be treated as confidential and should be retained for inspection.
- 9.16 The Chief Executive or his nominated Officer should evaluate the quotations and select the one which gives the best value for money. If this is not the lowest then this fact and the reasons why the lowest quotation was not chosen should be in a permanent record.
- 9.17 Non-competitive quotations in writing may be obtained for the following purposes:
- 9.17.1 the supply of goods/services of a special character for which it is not, in the opinion of the Chief Executive or his nominated Officer, possible or desirable to obtain competitive quotations;
- 9.17.2 the goods/services are required urgently.
- 9.18 **Trust Procurement Procedures** – Where tenders or quotations are not required, because expenditure is below £10,000, the Trust shall procure goods and services in accordance with procurement procedures approved by the Trust.
- 9.19 The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided under contract or in-house. The Trust may also determine from time to time that in-house services should be market tested by competitive tendering (Standing Order 11).
- 9.20 **Private Finance** – Where the Trust proposes to market test for PFI (Private Finance Initiative Funding) when considering a capital procurement the following should apply:
- 9.20.1 The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector. Reports shall be received by the Audit and Assurance Committee.
- 9.20.2 The proposal must be specifically agreed by the Board.
- 9.20.3 The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.
- 9.21 **Contracts with Commissioners** – The Chief Executive, as Accounting Officer is responsible for ensuring the Trust enters into suitable legally binding contracts with service commissioners for the provision of services. Contracts with commissioners are legally binding and appropriate legal advice identifying the Trust's liabilities within the terms of the contract should be considered.
- 9.22 The Chief Executive shall nominate Officers with power to negotiate with commissioners for the provision of healthcare and related services in accordance with the Trust's Scheme of Delegation.
- 9.23 **Cancellation of Contracts** – Except where specific provision is made in model Forms of Contracts or standard Schedules of Conditions approved for use within the NHS (as amended to take into account the Trust's Foundation Trusts status) and in accordance with Standing Orders 9.2 and 9.3, 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, or given or agreed to give, 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/her or acting on his/her behalf shall have committed any offence under the Prevention of Corruption Acts 1889 and 1916 and other appropriate legislation.

- 9.24 **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.
- 9.25 **Contracts involving Funds Held on Trust** – shall do so individually to a specific named fund. Such contracts involving charitable funds shall comply with the requirements of the Charities Act.
- 9.26 **Personnel and Agency or Temporary Staff Contracts** – The Chief Executive shall nominate officers with delegated authority to enter into contracts for the employment of other officers, to authorise re-grading of staff and to enter into contracts for the employment of agency staff or temporary staff.

10. DISPOSALS

- 10.1 Competitive tendering or quotation procedures shall not apply to the disposal of:
- 10.1.1 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;
 - 10.1.2 obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;
 - 10.1.3 items to be disposed of with an estimated sale value of less than £500, this figure to be reviewed annually;
 - 10.1.4 items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
 - 10.1.5 land or buildings concerning which DoH guidance has been issued but subject to compliance with such guidance.

11. IN-HOUSE SERVICES

- 11.1 In all cases where the Board determines that in-house services should be subject to competitive tendering the following groups shall be set up:
- 11.1.1 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.
 - 11.1.2 Specification group, comprising the Chief Executive or nominated Officer/s and specialist.

11.1.3 In-house team, comprising a nominee of the Chief Executive and technical support.

11.1.4 Evaluation team, comprising normally a specialist Officer, a supplies Officer and a Director of Finance representative. For services having a likely annual expenditure exceeding £500,000, a Non-Executive Director should be a Director of the evaluation team.

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

11.3 The evaluation team shall make recommendations to the Board.

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

11.5 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 contract may be decided by the following staff to the value of the contract as follows:

Designated Budget Holders	up to	£4,999
Authorised Budget Holders/Managers (i.e. as per Scheme of Delegation)	up to	£9,999
Chief Executive/Deputy Chief Executive/Director of Finance	up to	£249,999
Chair/Chief Executive Trust Board	up to over	£499,999 £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 and the authorization to enter into contracts should be in line with the Scheme of Delegation. In the case of authorisation by the Trust Board this shall be recorded in their minutes.

12. CUSTODY OF SEAL AND SEALING OF DOCUMENTS

12.1 **Custody of Seal** - The Common Seal of the Trust shall be kept by the Chief Executive or designated Officer in a secure place.

12.2 **Sealing of Documents** - The Seal of the Trust shall not be fixed to any documents unless the sealing has been authorised by a resolution of the Board or of a committee, thereof or where the Board has delegated its powers.

12.3 Before any building, engineering, property or capital document is sealed it must be approved and signed by the Director of Finance (or an Officer nominated by him/her) and authorised and countersigned by the Chief Executive (or an Officer nominated by him/her who shall not be within the originating directorate).

12.4 **Register of Sealing** - An entry of every sealing shall be made and numbered consecutively in a book provided for that purpose, and shall be signed by the persons who shall have approved and authorised the document and those who attested the seal. A report of all sealings shall be made to the Board at least quarterly. (The report shall contain details of the seal number, the description of the document and date of sealing).

13. SIGNATURE OF DOCUMENTS

13.1 Where the signature of any document will be a necessary step in legal proceedings involving the Trust, it shall be signed by the Chief Executive, unless any enactment otherwise requires

or authorises, or the Board shall have given the necessary authority to some other person for the purpose of such proceedings.

- 13.2 The Chief Executive or nominated Officers shall be authorised, by resolution of the Board, to sign on behalf of the Trust any agreement or other document not requested to be executed as a deed, the subject matter of which has been approved by the Board or any committee, sub-committee with delegated authority.

14. MISCELLANEOUS

- 14.1 **Standing Orders to be given to Directors and Officers** - It is the duty of the Chief Executive to ensure that existing Directors and Officers and all new appointees are notified of and understand their responsibilities within Standing Orders and Standing Financial Instructions. Updated copies shall be issued to staff designated by the Chief Executive. New designated Officers shall be informed in writing and shall receive copies where appropriate in Standing Orders.
- 14.2 **Documents having the standing of Standing Orders** - Standing Financial Instructions and Reservation of Powers to the Board and Delegation of Powers shall have effect as if incorporated into Standing Orders.
- 14.3 **Review of Standing Orders** - Standing Orders shall be reviewed annually by the Board. The requirement for review extends to all documents having the effect as if incorporated in Standing Orders.
- 14.4 The Board may confirm contracts to purchase from a voluntary organisation or a local authority using its powers under Section 256 of the 2006 Act. 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 256 of the 2006 Act, and shall comply with procedures laid down by the Director of Finance which shall be in accordance with this Act.

APPENDIX A

1. INVITATION TO TENDER

- 1.1 All invitations to tender on a formal competitive basis shall state that no tender will be considered for acceptance unless submitted in either:
 - 1.1.1 a plain, sealed package bearing a pre-printed label supplied by the Trust (or bearing the word `Tender' followed by the subject to which it relates and the latest date and time for the receipt of such tender); or
 - 1.1.2 (in a special envelope supplied by the Trust to prospective tenderers and the tender envelopes/packages shall not bear any names or marks indicating the sender.
 - 1.1.3 submitted through an appropriate electronic tender process as agreed with the Executive Director of Finance.
- 1.2 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 Section 1.3 and 1.4 below.
- 1.3 Every tender for building and engineering works, except for maintenance work only where Estate code guidance should be followed, shall embody or be in the terms of the current edition of the appropriate Joint Contracts Tribunal (JCT) or Department of the Environment (GC/Wks) standard forms of contract amended to comply with Concode. 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 Institutions of Mechanical Engineers 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 standard documents should be amended to comply with Concode and, in minor respects, to cover special features of individual projects. Tendering based on other forms of contract may be used only after prior consultation with the DoH.
- 1.4 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 practice.

2. RECEIPT, SAFE CUSTODY AND RECORD OF FORMAL TENDERS

- 2.1 Formal competitive tenders shall be addressed to the Chief Executive.
- 2.2 The date and time of receipt of each tender shall be endorsed on the unopened tender envelope/package.
- 2.3 The Chief Executive shall designate an Officer or Officers, not from the originating department, to receive tenders on his behalf and to be responsible for their endorsement and safe custody until the time appointed for their opening, and for the records maintained in accordance with Section 3 (Opening Formal Tenders).
- 2.4 Electronic Tenders – An auditable date/time stamp of all actions is automatically created through the agreed e-tendering service. This audit trail is available for review in real-time by all officers with appropriate access rights and cannot be edited.

3. OPENING FORMAL TENDERS

- 3.1 As soon as practicable after the date and time stated as being the latest time for the receipt of tenders they shall be opened in the presence of two senior Officers designated by the Chief Executive and not from the originating department.
- 3.2 Every tender received shall be stamped with the date of opening and initialled by two of those present at the opening.

- 3.3 A permanent record shall be maintained to show for each set of competitive tender invitations despatched:
- 3.3.1 The names of firms/individuals invited;
 - 3.3.2 The names of and the number of firms/individuals from which tenders have been received;
 - 3.3.3 The total price(s) tendered;
 - 3.3.4 Closing date and time;
 - 3.3.5 Date and time of opening;
 - 3.3.6 And the persons present at the opening shall sign the record.
- 3.4 Except as in Section 3.5 below, a record shall be maintained of all price alterations on tenders, i.e. where a price has apparently been altered, and the final price shown shall be recorded. Every price alteration appearing on a tender and the record should be initialled by two of those present at the opening.
- 3.5 A report shall be made in the record if, on any one tender, price alterations are so numerous as to render the procedure Section 3.4 unreasonable.
- 3.6 Electronic Tenders – The Chief Executive will designate and agree a list of officers who will be able to access the electronic tenders and release them once the time and date for opening has passed.

