

## Front Sheet

<b>Title of Meeting</b>	Trust Board (Public)	<b>Date</b>	30 May 2019
<b>Title of Paper</b>	Annual review of the Trust Principle Governance Documents.		
<b>Author</b>	Victoria French – Deputy Director of Finance		
<b>Executive Director</b>	Sheila Stenson – Executive Director of Finance		

<b>Purpose:</b> the paper is for:	• <b>Delete as applicable</b>
• Approval	

<b>Recommendation:</b>	
The Board is asked to ratify IARC approval of the Trust key governance documents.	
<b>Summary of Key Issues:</b>	• <b>No more than five bullet points</b>
<p>The Board has a corporate responsibility to review and approve its key governance documents annually. The key governance documents are the Standing Orders (SO), Scheme of Delegation (SoD), also called Reservation of Powers and the Standing Financial Instructions (SFI's). The Standing Financial Instructions represent the regulation of the conduct of its officers in relation to all financial matters with which they are concerned.</p> <p>This report contains an updated set of Standing Financial Instructions, Standing orders and Reservation of Powers to the Board and the Scheme of Delegation which were considered and approved by IARC on the 9 May 2019.</p> <p>Key changes are:</p> <ul style="list-style-type: none"> <li>• SFIs, SOs &amp; SoD, have been amalgamated in to one easy to read document.</li> <li>• Authorisation limits have been reviewed &amp; amended where appropriate.</li> </ul> <p>The Board is asked to ratify IARC approval of the Governance Documents which amalgamates the three previous separate documents and is a fair representation of the responsibility of the officers within the Trust in relation to financial matters.</p>	
<b>Report History:</b>	
<ul style="list-style-type: none"> <li>• IARC 9 May 2019</li> <li>• SO, SoD and SFI's were last updated v7 in 2017.</li> </ul>	

Strategic Objectives:	• Select as applicable
<input type="checkbox"/> Consistently deliver an outstanding quality of care <input type="checkbox"/> Recruit retain and develop the best staff making KMPT a great place to work <input checked="" type="checkbox"/> Put continuous improvement at the heart of what we do <input type="checkbox"/> Develop and extend our research and innovation work <input type="checkbox"/> Maximise the use of digital technology <input type="checkbox"/> Meet or exceed requirements set out in the Five Year Forward View <input checked="" type="checkbox"/> Deliver financial balance and organisational sustainability <input type="checkbox"/> Develop our core business and enter new markets through increased partnership working <input type="checkbox"/> Ensure success of our system-wide sustainability plans through active participation, partnership and leadership	

Implications / Impact:
<b>Patient Safety:</b> None
<b>Identified Risks and Risk Management Action:</b> None
<b>Resource and Financial Implications:</b> None
<b>Legal/ Regulatory:</b> In accordance with the Trust (Functions) Directions 2000 issued by the Secretary of State
<b>Engagement and Consultation:</b> None
<b>Equality:</b> None
<b>Quality Impact Assessment Form Completed:</b> None

## **Standing Orders, Standing Financial Instructions and Reservation of Powers to the Board – Scheme of Delegation**

<b>Policy Reference No.</b>	TBC
<b>Replacing document</b>	KMPT.Fin.003.07 KMPT.Fin.002.06
<b>Scope</b>	Trust wide
<b>Originator</b>	Executive Director of Finance and Trust Secretary
<b>Responsible Group</b>	Trust Board
<b>Status</b>	For Review
<b>Version No</b>	V0.3
<b>Authorised by</b>	Trust Board
<b>Date of Implementation</b>	June 2019
<b>Review Date</b>	May 2020
<b>Review</b>	This document will be reviewed prior to review date if a legislative change or other event otherwise dictates.
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## DOCUMENT TRACKING SHEET

Version	Status	Date	Issued to/approved by	Comments
0.1	Draft	April 2019	Internal review	
0.2	For Review	May 2019	Integrated Audit & Risk Committee	
0.3	Final	May 2019	Trust Board	

### REFERENCES


### RELATED DOCUMENTS

<i>All Trust and health economy documents which relate in any way to this document</i>	<i>Current Reference code of document</i>

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## INTRODUCTION

### 1 GENERAL

- 1.1 This document comprises the Standing Orders (SOs), Standing Financial Instructions (SFIs), and Reservation of Powers to the Board (Scheme of Delegation).

### 2 STATUTORY FRAMEWORK

- 2.1 The Kent and Medway NHS and Social Care Partnership Trust (the Trust) is a body corporate which has been established under the Kent and Medway National Health Service and Social Care Partnership Trust (Establishment) and the West Kent National Health Service and Social Care Trust and the East Kent National Health Service and Social Care Partnership Trust (Dissolution) Order 2006 (SI 2006/825).
- 2.2 NHS Trusts are governed by Act of Parliament. Most health legislation since 1997 has been consolidated into the National Health Service Act 2006 (the NHS Act 2006), the National Health Service (Consequential Provisions) Act 2006 and the Health and Social Care Act 2012 (HSCA 2012).
- 2.3 The functions of the Trust are conferred by this legislation.
- 2.4 As a body corporate the Trust has specific powers to contract in its own name and to act as a corporate trustee. In the latter role it is accountable to the Charity Commission for those funds deemed to be charitable as well as to the Secretary of State. The Trust also has a common law duty as a Bailee for patients' property held by the Trust on behalf of patients.
- 2.5 The Code of Governance requires the Trust to adopt Standing Orders (SOs) for the regulation of its proceedings and business. The Trust must also adopt Standing Financial Instructions (SFIs) as an integral part of SOs setting out the responsibilities of individuals.
- 2.6 The Trust will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.

### 3 NHS FRAMEWORK

- 3.1 In addition to the statutory requirements the Secretary of State through the Department of Health and Social Care issues further requirements and guidance. These are normally issued under cover of a circular of letter.
- 3.2 In April 2016 the NHS Trust Development Authority (NTDA) and Monitor became NHS Improvement (NHSI) with responsibility for the governance and performance arrangements in NHS Trusts and Foundation Trusts. NHSI adopted the Foundation Trust Code of Governance on the basis that NHS Trusts were required to comply as far as they were able. In addition the Single Oversight Framework was issued, which contains further requirements and guidance for NHS Trusts.
- 3.3 The Code of Governance requires that, inter alia, Boards draw up a schedule of decisions reserved to the Board, and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives (a scheme of delegation). The code also requires the establishment of audit and remuneration committees with formally agreed terms of reference. The Codes of Conduct makes various requirements concerning possible conflicts of interest of Board Directors.
- 3.4 The Code of Practice on Openness in the NHS, as revised by the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 sets out the requirements for public access to information on the NHS.
- 3.5 The Trust has power to delegate and make arrangement for delegation. This document sets out the detail of these arrangements.
- 3.6 Under the SOs relating to the Arrangements for the Exercise of Functions by Delegation (SO 7) the Board exercises its powers to make arrangements for the exercise, on behalf of the Trust, of any of its functions by a committee or sub-committee appointed by virtue of SO 5 or by an officer of the Trust, in

each case subject to such restrictions and conditions as the Board thinks fit or as the Secretary of State may direct. Delegated Powers are covered in sections 39 and 40 of this policy.

- 3.7 Trust Boards are now encouraged to move away from silo governance and develop integrated governance that will lead to good governance and to ensure that decision-making is informed by intelligent information covering the full range of corporate, financial, clinical, information and research governance. Integrated governance will better enable the Board to take a holistic view of the organisation and its capacity to meet its legal and statutory requirements and clinical, quality and financial objectives.

#### **4 INTERPRETATION**

- 4.1 Save as permitted by law, at any meeting the Chairman of the Trust shall be the final authority on the interpretation of the SOs and SFIs (on which he/she should be advised by the Chief Executive) and the decision shall be final and binding except in the case of manifest error.

- 4.2 Any expression to which a meaning is given in the NHS Act 2006, the HSCA 2012 and other Acts relating to the National Health Service or in the Regulations or Orders made under such Acts shall have the same meaning in this policy and in addition:

4.2.1 "Accountable Officer" shall be the Officer responsible and accountable for funds entrusted to the Trust. He shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive;

4.2.2 "Board" means the Chairman, Non-Executive Directors and Executive Directors of the Trust collectively as a body;

4.2.3 "Budget" shall mean a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust;

4.2.4 "Budget Holder" means the Director or Officer with delegated authority to manage finances (income and expenditure) for a specific area of the Trust;

4.2.5 "Chairman" is the person appointed by the NHSI on behalf of the Secretary of State for Health to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression "the Chairman of the Trust" shall be deemed to include the Deputy Chairman of the Trust if the Chairman is absent from the meeting or is otherwise unavailable;

4.2.6 "Chief Executive" shall mean the chief officer of the Trust;

4.2.7 "Committee" shall mean a committee created and appointed by the Trust;

4.2.8 "Committee members" shall be persons formally appointed by the Board to sit on or to chair specific Committees;

4.2.9 "Deputy Chairman" means the non-executive director appointed to take on the Chairman's duties if the Chairman is absent for any reason;

4.2.10 "Director" shall mean a person appointed as a director in accordance with the Membership and Procedure Regulations and includes the Chairman;

4.2.11 "Director of Finance" shall mean the chief finance officer of the Trust;

4.2.12 "Establishment Order" shall mean the Kent and Medway National Health Service and Social Care Partnership Trust (Establishment) and the West Kent National Health Service and Social Care Trust and the East Kent National Health Service and Social Care Partnership Trust (Dissolution) Order 2006 (SI 2006/825);

4.2.13 "Executive Director" shall mean a member of the Board who is an executive director or a person to be regarded as an executive director pursuant to Regulation 5 of the Membership and Procedure Regulations;

- 4.2.14 "Executive Management Team" means the group of Executive Directors of the Trust appointed by the Chief Executive or minimum of three of that group
- 4.2.15 "Executive Assurance Committee" means the group of Executive Officers and Senior Officers appointed by the Chief Executive and listed in the Terms of Reference of the Committee responsible for the review of business cases and the oversight of transformation projects
- 4.2.16 "Funds held on trust" shall mean those funds which the Trust holds on the date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under S.90 of the NHS Act 1977, as amended. Such funds may or may not be charitable.
- 4.2.17 "GBS" means the Government Banking Service;
- 4.2.18 "HSCA 2012" means the Health and Social Care Act 2012;
- 4.2.19 "Membership and Procedure Regulations" shall mean the National Health Service Trust (Membership and Procedure) Regulations 1990 (SI 1990/2024) as subsequently amended (SI 1996/1775, SI 1998/1975, SI 2000/2434, SI 2001/378/6, 2008/1269 and SI 2014/784);
- 4.2.20 "Motion" means a formal proposition to be discussed and voted on during the course of a meeting;
- 4.2.21 "NHS Act 2006" means the National Health Service Act 2006;
- 4.2.22 "Nominated Officer" means an officer charged with the responsibility for discharging specific tasks within SOs and SFIs;
- 4.2.23 "Non-Executive Director" shall mean a member of the Board who is not an Officer of the Trust;
- 4.2.24 "NHSI" means NHS Improvement responsible for the oversight of NHS trusts and NHS foundation trusts, and had delegated authority from the Secretary of State for the appointment of the Non-Executive Directors, including the Chairman;
- 4.2.25 "Officer" means employee of the Trust or any other person holding paid appointment or office with the Trust;
- 4.2.26 "Secretary" means a person appointed to act independently of the Board to monitor the Trust's compliance with the law, SOs, guidance from NHSI and Department of Health;
- 4.2.27 "SFIs" means Standing Financial Instructions;
- 4.2.28 "SOs" means Standing Orders; and
- 4.2.29 "Trust" means Kent and Medway NHS and Social Care Partnership Trust.
- 4.2.30 "Trust Capital Group" means the operational management group responsible for the monitoring and review of the capital programme.
- 4.3 Any reference to an Act of Parliament, Statutory Instrument, Direction or Code of Practice shall be construed as a reference to any modification, replacement or re-enactment for the time being in force.
- 4.4 All reference to the masculine gender shall be read as equally applicable to the feminine gender and vice-versa.
- 4.5 Wherever the title "Chief Executive", "Director of Finance", or other nominated Officer is used in these SFIs, it shall be deemed to include such other Director or Officer who have been duly authorised to represent them.
- 4.6 Wherever the term "employee" is used and where the context permits it shall be deemed to include employees of third parties contracted to the Trust when acting on behalf of the Trust.



## STANDING ORDERS

### 5 THE TRUST

- 5.1 All business shall be conducted in the name of the Trust.
- 5.2 All funds received in trust shall be in the name of the Trust as corporate trustee. In relation to funds held on trust, powers exercised by the Trust as corporate trustee shall be exercised separately and distinctly from those powers exercised as a Trust.
- 5.3 The Trust has the functions conferred on it by the Schedule 2 of the NHS Act 2006 and by its Establishment Order.
- 5.4 Directors acting on behalf of the Trust as a corporate trustee are acting as quasi-trustees. Accountability for charitable funds held on trust is to the Charity Commission and to the Secretary of State for Health. Accountability for non-charitable funds held on trust is only to the Secretary of State for Health.
- 5.5 The Trust has resolved that certain powers and decisions may only be exercised or made by the Board in formal session. These powers and decisions are set out in sections 39 and 40 of this policy.
- 5.6 **Composition of the Trust** - In accordance with the Establishment Order and Membership and Procedure Regulations the composition of the voting membership of the Board shall be:
- 5.6.1 The Chairman of the Trust and;
- 5.6.2 Seven Non-Executive Directors and;
- 5.6.3 Seven Executive Directors.
- 5.7 The following are Executive Directors of the Trust:
- 5.7.1 Chief Executive;
- 5.7.2 Executive Medical Director (a medical practitioner);
- 5.7.3 Executive Director of Nursing and Quality (a registered nurse or midwife on the register maintained by the Nursing and Midwifery Council);
- 5.7.4 Executive Director of Finance
- 5.7.5 Director of Workforce and Communications
- 5.7.6 Director of Partnerships and Strategy (Deputy Chief Executive); and
- 5.7.7 Chief Operating Officer
- 5.8 **Appointment of the Chairman and Directors** - The Chairman and Non-Executive Directors are appointed by NHS Improvement (NHSI), on behalf of the Secretary of State.
- 5.9 The Trust shall appoint a panel whose members shall be the Chairman and some Non-Executive Directors of the Trust whose function will be to appoint the Chief Executive of the Trust.
- 5.10 The Trust shall appoint a panel whose members shall be the Chairman, some Non-Executive Directors and the Chief Executive whose function will be to appoint the Executive Directors of the Trust other than the Chief Executive.
- 5.11 **Terms of Office of the Chairman and Directors** - The regulations governing the period of tenure of office of the Chairman and Directors and the termination or suspension of office of the Chairman and Directors are contained in the Membership and Procedure Regulations and as directed by NHSI, under its delegated authority from the Secretary of State.

