

**STANDING ORDERS, RESERVATION AND
DELEGATION of POWERS and STANDING
FINANCIAL INSTRUCTIONS**

Updated March 2018

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SECTION A –
INTERPRETATION AND
DEFINITIONS

INTERPRETATION AND DEFINITIONS

- 1.1. Save as otherwise permitted by law, at any meeting the Chair of the Trust shall be the final authority on the interpretation of Standing Orders (on which he should be advised by the Chief Executive or Company Secretary).
- 1.2. Any expression to which a meaning is given in the National Health Service Act 2006, other Acts relating to the National Health Service or in the Regulations made under the Acts shall have the same meaning in these Standing Orders and Standing Financial Instructions and in addition:
- 1.2.1. "**Accountable Officer**" means the NHS Officer responsible and accountable for funds entrusted to the Trust. The officer shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.
- 1.2.2. "**Board**" means the Chair, Executive Directors and Non-Executive Directors of the Trust collectively as a body.
- 1.2.3. "**Chair**" of the Board (or Trust) is the person appointed by the Secretary of State for Health to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression "the Chair of the Trust" shall be deemed to include the Vice-Chair of the Trust if the Chair is absent from the meeting or is otherwise unavailable.
- 1.2.4. "**Chief Executive**" means the chief officer of the Trust.
- 1.2.5. "**Committee**" means a committee or sub-committee created and appointed by the Board.
- 1.2.6. "**Committee members**" means persons formally appointed by the Board to sit on or to chair specific committees.
- 1.2.7. "**Company Secretary**" means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chair and monitor the Trust's compliance with the law, Standing Orders and relevant guidance.
- 1.2.8. "**Director**" means a member of the Board of Directors and may encompass either an Executive Director or a Non-Executive Director.
- 1.2.9. "**Director of Finance**" means the Chief Financial Officer of the Trust.
- 1.2.10. "**Executive Director**" means a director of the Trust who is an officer of the Trust and voting member of the Trust Board.
- 1.2.11. "**Membership, Procedure and Administration Arrangements Regulations**" means NHS Trusts (Membership and Procedure) Regulations (SI 1990/2024) as amended.
- 1.2.12. "**Non-Executive Director**" means a director of the Trust who is not an officer of the Trust and is not to be treated as an officer by virtue of regulation 5 of the Membership, Procedure and Administration Arrangements Regulations.
- 1.2.13. "**Officer**" means an employee of the Trust or any other person holding a paid appointment or office with the Trust.
- 1.2.14. "**SFIs**" means Standing Financial Instructions.

1.2.15. **"SOs"** means Standing Orders.

1.2.16. **"Trust"** means the North Cumbria University Hospitals NHS Trust.

1.2.17. **"Vice-Chair"** means the Non-Executive Director appointed by the Board to take on the Chair's duties if the Chair is absent for any reason.

1.3. References in the Standing Orders to legislation include all amendments, replacements, or re-enactments made.

1.4. Headings are for ease of reference only and are not to affect interpretation. Words importing the masculine gender only shall include the feminine gender; words importing the singular shall include the plural and vice-versa.

**SECTION B – STANDING
ORDERS**

2. **INTRODUCTION**

2.1. Statutory Framework

2.1.1. The North Cumbria University Hospitals NHS Trust (the Trust) is a statutory body which came into existence on 12 March 2001 under the North Cumbria Acute Hospitals NHS Trust (Establishment) Order 2001 No 656. The Trust's name was changed to the North Cumbria University Hospital NHS Trust on 1 August 2008 under (Establishment) Order 2008 No.1775.

2.1.2. The principal place of business of the Trust is Cumberland Infirmary, Newtown Road, Carlisle, Cumbria, CA2 7HY.

2.1.3. NHS Trusts are governed by legislation, mainly the National Health Service Act 2006 as amended. In addition to this statutory framework, the Secretary of State, through the Department of Health and/or the NHS Trust Development Authority (now known as NHS Improvement) may issue further directions and guidance to the Trust.

2.2. Delegation of Powers The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Delegated Powers are covered in a separate document ('Schedule of Matters reserved to the Board and Scheme of Delegation'). This document has effect as if incorporated into the Standing Orders.

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

3.1. Composition of the Membership of the Trust Board In accordance with the Membership, Procedure and Administration Arrangements regulations the composition of the Board shall be:

3.1.1. A Non-Executive Chair of the Trust (Appointed by NHS Improvement);

3.1.2. Up to 5 non-officer (Non-Executive Directors) members (appointed by NHS Improvement);

3.1.3. Up to 5 officer (Executive Directors) members* (but not exceeding the number of non-executive director members) including:

3.1.3.1. the Chief Executive;

3.1.3.2. the Executive Director of Finance;

3.1.3.3. a registered medical practitioner (Executive Medical Director);

3.1.3.4. a registered nurse of midwife (Executive Director of Nursing & Midwifery);

3.1.3.5. the Executive Chief Operating Officer

3.1.4. The Trust shall have not more than 11 and not less than 8 members (unless otherwise determined by the Secretary of State for Health and set out in the Trust's Establishment Order or such other communication from the Secretary of State). A Deputy Chief Executive will be nominated from the remaining Executive Directors.