An auditable log of actions, which may not be edited, is created including, but not limited to:
Procurement actions:

- Time/date stamp of 'publication' of tender by buyer.
- Time/date stamp of any amendments to a 'published' tender (eg: if any buyer tender document attachments are added/ amended during the process).
- Time/date stamp of any buyer messages communicated via the integrated messaging area (including the content, which suppliers received the message, when it was opened et/c). All messages are delivered in a "blind copy" format to ensure suppliers cannot view who else has received a message.
- Time/date stamp of opening information including (buyer name by time/date stamp by individual response envelope).
- Time/date stamp of confirmation of buyer acceptance of supplier bids
- Time/date stamp of confirmation of buyer acceptance of supplier evaluation scores
- Time/date stamp of confirmation of buyer award decisions

Supplier actions:

- Time/date stamp of initial registration within the eTendering service
- Time/date stamp by supplier of when the specific tender was first accessed
- Time/date stamp of any supplier messages communicated via the integrated messaging area (including the content, which buyer received the message, when it was opened et/c).
- Time/date stamp of any individual components of a 'published' tender accessed (eg: buyer tender document attachments).
- Time/date stamp of official 'submission' of tender response

4. ADMISSIBILITY AND ACCEPTANCE OF FORMAL TENDERS

- 4.1 In considering which tender to accept, if any, the designated Officers shall have regard to whether value for money will be obtained by the Trust and whether the number of tenders received provides adequate competition. In cases of doubt they shall consult the Chief Executive.
- 4.2 Tenders received after the due time and date may be considered only if the Chief Executive or nominated Officer decides that there are exceptional circumstances, e.g. where significant financial, technical or delivery advantages would accrue, and is satisfied that there is no

reason to doubt the bona fides of the tenders concerned. The Chief Executive or nominated Officer shall decide whether such tenders are admissible and whether re-tendering is desirable. Re-tendering may be limited to those tenders reasonably in the field of consideration in the original competition. If the tender is accepted the late arrival of the tender should be reported to the Board at its next meeting.

- 4.3 Technically late tenders (i.e. those despatched in good time but delayed through no fault of the tenderer) may at the discretion of the Chief Executive be regarded as having arrived in due time.
- 4.4 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 upon his own initiative either orally or in writing after the due time for receipt) should be dealt with in the same way as late tenders under Section 4.2.
- 4.5 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.
- 4.6 Necessary discussions with a tenderer of the contents of his tender, in order to elucidate technical points etc, before the award of a contract, need not disqualify the tender.
- 4.7 While decisions as to the admissibility of late, incomplete, or amended tenders are under consideration and while re-tenders are being obtained, the tender documents shall remain strictly confidential and kept in safekeeping by an Officer designated by the Chief Executive.
- 4.8 Where only one tender/quotation is received the Chief Executive shall, as far as practicable, ensure that the price to be paid is fair and reasonable.
- 4.9 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) shall not be accepted unless for good and sufficient reason the Board decides otherwise and record that decision in their minutes and in the record referred to in 3.3 above.
- 4.10 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.
- 4.11 All Tenders should be treated as confidential and should be retained for inspection.

5. LIST OF APPROVED FIRMS

- 5.1 In accordance with Standing Order 9.10 the Trust shall compile, or procure from another health body or organisation approved by the Department of Health, lists of approved firms and individuals from whom tenders and quotations may be invited. The Finance Director shall keep subject to EU directives governing EU procurement, and maintain these under review. Where compiled by the Trust, the lists shall be selected from all firms who have applied for permission to tender or quote provided:
 - 5.1.1 In the case of building, engineering and maintenance works, the Chief Executive is satisfied on their capacity, conditions of labour, etc, and that the Director of Finance is satisfied that their financial standing is adequate.
 - 5.1.2 In the case of the supply of goods, materials and related services, and consultancy services the Chief Executive or the nominated Officer is satisfied as to their technical competence etc, and that the Director of Finance is satisfied that their financial standing is adequate.
 - 5.1.3 In the case of the provision of healthcare services to the Trust by a private sector provider, the Director of Finance is satisfied as to their financial standing and the Medical Director (or nominated representative) is satisfied as to their technical/medical competence.

- 5.2 The Chief Executive shall arrange for advertisements to be issued as may be necessary, and not less frequently than every third year, in trade journals and national newspapers inviting applications from firms for inclusion in the prescribed lists.
- 5.3 If in the opinion of the Chief Executive and the Director of Finance it is impractical to use a list of approved firms/individuals (for example where specialist services or skills are required and there are insufficient suitable potential contractors on the list), the Chief Executive should ensure that appropriate checks are carried out as to the technical and financial capability of firms invited to tender or quote.
- 5.4 A permanent record should be made of the reasons for inviting a tender or quote other than from an approved list.

SECTION B - SCHEME OF RESERVATION AND DELEGATION OF POWERS

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p>General Enabling Provision</p> <p>The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers under the 2006 Act, its Constitution and its Terms of Authorisation (the "Regulatory Framework").</p>
NA	THE BOARD	<p>Regulations and Control</p> <ol style="list-style-type: none"> 1. Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business. 2. Suspend Standing Orders. 3. Vary or amend the Standing Orders. 4. Ratify any urgent decisions taken by the Chair and Chief Executive in accordance with SO 4.3. 5. Approve a scheme of delegation of powers from the Board to committees. 6. Require and receive the declaration of Board members' interests that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration. 7. Require and receive the declaration of officers' interests that may conflict with those of the Trust. 8. Approve arrangements for dealing with complaints. 9. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto. 10. Receive reports from committees including those that the Trust is required by the Regulatory Framework and/or guidance issued by the Independent Regulator to establish and to take appropriate action on. 11. Confirm the recommendations of the Trust's committees where the committees do not have executive powers. 12. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust. 13. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board. 14. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property. 15. Authorise use of the seal. 16. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 4.10. 17. Discipline members of the Board or employees who are in breach of statutory requirements or SOs.
NA	THE BOARD	<p>Appointments/Dismissal</p> <ol style="list-style-type: none"> 1. Subject to the Regulatory Framework, appoint and dismiss committees (and individual members) that are directly accountable to the Board. 2. Receive decisions of the Remuneration & Nominations Committee appointed in accordance with the Regulatory Framework to appoint, appraise, discipline and dismiss Executive Directors (subject to SO 2.6).

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<ol style="list-style-type: none"> 3. Confirm appointment of members of any committee of the Trust as representatives on outside bodies. 4. Appoint, appraise, discipline and dismiss the Secretary (if the appointment of a Secretary is required under Standing Orders). 5. Approve proposals of the Remuneration & Nominations Committee regarding senior employees and those of the Chief Executive for staff not covered by the Remuneration & Nominations Committee.
NA	THE BOARD	<p>Strategy, Plans and Budgets</p> <ol style="list-style-type: none"> 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 Independent Regulator. 3. Approve the Trust's policies and procedures for the management of risk. 4. Approve Outline and Final Business Cases for Capital Investment. 5. Approve budgets. 6. Approve annually Trust's proposed organisational development proposals. 7. Ratify proposals for acquisition, disposal or change of use of land and/or buildings. 8. Approve PFI proposals. 9. Approve the opening of bank accounts. 10. 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. For services delegated by the Local Authority the amount is £100,000. 11. Approve proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and Director of Finance (for losses and special payments) previously approved by the Board. 12. Approve individual compensation payments. 13. Approve proposals for action on litigation against or on behalf of the Trust. 14. Review use of NHSLA risk pooling schemes (LPST/CNST/ RPST).
	THE BOARD	<p>Policy Determination</p> <ol style="list-style-type: none"> 1. Approve management policies including personnel policies incorporating the arrangements for the appointment, removal and remuneration of staff. These policies so adopted will be listed and kept on the Human Resources web site for reference.
	THE BOARD	<p>Audit</p> <ol style="list-style-type: none"> 1. Approve the appointment (and where necessary dismissal) of External Auditors as appointed by the Council of Governors and advise the Regulator on the appointment. Approval of external auditors' arrangements for the separate submission of reports to the Audit & Assurance Committee meetings who will take appropriate action. 2. Receive of the annual management letter received from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit & Assurance Committee. 3. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		the Audit & Assurance Committee.
NA	THE BOARD	<p>Annual Reports and Accounts</p> <ol style="list-style-type: none"> 1. Ensure preparation and approval of the Trust's annual report and annual accounts (following receipt by the Audit & Assurance Committee). 2. Ensure preparation and approval of the Trust's Annual Quality Account (following receipt by the Quality Assurance Committee). 3. With regard to the views of the Council of Governors, prepare the information as to the Trust's forward planning in respect of each financial year to be given to the Independent Regulator in accordance with the SFIs and the Constitution. 4. Present to the Council of Governors at a general meeting, the annual accounts, any report of the auditor on them and the annual report.
NA	THE BOARD	<p>Monitoring</p> <ol style="list-style-type: none"> 1. Receive 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 as the Board may require from Directors, committees, and officers of the Trust as set out in management policy statements. All monitoring returns required by the Independent Regulator and the Charity Commission shall be reported, at least in summary, to the Board. 3. Receive reports from DoF on financial performance against budget or local delivery plans. 4. Receive reports from CE on actual and forecast income from legally binding contracts.

DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
SFI 2.1	AUDIT & ASSURANCE COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Advise the Board on internal and external audit services; 2. The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives; 3. Monitor compliance with Standing Orders and Standing Financial Instructions; 4. Review schedules of losses and compensations and making recommendations to the Board. 5. Review schedules of accounts receivable/accounts payable balances >£5k, >6 months 6. Review the annual financial statements prior to submission to the Board. 7. Review the arrangements in place to support the Assurance Framework process prepared on behalf of the

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		Board and advise the Board accordingly.
SFI 8.1.2	REMUNERATION & NOMINATIONS COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Advise the Board about appropriate remuneration and terms of service for the Chief Executive, other Executive Directors and other senior employees including: <ul style="list-style-type: none"> • All aspects of salary (including any performance-related elements/bonuses); • Provisions for other benefits, including pensions and cars; • Arrangements for termination of employment and other contractual terms; 2. Make recommendations to the Board on the remuneration and terms of service of Executive Directors and senior employees to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such staff; 3. Proper calculation and scrutiny of termination payments taking account of such national terms and conditions relating to contractual arrangements for such staff, with professional advice from Human Resources and/or Solicitors as appropriate. 4. The Committee shall report in writing to the Board the basis for its recommendations.
S.O. 5.8	QUALITY ASSURANCE COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Advise the Board of Directors on Trust wide quality assurance and performance, ensuring standards are achieved and rooted in service user and carer experience. 2. Ensure that systems are in place to receive feedback from users, carers and staff on the quality of Trust services. 3. Ensure there is effective identification and management of risks to quality and safety of care. 4. Ensure best practice is identified, and that there is learning from serious incidents, complaints, claims and staff feedback, and that these are shared and delivered throughout the Trust. 5. Ensure timely, comprehensive, meaningful and high quality data is collected and used effectively by the Board, Directorates and Teams. 6. Ensure the Trust has appropriate policies in place relating to: <ol style="list-style-type: none"> a. Whistleblowing b. Clinical Audit c. Clinical Governance d. Stakeholder Involvement

SCHEME OF DELEGATION DERIVED FROM THE NHS FOUNDATION TRUST ACCOUNTING OFFICER MEMORANDUM

DELEGATED TO	DUTIES DELEGATED
CHIEF EXECUTIVE (CE)	Accountable through NHS FT Accounting Officer to Parliament for stewardship of Trust resources. NHS Foundation Trust Accounting Officer memorandum issued by Monitor (the Independent Regulator) is the reference document.
CE AND DIRECTOR OF FINANCE (DoF)	Ensure the accounts of the Trust are prepared under principles and in a format directed any may be directed by the Independent Regulator. 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 Accounting Officer. Sign a statement in the accounts outlining responsibilities in respect of Internal Control.
CHIEF EXECUTIVE	Ensure effective management systems that safeguard public funds and assist the Trust Chair to implement requirements of corporate governance including ensuring managers: <ul style="list-style-type: none"> • “have a clear view of their objectives and the means to assess achievements in relation to those objectives • be assigned well defined responsibilities for making best use of resources • have the information, training and access to the expert advice they need to exercise their responsibilities effectively.”
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).
DoF	Operational responsibility for effective and sound financial management and information.
CHIEF EXECUTIVE	Primary duty to see that DoF discharges this function.
CHIEF EXECUTIVE	Ensuring that expenditure by the Trust complies with Parliamentary requirements.
CE and DoF	Chief Executive, supported by Director of Finance, to ensure appropriate advice is given to the Board and the Council of Governors on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
CHIEF EXECUTIVE	If CE considers the Board, the Council of Governors or Chair is doing something that might infringe probity or regularity, he should set this out in writing to the Chair, the Council of Governors and the Board. If the matter is unresolved, the CE should ask the Audit Committee to inquire and if necessary inform the Independent Regulator of the position, if possible before the decision is taken, so that the Independent Regulator can intervene if appropriate.
CHIEF EXECUTIVE	If the Board is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the CE's

DELEGATED TO	DUTIES DELEGATED
	<p>responsibility for value for money, the CE should draw the relevant factors to the attention of the Board and the Council of Governors. If the outcome is that you are overruled it is normally sufficient to ensure that your advice and the overruling of it are clearly apparent from the papers. Exceptionally, the CE should inform the Independent Regulator as appropriate. In such cases the CE should as a member of the Board vote against the course of action rather than merely abstain from voting.</p>

SCHEME OF DELEGATION

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
BOARD	Approve procedure for declaration of hospitality and sponsorship.
BOARD	Ensure proper and widely publicised procedures for voicing complaints, concerns about misadministration, breaches of the NHS Foundation Trust Code of Governance, the Code of Conduct (where appropriate), and other ethical concerns.
ALL BOARD MEMBERS	Subscribe to the NHS Foundation Trust Code of Governance and the Code of Conduct (where appropriate).
BOARD	Board members share corporate responsibility for all decisions of the Board.
CHAIR AND NON-EXECUTIVE/OFFICER MEMBERS	Chair and Non-Executive Directors are responsible for monitoring the executive management of the organisation and are responsible to the Independent Regulator for the discharge of those responsibilities.
BOARD	<p>The Board has six key functions for which it is held accountable by the Independent Regulator:</p> <ol style="list-style-type: none"> 1. to ensure effective financial stewardship through value for money, financial control and financial planning and strategy; 2. to ensure that high standards of corporate governance and personal behavior are maintained in the conduct of the business of the whole organization; 3. to appoint, appraise and remunerate senior executives; 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; 5. to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary; 6. to ensure effective dialogue between the organization, the Council of Governors, Members and the local community on its plans and performance and that these are responsive to the community's needs.
BOARD	<p>It is the Board's duty to:</p> <ol style="list-style-type: none"> 1. act within the Regulatory Framework and other statutory financial and other constraints; 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; 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; 4. establish performance and quality measures that maintain the effective use of resources and provide value for money; 5. specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities; 6. establish Audit & Assurance Committee and Remuneration & Nominations Committee on the basis of formally agreed terms of reference that set out the membership of the sub-committee, the limit to their powers, and the arrangements for reporting back

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	to the main Board.
CHAIR	<p>It is the Chair's role to:</p> <ol style="list-style-type: none"> 1. provide leadership to the Board and the Council of Governors and to ensure that the two bodies work together effectively; 2. enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team; 3. ensure that key and appropriate issues are discussed by the Board in a timely manner, 4. ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions; 5. lead Non-Executive Board members through a formally-appointed Remuneration & Nominations Committee of the main Board on the appointment, appraisal and remuneration of the Chief Executive and (with the latter) other Executive Board members; 6. appoint Non-Executive Board members to an Audit & Assurance Committee of the main Board; 7. advise the Independent Regulator on the performance of Non-Executive Board members.
CHIEF EXECUTIVE	<p>The Chief Executive is accountable to the Chair and Non-Executive members of the Board 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.</p> <p>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 Accounting Officer are laid out in the NHS Foundation Trust Accounting Officer Memorandum.</p>
NON-EXECUTIVE DIRECTORS	Non-Executive Directors are appointed (and removed) by the Council of Governors to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health to Ministers and the Independent Regulator and to the local community.
CHAIR AND DIRECTORS	Declaration of conflict of interests.
BOARD	NHS Boards must comply with guidance issued by the Independent Regulator, comply with applicable legislation and have regard to guidance issued by the Department of Health, respect agreements entered into by themselves or in on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money.

SCHEME OF DELEGATION FROM STANDING ORDERS

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.1	CHAIR	Final authority in interpretation of Standing Orders (SOs).
3.5	CHAIR	Call meetings.
3.14	CHAIR	Chair all Board meetings and associated responsibilities.
3.21	CHAIR	Give final ruling in questions of order, relevancy and regularity of meetings.
3.22	CHAIR	Having a second or casting vote
3.32	BOARD	Suspension of Standing Orders
3.36	AUDIT & ASSURANCE COMMITTEE	Audit & Assurance Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board)
3.37	BOARD	Variation or amendment of Standing Orders.
4.3	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 Directors.
4.5	BOARD	Formal delegation of powers to sub committees or joint committees and approval of their constitution and terms of reference. (Constitution and terms of reference of sub committees may be approved by the Chief Executive.)
4.7	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.
4.10	ALL	Disclosure of non-compliance with Standing Orders to the Chief Executive as soon as possible.
6.1	THE BOARD	Declare relevant and material interests.
6.3	CHIEF EXECUTIVE	Maintain Register(s) of Interests.
8.1	ALL STAFF	Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff" and the Bribery Act
8.9	ALL	Disclose relationship between self and candidate for staff appointment. (CE to report the disclosure to the Board.)
9.6	OFFICERS	Officers to whom powers have been delegated by the Chief Executive may waive formal tendering procedures without reference to the Chief Executive where: <ul style="list-style-type: none"> the estimated expenditure or income does not, or is not reasonably expected to, exceed £30,000 (excluding

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<p>VAT) in total, (this figure to be reviewed annually);</p> <ul style="list-style-type: none"> • where the supply is proposed under special arrangements negotiated by the DoH in which event the said special arrangements must be complied with; • where provided for in the Capital Investment Manual.
9.6 and 9.8	CHIEF EXECUTIVE	<p>The Chief Executive shall have authority to waive formal tendering procedures where:</p> <ul style="list-style-type: none"> • the timescale genuinely precludes competitive tendering. Failure to plan the work properly is not a justification for single tender; • specialist expertise is required and is available from only one source; • 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; • there is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of continuity must outweigh any potential financial advantage to be gained by competitive tendering. <p>Where it is decided that competitive tendering is not applicable by virtue of any of the above, the fact of waiver and the reasons should be documented and reported by the Chief Executive to the Trust in formal meeting. Reports shall be received by the Audit and Assurance Committee.</p>
9.16	CHIEF EXECUTIVE	<p>The Chief Executive or his nominated officer should evaluate any quotations received and select the one which gives the best value for money. If this is not the lowest, then this fact and the reasons why the lowest quotation was not chosen should be in a permanent record.</p>
9.20.1	CHIEF EXECUTIVE	<p>Where the Trust proposes to market test for PFI when considering a capital procurement, the Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector. Reports shall be received by the Audit and Assurance Committee.</p>
9.20.2	BOARD	<p>Where the Trust proposes to market test for PFI when considering a capital procurement, the proposal must be specifically agreed by the Board.</p>
9.20.3	BOARD	<p>The Board requires assurance that the selection of a contractor/finance company is on the basis of competitive tendering/quotation.</p>
11.4	CHIEF EXECUTIVE	<p>In all cases where the Board determines that services should be provided in-house, the Chief Executive shall nominate an Officer to oversee and manage the contract on behalf of the Trust.</p>
11.5	DIRECTOR OF CONTRACTING/	<p>Contracts up to the value of £49,999 in accordance with S.O. 11.5 authorisation limits.</p>

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	COMMERCIAL RELATIONS	
12.1/12.4	CHIEF EXECUTIVE	Keep seal in safe place and maintain a register of sealing.
13.1	CHIEF EXECUTIVE/ EXECUTIVE DIRECTOR	Approve and sign all documents which will be necessary in legal proceedings.