- 5.12 **Appointment of Deputy Chairman** - For the purpose of enabling the proceedings of the Trust to be conducted in the absence of the Chairman, the Directors of the Trust may appoint a Non-Executive Director from amongst them to be Deputy Chairman for such a period, not exceeding the remainder of his/her term as Non-Executive Director of the Trust, as they may specify on appointing him/her.
- 5.13 Any Non-Executive Director so elected may at any time resign from the office of Deputy Chairman by giving notice in writing to the Chairman and the Directors of the Trust may thereupon appoint another Non-Executive Director as Deputy Chairman in accordance with SO 5.12.
- 5.14 **Powers of Deputy Chairman** - Where the Chairman of an NHS Trust has died or has otherwise ceased to hold office or where he/she has been unable to perform his/her duties as Chairman owing to illness, absence from England and Wales or any other cause, references to the Chairman in the Schedule to these Regulations shall, so long as there is no Chairman able to perform his/her duties, be taken to include references to the Deputy Chairman.

## 6 MEETINGS OF THE TRUST

- 6.1 **Calling meetings** - Ordinary meetings of the Board shall be held at such times and places as the Board may determine. A minimum of 5 meetings shall be held each year.
- 6.2 The Chairman may call a meeting of the Board at any time.
- 6.3 If the Chairman refuses to call a meeting after a requisition signed by at least one-third of the whole number of Directors, has been presented to him/her, or if, without so refusing, the Chairman does not call a meeting within seven days after such requisition has been presented to him/her, at the Trusts Headquarters, such one third or more Directors may forthwith call a meeting.
- 6.4 **Notice of Meetings** - Before each meeting of the Board a written notice of the meeting, specifying the business proposed to be transacted at it, and signed by the Chairman or by an Officer authorised by the Chairman 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/her at least three clear days before the meeting.
- 6.5 Lack of service of the notice on any Director shall not affect the validity of a meeting.
- 6.6 In the case of a meeting called by Directors in default of the Chairman, the notice shall be signed by those Directors and no business shall be transacted at the meeting other than that specified in the notice.
- 6.7 Failure to serve such a notice on more than three Directors will invalidate the meeting. A notice shall be presumed to have been served at the time at which the notice would be delivered in the ordinary course of the post.
- 6.8 Before each meeting of the Board a public notice of the time and place of the meeting, and the public part of the agenda, shall be displayed at the Trust's office at least three clear days before the meeting (Required by the Public Bodies (Admission to Meetings) Act 1960 S.I. (4)(a)).
- 6.9 **Setting the Agenda** - The Board may determine that certain matters shall appear on every agenda for a meeting of the Board and shall be addressed prior to any other business being conducted. (Such matters may be identified within these SOs or following subsequent resolution shall be listed in an Appendix to the SOs.)
- 6.10 A Director desiring a matter to be included on an agenda shall make his/her request in writing to the Chairman at least 10 clear days before the meeting, subject to SO 6.9. Requests made less than 10 days before a meeting may be included on the agenda at the discretion of the Chairman.
- 6.11 The agenda will be sent to Directors 4 clear days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be despatched no later than 4 clear days before the meeting, save in emergency.
- 6.12 **Notices of Motion** - A Director of the Trust desiring to move or amend a motion shall send a written or electronic transmission notice thereof to the Chairman at least 10 clear days before the meeting. The Chairman shall include in the agenda for the meeting all notices so received that are in order and permissible under the appropriate regulations.

- 6.13 SO 6.12 shall not prevent any motion being moved or withdrawn at the meeting without notice on any business mentioned on the agenda for the meeting.
- 6.14 **Emergency Motion** - A Director of the Trust may give written notice of an emergency motion after the issue of the notice of meeting and agenda, up to one hour before the time fixed for the meeting. The notice shall state the grounds of urgency. If in order, it shall be declared to the Board at the commencement of the business of the meeting as an additional item included in the agenda. The Chairman's decision to include the item shall be final.
- 6.15 **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.
- 6.16 When a motion is under discussion or immediately prior to discussion it shall be open to a Director to move:
- 6.16.1 An amendment to the motion.
  - 6.16.2 The adjournment of the discussion or the meeting.
  - 6.16.3 That the meeting proceed to the next business. (\*)
  - 6.16.4 The appointment of an ad hoc committee to deal with a specific item of business.
  - 6.16.5 That the motion be now put. (\*)
- (a) \* In the case of sub-paragraphs denoted by (\*) above to ensure objectivity motions may only be put by a Director who has not previously taken part in the debate.
  - (b) No amendment to the motion shall be admitted if, in the opinion of the Chairman of the meeting, the amendment negates the substance of the motion.
- 6.17 **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 Chairman.
- 6.18 **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(s) who gives it and also the signature of four other Directors.
- 6.19 When any such motion has been disposed of by the Board, it shall not be competent for any Director other than the Chairman to propose a motion to the same effect within 6 months; however, the Chairman may do so if he/she considers it appropriate. SOs 6.18 and 6.19 shall not apply to motions moved in pursuance of a report or recommendation of a committee or the Chief Executive.
- 6.20 **Written Motions** - In urgent situations and with the consent of the Chairman, business may be affected by a Director's written motion to deal with business otherwise required to be conducted at a meeting of the Board of Directors.
- 6.21 If all members of the Board of Directors have been notified of the proposal and [all of the Directors/a majority of the Directors] entitled to vote at the meeting of the Board of Directors confirms acceptance of the written motion either in writing to electronically to the Secretary within 5 Clear Days of dispatch then the motion will be deemed to have been resolved notwithstanding that the Directors have not gather in one place.
- 6.22 The effective date of the resolution shall be the date that the last confirmation is received by the Secretary and, until that date, a Director who has previously indicated acceptance can withdraw and the motion shall fail.
- 6.23 Once the resolution is passed, a copy certified by the Secretary shall be recorded in the minutes of the next ensuing meeting where it shall be signed by the person presiding at it.
- 6.24 **Chairman of Meeting** - At any meeting of the Trust the Chairman, if present, shall preside. If the Chairman is absent from the meeting the Deputy Chairman, if there is one and he/she is present, shall

preside. If the Chairman and Deputy Chairman are absent such Non-Executive Director as the Directors present shall choose shall preside.

- 6.25 If the Chairman is absent from a meeting temporarily on the grounds of a declared conflict of interest the Deputy Chairman, if present, shall preside. If the Chairman and Deputy Chairman are absent, or are disqualified from participating, such Non-Executive Director as the Directors present shall choose shall preside.
- 6.26 **Chairman'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 Chairman of the meeting on questions of order, relevance and regularity (including procedure on handling motions) and the interpretation of the SOs and SFIS, at the meeting, shall be observed.
- 6.27 **Quorum** - No business shall be transacted at a meeting of the Board unless at least one-third of the whole number of the Directors are present including on or after the operational date at least one Executive Director and one Non-Executive Director.
- 6.28 An officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.
- 6.29 If a 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 SO 9) he/she 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.
- 6.30 The requirement at SO 6.27 with in respect of at least one Executive Director forming 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 Terms of Service Committee).
- 6.31 **Voting** - Every question at a meeting shall be determined by a majority of the votes of the Directors present (as defined in SO 6.27 – 6.30) and voting on the question and, in the case of any equality of votes, the person presiding shall have a second or casting vote.
- 6.32 All questions put to the vote shall, at the discretion of the Chairman 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.
- 6.33 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.
- 6.34 If a Director so requests, his/her vote shall be recorded by name upon any vote (other than by paper ballot).
- 6.35 In no circumstances may an absent Director vote by proxy. Absence is defined as being absent at the time of the vote.
- 6.36 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.
- 6.37 An Officer attending the Board meeting 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 of the Board shall be recorded in the minutes.
- 6.38 **Joint Directors** - Where the office of an Executive Director is shared jointly by more than one person:
- 6.38.1 Either or both of those persons may attend or take part in meeting of the Board;
- 6.38.2 If both are present at a meeting they should cast one vote if they agree;
- 6.38.3 In the case of disagreements no vote should be cast;

6.38.4 The presence of either or both of those persons should count as the presence of one person for the purposes of SO 6.27 (quorum);

6.39 **Record of Attendance** - The names of the Chairman and Directors present at the meeting shall be recorded in the minutes.

6.40 If a Director is not present for the entirety of the meeting, the minutes shall record the items that were considered whilst they were present.

6.41 **Minutes** – At each meeting of the Board the Chairman shall appoint a person attending to record the minutes and proceedings. The Minutes will be submitted for agreement at the next ensuing meeting where they will be signed by the person presiding at it.

6.42 No discussion shall take place upon the minutes except upon their accuracy or where the Chairman considers discussion appropriate. Any amendment to the minutes shall be agreed and recorded at the next meeting.

6.43 Minutes shall be circulated in accordance with Directors' wishes. Where providing a record of a public meeting the minutes shall be made available to the public (required by the Code of Practice on Openness in the NHS).

6.44 **Annual Public Meeting** - The Board will publicise and hold an annual public meeting by 30 September each year for the purpose of presenting audited accounts, annual reports and any reports on the accounts.

6.45 **Admission of public and press** - The public and representatives of the press shall be afforded facilities to attend all formal meetings of the Board but shall be required to withdraw upon the Board resolving as follows:

"That representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest" (Section 1(2) Public Bodies (Admission to Meetings) Act 1960).

6.46 The Chairman (or Deputy Chairman) shall give such directions as he/she 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, without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public will be required to withdraw upon the Board resolving as follows:

"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" (Section 1(8) Public Bodies (Admission to Meetings) Act 1960).

6.47 Matters to be dealt with by the Board following the exclusion of representatives of the press, and other members of the public, as provided in SOs 6.45 and 6.46 above, shall be confidential to the members of the Board.

6.48 Non-Executive Directors and Executive Directors or any employee of the Trust in attendance shall not reveal or disclose the contents of papers marked 'in confidence' or minutes headed 'items taken in private' outside of the Trust, without the express permission of the Trust. This prohibition shall apply equally to the content of any discussion during the Board meeting which may take place on such reports or papers.

6.49 Nothing in these SOs shall require the Board to allow members of the public or representatives of the press to record proceedings in any manner whatsoever, other than writing, or to make any oral report of proceedings as they take place without the prior agreement of the Board.

## **7 ARRANGEMENTS FOR THE EXERCISE OF FUNCTIONS BY DELEGATION**

7.1 Subject to SO 5.2 and such directions as may be given by the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Trust, of any of its functions by a committee or sub-

committee, appointed by virtue of SO 8.1 below or by a Director or an Officer of the Trust. In each case these arrangements shall be subject to such restrictions and conditions as the Board thinks fit.

- 7.2 **Emergency Powers** - The powers which the Board has retained to itself within these SOs may in emergency be exercised by the Chief Executive and the Chairman (acting jointly) after having consulted at least two Non-Executive Directors. The exercise of such powers by the Chief Executive and the Chairman shall be reported to the next formal meeting of the Board for ratification.
- 7.3 **Delegation to Committees** - The Board shall agree from time to time to the delegation of specific powers to be exercised by committees or sub-committees, which it has formally constituted. The terms of reference of these committees and their specific executive powers shall be approved by the Board.
- 7.4 **Delegation to Officers** - Those functions of the Trust which have not been retained as reserved by the Board or delegated to a committee of the Trust, shall be exercised on behalf of the Board by the Chief Executive. The Chief Executive shall determine which functions he/she will perform personally and shall nominate Officers to undertake the remaining functions for which he/she will still retain accountability to the Board.
- 7.5 **Schedule of Reservation of Powers to the Board and Delegation of Powers** – the Board shall adopted a schedule of Reservation of Powers to the Board and Delegation of Powers ("Scheme of Delegation") setting out the matters for which approval is required by the Board and details of the Directors and Officers of the Trust to whom responsibility has been delegated for deciding particular matters.
- 7.6 Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Director of Finance or other Executive Directors to provide information and advise the Board in accordance with any statutory requirements.
- 7.7 The Scheme of Delegation is found in sections 39 and 40 below.

## **8 COMMITTEES**

- 8.1 **Appointment of Committees** - Subject to SO 5.3 and such directions as may be given by, or on behalf of, the Secretary of State, the Trust may and, if directed by him, shall appoint Committees of the Trust, consisting wholly or partly of Directors of the Trust or wholly of persons who are not Directors of the Trust. Committees will be subject to review by the Board from time to time.
- 8.2 A Committee appointed under SO 8.1 may, subject to such directions as may be given by, or on behalf of, the Secretary of State or the Board, appoint Committees consisting wholly or partly of members of the committee (whether or not they include directors of the Trust) or wholly of persons who are not members of the Trust committee (whether or not they include directors of the Trust).
- 8.3 The SOs of the Trust, as far as they are applicable, shall apply with appropriate alteration to meetings of any Committees or Governance Group.
- 8.4 Each 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. Each Committee shall approve the terms of reference of each Governance Group reporting to it. Such terms of reference shall have effect as if incorporated into the SOs.
- 8.5 Committees may not delegate their powers unless expressly authorised by the Board.
- 8.6 The Board shall approve the appointments to each of the Committees and Governance Group which it has formally constituted. Where the Board determines that persons, who are neither Directors nor Officers, shall be appointed to a Committee, the terms of such appointment shall be determined by the Board. The payment of travelling and other allowances shall be in accordance with such sum as may be determined by the Secretary of State with the approval of the Treasury (see section 233 of the NHS Act 2006).
- 8.7 Minutes, or a representative summary of the issues considered and decisions taken, of any Committee appointed under this SO 8 are to be formally recorded and submitted for inclusion onto the agenda of the next possible Board meeting. Minutes, or a representative summary of the issues considered and

decision taken of any Governance Group shall be submitted for inclusion onto the agenda of the next Committee meeting to which it reports.

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

8.9 The Committees to be established by the Trust will consist of statutory and mandatory and non-mandatory Committees.

8.10 The Committees established by the Trust are:

8.10.1 **Integrated Audit and Risk Committee**

Primary Role: To ensure effective internal control arrangements are in place. In addition, the Integrated Audit and Risk Committee provides a form of independent check upon the executive arm of the Board. The Committee shall set the strategic direction for managing governance and risk and implement a framework to ensure risk and governance issues are managed effectively throughout the organisation.

8.10.2 **Remuneration Committee**

Primary Role: To determine and approve appropriate remuneration and terms of service for the Chief Executive, other Executive Directors and other senior Officers.

8.10.3 **Workforce and Organisational Development Committee**

Primary Role: To provide the Board with assurance concerning all aspects of workforce and organisational development relating to the provision of care and services in support of getting the best clinical outcomes and experience for patients and staff. To assure the Board through consultation with the Integrated Audit and Risk Committee, that the structures, systems and processes are in place and functioning to support the workforce in the provision and delivery of excellent quality health and social care services. To assure the Board that where there are workforce or OD risks and issues that may jeopardise the Trust's ability to deliver its objectives that these are being managed in a controlled and timely way.