Trust Establishment
Order 2008.pdf

3.2. Appointment of Chair and Non-Executive Directors of the Trust The Chairman is appointed by the Secretary of State in accordance with the NHS Act 2006 Schedule 4, but otherwise the appointment and tenure of office of the Chair and Non-Executive Directors are set out in the Membership, Procedure and Administration Arrangements Regulations.

3.3. Terms of Office of the Chair and Non-Executive Directors The regulations setting out the period of tenure of office of the Chair and Non-Executive Directors and for the termination or suspension of office of the Chair and Non-Executive Directors are contained in the Membership, Procedure and Administration Arrangements Regulations.

3.4. Appointment and Powers of Vice-Chair

3.4.1. Subject to Standing Order 3.4.2 below, the Chair and Non-Executive Directors of the Trust may appoint one of their Non-Executive Directors to be Vice-Chair, for such period, not exceeding the remainder of his term, as they may specify on appointing him.

3.4.2. Any Non-Executive Director so appointed may at any time resign from the office of Vice-Chair by giving notice in writing to the Chair. The Chair and Non-Executive Directors may thereupon appoint another Non-Executive Director as Vice-Chair in accordance with the provisions of Standing Order 3.4.1.

3.4.3. Where the Chair of the Trust has died or has ceased to hold office, or where he has been unable to perform their duties as Chair owing to illness or any other cause, the Vice-Chair shall act as Chair until a new Chair is appointed or the existing Chair resumes their duties, as the case may be; and references to the Chair in these Standing Orders shall, so long as there is no Chair able to perform those duties, be taken to include references to the Vice-Chair.

3.4.4. **Joint Directors** Where more than one person is appointed jointly to a Director post in the Board:

3.4.4.1. Those persons shall count as one person;

3.4.4.2. Either or all of those persons may attend or take part in meetings of the Board;

3.4.4.3. Any of those persons if present shall be eligible to vote in the case of agreement between them in which case they shall cast one vote between them and in the case of disagreements no vote should be cast; and

3.4.4.4. The presence of any or all of those persons should count as the presence of one person for the purposes of considering quorum.

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

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

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

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

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

3.10. Chair

3.10.1. The Chair shall be responsible for the operation of the Board and chair all Board meetings when present. The Chair must comply with his/her terms of appointment and with these Standing Orders.

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

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

3.11. Corporate role of the Board

3.11.1. All business shall be conducted in the name of the Trust.

3.11.2. All funds received in trust shall be held in the name of the Trust as corporate trustee.

3.11.3. The powers of the Trust established under statute shall be exercised by the Board.

3.11.4. The Board shall define and regularly review the functions it exercises.

3.11.5. The Board shall comply with the principles of best practice applicable to corporate governance in the NHS/health sector, with any relevant code of practice and with any applicable guidance.

3.11.6. The Board shall fully adopt the Nolan Principles of Public Life:

3.11.6.1. **Selflessness:** Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

3.11.6.2. **Integrity:** Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

3.11.6.3. **Objectivity:** In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

3.11.6.4. **Accountability:** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

3.11.6.5. **Openness:** Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

3.11.6.6. **Honesty:** Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

3.11.6.7. **Leadership:** Holders of public office should promote and support these principles by leadership and example.

3.12. Schedule of Matters reserved to the Board and Scheme of Delegation The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These powers and decisions are set out in the 'Schedule of Matters Reserved to the Board' and shall have effect as if incorporated into the Standing Orders. Those powers which it has delegated are contained in the Scheme of Delegation.

3.13. Lead Roles for Board Members The Chair will ensure that the designation of lead roles or appointments of Board members as required by the Department of Health or as set out in any statutory or other guidance will be made in accordance with that guidance or statutory requirement (e.g. appointing a Lead Board Member with responsibilities for Infection Control or Child Protection Services etc.).

4. MEETINGS OF THE TRUST

4.1. Calling meetings

4.1.1. Ordinary meetings of the Board shall be held at regular intervals at such times and places as the Board may determine.

4.1.2. The Chair of the Trust may call a meeting of the Board at any time.

4.1.3. Four or more Directors may requisition a meeting in writing. If the Chair refuses, or fails, to call a meeting within seven days of a requisition being presented, the members signing the requisition may forthwith call a meeting.

4.1.4. Save in the case of emergencies or the need to conduct urgent business, the Company Secretary shall give to all Directors reasonable notice in writing of the date, time and place of every meeting of the Board of Directors for each year and will publish the dates, times and locations of meetings of the Board of Directors in advance.

4.2. Notice of Meetings and the Business to be transacted

4.2.1. Before each meeting of the Board a written notice specifying the business proposed to be transacted shall be delivered to every Director, or sent by post to the usual place of residence of each Director, so as to be available to Directors at least seven days before the meeting. The notice shall be signed by the Chair or by an officer authorised by the Chair to sign on their behalf.

4.2.2. Any accidental omission to give notice of a meeting to a Director or the non-receipt of notice of a meeting by a Director or any other technical defect in the giving of notice of which the Board is unaware at the time shall not invalidate the proceedings at that meeting.

4.2.3. In the case of a meeting called by Directors in default of the Chair calling the meeting, the notice shall be signed by those Directors.

4.2.4. No business shall be transacted at the meeting other than that specified on that notice of meeting, or emergency motions allowed under Standing Order 4.6.

4.2.5. A Director desiring a matter to be included on an agenda shall make his/her request in writing to the Chair at least 15 clear days before the meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than 15 days before a meeting may be included on the agenda at the discretion of the Chair.