* Nominated officers and the areas for which they are responsible should be incorporated into the Trust's Scheme of Delegation document.

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.1(3)	DIRECTOR OF FINANCE	Approval of all financial procedures.
1.1(4)	DIRECTOR OF FINANCE	Advice on interpretation or application of SFIs.
1.1(6)	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance as soon as possible.
1.2(2)	CHIEF EXECUTIVE	Responsible as the Accounting Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
1.2(2)	CHIEF EXECUTIVE & DIRECTOR OF FINANCE	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
1.2(3)	DIRECTOR OF FINANCE	Responsible for: <ul style="list-style-type: none"> a) Implementing the Trust's financial policies and coordinating corrective action; b) Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented; c) Ensuring that sufficient records are maintained to explain Trust's transactions and financial position; d) Providing financial advice to members of Board and staff; e) Maintaining such accounts, certificates etc as are required for the Trust to carry out its statutory duties.
1.2(4)	CHIEF EXECUTIVE	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
1.2(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, Financial Instructions and financial procedures.
1.2(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.
2.1(1)	AUDIT & ASSURANCE COMMITTEE	Provide independent and objective view on internal control and probity.
2.1(2)	CHAIR	Raise the matter at the Board meeting where Audit & Assurance Committee considers there is evidence of ultra vires transactions or improper acts.
2.1(3) & 2.2(1)	DIRECTOR OF FINANCE	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.)

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
2.2(1)	DIRECTOR OF FINANCE	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption in accordance with the Fraud & Corruption Manual.
2.3	HEAD OF INTERNAL AUDIT	Review, appraise and report in accordance with the Audit Code for NHS Foundation Trust, NHS Foundation Trust Reporting Manual and the NHS Foundation Trust Accounting Officer Memorandum and best practice.
2.4	AUDIT & ASSURANCE COMMITTEE	Ensure cost-effective External Audit and comply with the Independent Regulator's Audit Code for NHS Foundation Trusts.
2.5	CHIEF EXECUTIVE & DIRECTOR OF FINANCE	Monitor and ensure compliance with Audit Code for NHS Foundation Trusts best practice guidance on fraud and corruption including the appointment of the Local Counter Fraud Specialist.
2.6	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.
3.1(1)	CHIEF EXECUTIVE	Compile and submit to the Board a Local Delivery Plan (LDP) which takes into account financial targets and forecast limits of available resources. The LDP will contain: <ul style="list-style-type: none"> • a statement of the significant assumptions on which the plan is based; • details of major changes in workload, delivery of services or resources required to achieve the plan.
3.1(2) & 3.1(3)	DIRECTOR OF FINANCE	Submit budgets to the Board for approval. Monitor performance against budget; submit to the Board financial estimates and forecasts.
3.1(7)	DIRECTOR OF FINANCE	Ensure adequate training is delivered on an on-going basis to budget holders.
3.2(1)	CHIEF EXECUTIVE	Delegate budget to budget holders.
3.2(2)	CHIEF EXECUTIVE & BUDGET HOLDERS	Must not exceed the budgetary total or virement limits set by the Board.
3.3(1)	DIRECTOR OF FINANCE	Devise and maintain systems of budgetary control.
3.3(2)	BUDGET HOLDERS	Ensure that <ol style="list-style-type: none"> a) no overspend or reduction of income that cannot be met from virement is incurred without prior consent of Board; b) approved budget is not used for any other than specified purpose subject to rules of virement; c) no permanent employees are appointed without the approval of the CE other than those provided for within available resources and manpower establishment.
3.3(3)	CHIEF EXECUTIVE	Identify and implement cost improvements and income generation activities in line with the contracts awarded.
3.5(1)	CHIEF EXECUTIVE/	Submit monitoring returns

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	DIRECTOR OF FINANCE	
4.1	DIRECTOR OF FINANCE	Preparation of the Annual Accounts.
4.3	BOARD SECRETARY	Preparation of the Annual Report.
4.3	DEPUTY CHIEF EXECUTIVE & EXECUTIVE MEDICAL DIRECTOR	Preparation of the Quality Account.
5.1	DIRECTOR OF FINANCE	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories. The Trust Board ratifies the Trust's banking arrangements which are agreed by the Finance Sub-Committee.
6	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.
6.2(3)	ALL EMPLOYEES	Duty to inform DoF of money due from transactions which they initiate/deal with.
7.1	CHIEF EXECUTIVE	Must ensure the Trust enters into suitable legally binding contracts with service commissioners for the provision of NHS services and shall nominate officers with power to negotiate with commissioners for the provision of healthcare and related services.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
7.3	CHIEF EXECUTIVE	As the Accounting Officer, ensure that regular reports are provided to the Board detailing actual and forecast revenue from the legally binding contracts
8.1(1)	BOARD	Establish a Remuneration & Nominations Committee
8.1(2)	REMUNERATION & NOMINATIONS COMMITTEE	Advise the Board on and make recommendations on the remuneration and terms of service of the CE, other Executive Directors and senior employees to ensure they are fairly rewarded having proper regard to the Trust's circumstances; Monitor and evaluate the performance of individual senior employees; Advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.
8.1(3)	REMUNERATION & NOMINATIONS COMMITTEE	Report in writing to the Board its advice and its bases about remuneration and terms of service of directors and senior employees.
8.1(4)	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 Remuneration Committee.
8.2(2)	DIRECTOR OF FINANCE	Approval of variation to funded establishment of any department.
8.3	DIRECTOR OF HUMAN RESOURCES	Staff, including agency staff, appointments and re-grading.
8.4(1)	DIRECTOR OF HUMAN RESOURCES	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
8.4(3)	SENIOR MANAGERS (BAND 7 & ABOVE)	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.
8.4(4)	DIRECTOR OF FINANCE/ DIRECTOR OF HUMAN RESOURCES	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.
8.5	DIRECTOR OF HUMAN RESOURCES	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 Deal with variations to, or termination of, contracts of employment.
9.1	BOARD/DIRECTOR OF	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	FINANCE	managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level. A detailed record will be maintained and by the Director of Finance.
9.1(3)	CHIEF EXECUTIVE/ DIRECTOR OF FINANCE	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
9.2(1)	REQUISITIONER (WHO MUST BE THE APPROVED BUDGET MANAGER)	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.
9.2(2)	DIRECTOR OF FINANCE	Shall be responsible for the prompt payment of accounts and claims.
9.2(3)	DIRECTOR OF FINANCE	<ul style="list-style-type: none"> 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; 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; 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; 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; f) Instructions to employees regarding the handling and payment of accounts within the Finance Department; g) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received
9.2(4)	APPROPRIATE EXECUTIVE DIRECTOR	Make a written case to support the need for a prepayment.
9.2(4)	DIRECTOR OF FINANCE	Approve proposed prepayment arrangements.
9.2(4)	BUDGET HOLDER	Ensure that all items due under a prepayment contract are received (and immediately inform DoF if problems are encountered).
9.2(5)	CHIEF EXECUTIVE	Authorise who may use and be issued with official orders.
9.2(6)	MANAGERS AND OFFICERS	Ensure that they comply fully with the guidance and limits specified by the Director of Finance.
9.2(7)	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 in as much as there is no conflict with guidance from the Independent Regulator. The technical audit of these contracts shall be