8.10.4 **Quality Committee**

Primary Role: To provide the Board with assurance concerning all aspects of quality and safety relating to the provision of care and services in support of getting the best clinical outcomes and experience for patients. To assure the Board through consultation with the Integrated Audit and Risk Committee that the structures, systems and processes are in place and functioning to support an environment for the provision and delivery of excellent quality health and social care services. To assure the Board that where there are risks and issues that may jeopardise the Trust ability to deliver excellent quality health and social care that these are being managed in a controlled and timely way.

8.10.5 **Finance and Performance Committee**

Primary Role: To provide the Board with assurance concerning all aspects of finance and performance relating to the provision of care and services in support of getting the best value for money and use of resources. To assure the Board, through consultation with the Integrated Audit and Risk Committee that structures, systems and processes are in place and functioning to support broad and long term Financial, ICT and Estates Strategies and that it is managing its asset base efficiently and effectively, To assure the Board that where there are risks and issues the may jeopardise the Trust's performance in respect of its key Financial Performance targets that these are being managed in a controlled and timely way.

8.10.6 **Mental Health Act Committee**

Primary Role: To provide the Board with assurance concerning all aspects of MHA activities. Specifically that there are systems, structures and processes in place to support the

operation of and to ensure compliance with the Mental Health Act 1983 (as amended 2007) and other related legislation within inpatient and community settings.

#### **8.10.7 Strategy Steering Group**

Primary Role: To develop and set the strategic direction for the Trust. The need for the group reflects the major impact that the Sustainability and Transformation Partnership (STP) will bring and the importance of ensuring consistency between the trust's strategy and the aspirations of the Kent and Medway STP.

- 8.11 **Confidentiality** –There is no requirement for meetings of Committees and Governance Groups to be held in public, or for agendas or records of these meetings to be made public. However, the records of any meetings may be required to be disclosed, should a valid request be made under the Freedom of Information Act 2000 and there is no legal justification for non-disclosure.
- 8.12 Other than by the circulation of draft minutes a member of a Committee shall not disclose a matter dealt with by, or brought before, the Committee without its permission until the Committee shall have reported to the Board or shall otherwise have concluded on that matter.
- 8.13 A Director of the Trust, a member of a committee or any other employee of the Trust 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.

### **9 DECLARATIONS OF INTERESTS AND REGISTER OF INTERESTS**

- 9.1 **Declaration of Interests** – All existing Directors and any senior Officers who may act up to an Executive Director post should declare interests which are relevant and material to the Board on an annual basis, or as otherwise required. Any Directors or senior Officers appointed subsequently should declare these interests on appointment.
- 9.2 Interests which should be regarded as "relevant and material" are:
- 9.2.1 Directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies);
  - 9.2.2 Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS;
  - 9.2.3 Majority or controlling shareholding in organisations likely or possibly seeking to do business with the NHS;
  - 9.2.4 A position of authority in a charity or voluntary organisation in the field of health and social care; and/or
  - 9.2.5 Any connection with a voluntary or other organisation contracting for NHS services.
- 9.3 If Directors have any doubt about the relevance of an interest, this should be discussed with the Chairman.
- 9.4 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.
- 9.5 If a conflict of interest is established during the course of a Board meeting, whether arising from a declared interest or otherwise, the Director concerned should withdraw from the meeting and play no part in the relevant discussion or decision. The declared conflict of interest should be recorded in the minutes of the meeting.
- 9.6 Directors' directorships of companies likely or possibly seeking to do business with the NHS should be published in the Trust's annual report. The information should be kept up to date for inclusion in succeeding annual reports.



9.7 **Register of Interests** - The Secretary will ensure that a Register of Interests is established and maintained to record formally declarations of interests of Directors. In particular, the Register of Interests will include details of all directorships and other relevant and material interests which have been declared by both Executive Directors and Non-Executive Directors.

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

9.9 The Register of Interests will be available to the public.

## **10 DISABILITY OF DIRECTORS IN PROCEEDINGS ON ACCOUNT OF PECUNIARY INTEREST**

10.1 Subject to SO 11 and the provisions of this SO, if 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/she 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.

10.2 The Secretary of State may, subject to such conditions as he may think fit to impose, remove any disability imposed by this SO in any case in which it appears to him/her in the interests of the National Health Service that the disability shall be removed.

10.3 The Board, or any Committee or Governance Group, shall exclude a Director from a meeting of the Board Committee or Governance Group (as relevant) while any contract, proposed contract or other matter in which he/she has a pecuniary interest, direct or indirect, is under consideration.

10.4 Any remuneration, compensation or allowances payable to a Director by virtue of section 233 of the NHS Act 2006 shall not be treated as a pecuniary interest for the purpose of this SO.

10.5 For the purpose of this SO the Chairman or a Director shall be treated, subject to SO 11.2 – 11.4 and SO 11.8 – 11.12, as having indirectly a pecuniary interest in a contract, proposed contract or other matter, if:

10.5.1 he/she, or a nominee of his/hers, 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

10.5.2 He/she 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;

10.5.3 And in the case of married persons or persons living together the interest of one spouse shall, if known to the other, be deemed for the purposes of this SO to be also an interest of the other.

10.6 A Director shall not be treated as having a pecuniary interest in any contract, proposed contract or other matter by reason only:

10.6.1 Of his/her membership of a company or other body, if he/she has no beneficial interest in any securities of that company or other body;

10.6.2 of an interest in any company, body or person with which he/she is connected as mentioned in SO 10.5 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.

10.7 Where a Director:

10.7.1 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

- 10.7.2 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 or body, whichever is the less, and
- 10.7.3 if the share capital is of more than one class, the total nominal value of shares of any one class in which he/she has a beneficial interest does not exceed one-hundredth of the total issued share capital of that class,

this SO 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.

- 10.8 SO 10 applies to Committees or Governance Groups of the Board as it applies to the Board and applies to any member of any such Committee or Governance Group (whether or not he/she is also a Director of the Trust) as it applies to a Director of the Trust.

## 11 STANDARDS OF BUSINESS CONDUCT

- 11.1 **Policy** – All Officers must comply with the national guidance contained in HSG(93)5 'Standards of Business Conduct for NHS staff', 'Code of Conduct for NHS Managers', 2002, the seven principles set out by the 'Committee on Standards in Public Life', published by the Professional Standards Authority, November 2012, and the Trust's policy as amended from time to time. The following provisions should be read in conjunction with these documents.
- 11.2 **Interest of Officers in Contracts** - If it comes to the knowledge of a Director or an Officer that a contract in which he has any pecuniary interest not being a contract to which he/she is himself/herself a party, has been, or is proposed to be, entered into by the Trust he/she shall, at once, give notice in writing to the Chief Executive of the fact that he/she is interested therein. In the case of married persons or 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.
- 11.3 An Officer must also declare to the Chief Executive any other employment or business or other relationship of his/hers, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.
- 11.4 The Trust requires interests, employment or relationships so declared by Officers to be entered in a Register of Interests.
- 11.5 **Canvassing of, and Recommendations by, Directors in Relation to Appointments** - Canvassing of Directors or members of any Committee directly or indirectly for any appointment under the Trust shall disqualify the candidate for such appointment. The contents of this SO shall be included in application forms or otherwise brought to the attention of candidates.
- 11.6 Directors shall not solicit for any person any appointment under the Trust or recommend any person for such appointment: but this SO shall not preclude a Director from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.
- 11.7 Informal discussions outside appointments panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.
- 11.8 **Relatives of Directors or Officers** - Candidates for any staff appointment shall when making application disclose in writing whether they are related to any Director or Officer of the Trust. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render him/her liable to instant dismissal.
- 11.9 Directors and Officers of the Trust shall disclose to the Chief Executive any relationship with 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.
- 11.10 On appointment, Directors (and prior to acceptance of an appointment in the case of Executive Directors) should disclose to the Trust whether they are related to any other Director or Officer of the Trust.

- 11.11 Where the relationship of an Officer or another Director to a Director of the Trust is disclosed, the SO headed 'Disability of directors in proceedings on account of pecuniary interest' shall apply.
- 11.12 In order to protect the interests of both Officers and the Trust, a confidential register is to be maintained by the Chief Executive or such senior Officer as he may designate, listing all employees who have any pecuniary activities outside of their employment with the Trust, including such activities as other employment, directorships, consultant work, etc. It shall be the duty of all Officers falling within these and similar categories to declare such activities and they will also be entitled to see what information is recorded against their name. The list may be limited to the Board and those Senior Officers and other staff who occupy positions where they are able to influence the awarding of contracts.
- 11.13 **Gifts and Hospitality** - The following paragraphs in this section of SOs describe the legal position and set out guidance concerning gifts, rewards and hospitality. They are framed to protect individual Officers as well as the Trust.
- 11.14 The Chief Executive shall ensure that all Officers are aware of the Trust's policy on acceptance of gifts or benefits in kind by Officers as included in the Bribery Act 2010 and the Department of Health's guidance.
- 11.15 It is a criminal offence for an Officer corruptly to solicit or accept any gift or consideration as an inducement or reward. If the gift or consideration is from someone holding or seeking a contract with the Trust, it is deemed to have been received corruptly unless the Officer proves to the contrary. And it is a criminal offence for Officers to accept, as Officers, any fee or reward other than their proper remuneration. Accepting any gift or consideration in the knowledge or belief that it is intended as an inducement or reward is an offence, whether the Officer receiving it is actually influenced or not.
- 11.16 A gift or offer of hospitality may sometimes be so lavish that any reasonable person would consider that it is made with the intention of corrupting. Even if it is not as lavish as that, however, there may still be the possibility of corruption.
- 11.17 If an Officer of the Trust is in any doubt about what to do about any offer of a gift or hospitality, the advice of a more senior Officer should be sought. The question to be considered is whether the acceptance is likely to raise reasonable doubts about the person's integrity.
- 11.18 Although the offer of casual gifts by contractors, organisations, firms or individuals may not be in any way connected with the performance of official duty so as to constitute an offence, the offer should nevertheless, as a general rule, be declined.
- 11.19 The only exceptions to the rule are:
- 11.19.1 Small gifts or office equipment or stationery given by way of trade advertisements to a range of Officers or for use in the office. Nothing more elaborate than calendars, diaries, rulers or blotters would fall within this exception.
  - 11.19.2 Small gifts of only token value given on the conclusion of an official courtesy visit, e.g. to a factory or other premises.
  - 11.19.3 Gifts to an Officer of the Trust or a member of their family where the donor is a personal friend. Extreme care needs to be taken with gifts in this category, bearing in mind the legal position described above. Gifts which do not fall clearly within these exceptions and which are offered in person to an Officer of the Trust should be politely declined, and the person or organisation offering it should be told of the Trust's rule about gifts.
- 11.20 If a gift outside the exceptions noted above arrives without warning it must be handed over to the appropriate senior Officer to decide whether the gift should be returned (or passed to some good cause) and to ensure that the donor is informed of what has happened.
- 11.21 These rules apply also to offers by firms to members of staff of discounts going beyond those on general offer.
- 11.22 Offers of hospitality should always be approached with caution. Members of staff should ask themselves what a member of the public, who may be critical or suspicious, might think; and offers of hospitality, where any suggestion of improper influence is possible, must be refused. Hospitality should only be

accepted when it is reasonably incidental, and on a scale appropriate, to the occasion or the circumstances. Acceptance may make it difficult to avoid some obligation to the party offering it, and might later be thought to have affected an officer's impartiality in dealing with official matters.

- 11.23 Some offers of hospitality are clearly unacceptable: offers of holiday accommodation are one example. Invitations to sporting fixtures or evenings at the theatre may only be acceptable when they are clearly required for the conduct of Trust business. Any hospitality on a lower scale than this might also be unacceptable. No absolute dividing line can be laid down.
- 11.24 There is an important difference between, for example, attendance in an official capacity at a function organised by a public authority and accepting hospitality from a private individual or firm standing to benefit from the goodwill of the Trust. Particular care should be taken in dealing with contractors, developers, and firms or individuals in a comparable position.
- 11.25 However, it will not always be possible or even desirable to reject offers of hospitality on a modest scale. Acceptable examples would include official hospitality of a kind mentioned in the previous paragraph; a drink and a sandwich following a site visit; or a working lunch of a modest standard to enable the parties to continue to discuss business. The decision whether to accept or not must depend on the circumstances in each case. Where it is clearly evident that the work of the Trust would be facilitated, invitations to attend receptions, luncheons, cocktail parties and the like may be accepted under the following rules:
- 11.26 No member of staff below the rank of Senior Manager or equivalent may accept an invitation without first obtaining the approval of a senior officer at that level or above. In exceptional circumstances where it is not possible to seek prior approval, the facts should be reported immediately afterwards.
- 11.27 Invitations involving attendance outside normal working hours may be accepted only on the authority of a Director.
- 11.28 A confidential register is to be maintained by every Director in which, in relation to every offer of a gift or hospitality (apart from the exceptions for gifts set out above and the drink and sandwich level of hospitality), offered to a member of staff in their Directorate, including themselves, the following information will be (briefly) recorded:
- 11.28.1 The person or body making the offer
  - 11.28.2 The member of staff to whom the offer was made
  - 11.28.3 The gift or hospitality offered
  - 11.28.4 The circumstances in which the offer was made
  - 11.28.5 The action taken by the member of staff concerned
  - 11.28.6 The action taken (if any) by the Director
- 11.29 In general, gifts will either fall within the exceptions, or ought to be refused; so far as gifts or hospitality are concerned, therefore, the register will mainly record offers where the value approximates to £25.00 or above and has been refused.
- 11.30 Every member of staff who receives or is offered a gift or is offered hospitality, which these guidelines require to be registered, is required to report the circumstances to their Director so that the record may be kept. Every member of staff is entitled to see what is recorded in the register against their name, and the Chief Executive is to have access to every register maintained.
- 11.31 A confidential register is also to be maintained by the Chief Executive giving full details and recording information on action taken regarding all complaints or allegations of corruption or fraud against any officer or officers of the Trust (see also the Trust's Fraud Policy and Response Plan). All those who have knowledge of such complaints or allegations are required to report the matter to the Chief Executive. Every member of staff is entitled to see what information is recorded against their name.

## **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 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 the Board, or a Committee of the Board, or the Chairman, or the Chief Executive, or their designated acting replacement, in accordance with the Scheme of Delegation.
- 12.3 Before any building, engineering, property or capital document is sealed it must be approved and signed by two members of the Board.
- 12.4 The Seal shall be affixed in the presence of the signatories.
- 12.5 **Register of Sealing** - An entry of every sealing shall be made and numbered consecutively in a book provided for that purpose. The entry shall be signed by the persons who approved and authorised the sealing of the document and attested the seal.
- 12.6 A report of all sealing 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 required to be executed as a deed) the subject matter of which has been approved by the Board or Committee to which the Board has delegated appropriate authority.