4.2.6. Before each meeting of the Board a public notice of the time and place of the meeting, and the public part of the agenda, shall be displayed at the Trust's principal offices at least three clear days before the meeting, (required by the Public Bodies (Admission to Meetings) Act 1960 Section 1 (4) (a)). Notice will also be published on the Trust's website.

4.3. Agenda and Supporting Papers

4.3.1. 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 as agreed by the Board. The Board may agree an annual cycle of business which will change from time to time and will be used to inform the agenda.

[4.3.2.](#) The Agenda will be sent to members 4 days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be dispatched no later than three clear calendar days before the meeting, save in emergency. Minutes of the previous meeting will be circulated with these papers for approval and this will be a specific agenda item.

[4.4.](#) **Petitions** Where a petition has been received by the Trust the Chair shall include the petition as an item for the agenda of the next meeting.

[4.5.](#) **Notice of Motion**

[4.5.1.](#) Subject to the provision of Standing Orders 4.7 'Motions: Procedure at and during a meeting' and 4.8 'Motions to rescind a resolution', a member of the Board wishing to move a motion shall send a written notice to the Chief Executive who will ensure that it is brought to the immediate attention of the Chair.

[4.5.2.](#) The notice shall be delivered at least 15 clear days before the meeting. The Chief Executive shall include in the agenda for the meeting all notices so received that are in order and permissible under governing regulations. This Standing Order shall not prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.

[4.6.](#) **Emergency Motions** Subject to the agreement of the Chair, and subject also to the provision of Standing Order 4.7 'Motions: Procedure at and during a meeting', a member of the Board may give written notice of an emergency motion after the issue of the notice of meeting and agenda, up to one hour before the time fixed for the meeting. The notice shall state the grounds of urgency. If in order, it shall be declared to the Trust Board at the commencement of the business of the meeting as an additional item included in the agenda. The Chair's decision to include the item shall be final.

[4.7.](#) **Motions: Procedure at and during a meeting**

[4.7.1.](#) **Who may propose** A motion may be proposed by the Chair of the meeting or any member present. It must also be seconded by another member.

[4.7.2.](#) **Contents of motions** The Chair may exclude from the debate at their discretion any such motion of which notice was not given on the notice summoning the meeting other than a motion relating to:

- [4.7.2.1.](#) the receipt of a report;
- [4.7.2.2.](#) consideration of any item of business before the Board;
- [4.7.2.3.](#) the accuracy of minutes;
- [4.7.2.4.](#) that the Board proceed to next business;
- [4.7.2.5.](#) that the Board adjourn;
- [4.7.2.6.](#) that the question be now put.

[4.7.3.](#) **Amendments to motions**

[4.7.3.1.](#) A motion for amendment shall not be discussed unless it has been proposed and seconded.

[4.7.3.2.](#) Amendments to motions shall be moved relevant to the motion, and shall not have the effect of negating the motion before the Board.

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

[4.7.4.](#) **Rights of reply to motions**

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

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

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

4.7.6. **Motions once under debate**

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

- 4.7.6.1.1. an amendment to the motion;
- 4.7.6.1.2. the adjournment of the discussion, or the meeting;
- 4.7.6.1.3. that the meeting proceed to the next business;
- 4.7.6.1.4. that the question should be now put;
- 4.7.6.1.5. the appointment of an 'ad hoc' committee to deal with a specific item of business;
- 4.7.6.1.6. that a member/director be not further heard;
- 4.7.6.1.7. a motion to exclude the public, including the press.

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

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

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

4.8. **Motion to Rescind a Resolution**

4.8.1. Notice of motion to rescind any resolution (or the general substance of any resolution) which has been passed within the preceding six calendar months shall bear the signature of the Director who gives it and also the signature of three other Directors, and before considering any such motion of which notice shall have been given, the Board may refer the matter to any appropriate Committee or the Chief Executive for recommendation.

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

4.9. **Questions** At any meeting a Director may ask any question through the Chair without notice on any report by an Executive Director or other officer of the Trust, after that report has been received by or while such report is under consideration by the Board at the Meeting. The Chair may, in his/her absolute discretion, reject any question from any Director if in the opinion of the Chair the question is substantially the same and relates to the same subject matter as a question which has already been put to that meeting or a previous meeting.

4.10. **Chair of meeting**

4.10.1. At any meeting of the Board the Chair, if present, shall preside. If the Chair is absent from the meeting, the Vice-Chair (if the Board has appointed one), if present, shall preside.

4.10.2. If the Chair and Vice-Chair are absent, such Non-Executive Director of the Trust as the Directors present shall choose shall preside.

4.11. **Chair's ruling** Statements made at meetings of the Trust shall be relevant to the matter under discussion at the material time and the decision of the Chair of the meeting on questions of order, relevancy and regularity (including procedure on handling motions) and their interpretation of the Standing Orders and Standing Financial Instructions, at the meeting, shall be final.

4.12. **Quorum**

4.12.1. No business shall be transacted at a meeting unless at least four Directors are present, including at least one Executive Director and one Non-Executive Director.

4.12.2. Directors who are unable to attend a meeting shall notify the Company Secretary in writing in advance of the meeting in question so that their apologies may be submitted.