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		the responsibility of the relevant Director.
10.1(1)	DIRECTOR OF FINANCE	The DoF will advise the Board on the Trust's ability to pay interest on PBC and any proposed borrowing within the limits set by its Terms of Authorisation and report, periodically, concerning the PDC debt and all loans and overdrafts.
10.1(2)	BOARD	Approve a list of employees authorised to make short term borrowings on behalf of the Trust. (This must include the CE and DoF.)
10.1(3)	DIRECTOR OF FINANCE	Prepare detailed procedural instructions concerning applications for loans and overdrafts.
10.1(4)	CHIEF EXECUTIVE OR DIRECTOR OF FINANCE	Be on an authorising panel comprising one other member for short term borrowing approval.
10.2(2)	DIRECTOR OF FINANCE	Will advise the Board on investments and report, periodically, on performance of same and report to the Independent Regulator on any major investments that will affect the financial risk rating of the Trust.
10.2(3)	DIRECTOR OF FINANCE	Prepare detailed procedural instructions on the operation of investments held which comply with any instructions issued by the Independent Regulator from time to time.
11	DIRECTOR OF FINANCE	Ensure that Board members are aware of the Financial Framework and ensure compliance
12.1(1) 12.1(2)	CHIEF EXECUTIVE DIRECTOR OF FINANCE	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.
12.1(2)	DIRECTOR OF FINANCE	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
12.1(3)	DIRECTOR OF FINANCE	Issue procedures for management of contracts involving stage payments.
12.1(4)	DIRECTOR OF FINANCE	Assess the requirement for the operation of the construction industry taxation deduction scheme.
12.1(5)	DIRECTOR OF FINANCE	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
12.1(6)	CHIEF EXECUTIVE/ DIRECTOR OF FINANCE	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.
12.1(7)	DIRECTOR OF FINANCE	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
12.2(1)	DIRECTOR OF FINANCE	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		the private sector.
12.2(1)	BOARD	Proposal to use PFI must be specifically agreed by the Board.
12.3(1)	CHIEF EXECUTIVE	Maintenance of non-current asset registers (on advice from DoF).
12.3(5)	DIRECTOR OF FINANCE	Approve procedures for reconciling balances on property, plant and equipment and intangible asset accounts in ledgers against balances on property, plant and equipment and intangible asset registers.
12.3(7)	DIRECTOR OF FINANCE	Calculate and pay capital charges in accordance with the Independent Regulator's requirements.
12.4(1)	CHIEF EXECUTIVE	Overall responsibility for property, plant and equipment and intangible assets.
12.4(2)	DIRECTOR OF FINANCE	Approval of control procedures for property, plant and equipment and intangible assets.
12.4(4)	BOARD, EXECUTIVE MEMBERS AND ALL SENIOR STAFF	Responsibility for security of Trust assets including notifying discrepancies to DoF, and reporting losses in accordance with Trust procedure.
13.2	CHIEF EXECUTIVE	Delegate overall responsibility for control of stores (subject to DoF responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded. (Good practice to append to the scheme of delegation document.)
13.2	DIRECTOR OF FINANCE	Responsible for systems of control over stores and receipt of goods.
13.2	CHIEF PHARMACEUTICAL OFFICER	Responsible for controls of pharmaceutical inventories.
13.2	DESIGNATED ESTATES OFFICER	Responsible for control of inventories of fuel oil and coal.
13.2	DESIGNATED BUILDING MANAGER	Security arrangements and custody of keys
13.2	DIRECTOR OF FINANCE	Set out procedures and systems to regulate the stores.
13.2	DIRECTOR OF FINANCE	Agree stocktaking arrangements.
13.2	DIRECTOR OF FINANCE	Approve alternative arrangements where a complete system of stores control is not justified.
13.2	DIRECTOR OF FINANCE	Approve system for review of slow moving and obsolete inventory and for condemnation, disposal and replacement of all unserviceable items.
13.2	DESIGNATED BUILDING MANAGER	Operate system for slow moving and obsolete stock, and report to DoF evidence of significant overstocking.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
13.3(1)	CHIEF EXECUTIVE	Identify persons authorised to requisition and accept goods from NHS Supplies stores.
14.1(1)	DIRECTOR OF FINANCE	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.
14.2(1)	DIRECTOR OF FINANCE	Prepare procedures for recording and accounting for losses, special payments and informing police in cases of suspected arson or theft.
14.2(2)	ALL EMPLOYED 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 CE and DoF.
14.2(2)	DIRECTOR OF FINANCE	Where a criminal offence is suspected, DoF must inform the police if theft or arson is involved. In cases of fraud and corruption DoF must inform the relevant LCFS and NHS Protect Regional Team.
14.2(2)	DIRECTOR OF FINANCE	Notify NHS Protect, External Audit and Independent Regulator of all frauds.
14.2(3)	DIRECTOR OF FINANCE	Notify Board and External Auditor of losses caused theft, arson, neglect of duty or gross carelessness (unless trivial).
14.2(4)	BOARD	Approve write off of losses (within limits delegated by the Independent Regulator).
14.2(6)	DIRECTOR OF FINANCE	Consider whether any insurance claim can be made.
14.2(7)	DIRECTOR OF FINANCE	Maintain losses and special payments register.
15.1	DEPUTY CHIEF EXECUTIVE	Responsible for accuracy and security of computerised financial data.
15.1	DIRECTOR OF FINANCE	Satisfy himself 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.
15.1(3)	BOARD SECRETARY	Shall publish and maintain a Freedom of Information Scheme.
15.2(1)	DIRECTOR OF ICT	Send proposals for general computer systems to Deputy Chief Executive
15.3	DIRECTOR OF FINANCE	Ensure that contracts with other bodies for the provision of computer services for financial applications including Payroll 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.
15.4	DEPUTY CHIEF EXECUTIVE/DIRECTOR OF	Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	FINANCE	
15.5	DIRECTOR OF FINANCE	Where computer systems, including Payroll, 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) DoF and staff have access to such data; Such computer audit reviews are being carried out as are considered necessary.
16.2	CHIEF EXECUTIVE	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
16.3	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.
16.6	DEPARTMENTAL MANAGERS	Inform staff of their responsibilities and duties for the administration of the property of patients.
17.1	DIRECTOR OF FINANCE	Shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately.
18	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
19	CHIEF EXECUTIVE	Retention of document procedures in accordance with the NHS Records Management: Code of Practice.
20.1	CHIEF EXECUTIVE	Risk management programme.
20.1	BOARD	Approve and monitor risk management programme.
20.2	BOARD	Decide whether the Trust will use the risk pooling schemes administered by the NHS Litigation Authority or self-insure for some or all of the risks (where discretion is allowed). Decisions to self-insure should be reviewed annually.
20.4	DIRECTOR OF FINANCE	Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority 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 Litigation Authority 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.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
20.4	DIRECTOR OF FINANCE	Ensure documented procedures cover management of claims and payments below the deductible.

* Nominated officers and the areas for which they are responsible should be incorporated into the Trust's Scheme of Delegation document.

SECTION C - STANDING FINANCIAL INSTRUCTIONS

1. INTRODUCTION

1.1 General

- (1) These Standing Financial Instructions (SFIs) are issued for the regulation of the conduct of the Trust, its Directors 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).
- (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 the requirements of the Independent Regulator 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. The Independent Regulator for Foundation Trusts is Monitor, who like the Secretary of State for Health, reports directly to Parliament.
- (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. Examples of Trading Units, although not autonomous from the Trust, include the staffing element provided by the Trust to Housing Association Schemes.
- (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.
- (5) **The failure to comply with Standing Financial Instructions and Standing Orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.**
- (6) **Overriding Standing Financial Instructions** – 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 & Assurance Committee for referring action or ratification. All Directors 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.

1.2 Responsibilities and delegation

- (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 Schedule of Decisions Reserved to the Board. All other powers have been delegated to such other committees as the Trust has established.

(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 Accounting Officer, to the Independent Regulator, 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 Directors and, employees and all new appointees are notified of, and put in a position to understand their responsibilities within these Instructions.

(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 Directors 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.

(4) **Directors and Employees**

All Directors 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 with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures, Scheme of Delegation, the Constitution and Terms of Authorisation.

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

2. AUDIT

2.1 Audit & Assurance Committee

(1) In accordance with Standing Orders, the Constitution, the 2006 Act (and as set out in the Audit Code for NHS Foundation Trusts, issued by the Independent Regulator) the Board shall formally establish an Audit & Assurance Committee, with clearly defined terms of reference, which will provide an independent and objective view of internal control by:

- (a) overseeing Internal and External Audit services;
- (b) reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;
- (c) reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives;
- (d) monitoring compliance with Standing Orders and Standing Financial Instructions;
- (e) reviewing schedules of losses and compensations and making recommendations to the Board;
- (f) reviewing schedules of accounts receivable and accounts payable balances over £5,000 and 6 months old and explanations/action plans;
- (g) reviewing the arrangements in place to support the Assurance Framework process prepared on behalf of the Board and advising the Board accordingly.

(2) Where the Audit & Assurance 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 & Assurance Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Independent Regulator (but to the Director of Finance in the first instance).

(3) It is the responsibility of the Director of Finance to ensure an adequate Internal Audit service is provided and the Audit & Assurance Committee shall be involved in the selection process when/if an Internal Audit service provider is changed.

2.2 Director of Finance

(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 is adequate and meets the Government standards and any guidance given by the Independent Regulator as to the standards, practices and techniques to be adopted;
 - (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 & Assurance Committee. The report must cover:
 - (i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance;
 - (ii) major internal financial control weaknesses discovered;
 - (iii) progress on the implementation of internal audit recommendations;
 - (iv) progress against plan over the previous year;
 - (v) strategic audit plan covering the coming three years;
 - (vi) a detailed plan for the coming year.
- (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.

2.3 **Role of Internal Audit**

- (1) 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 (as applicable to NHS Foundation Trusts) and the Independent Regulator.
- (2) 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.
- (3) The Chief Internal Auditor will normally attend Audit & Assurance Committee meetings and has a right of access to all Audit & Assurance Committee members, the Chair and Chief Executive of the Trust.
- (4) The Chief Internal Auditor shall be accountable to the Director of Finance. The reporting system for internal audit shall be agreed between the Director of Finance, the Audit & Assurance Committee and the Chief Internal Auditor. The agreement shall be in writing and shall have regard to the guidance on reporting contained in the Audit Code for NHS Foundation Trusts, NHS Foundation Trust Reporting Manual and the NHS Foundation Trust Accounting Officer Memorandum and the reporting system shall be reviewed at least every three years.

2.4 External Audit

- (1) The External Auditor is appointed by the Council of Governors at a general meeting of the Council of Governors and paid for by the Trust. The Audit & Assurance Committee must ensure a cost-efficient service. If there are any problems relating to the service provided by the External Auditor, then this should be raised with the External Auditor and referred on to the Regulator if the issue cannot be resolved. The Council of Governors could terminate the Contract and appoint other External Auditors to fulfill the role. This would be discussed and agreed between the Audit & Assurance Committee and the Council of Governors.
- (2) The Trust will seek to ensure that the External Auditor appointed by the Council of Governors meets the criteria included by the Independent Regulator within the Audit Code for NHS Foundation Trusts at the date of appointment and on an on-going basis throughout the term of the appointment.
- (3) The Trust will provide the External Auditor with any facility and all information he may require for the purposes of the 2006 Act.

2.5 Fraud and Corruption

- (1) In line with their responsibilities, the Trust Chief Executive and Director of Finance shall monitor and ensure compliance with best practice guidance issued by the Secretary of State for Health on fraud and corruption.
- (2) 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 Fraud and Corruption Manual and guidance.
- (3) The Local Counter Fraud Specialist shall report to the Trust Director of Finance and shall work with staff in NHS Protect and the Regional Counter Fraud and Security Management Services (CFSMS) in accordance with the Department of Health Fraud and Corruption Manual.
- (4) The Local Counter Fraud Specialist will provide a written report, at least annually, on counter fraud work within the Trust.