## **14 MISCELLANEOUS**

- 14.1 **Suspension of Standing Orders** - Except where this would contravene any statutory provision or any direction made by the Secretary of State, any one or more of the SOs, except for SO 14.6 (which may not be suspended), may be suspended at any meeting, provided that at least two-thirds of the Directors of the Trust are present, including one Executive Director and one Non-Executive Director, and that a majority of those present vote in favour of suspension.
- 14.2 A decision to suspend SOs shall be recorded in the minutes of the meeting.
- 14.3 A separate record of matters discussed during the suspension of SOs shall be made and shall be available to the Directors.
- 14.4 No formal business may be transacted while SOs are suspended.
- 14.5 The Integrated Audit and Risk Committee shall review every decision to suspend SOs.
- 14.6 **Variation of Standing Orders** - These SOs shall be amended only if:
- 14.6.1 A notice of motion under SO 6.12 has been given; and
  - 14.6.2 No fewer than half the appointed Non-Executive Directors vote in favour of variation; and
  - 14.6.3 At least two-thirds of the Directors who are eligible to vote are present; and
  - 14.6.4 The variation proposed does not contravene a statutory provision or direction made by the Secretary of State.
- 14.7 SO 14.6 may not be varied.

- 14.8 **Availability of Standing Orders** - It is the duty of the Chief Executive to ensure that all existing Directors and Officers and all new appointees are notified of and understand their responsibilities within SOs and SFIs. 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 of SOs.
- 14.9 **Documents having the standing of Standing Orders** - SFIs and Scheme of Delegation have been incorporated in to this, one single document.
- 14.10 **Review of Standing Orders** – SOs shall be reviewed annually by the Board. .

## **STANDING FINANCIAL INSTRUCTIONS**

### **15 OVERVIEW OF SFIS**

- 15.1 The SFIs detail the financial responsibilities, policies and procedures to be adopted by the Trust. They are designed to ensure that its financial transactions are carried out in accordance with the law and Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness in all financial matters concerning the Trust.
- 15.2 These SFIs identify the financial responsibilities which apply to everyone working for the Trust. They do not provide detailed procedural advice and should therefore be read in conjunction with the detailed departmental and financial procedure notes published by the Trust. All financial procedures must be approved by the Director of Finance.
- 15.3 Should any difficulties arise regarding the interpretation or application of any of the SFIs, the advice of the Director of Finance **MUST BE SOUGHT BEFORE ACTING**. The user of these SFIs should also be familiar with, and comply with the provisions of the SOs and the Reservation of Powers and the Delegation of Powers.
- 15.4 These SFIs apply to all Officers, including temporary contractors, volunteers and staff employed by other organisations to deliver services in the name of the Trust. Failure to comply with the SFIs and SOs is a disciplinary matter that could result in dismissal.
- 15.5 Overriding SFIs – If for any reason these SFIs 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 Integrated Audit and Risk Committee for referring action or ratification. All members of the Board and Executive Management Team and Officers have a duty to disclose any non-compliance with these SFIs to the Director of Finance as soon as possible.

### **16 RESPONSIBILITIES AND DELEGATION**

- 16.1 The Board exercises financial supervision and control by:
- 16.1.1 formulating the financial strategy of the Trust;
  - 16.1.2 requiring the submission and approval of Budgets within approved allocations/overall income;
  - 16.1.3 defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money); and
  - 16.1.4 defining specific responsibilities placed on members of the Board/ Executive Management Team and Officers as indicated in the 'Reservation of Powers to the Board'.
- 16.2 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session.
- 16.3 The Board will delegate responsibility for the performance of its functions in accordance with the Reservation of Powers to the Board, Delegation of Powers adopted by the Trust.
- 16.4 Within these SFIs, it is acknowledged that the Chief Executive is the Accountable Officer of the Trust and:

- 16.4.1 is ultimately accountable to the Board, and as accountable officer to the Secretary of State, for ensuring that the Board of Directors meets its obligation to perform the Trust's functions within the available financial resources;
  - 16.4.2 has overall executive responsibility for the Trust's activities and is responsible to the Board for ensuring that the Trust's financial obligations and targets are met;
  - 16.4.3 has overall responsibility for the Trust's system of internal control; and
  - 16.4.4 is responsible for ensuring that all members of staff of the Trust are aware of and understand their responsibilities within these SFIs
- 16.5 Save for the decisions and actions reserved to the Board, the Chief Executive has full operational authority to approve the financial transactions of the Trust and to delegate such powers to post-holders within the Trust management.
- 16.6 The Chief Executive and Director of Finance may, within reason, delegate their detailed responsibilities, but they remain accountable for financial control.
- 16.7 The Director of Finance is responsible for:
- 16.7.1 implementing the Trust's financial policies and for co-ordinating any corrective action necessary to further these policies;
  - 16.7.2 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 SFIs;
  - 16.7.3 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 Officers, the duties of the Director of Finance include:
- 16.7.4 the provision of financial advice to other members of the Board and Executive Management Team and Officers;
  - 16.7.5 the design, implementation and supervision of systems of internal financial control; and
  - 16.7.6 the preparation and maintenance of such accounts, certificates, estimates, records and reports as the organisation may require for the purpose of carrying out its statutory duties.
- 16.8 All members of the Board and Officers of the Trust, severally and collectively, are responsible for:
- 16.8.1 the security of the property of the Trust;
  - 16.8.2 avoiding loss;
  - 16.8.3 exercising economy and efficiency in the use of resources; and
  - 16.8.4 conforming with the requirements of the SOs, SFIs and the Scheme of Delegation
- 16.9 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 SFIs. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.
- 16.10 For any Officers of the Trust who carry out a financial function, the form in which financial records are kept and the manner in which the Board, Executive Management Team and Officers of the Trust discharge their duties must be to the satisfaction of the Director of Finance.
- 16.11 Financial framework – the Director of Finance shall ensure that members of the Board are aware of the financial aspects of the NHSI's Code of Accountability and Single Oversight Framework, within which the Trust is required to operate.

## **17 AUDIT**

### **17.1 INTEGRATED AUDIT AND RISK COMMITTEE**

- 17.1.1 In accordance with SO 8 the Board shall formally establish an Integrated Audit and Risk 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 systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;
  - (c) monitoring compliance with SOs and SFIs;
  - (d) reviewing schedules of losses and compensations and making recommendations to the Board;
  - (e) reviewing the information prepared to support the annual governance declaration statements prepared on behalf of the Board and advising the Board accordingly.
  - (f) as set out in the terms of reference approved by the Board.
- 17.1.2 Where the Integrated Audit and Risk Committee feel there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wish to raise, the Chairman of the Integrated Audit and Risk Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to NHSI.
- 17.1.3 It is the responsibility of the Director of Finance to ensure an adequate internal audit service is provided and the Integrated Audit and Risk Committee shall be involved in the selection process if/when an internal audit service provider is changed.

### **17.2 FRAUD AND CORRUPTION**

- 17.2.1 In line with their responsibilities as set out in HSG(96)12 and Bribery Act guidance, the Trust Chief Executive and Director of Finance shall monitor and ensure compliance with the Department of Health Directions on fraud, corruption and bribery.
- 17.2.2 The Director of Finance shall ensure that the Trust's Counter Fraud and Corruption Policy is maintained and remain up to date.
- 17.2.3 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist to deliver the requirements of the Trust's Counter Fraud and Corruption Policy.
- 17.2.4 The Local Counter Fraud Specialist shall report to the Director of Finance and shall work with staff in NHS Protect, when required.
- 17.2.5 The Local Counter Fraud Specialist will provide a written report to the Integrated Audit and Risk Committee, on an annual basis at least, on the counter fraud work completed within the Trust.

### **17.3 DIRECTOR OF FINANCE**

- 17.3.1 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 NHS mandatory audit standards;



- (c) ensuring that the Head of Internal Audit is sufficiently qualified and experienced to perform that role; to facilitate the effective discussion of the results of internal audit with senior management
- (d) ensuring that there is effective liaison with the relevant Counter Fraud Services regional team on all suspected cases of fraud and corruption and all anomalies which may indicate fraud or corruption before any action is taken;
- (e) deciding at what stage to involve the police in cases of misappropriation, and other irregularities not involving fraud or corruption;
- (f) ensuring that an annual internal audit report is prepared for the consideration of the Integrated Audit and Risk Committee and the Board. The report must cover:
  - (i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health and Social Care,
  - (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;

17.3.2 ensuring the police are informed at the right time, in cases of misappropriation and other irregularities not involving fraud or corruption;

17.3.3 ensuring there is effective liaison with the Trust's Local Counter Fraud Specialist or NHS Protect on all suspected cases of fraud and corruption and all anomalies which may indicate fraud and corruption.

17.3.4 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 and Executive Management Team or Officers of the Trust;
- (c) the production of any cash, stores or other property of the Trust under the control of a member of the Board or the Executive Management Team or an Officer; and
- (d) explanations concerning any matter under investigation.

## **17.4 ROLE OF INTERNAL AUDIT**

17.4.1 The Internal Audit shall:

- (a) Provide an independent and objective assessment for the Chief Executive, the Board and the Integrated Audit and Risk Committee on the degree to which risk management, control and governance arrangements support the achievement of the Trust's objectives.
- (b) Operate independently of the decisions made by the Trust and its Officers; and of the activities which it audits. No member of the team of the Internal Audit will have executive responsibilities.

17.4.2 Internal Audit will review, appraise and report upon:

- (a) the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;
- (b) the adequacy and application of financial and other related management controls;
- (c) the suitability of financial and other related management data;
- (d) the extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:
  - (i) fraud, bribery and other offences,
  - (ii) waste, extravagance, inefficient administration,
  - (iii) poor value for money or other causes.

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

## **17.5 HEAD OF INTERNAL AUDIT**

17.5.1 The Head of Internal Audit shall develop and maintain an internal audit strategy for providing the Chief Executive with an objective evaluation of; and opinions on the effectiveness of the Trust's risk management, control and governance arrangements.

17.5.2 The Head of Internal Audit shall ensure that the audit team is adequately staffed and that there is access to the full range of knowledge, skills, qualifications and experience needed to deliver the internal audit plan in line with the NHS Internal Audit Manual.

17.5.3 The Head of Internal Audit will normally attend Integrated Audit and Risk Committee meetings and has a right of access to all Audit and Risk Committee members, the Chairman and Chief Executive and all Directors of the Trust.

17.5.4 The Head of Internal Audit shall be accountable to the Director of Finance. The reporting system for internal audit shall be agreed between the Director of Finance, the Integrated Audit and Risk Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit Manual. The reporting system shall be reviewed at least every 3 years.

## **17.6 EXTERNAL AUDIT**

17.6.1 The external auditor is appointed by the Integrated Audit and Risk Committee via competitive tender and paid for by the Trust. The Integrated Audit and Risk Committee must ensure a cost-efficient service is provided. Should there appear to be a problem concerning the service provided by the external auditor, this should be raised with the external auditor and referred via the escalation process stipulated in the contract if the issue cannot be resolved.

## **18 ALLOCATIONS, BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING**

### **18.1 PREPARATION AND APPROVAL OF BUSINESS PLANS AND BUDGETS**

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

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

- 18.1.2 Prior to the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board. Such budgets will:
- (a) be in accordance with the aims and objectives set out in the annual business 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; and
  - (e) identify potential risks.
- 18.1.3 The Director of Finance shall monitor financial performance against budget and business plan, periodically review them, and report to the Board.
- 18.1.4 All Budget Holders must provide information as required by the Director of Finance to enable Budgets to be compiled. All Budget Holders will sign up to their allocated Budgets at the commencement of each Financial Year.
- 18.1.5 The Director of Finance has overall responsibility for ensuring that adequate training is delivered on an on-going basis to Budget Holders to help them manage their Budget successfully.

## **18.2 BUDGETARY DELEGATION**

- 18.2.1 The Chief Executive may delegate the management of a Budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:
- (a) the amount of the Budget;
  - (b) the purpose(s) of each Budget heading;
  - (c) individual and group responsibilities;
  - (d) authority to exercise virement;
  - (e) achievement of planned levels of service; and
  - (f) the provision of regular reports.
- 18.2.2 The Chief Executive and delegated Budget Holders must not exceed the budgetary total or virement limits set by the Board.
- 18.2.3 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.
- 18.2.4 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.

## **18.3 BUDGETARY CONTROL AND REPORTING**

- 18.3.1 The Director of Finance will devise and maintain systems of budgetary control. These will include:
- (a) monthly financial reports to the Board in a form approved by the Board containing:
    - (i) income and expenditure to date showing trends and forecast year-end position;
    - (ii) movements in working capital;
    - (iii) capital project spend and projected outturn against plan;

- (iv) explanations of any material variances from plan;
  - (v) details of any corrective action where necessary and the Chief Executive's and/or Director of Finance's view of whether such actions are sufficient to correct the situation;
- (b) the issue of timely, accurate and comprehensible advice and Budget statements to each Budget holder, covering the areas for which each is 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/virements.

18.3.2 Each Budget Holder is responsible for ensuring that:

- (a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Chief Executive and should be reported to the following Board meeting;
- (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; and
- (c) no permanent Officers are appointed other than those provided for within the available resources and manpower establishment as approved by the Board.

18.3.3 The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Annual Business Plan and a balanced Budget.

## **18.4 CAPITAL EXPENDITURE**

18.4.1 The general rules applying to budgetary delegation, budgetary control and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained below.)

## **18.5 MONITORING RETURNS**

18.5.1 The Director of Finance on behalf of the Chief Executive is responsible for ensuring that the appropriate financial monitoring forms are submitted to the requisite monitoring organisation.

## **19 ANNUAL ACCOUNTS AND REPORTS**

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

- 19.1.1 prepare financial returns in accordance with the accounting policies and guidance given by the Department of Health and Social Care and the Treasury, the Trust's accounting policies, and generally accepted accounting practice;
- 19.1.2 prepare and submit annual financial reports to the Secretary of State certified in accordance with current guidelines; and
- 19.1.3 submit financial returns to the Secretary of State for each financial year in accordance with the timetable prescribed by the Secretary of State
- 19.1.4 submit periodic monitoring and financial returns to external organisations, such as NHSI, in accordance with the timetables set by those organisations.

19.2 The Trust's annual accounts must be audited by an auditor appointed by the Integrated Audit and Risk Committee. The Trust's audited accounts shall be presented to a public meeting and made available to the public, within the timescales set by the Secretary of State.

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

## **20 BANK AND GBS ACCOUNTS**

### **20.1 GENERAL**

20.1.1 The Director of Finance is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance/ Directions issued from time to time by the Department of Health.