4.12.3. By exception, the Board may decide that Directors may participate in meetings either by telephone, video or computer link. Participation in a meeting in this manner shall be deemed to constitute presence in person at the meeting and as such shall count towards the quorum.

4.12.4. An Officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.

4.12.5. If the Chair or a Director has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest that person shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business.

4.13. **Voting**

4.13.1. Save as provided in Standing Orders 4.14 - Suspension of Standing Orders and 4.15 - Variation and Amendment of Standing Orders, every question put to a vote at a meeting shall be determined by a majority of the votes of Directors present and voting on the question. In the case of an equal vote, the person presiding (i.e. the Chair of the meeting) shall have a second, and casting vote.

4.13.2. At the discretion of the Chair all questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chair directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.

4.13.3. If at least one third of the members present so request, the voting on any question may be recorded so as to show how each member present voted or did not vote (except when conducted by paper ballot).

4.13.4. If a Director so requests, (except when conducted by paper ballot) their vote shall be recorded by name.

4.13.5. In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.

4.13.6. An Officer who has been formally appointed to act up for an Executive Director during a period of incapacity, absence or temporarily to fill an Executive Director vacancy shall be entitled to exercise the voting rights of the Executive Director.

4.13.7. An Officer attending a 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 shall be recorded in the minutes.

[4.13.8.](#) For the voting rules relating to joint members see Standing Order 3.4.4.

[4.14.](#) **Suspension of Standing Orders**

[4.14.1.](#) Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to the Quorum (SO 4.12), any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the whole number of the members of the Board are present (including at least one Executive Director and one Non- Executive Director) and that at least two-thirds of those Directors present signify their agreement to such suspension. The decision and reason for the suspension shall be recorded in the Board's minutes.

[4.14.2.](#) A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chair and Non-Executive Directors of the Trust.

[4.14.3.](#) No formal business may be transacted while Standing Orders are suspended.

[4.14.4.](#) The Audit & Risk Committee shall review every decision to suspend Standing Orders.

[4.15.](#) **Variation and amendment of Standing Orders** These Standing Orders shall not be varied except in the following circumstances:

[4.15.1.](#) upon a notice of motion under SO 4.5;

[4.15.2.](#) upon a recommendation of the Chair or Chief Executive included on the agenda for the meeting;

[4.15.3.](#) that two thirds of the Board members are present at the meeting where the variation or amendment is being discussed, and that at least half of the Trust's Non-Executive Directors vote in favour of the amendment; and

[4.15.4.](#) providing that any variation or amendment does not contravene a statutory provision or direction made by the Secretary of State.

4.16. **Record of Attendance** The names of the Chair, Directors and others present at the meeting shall be recorded.

[4.17.](#) **Minutes**

[4.17.1.](#) It is the responsibility of each individual Director to ensure that, where they have concerns which cannot be resolved about the running of Trust or a proposed action, their concerns are recorded in the minutes of the relevant meeting.

[4.17.2.](#) The minutes of the proceedings of a meeting shall be drawn up and shall include the names of those in attendance at the meeting. The minutes shall be submitted for agreement at the next ensuing meeting where they shall be signed by the person presiding at it.

[4.17.3.](#) No discussion shall take place upon the minutes except upon their accuracy or where the Chair considers discussion appropriate.

[4.17.4.](#) 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 through publication on the Trust website.

[4.18.](#) **Admission of public and the press**

[4.18.1.](#) **Admission and exclusion on grounds of confidentiality of business to be transacted**

[4.18.1.1.](#) The public and representatives of the press may attend all meetings of the Board, but shall be required to withdraw upon the Board resolving 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 or for other special reasons. For the avoidance of doubt, this is without prejudice to the Board's ability to extend an invitation to observers to attend and address any of the Board's meetings at SO 4.19.

4.18.1.2. In this context in determining 'the confidential nature of the business to be transacted,' the Trust's Freedom of Information Classification Scheme for Board Papers shall be taken into account. All items classified under the scheme as 'Restricted' (covered in whole or in part by exemption under the Freedom of Information Act) or as 'Private' (wholly exempted,) will be deemed to be confidential.

4.18.2. General disturbances The Chair (or Vice-Chair if one has been appointed) or the person presiding over the meeting shall give such directions as he thinks fit with regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the 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 Board may resolve to exclude any member of the public or representatives of the press at a meeting that is interfering with or preventing the proper conduct of the meeting.

4.18.3. Business proposed to be transacted when the press and public have been excluded from a meeting

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

4.18.3.2. Officers 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.

4.18.4. Use of Mechanical or Electrical Equipment for Recording or Transmission of Meetings

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

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

5. APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES

5.1. Appointment of Committees

5.1.1. Subject to these Standing Orders, such directions as may be given by the Secretary of State for Health and any applicable legislation, the Board may appoint committees or sub-committees consisting wholly or partly of Directors or wholly of persons who are not Directors of the Trust.

5.1.2. The Board shall determine the membership and terms of reference of committees and sub-committees and shall, if it requires to, receive and consider reports of such committees.

5.2. Applicability of Standing Orders and Standing Financial Instructions to Committees The Standing Orders and Standing Financial Instructions of the Trust, as far as they are applicable, shall as appropriate apply to meetings and any committees established by the Board. In which case the term "Chair" is to be read as a reference to the Chair of other committee as the context permits, and the term "Director" is to be read as a reference to a member of the committee also as the context permits. (There is no requirement to hold meetings of committees established by the Board in public.)