2.6 Security Management

- (1) In line with their responsibilities, the Trust Chief Executive will monitor and ensure compliance with best practice guidance issued by the Secretary of State for Health on NHS security management.
- (2) The Trust shall nominate a suitable person to carry out the duties of the Local Security Management Specialist (LSMS) as specified by the Secretary of State for Health guidance on NHS security management.
- (3) The Trust shall nominate a Non-Executive Director to be responsible to the Board for NHS security management.
- (4) The Chief Executive has overall responsibility for controlling and coordinating security. However, key tasks are delegated to the Security Management Director (SMD) and the appointed Local Security Management Specialist (LSMS).

3. ALLOCATIONS, PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING

3.1 Preparation and Approval of Plans and Budgets

- (1) The Chief Executive will compile and submit to the Board an Annual Plan which takes into account financial targets and forecast limits of available resources. The Annual 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.
- (2) The Trust will give information as to its forward planning in respect of each financial year to the Independent Regulator. This information will be prepared by the Directors who must have regard to the views of the Council of Governors.
- (3) 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 Annual Plan;
 - (b) accord with workload and manpower plans;
 - (c) be produced following discussion with appropriate budget holders;
 - (d) be prepared within the limits of available funds with regard to the Prudential Borrowing Limit;
 - (e) identify potential risks.
- (4) The Director of Finance shall monitor financial performance against budget and plan, periodically review them, and report to the Board.
- (5) All budget holders must provide information as required by the Director of Finance to enable budgets to be compiled.
- (6) All budget holders will agree to their allocated budgets at the commencement of each financial year. This will normally be done via the budget meetings held with Service Directors.

- (7) 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.

3.2 **Budgetary Delegation**

- (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 exercise virement;
 - (e) achievement of planned levels of service;
 - (f) the provision of regular reports.
- (2) The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.
- (3) 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.
- (4) 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.

3.3 **Budgetary Control and Reporting**

- (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) Movements in cash and capital;
 - (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;
 - (vii) performance against the Prudential Borrowing limit covenants;
 - (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 manpower budgets;

- (d) monitoring of management action to correct variances; and
 - (e) arrangements for the authorisation of budget transfers.
- (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 manpower establishment as approved by the Board.
- (3) The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Annual Plan.

3.4 **Capital Expenditure**

- (1) The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in SFI 12).

3.5 **Monitoring Returns**

- (1) The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation.

4. ANNUAL ACCOUNTS AND REPORTS

- 4.1 The Director of Finance, on behalf of the Trust, will:
- (a) keep accounts and, in respect of each financial year, prepare annual accounts in such form as the Independent Regulator may, with the approval of HM Treasury, direct;
 - (b) ensure that in preparing annual accounts the Trust complies with any directions given by the Independent Regulator with the approval of HM Treasury, as to:
 - (i) the methods and principles according to which the accounts are prepared;
 - (ii) the information to be given in the accounts;
 - (c) ensure that a copy of the annual accounts and any report to the External Auditor on them are laid before Parliament and that following this copies of those documents are sent to the Independent Regulator.
- 4.2 The Trust's annual accounts must be audited by an external auditor. The Trust's audited annual accounts must be presented to the Board of Directors for approval and received by the Council of Governors at a public meeting.
- 4.3 In accordance with Schedule 7 (paragraph 26) of the 2006 Act, the Trust will also prepare an annual report which, after approval by the Board, will be presented to the Council of Governors. It will then be published and made available to the public and also submitted to the Regulator. The annual report will comply with the

Regulator's Annual Report Guidance for NHS Foundation Trusts and will include, inter alia:

- (i) information on the steps taken by the Trust to ensure that the actual membership of the various constituencies (public, patients and staff) is representative of those eligible for such membership;
- (ii) the Annual Accounts of the Trust in full or summary form;
- (iii) details of relevant directorships and other significant interests held by Board members;
- (iv) composition of the Audit & Assurance Committee and the Remuneration & Nominations Committee;
- (v) remuneration of the Chair, the Non-Executive Directors and Executive Directors, on the same basis as those specified in the Companies Act;
- (vi) a statement of assurance by the Chief Executive in respect of organizational controls and risk management within the Trust (as per HSC 1999/123);
- (vii) any other information required by the Independent Regulator.

5. BANK AND GBS ACCOUNTS (Government Banking Services)

5.1 General

- (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 issued from time to time by the Independent Regulator and have regard to that issued by the Department of Health. [In line with 'Cash Management in the NHS Trusts should ensure that cash in accounts is properly controlled, regularly reviewed and follows a "safe harbouring" policy.]
- (2) The Board shall approve the banking arrangements.

5.2 Bank and GBS Accounts

- (1) The Director of Finance is responsible for:
 - (a) bank accounts and Office of the Government Banking Services (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 and regularly reviewing the Trust's working capital facility;
 - (e) monitoring compliance with DH guidance on the level of cleared funds.

5.3 Banking Procedures

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

5.4 **Tendering and Review**

- (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.
- (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.

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

6.1 **Income Systems**

- (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.
- (2) The Director of Finance is also responsible for the prompt banking of all monies received.
- (3) The Trust may carry on activities for the purposes of making additional income available in order to better carry out the Trust's principal purpose under the 2006 Act, subject to any restrictions in its Terms of Authorisation.

6.2 **Fees and Charges**

- (1) The Trust shall follow the regulatory approved costing guidance, including the Department of Health Reference Costs Guidance in setting prices for NHS service agreements.
- (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 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 NHS Commercial Sponsorship – Ethical standards in the NHS shall be followed.
- (3) All employees must inform the Director of Finance promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

6.3 **Debt Recovery**

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

6.4 **Security of Cash, Cheques and other Negotiable Instruments**

- (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.
- (2) Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.
- (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.
- (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.

7. **NHS SERVICE AGREEMENTS FOR PROVISION OF SERVICES**

7.1 **Service Level Agreements (SLAs)**

The Chief Executive, as the Accounting Officer, is responsible for ensuring the Trust enters into suitable legally binding contracts with service commissioners for the provision of NHS services and Local Authority delegated services and shall nominate officers with power to negotiate with commissioners for the provision of healthcare and related services.

All legally binding contracts should aim to implement the agreed priorities contained within the Annual Plan or Local Authority requirements 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:

- the standards of service quality expected;
- the relevant national service framework (if any) and Local Authority requirements for social care;
- the provision of reliable information on cost and volume of services;
- the NHS National Performance Assessment Framework;
- that contracts build where appropriate on existing Joint Investment Plans;
- that contracts are based on integrated health and social care pathways;
- the level of funding available to provide services, and the associated business risks.

7.2 **Involving Partners and jointly managing risk**

A good contract will result from a dialogue of clinicians, practitioners, users, carers, public health and social care 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 contract 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. The Local Authority delegated services will be reflected in the Section 75 Partnership Agreement.

Performance Management of the Section 75 agreements will be undertaken by the Deputy Chief Executive in conjunction with the Chief Executive on a regular basis. Times and dates of these performance meetings will be agreed at the beginning of each financial year.

7.3 **Reports to Board on SLAs**

The Chief Executive, as the Accounting Officer, will need to ensure that regular reports are provided to the Board detailing actual and forecast income from the contract. This will include information on costing arrangements, which increasingly should be based upon nationally recognized or mandated cost objects (i.e. Care Pathways & Packages (CPP) or Healthcare Resource Groups (HRGs)). Where cost objects are unavailable for specific services, all parties should agree a common currency for application across the range of contracts.

The contract for the Local Authority Services will also require an agreement on a common currency which will be monitored through the Performance Management frameworks identified in 7.2 above.

8. **TERMS OF SERVICE, ALLOWANCES & PAYMENT OF MEMBERS OF THE TRUST BOARD & EXECUTIVE DIRECTORS' GROUP & EMPLOYEES**

8.1 **Remuneration and Terms of Service (see overlap with SO No. 5)**

(1) In accordance with Standing Orders, the Constitution and the 2006 Act, the Board shall establish a Remuneration & Nominations Committee consisting of Non-Executive Directors to decide the recommendations and allowances and the other terms of office of the Executive Directors, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.

(2) The Committee will:

(a) advise the Board about appropriate remuneration and terms of service for the Chief Executive, other officer members employed by the Trust and other senior employees 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;

(b) make such recommendations to the Board on the remuneration and terms of service of Executive Directors of the Board (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate;

- (c) monitor and evaluate the performance of individual Executive Directors and other senior employees);
 - (d) advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.
- (3) The Committee shall report in writing to the Board the basis for its recommendations. The Board shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of Executive Directors. Minutes of the Board's meetings should record such decisions.
 - (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 Directors (excluding Non-Executive Directors) not covered by the Committee.
 - (5) The Trust will pay allowances to the Chair and Non-Executive Directors in accordance with all relevant guidance.

8.2 Funded Establishment

- (1) The manpower plans incorporated within the annual budget will form the funded establishment.
- (2) The funded establishment of any department may not be varied without the approval of the Director of Finance.

8.3 Staff Appointments

- (1) No Officer or Director 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 Associate Director of Human Resources;
 - (b) within the limit of their approved budget and funded establishment.
- (2) The Board will approve procedures presented by the Chief Executive/Associate Director of Human Resources for the determination of commencing pay rates, condition of service, etc, for employees.

8.4 Processing Payroll

- (1) The Director of Human Resources 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.
- (2) The Director of Finance in conjunction with the Director of Human Resources 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;
 - (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.
- (3) 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 fulfill obligations in circumstances that suggest they have left without notice, the Director of Finance must be informed immediately.
- (4) Regardless of the arrangements for providing the payroll service, the Director of Finance and Associate Director of Human Resources 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.