20.1.2 The Board shall approve the banking arrangements.

### **20.2 BANK AND GBS ACCOUNTS**

20.2.1 The Director of Finance is responsible for:

- (a) bank accounts and Government Banking Service (GBS) accounts;
- (b) establishing separate bank accounts for the Trust's non-exchequer funds if held;
- (c) ensuring payments made from bank or GBS accounts do not exceed the amount credited to the account except where arrangements have been made; and
- (d) reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn.

### **20.3 BANKING PROCEDURES**

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

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

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

## **21 TENDERING AND REVIEW**

21.1 The Director of Finance will review the 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 banking business.

21.2 Competitive tenders for commercial accounts should be sought at least every 5 years. The results of the tendering exercise should be reported to the Board.

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

### **22.1 INCOME SYSTEMS**

22.1.1 The Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.

22.1.2 The Director of Finance is also responsible for ensuring a procedure is in place for the prompt banking of all monies received.

## **22.2 FEES AND CHARGES**

- 22.2.1 The Trust shall follow the DHSC's advice in the costing manual in setting prices for NHS service agreements.
- 22.2.2 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the DHSC or by statutory regulation. Independent professional advice on matters of valuation shall be taken as necessary.
- 22.2.3 All Officers must not commit the Trust but inform the Director of Finance promptly of money due to the Trust from transactions which they initiate/deal with including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.
- 22.2.4 The Director of Finance shall approve all property leases, property rentals and tenancy agreements. The Director of Estates and Capital Projects shall advise on these arrangements.

## **22.3 DEBT RECOVERY**

- 22.3.1 The Director of Finance is responsible for the appropriate recovery action on all outstanding debts.
- 22.3.2 Income invoiced but not received should be treated as a bad debt and dealt with in accordance with the losses procedures. Disputed NHS transactions are not treated as bad debts but cleared via a credit note.
- 22.3.3 Overpayments should be detected (or preferably prevented) and recovery initiated.

## **22.4 SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS**

- 22.4.1 The Director of Finance is responsible for:
  - (a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
  - (b) ordering and securely controlling any such stationery;
  - (c) the provision of adequate facilities and systems for Officers 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; and
- 22.4.2 prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.
- 22.4.3 Official money shall not under any circumstances be used for the encashment of private cheques.
- 22.4.4 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.
- 22.4.5 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 Trust or individuals absolving the Trust from responsibility for any loss.

## **23 NHS SERVICE AGREEMENTS FOR PROVISION OF SERVICES**

- 23.1 The Chief Executive, as the accountable officer, is responsible for ensuring the Trust enters into suitable Contracts or Service Level Agreements (SLAs) with service commissioners for the provision of NHS services to patients. The Chief Executive should take into account:
  - 23.1.1 the standards of service quality expected;

- 23.1.2 National Operating Framework
  - 23.1.3 the relevant National Service Framework (if any);
  - 23.1.4 the provision of reliable information on cost and volume of services;
  - 23.1.5 the NHS Long Term Plan;
  - 23.1.6 the NHS National Performance Assessment Framework;
  - 23.1.7 that SLAs build where appropriate on existing Joint Investment Plans;
  - 23.1.8 that SLAs are based on integrated care pathways.
- 23.2 A good contract or SLA will result from a dialogue of clinicians, users, carers, public health professionals and managers. It will reflect knowledge of local needs and inequalities. This will require the Chief Executive to ensure that the Trust works with all partner agencies involved in both the delivery and commissioning of the service required. In this way the Trust can jointly manage risk with all interested parties.
- 23.3 The Director of Finance on behalf of the Chief Executive, as the accountable officer, will produce monthly reports to the Board detailing actual and forecast income from activity contracts and SLAs.
- 23.4 The approval limits as stipulated in the Trust's Business Case policy are as follows:
- 23.4.1 Director of Finance or nominated officer will approve services up to £75,000;
  - 23.4.2 The Executive Assurance Committee will approve all services from £75,001 to £250,000;
  - 23.4.3 The Finance and Performance Committee will approve services from £250,001 to £750,000;
  - 23.4.4 the Board shall approve all services over £750,000.
- 23.5 The Director of Finance shall provide up to date advice on:
- 23.5.1 Standard NHS contractual terms and conditions, issued by the Department of Health;
  - 23.5.2 Costing and pricing of services;
  - 23.5.3 payment terms and conditions;
  - 23.5.4 amendments to contracts, SLAs and extra-contractual arrangements.
- 23.6 The Director of Finance shall ensure that all SLAs are other contractual and extra contractual arrangements:
- 23.6.1 Are devised so as to limit the risk to the Trust, whilst enabling opportunities to generate income;
  - 23.6.2 Are financially sound; and that any contractual arrangement pricing at marginal cost are approved by the Director of Finance and reported to the Board.
- 23.7 The Director of Finance is responsible for ensuring that systems and processes are in place to record patient activity, raise invoices and collect monies due under the agreement for the provision of healthcare services.
- 23.8 The Director of Finance shall produce regular reports, to the Board or its committees detailing the Trust's forecast financial performance.
- 23.9 Budget holders with responsibilities for managing delivery against service agreements must ensure they understand and use the contract monitoring information for the financial management of their service areas.

## **24 TERMS OF SERVICE AND PAYMENT OF DIRECTORS AND OFFICERS**

### **24.1 REMUNERATION AND APPOINTMENTS**

- 24.1.1 In accordance with SO 8 the Board shall establish a Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting ("Remuneration Committee).
- 24.1.2 The Remuneration Committee will:
- (a) determine appropriate remuneration and allowances, and the other terms and conditions of office of the Chief Executive;
  - (b) approve the appropriate remuneration and allowances and the other terms and conditions of service for other Executive Directors and the Senior Management Team 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 where appropriate
  - (c) The above to include:
    - (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.
- 24.1.3 The Remuneration Committee shall report in writing to the Board the basis for its decisions. Minutes of the Board's meetings should record such decisions.
- 24.1.4 The Board will approve proposals presented by the Chief Executive for setting of remuneration and conditions of service for those Officers not covered by the Remuneration Committee.
- 24.1.5 The Trust will remunerate the Chairman and Non-Executive Directors in accordance with instructions issued by the DHSC.

### **24.2 FUNDED ESTABLISHMENT**

- 24.2.1 The manpower plans incorporated within the annual Budget will form the funded establishment.
- 24.2.2 The funded establishment of any service may not be varied in excess of its financial envelope.
- 24.2.3 The approval limits for posts in excess of the agreed funded establishment either permanent or temporary as stipulated by the business case policy are as follows:
- (a) Executive Management Team will approve requests up to £75,000;
  - (b) The Executive Assurance Committee will approve requests from £75,001 to £250,000;
  - (c) The Finance and Performance Committee will approve requests from £250,001 to £750,000; and
  - (d) The Board will approve all requests over £750,000.

### **24.3 STAFF APPOINTMENTS**

- 24.3.1 No Director or Officer may re-grade Officers, either on a permanent or temporary nature, or agree to changes in any aspect of remuneration unless authorised to do so by the Director of Workforce and Organisational Development and Director of Finance; and within the limit of the approved Budget and funded establishment.



- 24.3.2 No Director or Officer may engage, re-engage, either on a permanent or temporary nature, or hire agency staff, unless within the limit of the approved budget and funded establishment.
- 24.3.3 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, conditions of service, etc., for Officers.

#### **24.4 PROCESSING OF PAYROLL**

- 24.4.1 The Director of Finance is responsible for:
- (a) specifying timetables for submission of properly authorised time records and other notifications;
  - (b) the final determination of pay and allowances save for those determined by the Remuneration Committee;
  - (c) making payment on agreed dates;
  - (d) agreeing method of payment.; and
  - (e) Specifying and agreeing the contractual arrangements for the provision of payroll services.
- 24.4.2 The Director of Finance will issue instructions regarding:
- (a) verification and documentation of data;
  - (b) the timetable for receipt and preparation of payroll data and the payment of Officers 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 1998;
  - (g) methods of payment available to various categories of Officers;
  - (h) procedures for payment by cheque, bank credit, or cash to 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; and
  - (m) a system to ensure the recovery from leavers of sums of money and property due by them to the Trust.
- 24.4.3 Appropriately nominated Officers and the Senior Management Team 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; and

- (c) submitting termination forms in the prescribed form immediately upon knowing the effective date of an Officer's resignation, termination or retirement. Where an Officer fails to report for duty or to fulfil obligations in circumstances that suggest they have left without notice, the Director of Finance must be informed immediately.

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

## **24.5 CONTRACTS OF EMPLOYMENT**

24.5.1 The Board shall delegate responsibility to the Director of Workforce and Communications for:

- (a) ensuring that all Officers and Executive Directors are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and
- (b) dealing with variations to, or termination of, contracts of employment.

## **25 NON-PAY EXPENDITURE**

### **25.1 DELEGATION OF AUTHORITY**

25.1.1 The Board will approve the level of non-pay expenditure on an annual basis and the Chief Executive will determine the level of delegation to Budget Holders.

25.1.2 The Chief Executive will set out:

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

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

25.1.4 The approval limits funding requests in excess of current delegated levels as stipulated in the Business Case policy are as follows:

- (a) Executive Management Team can approve all requests to £75,000;
- (b) Executive Assurance Committee can approve all requests from £75,001 to £250,000;
- (c) The Finance and Performance Committee can approve all requests from £250,001 to £750,000;
- (d) The Board can approve all requests over £750,000.

### **25.2 CHOICE, REQUISITIONING, ORDERING, RECEIPT AND PAYMENT FOR GOODS AND SERVICES**

25.2.1 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.

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

25.2.3 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 these SFIs and the Scheme of Delegation (as appropriate) and regularly reviewed;
- (b) prepare procedural instructions on the obtaining of goods, works and services incorporating the thresholds;
- (c) be responsible for the prompt payment of all properly authorised accounts and claims;
- (d) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
  - (i) A list of Directors, Senior Management Team and Officers with an authorisation limit authorised to certify invoices.
  - (ii) Certification that:
    - A goods have been duly received, examined and are in accordance with specification and the prices are correct;
    - B 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;
    - C 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;
    - D where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
    - E the account is arithmetically correct;
    - F 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 accounts subject to cash discounts or otherwise requiring early payment.
  - (iv) Instructions to Officers regarding the handling and payment of accounts within the Trust's Finance Department.
- (e) be responsible for ensuring that payment for goods and services is only made once the goods and services are received, (except as below).
- (f) Prepare and issue procedures regarding Value Added Tax.

## 25.3 PREPAYMENTS

25.3.1 Prepayments are only permitted where exceptional circumstances apply. In such instances:

- (a) Prepayments are only permitted where the financial advantages outweigh the disadvantages (ie, cashflows must be discounted to NPV) and the intention is not to circumvent cash limits;
- (b) the appropriate Director or member of the Senior Management Team 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 relevant provisions of these SFIs and the EU public procurement rules where the contract is above a stipulated financial threshold); and
- (d) the Budget Holder is responsible for ensuring that all items due under a prepayment contract are received and he must immediately inform the appropriate Director or Chief Executive if problems are encountered.

## 25.4 OFFICIAL ORDERS

### 25.4.1 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; and
- (d) only be issued to, and used by, those duly authorised by the Chief Executive.

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

- (a) all contracts (other than for a simple purchase permitted within the Scheme of Delegation or delegated budget), leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance in advance of any commitment being made;
- (b) contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;
- (c) where consultancy advice is being obtained, the procurement of such advice must be in accordance with these SFIs and any relevant guidance issued by the DHSC and NHSI;
- (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 Officers, 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 and/or order is placed for any item or items for which there is no Budget provision, unless authorised by the Director of Finance on behalf of the Chief Executive;
- (f) all goods, services, or works are ordered on an official order except as approved on the exception list and purchases from petty cash;
- (g) verbal orders must only be issued very exceptionally. These must be confirmed at the earliest possible time by an official order and clearly marked "Confirmation Order" and approved by a Budget Holder.
- (h) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds set out in these SFIs, the Scheme of Delegation or any relevant statute;
- (i) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase in breach of these SFIs;

- (j) changes to the list of Directors, members of the Senior Management Team 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; and
- (l) petty cash records are maintained in a form as determined by the Director of Finance.

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

## **25.5 TENDERING AND CONTRACT PROCEDURE**

25.5.1 All tendering carried out through e-tendering will be compliant with the Trust policies and procedures. Issue of all tender documentation will be undertaken electronically through a secure website with controlled access using secure login, authentication and viewing rules. All tenders will be received into a secure electronic vault so that they cannot be accessed until an agreed opening time. Where the electronic tendering package is used the details of the persons opening the documents will be recorded together with the date and time of the document opening. All actions and communication by both procurement staff and suppliers are recorded within the system audit reports.

25.5.2 EU Directives governing public procurement

- (a) Where relevant, European Union directives on public sector purchasing procedures for awarding contracts shall have effect as if incorporated in these SFIs.

### **25.5.3 Formal Competitive Tendering**

- (a) 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 DHSC); for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); and for disposals.
- (b) Formal tendering procedures may be waived by the Chief Executive or by Executive Directors to whom powers have been delegated in writing by the Chief Executive where:
  - (i) the timescale genuinely precludes competitive tendering. Failure to plan the work properly is not a justification for single tender; or
  - (ii) 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; or
  - (iii) 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; or
- (c) The waiver can be granted without reference to the Chief Executive where:
  - (i) the estimated expenditure does not, or is not reasonably expected to, exceed £25,000; or
  - (ii) where the supply is proposed under special arrangements negotiated by the DHSC in which event the said special arrangements must be complied with; or
  - (iii) specialist expertise is required and is available from only one source.

- (d) 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.
- (e) Where it is decided that competitive tendering is not applicable and should be waived by virtue of SFIs 25.5 the fact of the waiver and the reasons should be documented and reported by the Director of Finance to the Integrated Audit and Risk Committee.
- (f) Except where this SFI applies, the Board 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.
- (g) The Board shall ensure that normally the firms/individuals invited to tender (and where appropriate, quote) are among those on approved lists. 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.
- (h) Tendering procedures are set out in Appendix A of this policy.

#### 25.5.4 **Quotations**

- (a) Quotations are required where formal tendering procedures are waived and where the intended expenditure exceeds, or is reasonably expected to exceed, £5,000, but is less than £25,000.
- (b) Where quotations are required they should be obtained from at least three firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the Board.
- (c) Quotations should be in writing unless the Chief Executive or his/her 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.
- (d) All quotations should be treated as confidential and should be retained for inspection.
- (e) 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.
- (f) Non-competitive quotations in writing may be obtained for the following purposes:
  - (i) The supply of goods/services of a special character for which it is not, in the opinion of the Chief Executive or his/her nominated officer, possible or desirable to obtain competitive quotations;
  - (ii) The goods/services are required urgently.