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

5.4. Sub-Committees

5.4.1.A committee may, subject to any applicable legislation and directions and any restrictions imposed by the Board, appoint sub-committees consisting wholly or partly of directors of the Trust or wholly of persons who are not directors of the Trust.

5.4.2. Where committees have been delegated executive powers and are authorised to establish sub-committees, they may not delegate executive powers to the sub-committee unless expressly authorised by the Trust Board.

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

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

5.7. Committees established by the Trust Board

5.7.1.1. The committees and sub-committees established by the Board are:

5.7.1.1.1.	Audit and Risk Committee
5.7.1.1.2.	Remuneration Committee
5.7.1.1.3.	Charitable Funds Committee
5.7.1.1.4.	Quality & Safety Committee
5.7.1.1.5.	Finance, Investment & Performance Committee
5.7.1.1.6.	North Cumbria Systems Leadership Board

5.8. Other Committees The Board may also establish such other committees as required to discharge the Trust's responsibilities. These committees will be reviewed on an annual basis by the Board.

5.9. Confidentiality

5.9.1. 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.

5.9.2. A Director or a member of a committee shall not disclose any matter reported to the Board or otherwise dealt with by the committee, notwithstanding that the matter has been reported or action has been concluded, if the Board or committee shall resolve that it is confidential without the permission of the Board/committee as applicable.

5.9.3. Nothing in the above sections shall restrict staff acting within the applicable law on whistleblowing.

6. ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION

6.1. Save for any powers which, under the provisions of any statute, the Board is not permitted to delegate, the Board shall agree from time to time to the delegation of executive powers to be exercised by committees or sub-committees, which it has formally constituted. The constitution and terms of reference of these committees or sub-committees, and their specific executive powers shall be approved by the Board.

6.2. Emergency Powers and urgent decisions The powers which the Board has reserved to itself within these Standing Orders may in emergency or for an urgent decision be exercised by the Chief Executive and the Chair after having consulted at least two Non-Executive Directors. The exercise of such powers by the Chief Executive and Chair shall be reported to the next formal meeting of the Trust Board in public session for formal ratification.

6.3. Delegation to Officers

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

6.3.2. The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals which shall be considered and approved by the Board, subject to any amendment agreed during the discussion. The Chief Executive may periodically propose amendment to the Scheme of Delegation which shall be considered and approved by the Board.

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

6.4. Schedule of Matters Reserved to the Trust and Scheme of Delegation of powers The arrangements made by the Board as set out in the "Schedule of Matters Reserved to the Board" and "Scheme of Delegation" of powers shall have effect as if incorporated in these Standing Orders.

6.5. Duty to report non-compliance with Standing Orders and Standing Financial Instructions If for any reason these Standing Orders are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance, shall be reported to the next formal meeting of the Board for action or ratification. All members of the Board and staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive as soon as possible.

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

7.1. Declaration of Interests

7.1.1. Requirements for Declaring Interests and applicability to Board Members The NHS Code of Accountability requires Directors to declare interests which are relevant and material to the Board of which they are a member. All existing Directors should declare such interests. Any Directors appointed subsequently should do so on appointment.

7.1.2. Interests which are relevant and material Interests which should be regarded as "relevant and material" include:

7.1.2.1. Directorships, including Non-Executive Directorships held in private companies or PLCs (with the exception of those of dormant companies);

7.1.2.2. Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS;

7.1.2.3. Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS;

7.1.2.4. A position of authority in a charity or voluntary organisation in the field of health and social care;

7.1.2.5. Any connection with a voluntary or other organisation contracting for NHS services;

7.1.2.6. Research funding/grants that may be received by an individual or their department;

7.1.2.7. Interests in pooled funds that are under separate management.

7.1.3. If any member of the Board who comes to know that the Trust has entered into or proposes to enter into a contract in which he or any person connected with him/her (as defined below and elsewhere) has any pecuniary interest, direct or indirect, the member shall declare his/her interest by giving notice in writing of such fact to the Trust as soon as practicable.

7.1.4. On appointment, and by annual review, all Directors will undertake a Fit and Proper Persons Test to ensure compliance with the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014, regulation 5.

7.1.5. **Advice on Interests** If Board members have any doubt about the relevance of an interest, this should be discussed with the Chair or with the Company Secretary.

7.1.6. **Recording of Interests in Trust Board minutes**

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

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

7.1.7. **Publication of declared interests in Annual Report**

7.1.7.1. 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.

7.1.8. **Conflicts of interest which arise during the course of a meeting** During the course of a Trust Board meeting, if a conflict of interest is established, the Board member concerned should withdraw from the meeting and play no part in the relevant discussion or decision.

8. **REGISTER OF INTERESTS**

8.1. The Chief Executive will ensure that a Register of Interests is established to record formally declarations of interests of Board or Committee members. In particular the Register will include details of all directorships and other relevant and material interests which have been declared by both Executive and Non-Executive Trust Board members.

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

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

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

9.1. Definition of terms used in interpreting 'Pecuniary' interest For the sake of clarity, the following definition of terms is to be used in interpreting this Standing Order:

9.1.1. "spouse" shall include any person who lives with another person in the same household (and any pecuniary interest of one spouse shall, if known to the other spouse, be deemed to be an interest of that other spouse);

9.1.2. "contract" shall include any proposed contract or other course of dealing.