8.5 **Contracts of Employment**

- (1) The Board shall delegate responsibility to the Director of Human Resources 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.

9. NON-PAY EXPENDITURE

9.1 Delegation of Authority

- (1) The Board will approve the level of non-pay expenditure on an annual basis and the Director of Finance will determine the level of delegation to budget managers.
- (2) The Director of Finance 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.
- (3) The Chief Executive/Director of Finance shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

9.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services

(1) Requisitioning

- a) 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.
- b) In most cases the Trust's advisor on supply is considered the Procurement (Supplies) department. Exceptions being:
 - Those with delegated authority in the Pharmacy department, as specified by the Chief Pharmacist for this purpose, shall be considered to be the Trust's advisor on supply of Pharmaceuticals. However, the Trust's advisor on supply, responsible for raising the order with the company should *not* also be an authorized signatory, as separate approval for the spend should be obtained on the Requisition from the authorizing budget manager concerned.
 - Those with delegated authority in the Estates department, as specified by the Head of Estates for this purpose, shall be considered to be the Trust's advisor on supply in respect of particular types of 'Works' orders. However, the Trust's advisor on supply, responsible for raising the order with the company should *not* also be an authorized signatory, as separate approval for the spend should be obtained on the Requisition from the authorizing budget manager concerned.
- c) The following are exceptions and do not require advice from the Trust's advisor on supply to be sought. However, payments should be authorized by the budget manager as per delegated limits.
 - Governors expenses claims.
 - Ex-gratia payments to Service Users / Staff under the Losses and Special Payments policy
 - Salary advances to staff
 - Petty cash reimbursements (assuming appropriate receipts presented and appropriately approved within delegated limits)
 - National non- domestic rates paid to Sheffield City Council
 - Kings Armoured 'Petty Cash' reimbursement cheques
 - VAT return payments
 - Payroll deduction payments (for example to Unison, Westfield etc.

- Litigation payments under NHSLA direction
 - NHS Supply Chain payments
 - HMRC payroll pay-overs (Superannuation etc.)
 - Bank charges
 - Charity Trust Fund recharges
- d) Where the Trust's advisor of supply is approached by a requisitioner to purchase an item from a particular supplier specifically for another organization, for example, where Community Equipment is purchased on request for other CCGs via the Community Equipment Service, the Trust's Advisor on Supply shall reassure themselves that appropriate due diligence has been followed by the ordering body prior to raising the order for the goods. This will require obtaining evidence and sign off from the other organisation that the ordering organization has followed quotation and tendering processes where expected. Evidence should be retained in the same way internal requisitions are retained, as evidence of approval of expenditure under delegated limits.

(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 standard minimum payment terms of 30 days and all contracts should be agreed with these terms as a minimum, unless other national guidance takes precedent. Contracts can only be agreed with payment terms less than 30 days with the approval of the Director of Finance.

(3) 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) Approve any contracts with payment terms exceeding 30 days after due consideration of the impact of alternative terms on working capital and cashflow.
- (e) 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 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;

(iv) instructions to employees regarding the handling and payment of accounts within the Finance Department;

(f) where pre-payments are required to secure a booking (e.g. course fee/travel tickets) these should be made in accordance with procedures set out by the Director of Finance.

(4) **Prepayments**

Prepayments 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.

(5) **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.

(6) **Duties of Managers and Officers**

Managers and 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 and authorized in accordance with the Scheme of Delegation;

- (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 Trust will have regard in the procurement of such advice to any guidance issued by the Independent Regulator;
- (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;
- (e) no requisition or official order shall be 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;
 - those elements of works orders and services which are purchased in accordance with a (signed) contract
 - Governors expenses claims.
 - Ex-gratia payments to Service Users / Staff under the Losses and Special Payments policy
 - Salary advances to staff
 - Petty cash reimbursements (assuming appropriate receipts presented and appropriately approved within delegated limits)
 - National non- domestic rates paid to Sheffield City Council
 - Kings Armoured 'Petty Cash' reimbursement cheques
 - VAT return payments
 - Payroll deduction payments (for example to Unison, Westfield etc.
 - Litigation payments under NHSLA direction
 - NHS Supply Chain payments
 - HMRC payroll pay-overs (Superannuation etc.)
 - Bank charges
 - Charity Trust Fund recharges
- (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.

- (7) 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 have regard to the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.

9.3 **Joint Finance Arrangements with Local Authorities and Voluntary Bodies (see overlap with Standing Order No. 14.4)**

- (1) Not used.

10. EXTERNAL BORROWING

10.1

- (1) The Director of Finance will advise the Board concerning the Trust's ability to pay dividend on, and repay Public Dividend Capital and any proposed new borrowing, within the limits set by the Terms of Authorisation and reviewed annually by the Independent Regulator, (the "Prudential Borrowing Code"). The Director of Finance is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.
- (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. The Working Capital Facility – External Borrowing Policy approved by the Board of Directors and the provisions within this must be complied with.
- (3) The Director of Finance must prepare detailed procedural instructions concerning applications for loans, overdrafts and new borrowings which comply with the instructions issued by the Independent Regulator from time to time.
- (4) All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cashflow position, represent good value for money, and comply with any applicable guidance from the Independent Regulator and have due regard to the latest guidance from the Department of Health.
- (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.
- (6) All long-term borrowing must be consistent with the plans outlined in the current Annual Plan and be approved by the Board of Directors.
- (7) Assets protected under the Terms of Authorisation shall not be used or allocated for borrowing; non-protected assets will be eligible as security for loans.

10.2 **INVESTMENTS**

Details are contained within the Working Capital Facility – External Borrowing Policy and must be complied with at all times.

- (1) Temporary cash surpluses must be held only in such public or private sector investments as notified by the Board and within the terms of guidance as may be issued by the Independent Regulator from time to time and authorised by the Board.
- (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.

- (3) The Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.
- (4) The Board will report to the Independent Regulator on any proposed major investments that could affect their financial risk rating as part of the annual planning process or in the year prior to financial closure. In determining whether any investment decision is to be reported to the Independent Regulator the Trust will take into account guidance issued by the Independent Regulator "Risk Evaluation for Investment Decisions by NHS foundation trusts" as amended from time to time.

11. FINANCIAL FRAMEWORK

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. The Director of Finance should also ensure that the direction and guidance in the framework is followed by the Trust.

The Trust is required to meet such financial targets as are specified by the Regulator, either under the terms of the initial Authorisation agreement or subsequently. These specifically include the requirement to:-

Contain external borrowing within a prudential borrowing limit set out within the Authorisation agreement and reviewed annually thereafter (see Section 10);

Restrict income from private patient charges in any year, as a proportion of the Trust's total income for that year, to the percentage specified in the Authorisation agreement.

Whilst there is no specific target regulating overall revenue performance in Foundation Trusts (e.g. a requirement to break-even year on year), the Regulator has the power to intervene in the Trust's affairs and potentially to revoke its Authorisation agreement where financial viability is seriously compromised.

The Chief Executive has overall responsibility for the Trust's activities and in this capacity is responsible for ensuring that the Trust maintains its financial viability and meets any specific financial targets set by the Regulator. In this capacity the Chief Executive is responsible for setting appropriate internal targets in order to ensure financial viability.

This also relates to the Section 75 Partnership Agreement with the Local Authority.

12. CAPITAL INVESTMENT, PRIVATE FINANCING, NON CURRENT ASSET REGISTERS AND SECURITY OF ASSETS

12.1 Capital Investment

- (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 purchaser(s) support and the availability of resources to finance all revenue consequences, including capital charges.

- (2) For every capital expenditure proposal the Director of Finance shall ensure:
- (a) that a business case (in line with the guidance contained within the Capital Investment Manual and "Roles and responsibilities in the approval of NHS foundation trust PFI schemes" (Gateway Reference 8430) issued by the Independent Regulator and the Department of Health) 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 personnel 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.
- (3) For capital schemes where the contracts stipulate stage payments, the Director of Finance will issue procedures for their management, incorporating the recommendations of "Estatecode" (until such time as any guidance is issued by the Independent Regulator).
- (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 Inland Revenue guidance.
- (5) The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.
- (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;
- (c) approval to accept a successful tender.

The Director of Finance will issue a scheme of delegation for capital investment management in accordance with "Estatecode" guidance (until such time as any guidance is issued by the Independent Regulator) and the Trust's Standing Orders.

- (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.

12.2 Private Finance

- (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) the Board will consider the guidance "Roles and responsibilities in the approval of NHS foundation trust PFI schemes" (Gateway Reference 8430) issued by the Independent Regulator and the Department of Health, the

Independent Regulator's Compliance Framework, and any other Department of Health and/or HM Treasury requirements;

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

12.3 **Asset Registers**

- (1) The Chief Executive is responsible for the maintenance of registers of non-current 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 non-current asset register to be conducted once a year.
- (2) Each Trust shall maintain an asset register recording property, plant and equipment and intangible assets.
- (3) Additions to the property, plant and equipment 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.
- (3A) The Trust shall maintain a publicly available property asset register recording protected property in accordance with the guidance issued by the Independent Regulator.
- (3B) The Trust may not dispose of any protected property assets without the approval of the Independent Regulator. This includes disposal of part of the property or granting an interest in it.
- (4) Where property, plant and equipment 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).
- (5) The Director of Finance shall approve procedures for reconciling balances on property, plant and equipment and intangible asset accounts in ledgers against balances on property, plant and equipment and intangible asset registers.
- (6) The value of each asset shall be depreciated using methods as determined by the Trust.
- (7) The Director of Finance of the Trust shall calculate and pay capital charges as specified by the Independent Regulator.