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

- (a) The Trust shall use NHS Supply Chain for procurement of all goods and services (and will not be required to obtain competitive quotations) unless the Chief Executive or nominated officers deem it inappropriate. The decision to use alternative sources must be documented.
- (b) If the Trust does not use NHS Supply Chain (where tenders or quotations are not required, as set out in this policy), the Trust shall procure goods and services in accordance with procurement procedures approved by the Director of Finance.

25.5.6 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 Board may also determine from time to time that in-house services should be market tested by competitive tendering.

#### 25.5.7 In-house services

- (a) The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided by the Trust 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.
- (b) In all cases where the Trust determines that in-house services should be subject to competitive tendering the following groups shall be set up:
  - (i) "specification group", comprising the Chief Executive or Nominated Officer(s) and specialist(s);
  - (ii) "in-house tender group", comprising representatives of the in-house team, a nominee of the Chief Executive and appropriate technical support; and
  - (iii) "evaluation group", comprising a specialist Officer, a procurement Officer and a representative of the Director of Finance. For services having a likely annual expenditure exceeding £500,000, a Non-Executive Director shall be a member of the evaluation group.
- (c) All groups referred to above shall work independently of each other but individual Officers may be a member of more than one group. No member of the "in-house tender group" may, however, participate in the evaluation of tenders.
- (d) In all cases the approval of tenders shall be governed in accordance with the Scheme of Delegation. The "evaluation group" shall make recommendations to the Board.
- (e) The Chief Executive shall nominate an Officer to oversee and manage the in-house service.

#### 25.5.8 Personnel and Agency or Temporary Staff Contract

- (a) The Chief Executive shall nominate Officers with delegated authority to enter into contracts for the employment of other Officers and enter into contracts for the engagement of agency staff or temporary staff, or others under service contracts.

#### 25.5.9 Compliance requirements for all contracts

- (a) The Trust may only enter into contracts within its statutory powers and shall comply with:
  - (i) the SOs;
  - (ii) these SFIs;
  - (iii) EU Directives and other statutory provisions; and
  - (iv) any relevant guidance or directions issued by the Secretary of State.
- (b) 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.
- (c) For the purposes of these SFIs, 'contracts' shall include all agreements, leases, licences and hire purchase contracts to which the Trust is a party.

- (d) In all contracts made by the Trust, the Board shall endeavour to obtain best value for money. The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.

#### 25.5.10 Prevention of corruption

- (a) Except where specific provision is made in model Forms of Contracts or standard schedules of conditions approved for use within the National Health Service, there shall be inserted in every written contract entered into by the Trust, 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:
  - (i) 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
  - (ii) 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/her or acting on his/her behalf (whether with or without the knowledge of the contractor), or
  - (iii) 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 or any other appropriate legislation.

#### 25.5.11 Determination of contracts for failure to deliver goods or material

- (a) There shall be inserted in every written contract for the supply of goods or materials entered into by the Trust 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 to any other rights under the contract) 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.

## 26 TREASURY MANAGEMENT

- 26.1 The Director of Finance will ensure that the principles of the Treasury Management policy are followed, particularly in relation to:
  - 26.1.1 achieving the most competitive return on surplus cash within the agreed risk profile'
  - 26.1.2 ensuring the availability of flexible, competitively priced funding at all times within the constraints of the Prudential Borrowing Code;
  - 26.1.3 identifying and managing the financial risks, including interest rates, arising from operational activities;
  - 26.1.4 ensuring compliance with all banking covenants;
  - 26.1.5 maintaining appropriate cash headroom to meet anticipated requirements; and
  - 26.1.6 managing the Trust's liabilities and investment assets prudently ensuring commitments can be made as they fall due.



## **27 EXTERNAL BORROWING AND INVESTMENTS**

### **27.1 EXTERNAL BORROWING**

- 27.1.1 The Director of Finance will advise the Board concerning the Trust's ability to pay interest on, and repay, both the originating capital debt and any proposed new borrowing, within the limits set by the DHSC and/or NHSI and the Trust's Treasury Management Policy. The Director of Finance is also responsible for reporting periodically to the Board concerning the originating debt and all loans and overdrafts.
- 27.1.2 Any application for a loan or overdraft will only be made by the Director of Finance or by an Officer so delegated by him.
- 27.1.3 The Director of Finance must prepare detailed procedural instructions concerning applications for loans and overdrafts.
- 27.1.4 All short term borrowings should be kept to the minimum period of time possible, consistent with the overall cash flow position. Any short term borrowing requirement in excess of one month must be authorised by the Director of Finance.
- 27.1.5 All long term borrowing must be consistent with the plans outlined in the current Business Plan and within the Trust's authorised Prudential Borrowing Limits.

### **27.2 INVESTMENTS**

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

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

### **28.1 CAPITAL INVESTMENT**

- 28.1.1 The Chief Executive:
- (a) shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
  - (b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost; and
  - (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.
- 28.1.2 For every material capital expenditure proposal the Chief Executive shall ensure:
- (a) that a business case (in line with the guidance provided by DHSC) 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) appropriate project management and control arrangements; and
    - (iii) the involvement of appropriate Trust personnel and third parties;

- (b) that the Director of Finance has certified professionally the costs and revenue consequences detailed in all business case proposals, and the relevant thresholds to determine the approval route.
- 28.1.3 The approval limits for capital investments as stipulated in the Business Case Policy are as follows:
  - (a) The Trust Capital Group will approve schemes up to £75,000;
  - (b) Executive Assurance Committee will approve all schemes from £75,001 to £250,000;
  - (c) The Finance and Performance Committee will approve all schemes from £250,001 to £750,000; and
  - (d) The Board will approve all schemes over £750,000.
- 28.1.4 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management, incorporating the recommendations in the 'Estate Code' guidance. The Director of Finance shall assess on an annual basis the requirement for the operation of the 'Construction Industry Scheme' in accordance with any guidance issued by HM Revenue and Customs.
- 28.1.5 The approval of a capital programme shall not constitute approval for expenditure against that scheme.
- 28.1.6 The Chief Executive shall issue to the manager responsible for any approved capital scheme:
  - (a) specific authority to commit expenditure;
  - (b) authority to proceed to tender;
  - (c) approval to accept a successful tender.
- 28.1.7 The Chief Executive will issue a scheme of delegation for capital investment management in accordance with the "Estate Code" guidance and the SOs.
- 28.1.8 The Finance Director shall:
  - (a) issue procedures for the regular reporting of expenditure and commitment against authorised expenditure;
  - (b) issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall fully take into account any guidance or best practice advice issued by the DHSC or NHSI regarding investment decisions by NHS Trusts.

## **28.2 PRIVATE FINANCE**

- 28.2.1 The Trust should normally test for 'Private Finance Initiative' funding when considering material capital procurement. When the Trust proposes to use private finance which is to be provided by the private sector the following procedures shall apply:
  - (a) The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
  - (b) Where the sum involved exceeds delegated limits, the business case must be referred to the NHSI for approval or treated as per current guidelines.
  - (c) The proposal must be specifically agreed by the Trust in light of such professional advice as should reasonably be sought in particular with regard to vires.
  - (d) The selection of a contractor and/or finance company must be on the basis of competitive tendering or quotations.

### **28.3 ASSET REGISTERS**

- 28.3.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Finance concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.
- 28.3.2 The Trust shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as specified in the Capital Accounting Chapter as issued in the DHSC's Group Accounting Manual.
- 28.3.3 Additions to the fixed asset register must be clearly identified to an appropriate Budget Holder and be validated by reference to:
- (a) Notification of project completion by the relevant project manager who is responsible for ensuring properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
  - (b) Purchase and installation of equipment;
  - (c) stores, requisitions and wages records for own materials and labour including appropriate overheads; and
  - (d) lease agreements in respect of assets held under a finance lease and capitalised.
- 28.3.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).
- 28.3.5 The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 28.3.6 The value of each asset shall be indexed to current values in accordance with methods specified in the DHSC's Group Accounting Manual.
- 28.3.7 The value of each asset shall be depreciated using methods and rates as specified in the DHSC's Group Accounting Manual.
- 28.3.8 The Director of Finance shall calculate and pay capital charges as specified in the DHSC's Group Accounting Manual.

### **28.4 SECURITY OF ASSETS**

- 28.4.1 The overall control of fixed assets is the responsibility of the Chief Executive.
- 28.4.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance. This procedure shall make provision for:
- (a) recording managerial responsibility for each asset;
  - (b) identification of additions and disposals;
  - (c) identification of all repairs and maintenance expenses;
  - (d) physical security of assets;
  - (e) periodic verification of the existence of, condition of, and title to, assets recorded;
  - (f) identification and reporting of all costs associated with the retention of an asset; and
  - (g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

- 28.4.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Director of Finance.
- 28.4.4 Whilst each Officer has a responsibility for the security of property of the Trust, it is the responsibility of Directors, Senior Management Team members and senior Officers in all disciplines to apply such appropriate routine security practices in relation to NHS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with instructions.
- 28.4.5 Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Directors and Officers in accordance with the procedure for reporting losses.
- 28.4.6 Where practical, assets should be marked as the property of the Trust.
- 28.4.7 The Trust's property must not be used by Officers for private purposes nor removed from the normal workplace except as specifically authorised by senior management/ Officers.

## **29 STORES AND RECEIPT OF GOODS**

- 29.1 Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be kept to a minimum.
- 29.2 Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stocks and stores shall be delegated to an Officer by the Chief Executive. The day-to-day responsibility may be delegated by him to departmental Officers and stores managers and/or keepers, subject to such delegation being entered in a record available to the Director of Finance. The control of pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of fuel, oil, coal, gas etc. shall be the responsibility of the designated Estates Manager.
- 29.3 The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, stocks should be marked as 'Health Service Property'.
- 29.4 The designated manager/Pharmaceutical Officer shall be responsible for a system approved by the Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the Director of Finance any evidence of significant overstocking and of any negligence or malpractice (see Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.
- 29.5 For goods supplied via the NHS Supply Chain central warehouses, the Chief Executive shall identify those Officers authorised to requisition and accept goods from the store. The authorised Officers shall check receipt against the delivery note before accepting the charge.

## **30 DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS**

### **30.1 DISPOSALS AND CONDEMNATIONS**

- 30.1.1 The Director of Finance must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to Directors and relevant Officers.
- 30.1.2 When it is decided to dispose of a Trust asset, the head of department or authorised deputy will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.

#### Disposals Generally

- 30.1.3 All disposals shall be in accordance with these SFIs and the Scheme of Delegation.
- 30.1.4 Competitive tendering or quotation procedures shall not apply to the disposal of:

- (a) any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his Nominated Officer;
  - (b) obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;
  - (c) items to be disposed of with an estimated sale value of less than £5,000 (this figure to be reviewed annually by the Director of Finance); or
  - (d) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract.
- 30.1.5 Disposals of Businesses, Business Units, etc. must be determined by the Board and subject to a recommendation from the Chief Executive supported by a statement from the Director of Finance setting out the financial implications.
- 30.1.6 Disposal of serviceable assets, mainly land, buildings and equipment, will be subject to the Trust's Capital Procedure and subject to the limits set out in the Scheme of Delegation. All material transactions will be determined by the Board and subject to a recommendation from the Chief Executive supported by a statement from the Director of Finance setting out the financial implications.

#### Disposal of Unserviceable Articles

- 30.1.7 All unserviceable articles shall be:
- (a) condemned or otherwise disposed of by an Officer 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 Officer authorised for the purpose by the Director of Finance.
- 30.1.8 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.

### **30.2 LOSSES AND SPECIAL PAYMENTS**

- 30.2.1 The Director of Finance must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.
- 30.2.2 Any Director 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 or fraud confidentially. This Officer will then appropriately inform the Director of Finance and/or Chief Executive. .
- 30.2.3 The Board shall delegate its responsibility to approve the writing-off of losses and to authorise special payments in accordance with the Scheme of Delegation.
- 30.2.4 The Director of Finance shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 30.2.5 For any loss, the Director of Finance should consider whether any risk pooling or insurance claim can be made.
- 30.2.6 The Director of Finance shall maintain a 'Losses and Special Payments Register' in which write-off action is recorded.

- 30.2.7 No special payments exceeding delegated limits shall be made without the prior approval of the Board, or contrary to any guidance or best practice advice issued by the DHSC.
- 30.2.8 The Director of Finance must report all losses and special payments to the Integrated Audit and Risk Committee.

## **31 FRAUD AND CORRUPTION**

- 31.1 In line with their responsibilities, the Chief Executive and Director of Finance shall monitor and ensure compliance with any relevant guidance issued by DHSC or NHS Protect on fraud and corruption in the NHS.
- 31.2 The Director of Finance is responsible for the promotion of counter fraud measures within the Trust and, in that capacity, he will ensure that the Trust co-operates with NHS Protect to enable them to efficiently and effectively carry out their respective functions in relation to the prevention, detection and investigation of fraud in the NHS.
- 31.3 The Trust will appoint at least one person (who may be either an Officer or a person whose services are supplied to the Trust by an outside organisation) as a Local Counter Fraud Specialist, in accordance with any guidance issued by DHSC or the NHS Protect on the suitability criteria for such appointees.
- 31.4 The Director of Finance will ensure that the Trust's Local Counter Fraud Specialist receives appropriate training in connection with counter fraud measures and that he is accredited by the Counter Fraud Professional Accreditation Board.
- 31.5 Where the Trust appoints a Local Counter Fraud Specialist whose services are provided to the Trust by an outside organisation, the Director of Finance must be satisfied that the terms on which those services are provided are such to enable the Local Counter Fraud Specialist to carry out his functions effectively and efficiently and, in particular, that he will be able to devote sufficient time to the Trust.
- 31.6 The Local Counter Fraud Specialist shall report directly to the Director of Finance and shall work with NHS Protect.
- 31.7 The Local Counter Fraud Specialist and the Director of Finance will, at the beginning of each Financial Year, prepare a written work plan outlining the Local Counter Fraud Specialist's projected work for that Financial Year.
- 31.8 The Local Counter Fraud Specialist shall be afforded the opportunity to attend Integrated Audit and Risk Committee meetings and other meetings of the Board, or its committees, as required.
- 31.9 The Director of Finance will ensure that the Local Counter Fraud Specialist:
- 31.9.1 keeps full and accurate records of any instances of fraud and suspected fraud;
  - 31.9.2 reports to the Board any weaknesses in fraud-related systems and any other matters which may have fraud-related implications for the Trust;
  - 31.9.3 has all necessary support to enable him to efficiently, effectively and promptly carry out his functions and responsibilities, including working conditions of sufficient security and privacy to protect the confidentiality of his work;
  - 31.9.4 receives appropriate training and support, as recommended by NHS Protect; and
  - 31.9.5 participates in activities which NHS Protect is engaged, including national anti-fraud measures.
- 31.10 The Director of Finance must, subject to any contractual or legal constraints, require all Trust Officers to co-operate with the Local Counter Fraud Specialist and, in particular, that those responsible for human resources disclose information which arises in connection with any matters (including disciplinary matters) which may have implications in relation to the investigation, prevention or detection of fraud.