9.1.3. "Pecuniary interest"

9.1.3.1. Subject to the exceptions set out in this Standing Order, a person shall be treated as having an indirect pecuniary interest in a contract if:-

9.1.3.1.1. he, or a nominee of his/her, is a member of a company or other body (not being a public body), with which the contract is made, or to be made or which has a direct pecuniary interest in the same, or

9.1.3.1.2. he is a partner, associate or employee of any person with whom the contract is made or to be made or who has a direct pecuniary interest in the same.

9.1.4. Exception to Pecuniary interests

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

9.1.4.1.1. neither he or any person connected with him/her has any beneficial interest in the securities of a company of which he or such person appears as a member; or

9.1.4.1.2. any interest that he or any person connected with him/her may have in the contract is so remote or insignificant that it cannot reasonably be regarded as likely to influence him/her in relation to considering or voting on that contract; or

9.1.4.1.3. those securities of any company in which he (or any person connected with him/her) has a beneficial interest do not exceed £5,000 in nominal value or one per cent of the total issued share capital of the company or of the relevant class of such capital, whichever is the less. Provided however, that where this applies the person shall nevertheless be obliged to disclose/declare their interest.

9.2. Exclusion in proceedings of the Trust Board Subject to the following provisions of this Standing Order, if the Chair or Director of the Trust has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Board at which the contract or other matter is the subject of consideration, they shall at the meeting and as soon as practicable after its commencement disclose the fact and shall not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it.

9.3. The Secretary of State may, subject to such conditions as he may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to him/her in the interests of the National Health Service that the disability should be removed. (See SO 9.7 on the 'Waiver' which has been approved by the Secretary of State for Health).

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

9.5. Any remuneration, compensation or allowance payable to the Chair or a Non-Executive Director shall not be treated as a pecuniary interest for the purpose of this Standing Order.

9.6. This Standing Order applies to a committee or sub-committee and to a joint committee or sub-committee as it applies to the Trust and applies to a member of any such committee or sub-committee (whether or not he is also a member of the Trust) as it applies to a Director of the Trust.

9.7. Waiver of Standing Orders made by the Secretary of State for Health

9.7.1. Power of the Secretary of State to make waivers

9.7.1.1. Under regulation 11(2) of the NHS (Membership and Procedure Regulations SI 1999/2024 (“the Regulations”), there is a power for the Secretary of State to issue waivers if it appears to the Secretary of State in the interests of the health service that the disability in regulation 11 (which prevents a Chair or a member from taking part in the consideration or discussion of, or voting on any question with respect to, a matter in which he has a pecuniary interest) is removed. A waiver has been agreed in line with sub-sections (2) to (4) below.

9.7.2. Definition of ‘Chair’ for the purpose of interpreting this waiver For the purposes of paragraph 7.3.3.(3) (below), the “relevant Chair” is –

9.7.2.1. at a meeting of the Trust, the Chair of that Trust;

9.7.2.2. at a meeting of a Committee –

9.7.2.2.1. in a case where the member in question is the Chair of that Committee, the Chair of the Trust;

9.7.2.2.2. in the case of any other member, the Chair of that Committee.

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

9.7.3.1. A member of the Trust who is a healthcare professional, within the meaning of regulation 5(5) of the Regulations, and who is providing or performing, or assisting in the provision or performance, of –

9.7.3.1.1. services under the National Health Service Act 2006; or

9.7.3.1.2. services in connection with a pilot scheme under the National Health Service Act 2006 for the benefit of persons for whom the Trust is responsible.

9.7.3.2. Where the ‘pecuniary interest’ of the member in the matter which is the subject of consideration at a meeting at which he is present:-

9.7.3.2.1. arises by reason only of the member’s role as such a professional providing or performing, or assisting in the provision or performance of, those services to those persons;

9.7.3.2.2. has been declared by the relevant Chair as an interest which cannot reasonably be regarded as an interest more substantial than that of the majority of other persons who:-

9.7.3.2.2.1. are members of the same profession as the member in question,

9.7.3.2.2.2. are providing or performing, or assisting in the provision or performance of, such of those services as he provides or performs, or assists in the provision or performance of, for the benefit of persons for whom the Trust is responsible.

9.7.4. Conditions which apply to the waiver and the removal of having a pecuniary interest The removal is subject to the following conditions:

9.7.4.1. the member must disclose his/her interest as soon as practicable after the commencement of the meeting and this must be recorded in the minutes;

9.7.4.2. the relevant Chair must consult the Chief Executive before making a declaration in relation to the member in question pursuant to paragraph 9.7.3.2.2 above, except where that member is the Chief Executive;

9.7.5.in the case of a meeting of the Trust:

9.7.5.1. the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;

9.7.5.2. may not vote on any question with respect to it.

9.7.6.in the case of a meeting of the Committee:

9.7.6.1. the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;

9.7.6.2. may vote on any question with respect to it; but

9.7.6.3. the resolution which is subject to the vote must comprise a recommendation to, and be referred for approval by, the Trust Board.

10. STANDARDS OF BUSINESS CONDUCT

10.1. It is the responsibility of all Directors and Trust staff to ensure that they are not placed in a position which risks, or appears to risk, conflict between their private interests and their official duties on behalf of the Trust.