12.4 **Security of Assets**

- (1) The overall control of property, plant and equipment is the responsibility of the Chief Executive.
- (2) Asset control procedures (including property, plant and equipment and intangible 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.
- (3) All discrepancies revealed by verification of physical assets to property, plant and equipment register shall be notified to the Director of Finance.
 - (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 employees 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.
 - (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.
 - (6) Where practical, assets should be marked as Trust property.

13. STORES AND RECEIPT OF GOODS

13.1 General position

- (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 inventory take;
 - (c) valued at the lower of cost and net realisable value.

13.2 Control of Stores, Stocktaking, condemnations and disposal

- (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 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 inventories shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel oil and coal of a designated estates manager.
- (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, inventories should be marked as health service property.

- (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.
- (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.
- (5) Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.
- (6) The designated Manager/Chief Pharmacist 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 (see also overlap with SFI No. 15 Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete inventory shall follow the procedures set out for disposal of all surplus and obsolete goods.

13.3 **Goods supplied by NHS Logistics or equivalent organisation**

- (1) For goods supplied via the NHS Logistics (or equivalent organisation) 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 before forwarding this to the Director of Finance who shall satisfy himself that the goods have been received before accepting the recharge.

14. **DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS**

14.1 **Disposals and Condemnations**

- (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. The Trust may not dispose of any protected property without the approval of the Independent Regulator.
- (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.
- (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.
- (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.

14.2 **Losses and Special Payments**

(1) **Procedures**

The Director of Finance must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.

- (2) Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive and the Director of Finance or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Director of Finance and/or Chief Executive. Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Director of Finance must inform the relevant LCFS and NHS Protect regional team.

The Director of Finance must notify NHS Protect, the External Auditor and the Independent Regulator of all frauds.

- (3) For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Director of Finance must immediately notify:

- (a) the Board; and
- (b) the External Auditor.

- (4) The Board shall approve the writing-off of losses.

- (5) The Director of Finance shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.

- (6) For any loss, the Director of Finance should consider whether any insurance claim can be made.

- (7) The Director of Finance shall maintain a Losses and Special Payments Register in which write-off action is recorded.

- (8) [Not used]

- (9) All losses and special payments must be reported to the Audit & Assurance Committee every six months. These payments are also monitored by the Finance & Investment Committee.

15. **INFORMATION TECHNOLOGY**

15.1 **Responsibilities and Duties of the Deputy Chief Executive and Director of Finance**

- (1) The Deputy Chief Executive, 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, programs 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 1998;
- (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.
- (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.
- (3) The Board Secretary 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.

15.2 Responsibilities and duties of other Directors and Officers in relation to computer systems of a general application

- (1) In the case of computer systems which are proposed General Applications (i.e. normally those applications which the majority of Trust's in the Region wish to sponsor jointly) all responsible directors and employees will send to the Deputy Chief Executive:
- (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.

15.3 Contracts for Computer Services with other health bodies or outside agencies

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.

Where another health organisation or any other agency provides a computer service for financial applications, the Director of Finance shall periodically seek assurances that adequate controls are in operation.

15.4 Risk Assessment

The Deputy Chief Executive 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.

15.5 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.

16. PATIENTS' PROPERTY

- 16.1 The Trust has a responsibility to provide safe custody for money and other personal property (hereafter referred to as "property") handed in by patients, in the possession of unconscious or confused patients, or found in the possession of patients dying in hospital or dead on arrival.
- 16.2 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 Health Service premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.
- 16.3 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.
- 16.4 Where Independent Regulator and/or the Department of Health require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Director of Finance.
- 16.5 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.
- 16.6 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.
- 16.7 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.

17. FUNDS HELD ON TRUST

- 17.1 Charitable Funds relating to the Trust are administered, managed and invested by the Sheffield Hospitals Charity in whose accounts the transactions are recorded.
- 17.2 The Trust will identify local fund managers responsible for the day to day administration of the funds and established delegated limits for committing expenditure.
- 17.3 All transactions relating to the use of Charitable Funds shall be in accordance with Sheffield Hospitals Charity Standing Orders; Standing Financial Instructions.

18. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT (see overlap with SO No. 8 and SFI No. 9.2(6)(d))

The Director of Finance shall ensure that all staff are made aware of the Trust policy on acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in the Department of Health circular HSG (93) 5 'Standards of Business Conduct for NHS Staff' and is also deemed to be an integral part of these Standing Orders and Standing Financial Instructions (see overlap with SO No. 8).

19. RETENTION OF RECORDS

19.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with the Records Management: NHS Code of Practice.

19.2 The records held in archives shall be capable of retrieval by authorised persons.

19.3 Records held in accordance with latest Records Management: NHS Code of Practice shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed.

20. RISK MANAGEMENT AND INSURANCE

20.1 Programme of Risk Management

The Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with current Independent Regulator 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 programme.

The existence, integration and evaluation of the above elements will assist in providing a basis to make an Annual Governance Statement within the Annual Report and Accounts.

20.2 Insurance: Risk Pooling Schemes administered by NHSLA

The Board shall decide if the Trust will insure through the risk pooling schemes administered by the NHS Litigation Authority 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.

20.3 Insurance arrangements with commercial insurers

The Board shall determine, on an annual basis, whether additional insurance, such as commercial public and products liability, not covered by the Risk Pooling Schemes, is required and shall seek appropriate cover where necessary. Where such insurance is required, the cover shall be reviewed on an annual basis.

20.4 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 Litigation Authority 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.
- (2) Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority 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.

Supplementary Section A - Stage One Equality Impact Assessment Form

1. Have you identified any areas where implementation of this policy would impact upon any of the categories below? If so, please give details of the evidence you have for this?

Grounds / Area of impact	People / Issues to consider	Type of impact		Description of impact and reason / evidence
		Negative (it could disadvantage)	Positive (it could advantage)	
Race	People from various racial groups (e.g. contained within the census)			
Gender	Male, Female or transsexual/transgender. Also consider caring, parenting responsibilities, flexible working and equal pay concerns			
Disability	The Disability Discrimination Act 1995 defines disability as 'a physical or mental impairment which has a substantial and long-term effect on a person's ability to carry out normal activities'. This includes sensory impairment. D visible or non-visible	NOT APPLICABLE		
Sexual Orientation	Lesbians, gay men, people who are bisexual			
Age	Children, young , old and middle aged people			
Religion or belief	People who have religious belief, are atheist or agnostic or have a philosophical belief that affects their view of the world. Consider faith categories individually and collectively when considering possible positive and negative impacts.			

2. If you have identified that there may be a **negative impact** for any of the groups above please complete questions 2a-2e below.

2a. The negative impact identified is **intended** **OR** 2b. The negative impact identified **not intended**

2c. The negative impact identified is **legal** **OR** 2d. The negative impact identified is **illegal** **OR (see 2e)**
(i.e. does it breach antidiscrimination legislation either directly or indirectly?)

2e. I don't know whether the negative impact identified is legal or not
 (If unsure you must take legal advice to ascertain the legality of the policy)

3. What is the level of impact?

- HIGH - Complete a **FULL** Impact Assessment (see end of this form for details of how to do this)
- MEDIUM - Complete a **FULL** Impact Assessment (see end of this form for details of how to do this)
- LOW - Consider questions 4-6 below

4. Can any low level negative impacts be removed (if so, give details of which ones and how)

NOT APPLICABLE

5. If you have not identified any negative impacts, can any of the policy be developed or changed? (if so, give details of which ones and how)

6. If there is no evidence that the policy promotes equality and equal opportunity or improves relations with any of the above groups, could the policy be developed or changed so that it does?

7. Having considered the assessment, is any specific action required - Please outline this using the pro forma action plan below
 (The lead for the policy is responsible for putting mechanisms in place to ensure that the proposed action is undertaken)

<i>Issue</i>	<i>Action proposed</i>	<i>Lead</i>	<i>Deadline</i>

8. Lead person Declaration:

8a. Stage One assessment completed by :(name)(signature)(date)

8b. Stage One assessment form received by Patient experience and Equality Team(date)

8c. Stage One assessment outcome agreed (sign here)..... (Head of Patient Experience and Equality)
OR (date agreed)

8d. Stage One assessment outcome need review (sign here)..... (Head of Patient Experience and Equality)
 NOT APPLICABLE (date returned to policy lead for amendment)

(if review required – please give details in text box below)

If a full EQIA is required the stage 1 assessment form should be retained and a completed EQIA report submitted to the relevant governance group for agreement by the chair. The chair will forward the completed reports to the Patient Experience and Equality team for publication.

Any questions relating to the completion of this form should be directed to the Head of Patient Experience and Equality.

Supplementary Section B - Human Rights Act Assessment Form and Flowchart

You need to be confident that no aspect of this policy breaches a person’s Human Rights. You can assume that if a policy is directly based on a law or national policy it will not therefore breach Human Rights.

If the policy or any procedures in the policy, are based on a local decision which impact on individuals, then you will need to make sure their human rights are not breached. To do this, you will need to refer to the more detailed guidance that is available on the SHSC web site <http://www.sct.nhs.uk/humanrights-273.asp> (relevant sections numbers are referenced in grey boxes on diagram) and work through the flow chart on the next page.

1. Is your policy based on and in line with the current law (including case law) or policy?

Yes. No further action needed.

No. Work through the flow diagram over the page and then answer questions 2 and 3 below.

2. On completion of flow diagram – is further action needed?

No, no further action needed.

Yes, go to question 3

3. Complete the table below to provide details of the actions required

Action required	By what date	Responsible Person

Human Rights Assessment Flow Chart

Complete text answers in boxes 1.1 – 1.3 and highlight your path through the flowchart by filling the YES/NO boxes red (do this by clicking on the YES/NO text boxes and then from the Format menu on the toolbar, choose 'Format Text Box' and choose red from the Fill colour option).

Once the flowchart is completed, return to the previous page to complete the Human Rights Act Assessment Form.