- 31.11 The Director of Finance must also prepare a “fraud response plan” that sets out the action to be taken both by persons detecting a suspected fraud and the Local Counter Fraud Specialist, who is responsible for investigating it.
- 31.12 Any Officer discovering or suspecting a loss of any kind must either immediately inform the Chief Executive and the Director of Finance or the Local Counter Fraud Specialist, who will then 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, but if the case involves suspicion of fraud, and corruption or of anomalies that may indicate fraud or corruption then the particular circumstances of the case will determine the stage at which the police are notified; but such circumstances should be referred to the Local Counter Fraud Specialist.
- 31.13 For losses apparently caused by theft, fraud, arson, neglect of duty or gross carelessness, except if trivial and where fraud is not suspected, the Director of Finance must immediately notify:
- 31.13.1 the Board of Directors; and
- 31.13.2 the Auditor.

## **32 INFORMATION TECHNOLOGY RELATING TO FINANCIAL RECORDS AND INFORMATION**

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

- 32.1.1 The Director of Finance, who is responsible for the accuracy and security of the computerised financial data of the Trust, together with the Director of IT, who is responsible for wider procedures in respect of information governance, shall:
- (a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which he is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1984 and any other relevant legislation;
  - (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 he may consider necessary are being carried out.
- 32.1.2 The Director of Finance shall 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, the Director of Finance must obtain from that organisation assurance of adequacy prior to implementation.
- 32.1.3 The Director of Finance will devise procedures which ensure that orders for the acquisition of computer hardware, software and services (other than consumables) are placed in accordance with the Trust's information technology strategy.
- 32.1.4 The Director of Finance will ensure that separate control procedures are put in place for computer systems. This procedure will include:
- (a) The acquisition and disposal of information technology, systems and equipment; and
  - (b) The decommissioning of systems containing confidential data in accordance with any relevant guidance issued by DHSC, or as required under statute.

### **32.2 Responsibilities and duties of other Directors and Officers in relation to computer systems of a general application**

32.2.1 In the case of computer systems which are proposed general applications (i.e. normally those applications which the majority of Health Service Bodies in the region wish to sponsor jointly) all responsible Directors and Officer will send to the Director of Finance:

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

### **32.3 Contracts for computer services with other Health Service Bodies or outside agencies**

32.3.1 The Director of Finance shall ensure that contracts for computer services for financial applications with another Health Service Body 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.

32.3.2 Where another Health Service Body 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.

### **32.4 Risk Assessment**

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

32.5 Requirements for computer systems which have an impact on the Trust's corporate financial systems

32.5.1 Where computer systems have an impact on the Trust's corporate financial systems the Director of Finance shall satisfy himself that:

- (a) systems acquisition, development and maintenance are in line with the Trust's policies, including but not limited to the Trust's 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) staff have access to such data; and
- (d) such computer audit reviews as are considered necessary are being carried out.

## **33 PATIENTS' PROPERTY**

33.1 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.

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

33.2.1 notices and information booklets,

33.2.2 hospital admission documentation and property records,

33.2.3 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.



- 33.3 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 Officers 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.
- 33.4 Where any guidance by the DHSC requires the opening of separate accounts for patients' monies, these accounts shall be opened and operated under arrangements agreed by the Director of Finance.
- 33.5 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.
- 33.6 Officers 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.
- 33.7 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.

#### **34 ACCEPTANCE OF GIFTS BY OFFICERS**

- 34.1 The Chief Executive shall ensure that all Officers are aware of the Trust's policy on acceptance of gifts or benefits in kind by Officers.
- 34.2 All Officers are subject to the provisions of section 7 of the Staff Code of Conduct which sets out clearly the rules which apply to the acceptance of gifts and hospitality. Nothing may be accepted by Officers which would constitute a breach of the provisions of the Bribery Act 2010.

#### **35 RECORDS MANAGEMENT**

- 35.1 The Chief Executive shall be responsible for the management of all NHS records by the Trust, regardless of the media on which they are held.
- 35.2 The Chief Executive shall ensure that the Trust adopts information governance arrangements which comply with the principles and guidelines contained in the DHSC's Records Management: NHS Code of Practice as may be varied from time to time.
- 35.3 The documents held in archives shall be capable of retrieval by authorised persons in accordance with the provisions of the Records Management Code.
- 35.4 Records held by the Trust under the Records Management Code shall only be destroyed at the express instigation of the Chief Executive. The Chief Executive shall ensure that records are maintained of documents so destroyed.

#### **36 RISK MANAGEMENT & INSURANCE**

- 36.1 The Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with NHS guidelines, which must be approved and monitored by the Board.
- 36.2 The programme of risk management shall include:
- 36.2.1 a process for identifying and quantifying risks and potential liabilities;
  - 36.2.2 engendering among all levels of Officers a positive attitude towards the control of risk;
  - 36.2.3 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;
  - 36.2.4 contingency plans to offset the impact of adverse events;

- 36.2.5 audit arrangements including; Internal Audit, clinical audit, health and safety review;
  - 36.2.6 decisions on which risks shall be included in the NHSLA risk pooling schemes;
  - 36.2.7 arrangements to review the Trust's risk management programme
- 36.3 The Chief Executive will be responsible for ensuring that the existence, integration and evaluation of the above elements will provide a basis to make a statement on the effectiveness of internal control as required by the DHSC guidance from time to time.
- 36.4 The Board shall decide if the Trust will insure via the risk pooling schemes administered by the NHS Litigation Authority under Section 71 (Schemes for meeting losses and liabilities, etc. of certain health service bodies) of the NHS Act 2006) or 'self insure' for some or all of the risks covered by the schemes for any risk area (clinical, property, and non-clinical third party liability) covered by the scheme. This decision shall be reviewed annually.
- 36.5 Subject to the following exceptions, the Trust may not enter into insurance arrangements with commercial insurers:
- 36.5.1 insuring motor vehicles owned by the Trust including third party liability arising from their use; and
  - 36.5.2 where the Trust is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into. In case of doubt the Finance Director should consult with NHSI.
- 36.6 Where the Board decides to use the risk pooling schemes administered by NHS Resolution the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance shall ensure that the documented procedures that cover these arrangements.
- 36.7 Where the Board decides not to use the risk pooling schemes administered by NHS Resolution for one or other of the risks covered by the schemes, the Director of Finance will draw up a formal documented procedure for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed.
- 36.8 All risk pooling schemes require members to make some contribution to the settlement of claims (the 'deductible'). The Director of Finance should ensure that documented procedures also cover the management of claims and payments below the deductible in each case.

## **37 SECURITY MANAGEMENT**

- 37.1 The Chief Executive is responsible for the security of Officers and people engaged in activities for the purposes of the functions of the Trust.
- 37.2 The Chief Executive is responsible for:
- 37.2.1 security management matters; and
  - 37.2.2 the promotion of security management measures,
- within the Trust.
- 37.3 The Trust will appoint at least one person as a Local Security Management Specialist, in accordance with any guidance issued by DHSC or NHS Protect on suitability criteria for such appointees.
- 37.4 The Chief Executive will ensure that the Trust's Local Security Management Specialist receives appropriate training in connection with security management measures in order to meet the requirements and objectives set out in NHS Protect's Local Security Management Specialist: Guidance.
- 37.5 The Local Security Management Specialist shall report directly to the Chief Executive and shall work with NHS Protect.

- 37.6 The Chief Executive will ensure that the Trust co-operates with NHS Protect to enable them to efficiently and effectively carry out their respective functions in relation to the security of people and property across the NHS.
- 37.7 The Chief Executive will ensure that the Trust has effective arrangements in place to ensure that:
- 37.7.1 breaches of security and weakness in security-related systems are reported as soon as practicable to the:
- (a) Local Security Management Specialist;
  - (b) Audit Committee; and
  - (c) Auditor,
- 37.7.2 any confidentiality of information relevant to the investigation of breaches of security is protected; and
- 37.7.3 where possible, the Trust recovers money lost through breaches of security.
- 37.8 The Local Security Management Specialist and the Chief Executive will, at the beginning of each financial year, prepare a written work plan outlining the Local Security Management Specialist's projected work for that financial year.
- 37.9 The Local Security Management Specialist shall be afforded the opportunity to attend Audit Committee meetings and other meetings of the Board of Directors, or its committees, as required.

## **38 FREEDOM OF INFORMATION AND INFORMATION DATA REQUESTS**

- 38.1 The Chief Executive shall publish and maintain a 'freedom of information 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 that the Trust makes publicly available.

## **RESERVATION OF POWERS TO THE BOARD – DETAILED SCHEME OF DELEGATION**

### **39 RESERVATION OF POWERS TO THE BOARD**

- 39.1 Standing Orders (SOs) and Standing Financial Instructions (SFIs) set out in some detail the financial responsibilities of the Chief Executive (CE), the Director of Finance (DoF) and other directors. These responsibilities are summarised below in section 39.5.
- 39.2 Certain matters needing to be covered in the scheme of delegation are not covered by SFIs or SOs or they do not specify the responsible officer. These are:

<b>Area of responsibility</b>	<b>Overall responsibility</b>
Data Protection Act Requirements	Caldicott Guardian
Health and Safety Arrangements	Chief Executive

- 39.3 This scheme of delegation covers only matters delegated by the Board to Directors and nominated officers.
- 39.4 Throughout the Scheme of Delegation reference to a "Nominated Deputy" will mean the person advised in writing by the lead delegated officer.

39.5 Detailed list of reservation of powers to the Board

Ref.	Chairman	Chief Executive	Director of Finance	Other	Detail of other
<b>INTRODUCTION</b>					
4.1	Final authority in interpretation of SOs.				
<b>MEETINGS OF THE TRUST</b>					
6.1	Calling meetings of the Trust Board at any time				
6.46	Chair all Board meetings and associated responsibilities				
<b>DECLARATION OF INTERESTS</b>					
9.7				Maintain register of interests	Trust Secretary
<b>CUSTODY OF SEAL AND SEALING OF DOCUMENTS</b>					
12.1		Keep seal in safe place			
12.3				Approve and sign all building, engineering, property or capital documents that require to be sealed.	2 members of the Board
12.5				Maintain register of sealing	Trust Secretary
<b>SIGNATURE OF DOCUMENTS</b>					
13.1		Approve and sign all documents which are a necessary step in legal proceedings involving the Trust (or Board approved officer)			
13.2		Sign on behalf of the Trust any agreement or document not required to be executed as a deed (or nominated officer)			
<b>RESPONSIBILITIES AND DELEGATION</b>					
16.4.4		To ensure all employees and directors are notified of and understand Standing Financial Instructions.			

Ref.	Chairman	Chief Executive	Director of Finance	Other	Detail of other
16.7			Implement the Trust's financial policies and co-ordinating corrective action. Ensuring detailed financial procedures and systems are prepared, documented and maintained.		
16.8				Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Financial Instructions, financial procedures and the Scheme of Delegation.	All Directors and Employees:
16.10			Form and manner of discharge of financial functions		
<b>AUDIT</b>					
17.2.1		Ensure compliance with counter fraud and the DHSC directions on Fraud, Bribery and corruption	Ensure compliance with counter fraud and the DHSC directions on Fraud, Bribery and corruption		
17.3			<p>Liaise with LCFS and internal audit.</p> <p>Ensure an annual internal audit report is prepared and presented to the audit Committee and Board.</p> <p>Ensure police are informed at the right time in cases not involving fraud or corruption</p>		
<b>BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL AND MONITORING</b>					
18.1		<p>Submit Annual Business Plan to Board</p> <p>Submit 5 year Integrated Business Plan</p>	<p>Submit annual budgets to Board for approval.</p> <p>Monitor performance against budget, submit to Board financial estimates and forecasts.</p>		

Ref.	Chairman	Chief Executive	Director of Finance	Other	Detail of other
18.2		Delegate budget to budget holders and submit monitoring returns.	Devise and maintain systems of budgetary control.	Sign up to their allocated budget at the commencement of each financial year	All budget holders
<b>ANNUAL ACCOUNTS AND REPORTS</b>					
19.1			Prepare, submit and present Annual Accounts		
19.3	Prepare, submit and publish an Annual Report				
<b>BANK AND GBS ACCOUNTS</b>					
20.1.1			Managing the Trust's Banking arrangements.	Managed via Deputy Director of Finance, requires one requisitioners and one approver.	
<b>INCOME FEES AND CHARGES</b>					
22.1.1			Systems for recording and collecting Income		
<b>NHS SERVICE AGREEMENTS FOR PROVISION OF SERVICES</b>					
23		Negotiating and signing contracts for provision of patient services.	Monthly reports of actual and forecast income contract receipts.		
<b>TERMS OF SERVICE AND PAYMENT OF DIRECTORS AND OFFICERS</b>					
24.3.1			Re-grading or changing terms of employment of existing employee	Re-grading or changing terms of employment of existing employee	Director of Workforce and Communications
24.3.2				Must not engage staff permanent or temporary above establishment.	All staff
24.4				Ensure all employees are issued with a Contract of Employment and dealing with variations to, or termination of, contracts of employment	Director of Workforce and Communications
<b>NON PAY EXPENDITURE</b>					
25.1		Determine, and set out, level of delegation of non pay expenditure to budget managers.			

Ref.	Chairman	Chief Executive	Director of Finance	Other	Detail of other
25.2		Ensure that arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with current departmental guidance.	Prompt payment of accounts. Ensure that arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with current departmental guidance.		
25.5		Formal tendering waived when notified in writing. Best value for money is demonstrated for all services provided under contract or in house.	Formal tendering waived when notified in writing.		
<b>TREASURY MANAGEMENT</b>					
26			Ensure that the principles of the Treasury Management Policy are followed.		
<b>EXTERNAL BORROWING AND INVESTMENTS</b>					
27			Application for Loans and Short term borrowing- in accordance with Standing Orders, Standing Financial Instructions and Treasury Management Policy		
<b>CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTER AND SECURITY OF ASSETS</b>					
28.1		Determine priorities for capital expenditure.	Certify professionally the cost and revenue consequences.		
28.2		Overall responsibility for fixed assets.	Maintenance of asset registers	Responsibility for security of Trust assets including notifying discrepancies to DoF, and reporting losses in accordance with Trust procedure.	All Senior Staff

Ref.	Chairman	Chief Executive	Director of Finance	Other	Detail of other
<b>STORES AND RECEIPT OF GOODS</b>					
29		Identify persons authorised to requisition and accept goods from NHS Supply Chain.	Responsible for systems of control over stores and receipt of goods.		
<b>DISPOSALS AND CONDEMNATIONS</b>					
30.1			Prepare detailed procedures for the disposal of assets including condemnations		
30.2			Prepare procedures for recording and accounting for losses and special payments and informing NHS Executive of all frauds and informing Police in cases of suspected arson or theft.		
<b>INFORMATION TECHNOLOGY IN RELATION TO FINANCIAL RECORDS AND INFORMATION</b>					
31.1		.	Responsible for accuracy and security of computerised financial data		
<b>PATIENT PROPERTY</b>					
32.1		Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.			
<b>ACCEPTANCE OF GIFTS BY STAFF</b>					
33		All staff are aware of Trust policy			
<b>RECORDS MANAGEMENT</b>					
34		Retention of document procedures. Management of all NHS records			
<b>RISK MANAGEMENT AND INSURANCE</b>					
35		Risk management programme. Insurance arrangements.	Risk pooling arrangements and procedure.		
<b>SECURITY MANAGEMENT</b>					
36		Security management and the promotion of security management measures.			