10.2. **Trust Policy and National Guidance** All Trust staff and Directors must comply with the Trust's Standards of Business Conduct, Code of Conduct for NHS Managers, Conflicts of Interest Policy and other relevant HR, hospitality, fraud and bribery policies. The Directors shall also comply with the code of conduct for Directors from time to time approved by the Board.

10.3. **Interest of Officers in Contracts** Any officer or employee of the Trust who comes to know that the Trust has entered into or proposes to enter into a contract in which he or any person connected with him/her (as defined in these Standing Orders) has any pecuniary interest, direct or indirect, the Officer shall declare their interest by giving notice in writing of such fact to the Chief Executive or Trust's Company Secretary as soon as practicable.

10.4. An Officer should also declare to the Chief Executive any other employment or business or other relationship of his/her, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.

10.5. The Trust will require interests, employment or relationships so declared to be entered in a register of interests of staff.

11. CANVASSING OF AND RECOMMENDATIONS BY DIRECTORS IN RELATION TO APPOINTMENTS

11.1. Canvassing of Directors of the Trust or members of any Committee of the Trust directly or indirectly for any appointment under the Trust shall disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.

11.2. A Director shall not solicit for any person any appointment under the Trust or recommend any person for such appointment; but this paragraph of this Standing Order shall not preclude a Director from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.

11.3. Informal discussions outside appointments panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.

11.4. **Relatives of Directors or Officers**

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

11.4.2. The Chair and every Director and officer of the Trust shall disclose to the Board any relationship between himself/herself and a candidate of whose candidature that Director or officer is aware. It shall be the duty of the Chief Executive to report to the Board any such disclosure made.

11.4.3. 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 holder of any office under the Trust.

11.4.4. Where the relationship to a Director of the Trust is disclosed, the Standing Order headed 'Disability of Chair and Non-Executive Directors in proceedings on account of pecuniary interest' (SO 9) shall apply.

12. CUSTODY OF SEAL, SEALING OF DOCUMENTS AND SIGNATURE OF DOCUMENTS

12.1. **Custody of Seal** The common seal of the Trust shall be kept by the Company Secretary or a nominated manager by him/her in a secure place.

12.2. **Sealing of Documents**

12.2.1. The seal of the Trust shall not be fixed to any documents unless the sealing has been authorised by a resolution of the Board which expression includes, by virtue of the resolution of the Board adopting these Standing Orders, documents approved for sealing by the Chief Executive.

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

12.3. **Register of Sealing** An entry of every sealing shall be made and numbered consecutively in a book provided for that purpose by the Company Secretary. A report of all sealings shall be made to the Board of Directors at least quarterly. The report shall contain details of the seal number, the description of the document and date of sealing.

12.4. **Signature of documents**

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

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

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

13. MISCELLANEOUS

13.1. **Distribution of Standing Orders** It is the duty of the Chief Executive to ensure that existing Directors and officers and all new appointees are notified of and understand their responsibilities within and the importance of compliance with the Standing Orders and Standing Financial Instructions. Updated copies shall be issued to staff designated by the Chief Executive. New designated officers shall be informed in writing and shall receive copies where appropriate of Standing Orders. The Trust intends that these Standing Orders will apply equally to all external consultants or other agents acting on behalf of the Trust.

13.2. **Policy statements: general principles** The Trust may agree and approve policy statements/procedures which will apply to all or specific groups of staff employed by the Trust. The decisions to approve such policies and procedures will be recorded in an appropriate Board minute and will be deemed to be an integral part of the Trust's Standing Orders and Standing Financial Instructions.

13.3. **Company Secretary**

13.3.1. The Chair and the Chief Executive may appoint and remove a Company Secretary who may be an employee of the Trust but who may not be a Governor or the Chief Executive or the Director of Finance.

13.3.2. The functions of any Company Secretary appointed shall include:

13.3.2.1. acting as Secretary to the Board of Directors and any committees of the Board of Directors;

13.3.2.2. summoning and attending all meetings of the Board of Directors, and keeping the minutes of those meetings; and

13.3.2.3. having charge of the Trust's seal;

13.4. **Review of Standing Orders** Standing Orders shall be reviewed annually by the Board. The requirement for review extends to all documents having the effect as if incorporated in Standing Orders which shall be the Standing Financial Instructions and Scheme of Reservation and Delegation.

SECTION C – SCHEMES OF
RESERVATION AND
DELEGATION DERIVED
FROM STANDING ORDERS

PART A - SCHEME OF DECISIONS RESERVED TO THE BOARD

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p>General Enabling Provision</p> <p>The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.</p>
NA	THE BOARD	<p><i>Regulations and Control</i></p> <ol style="list-style-type: none"> 1. Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business. 2. Suspend Standing Orders. 3. Vary or amend the Standing Orders. 4. Ratify any urgent decisions taken by the Chair and Chief Executive in public session in accordance with SO 5.2 5. Approve a scheme of delegation of powers from the Board to committees. 6. Require and receive the declaration of Board members' interests that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration. 7. Require and receive the declaration of officers' interests that may conflict with those of the Trust. 8. Approve arrangements for dealing with complaints. 9. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto. 10. Receive reports from committees including those that the Trust is required by the Secretary of State or other regulation to establish and to take appropriate action on. 11. Confirm the recommendations of the Trust's committees where the committees do not have executive powers. 12. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust. 13. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board. 14. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property. 15. Authorise use of the seal.