#### 40 DETAILED SCHEME OF DELEGATION

40.1 Delegated matters in respect of decisions which may have a far reaching effect must be reported to the Chief Executive. The delegation shown below is the lowest level to which authority is delegated. Delegation to lower levels is only permitted with written approval of the Chief Executive who will, before authorising such delegation, consult with other Senior Officers as appropriate. All items concerning Finance must be carried out in accordance with Standing Financial Instructions and Standing Orders.

DELEGATED MATTER	AUTHORITY DELEGATED TO					
	Budget holder	Associate Director/Head of Service	Director/Deputy COO	Deputy Director of Finance	CE, DoF or nominated Deputy	Committee of the Board
<b>MANAGEMENT OF BUDGETS (SFI section 18)</b>						
Responsibility of keeping expenditure within budgets	At individual budget level (pay and non pay)	For Care Group	For the totality of Responsibility	For all other areas		
Approving expenditure higher than tender price			up to 10% or £15k whichever is the higher	up to 10% or £15k whichever is the higher	> 10% or > £15k. Up to £25k.	
<b>NON PAY REVENUE AND CAPITAL – REQUISITION AND APPROVAL OF GOODS AND SERVICES (SFIs section 25)</b>						
Each purchase/ non Pharmacy expenditure	To £1,000	From £1,001 to £10,000	From £10,001 to £50,000	To £249,999 in conjunction with Director	From £250,000 to £499,999	Above £500,000: Finance and Performance Committee
Each Pharmacy order	Up to £74,999 Head of Pharmacy				£75,000 to £250,000 Each requisition and order exceeding 12 month period	£250,001 to £750,000 CE and Chairman for reporting to next Board meeting
Business cases					EMT to £75,000. Executive Assurance Committee from £75,001 to £250,000	From £250,001 to £750,000 Finance and Performance Committee Above £750,000 Trust Board

DELEGATED MATTER	AUTHORITY DELEGATED TO					
	Budget holder	Associate Director/Head of Service	Director/Deputy COO	Deputy Director of Finance	CE, DoF or nominated Deputy	Committee of the Board
Independent Legal and/or Professional Advice						Integrated Audit Committee has authority to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary
<b>MANAGEMENT OF CAPITAL SCHEMES (SFIs section 28 and SO section 12)</b>						
Selection or architects, quantity surveyors, engineers and other professional advisors within EU regulations			Director of Capital Planning and Estates			Following approval as set out in Business case policy
Financial monitoring and reporting on all capital scheme expenditure			DoF & Director of capital planning & estates	Deputy DoF		
Granting, extension and termination of leases with annual rent up to :				To £249,999 with Director	From £250,000 to £499,999	From £500,000: Finance and Performance Committee
Business cases per scheme		Trust Capital Group to £75,000			Executive Assurance Committee from £75,001 to £250,000	From £250,001 to £750,000 Finance and Performance Committee Above £750,000 Trust Board

DELEGATED MATTER	AUTHORITY DELEGATED TO					
	Budget holder	Associate Director/Head of Service	Director/Deputy COO	Deputy Director of Finance	CE, DoF or nominated Deputy	Committee of the Board
<b>QUOTATION, TENDERING AND CONTRACT PROCEDURES (SFI section 25, SO section 12)</b>						
No competition but relevant managers responsible for ensuring best value for money	Below £10,000 (or delegated manager e.g, Estates)					
Inviting 3 competitive written quotations	From £10,000 to £49,999 (Or procurement or Estates)					
Inviting 4 written competitive tenders for goods/services	From £50,000 to OJEU (specification) tendering undertaken by Estates and procurement					
Inviting 6 written competitive tenders for goods/services above OJEU	Procurement Department supported by minute from Committee					
Waiving of quotations and tenders subject to Standing Orders (SO 10.5)					CE if over £25k. All to be approved by procurement	
<b>SETTING OF FEES AND CHARGES (SFI section 22)</b>						
Private patient, overseas visitors, Income Generation and other patient related services				DoF or Deputy Director of Finance	DoF or Deputy Director of Finance	
Price of NHS contracts				To £75,000	DoF above £75,000	

DELEGATED MATTER	AUTHORITY DELEGATED TO					
	Budget holder	Associate Director/Head of Service	Director/Deputy COO	Deputy Director of Finance	CE, DoF or nominated Deputy	Committee of the Board
<b>ENGAGEMENT OF STAFF AND CONSULTANTS NOT ON THE ESTABLISHMENT (SFI section 24)</b>						
Non medical Consultancy staff		Where aggregate commitment in any one year (or total commitment) is less than £75,000			Executive Assurance Committee where aggregate commitment in one year is over £75,001 to £250,000	From £250,001 to £750,000 Finance and Performance Committee
Engagement of Trust's Solicitors other than for litigation	Head of Legal Services to £5,000		Head of Legal Services with relevant Director/ Head of Service to £20,000		Head of Legal Services with CE to £75,000	Head of Legal Services with CE (or DOF) and with Audit Committee NED over £75k
Booking of Bank or Agency staff	Budget Holder if costs are within budget of vacant posts.	Costs beyond budget of vacant posts but within total Care Group budget	Costs beyond Care Group budget			
<b>AGREEMENTS/LICENCES (SFI Section 25)</b>						
Preparation and signature of all tenancy agreements/licences for all staff subject to Trust Policy on accommodation for staff			Director of Capital Planning and Estates			
Extension to existing licenses/agreements not exceeding one year						
Letting of premises to outside organisations						
Approval of rent based on professional assessment			Director of Capital Planning and Estates with DoF			
Terminating agreements/licences			Director of Capital Planning and Estates			

DELEGATED MATTER	AUTHORITY DELEGATED TO					
	Budget holder	Associate Director/Head of Service	Director/Deputy COO	Deputy Director of Finance	CE, DoF or nominated Deputy	Committee of the Board
<b>DISPOSALS CONDEMNING AND DISPOSAL OF ASSETS/EQUIPMENT (SFIs section 30)</b>						
Minor current replacement price;-	price less than £50		Above £50 Director of Capital Planning and Estates			
Disposal of mechanical engineering plant		Less than £1,000 per sale; Head of Estates	Above £1,000 per sale; Director of Capital Planning and Estates			
Disposal of Land, Building and Equipment				Up to £19,999 - Equipment only	£20,000 - £74,999; CE or DOF £75,000 - £249,000; CE or DoF and Director of Capital planning and Estates	From £250,001 to £400,000; CE and Chairman reporting to next Board meeting. From £400,000 to £749,999 Finance and Performance Committee. Board over £750,000
<b>LOSSES, WRITE-OFF AND COMPENSATION (SFIs section 30.2)</b>						
Losses and cash due to theft, fraud, overpayment.					CE and DoF ; up to £50,000	Report to Integrated Audit & Risk Committee under Losses and Compensation procedures.
Fruitless payments (including abandoned Capital Schemes).					CE and DoF ; up to £250,000	
Bad debts and claims abandoned. Private patients, overseas visitors and others.					CE and Director of Operations ; up to £50,000	
Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to culpable causes (e.g. fraud, theft, arson)			Director of Capital planning & Estates - up to £50,000		CE - up to £50,000	

DELEGATED MATTER	AUTHORITY DELEGATED TO					
	Budget holder	Associate Director/Head of Service	Director/Deputy COO	Deputy Director of Finance	CE, DoF or nominated Deputy	Committee of the Board
Compensation payments made under legal obligation.					Up to £99,999	
Extra Contractual payments to contractors					Up to £50,000	
Ex Gratia payments to service users and staff for loss of personal effects					CE and DoF	
Clinical negligence (negotiated settlements) based on legal advice					Up to £1,000,000	
For personal injury claims involving negligence where legal advice has been obtained and guidance applied	Where settled within 'insurance excess';-	Head of Legal Services and DOF			Including plaintiff's costs, up to £1,000,000	
Other uninsured settlements, except cases of mal-administration where there was no financial loss by claimant,					Up to £50,000	
<b>REPORTING OF INCIDENTS TO THE POLICE (SFIs sections 17 and 31)</b>						
Where a criminal offence is suspected	Criminal offence of a violent nature;- Duty Manager		Director of HR			
Where a criminal offence is suspected where a fraud is involved;	LCFS					

DELEGATED MATTER	AUTHORITY DELEGATED TO					
	Budget holder	Associate Director/Head of Service	Director/Deputy COO	Deputy Director of Finance	CE, DoF or nominated Deputy	Committee of the Board
<b>PETTY CASH DISBURSEMENTS (SFIs section 25.4)</b>						
Approval of Petty cash vouchers	Expenditure up to £50 per item (Limited to 125 claims per week)	In excess of £50;- Director/ Head of Service (Limited to 125 claims per week)				
<b>RECEIVING HOSPITALITY (SOs section 11 and SFIs section 34)</b>						
Applies to both individual and collective hospitality receipt items in excess of £25 per item received	Declaration required in Trust's Hospitality Register	Declaration required in Trust's Hospitality Register	Declaration required in Trust's Hospitality Register	Declaration required in Trust's Hospitality Register	Declaration required in Trust's Hospitality Register	
<b>IMPLEMENTATION OF INTERNAL AND EXTERNAL AUDIT RECOMMENDATIONS (SFIs section 17)</b>						
Maintenance and update of Trust Financial Procedures.					Present up to date procedures	Approved by Finance and performance Committee
<b>HUMAN RESOURCES AND PAY (SFIs section 24)</b>	Fill funded post on the establishment with permanent staff				All requests for re-banding	
	Additional staff to the establishment with specifically allocated finance			Additional staff to the establishment without specifically allocated finance	Additional staff to the establishment without specifically allocated finance	
	Complete standing data forms					
	Authorise overtime					
	Authorise travel and subsistence expenses					
	Approval of annual leave					

DELEGATED MATTER	AUTHORITY DELEGATED TO					
	Budget holder	Associate Director/Head of Service	Director/Deputy COO	Deputy Director of Finance	CE, DoF or nominated Deputy	Committee of the Board
	Compassionate leave up to 4 days	Over 4 days				
	Special leave arrangements incl paternity leave etc.	Leave without pay				
	Time off in lieu – paid and unpaid					
	Maternity leave – paid and unpaid Automatic approval (with guidance HR final approval)					
	Sick Leave		Extension of sick leave			
	Study leave		Medical Staff - Medical Director		Study Leave outside the UK	
Removal Expenses, Excess Rent etc.			Up to £8k Director		Over £8k HR Director	
Renewal of Fixed Term Contract up to a maximum of one year	Budget Holder in conjunction with HR					
Redundancy, Health retirement, Dismissal (as set out in the Policy)					Redundancy, Health retirement, Dismissal (as set out in the Policy)	
<b>AUTHORISATION OF NEW DRUGS</b>						
Estimated total additional cost		Annual cost below £25k; Drugs and Therapeutic Committee, Medical Director and Chief Pharmacist			Annual cost above £25k; Drugs and Therapeutic Committee, in accordance with NICE guidelines; Medical Director and CE	



DELEGATED MATTER	AUTHORITY DELEGATED TO					
	Budget holder	Associate Director/Head of Service	Director/Deputy COO	Deputy Director of Finance	CE, DoF or nominated Deputy	Committee of the Board
Sponsorship deals	Up to £5k				CE, Medical Director, Chairman of Research Committee, DoF	
<b>RESEARCH PROJECTS</b>						
Research projects (Approval)					Up to £50k per year, Medical Director, Chairman of Ethics committee, DoF.	
Clinical Trials (Approval)					Up to £50k per year, Medical Director, Chairman of Ethics committee, DoF.	
<b>PATIENTS AND RELATIVES COMPLAINTS</b>						
Ensuring that all complaints are dealt with effectively		Investigation; - Director/ Head of Service	Overall responsibility; DCOO			
Medico-Legal Complaints Co-ordination of their management		Director of Nursing and Quality or Head of Legal Services				
<b>INTRODUCTION OR DISCONTINUANCE OF ANY SIGNIFICANT ACTIVITY OR OPERATION OTHER THAN BY TENDER</b>						
Introduction or Discontinuance of any significant activity or operation other than by tender		Up to £250,000 Head of Service and DoF or with DCOO			£250,000 - £750,000 Executive Assurance Committee	Above £750,000 Trust Board
<b>FACILITIES FOR STAFF NOT EMPLOYED BY THE TRUST TO GAIN PRACTICAL EXPERIENCE</b>						
Professional recognition, Honorary contracts and insurance of Medical staff			Medical Director			
Work experience students		Head of Workforce and OD / Director/ Head of Service				

## **APPENDIX A: TENDERING PROCEDURE FOR THE SUPPLY OF GOOD AND SERVICES TO THE TRUST**

### **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:
- (a) 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
  - (b) 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.
- 1.2 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 Estmancode 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/her 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.

### **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:
- (a) the names of firms/individuals invited;
  - (b) the names of and the number of firms/individuals from which tenders have been received;
  - (c) the total price(s) tendered;
  - (d) closing date and time;
  - (e) date and time of opening;

and the record shall be signed by the persons present at the opening.

3.4 Except as in Section 3.5 below, a record shall be maintained of all price alterations on tenders, ie 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.

#### **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, eg 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 (ie 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 (ie those from which information necessary for the adjudication of the tender is missing) and amended tenders (ie those amended by the tenderer upon his/her 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/her offer.

4.6 Necessary discussions with a tenderer of the contents of his/her 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 Trust 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. Lists of Approved Firms**

5.1 The Trust shall compile and maintain, and the Director of Facilities shall keep, lists of approved firms and individuals from whom tenders may be invited, and shall keep these under review. The lists shall be selected from all firms which have applied for permission to tender provided that:

a) 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.

- b) 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.
  - c) 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 is satisfied as to their technical/medical competence.
- 5.2 The Trust 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 or 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.