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		16. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 5.6. 17. Discipline members of the Board or employees who are in breach of statutory requirements or SOs.
NA	THE BOARD	Appointments/ Dismissal <ol style="list-style-type: none"> 1. Appoint the Vice Chair of the Board. 2. Appoint and dismiss committees (and individual members) that are directly accountable to the Board. 3. Appoint, appraise, discipline and dismiss Executive Directors (subject to SO 2.2). 4. Appoint, appraise, discipline and dismiss the Company Secretary (if the appointment of a Secretary is required under Standing Orders) 5. Confirm appointment of members of any committee of the Trust as representatives on outside bodies. 6. Approve proposals of the Remuneration Committee regarding directors and senior employees and those of the Chief Executive for staff not covered by the Remuneration Committee. 7. Agree arrangements for succession planning of the Board
NA	THE BOARD	Strategy, Plans and Budgets <ol style="list-style-type: none"> 1. Define the strategic aims and objectives of the Trust. 2. Approve the Trust's Annual Business Plan. 3. Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State or Care Quality Commission. 4. Approve the Trust's policies and procedures for the management of risk. 5. Approve Outline and Final Business Cases for Capital Investment. 6. Approve budgets. 7. Approve annually Trust's proposed organisational development plan. 8. Ratify proposals for acquisition, disposal or change of use of land and/or buildings. 9. Approve PFI proposals. 10. Approve the opening of bank accounts. 11. Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over [£500,000] over a 3 year period or the period of the contract if longer. 12. Approve proposals in individual cases for the write off of losses or making of special payments above

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<p>the limits of delegation to the Chief Executive and Director of Finance (for losses and special payments) previously approved by the Board.</p> <p>13. Approve individual compensation payments.</p> <p>14. Approve proposals for action on litigation against or on behalf of the Trust.</p> <p>15. Review use of NHSLA risk pooling schemes (LPST/CNST/RPST).</p>
NA	THE BOARD	<p>Policy Determination</p> <p>1. Approve management policies including personnel policies incorporating the arrangements for the appointment, removal and remuneration of staff.</p> <p>2. Policies so adopted shall be listed and appended to this document [by the Secretary]</p>
NA	THE BOARD	<p>Audit</p> <p>1. Receipt of the annual audit letter received from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit & Risk Committee.</p> <p>2. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit & Risk Committee.</p> <p>3. Receive recommendations from the Audit & Risk Committee in relation to the appointment of the External Auditors.</p>
NA	THE BOARD	<p>Annual Reports and Accounts</p> <p>1. Receipt and approval of the Trust's Annual Report and Annual Accounts.</p> <p>2. Receipt and approval of the Annual Report and Accounts for funds held on trust.</p>
NA	THE BOARD	<p>Monitoring</p> <p>1. Receive of such reports as the Board sees fit from committees in respect of their exercise of powers delegated.</p> <p>2. Continuous appraisal of the affairs of the Trust by means of the provision to the Board as the Board may require from directors, committees, and officers of the Trust as set out in management policy statements. All monitoring returns required by the Department of Health and the Charity Commission shall be reported, at least in summary, to the Board.</p> <p>3. Receive reports from DoF on financial performance against budget and Annual Plan.</p> <p>4. Receive reports from CE or DoF on actual and forecast income from SLA.</p> <p>5. Receive adequate reporting and information on the standards of safety and quality delivered across the Trust.</p>

PART B - DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
SFI 11.1.1	AUDIT & RISK COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Advise the Board on internal and external audit services; 2. The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisations' activities (both clinical and non-clinical), that supports the achievement of the organisations' objectives; 3. Monitor compliance with Standing Orders and Standing Financial Instructions; 4. Review schedules of losses and compensations and making recommendations to the Board; 5. Review schedules of debtor/creditor balances >£5k, >6 months; 6. Review the annual financial statements prior to submission to the Board.
SFI 20.1.2	REMUNERATION AND TERMS OF SERVICE COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Advise the Board about appropriate remuneration and terms of service for the Chief Executive, other Executive Directors and other senior employees including: 2. All aspects of salary (including any performance-related elements/bonuses); 3. Provisions for other benefits, including pensions and cars; 4. Arrangements for termination of employment and other contractual terms; 5. Make recommendations to the Board on the remuneration and terms of service of executive directors and senior employees to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such staff; 6. Proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate advise on and oversee appropriate contractual arrangements for such staff; 7. The Committee shall report in writing to the Board the basis for its recommendations.
HSC 1999/065	QUALITY & SAFETY COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Set the strategy for Governance for the Trust in line with the Care Quality Commission (CQC) and other External Regulatory Bodies 2. Identify mechanisms to establish relevant standards for clinical and non-clinical aspects of car, using

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<p>acknowledged best practice and in relationship to the risk areas identified through the CQC regulations and outcomes.</p> <ol style="list-style-type: none"> 3. Encourage Trust wide ownership at all levels of the principles of Clinical and Corporate Governance. All staff must take responsibility and accountability to ensure that all components of Clinical and Corporate Governance are fulfilled. 4. Develop annual governance plan and setting Directorate objectives. Reviewing achievement of objectives and producing annual report. 5. To ensure that the Operational Clinical Divisions have Integrated Governance issues firmly established on their agenda for improving services and have a mechanism for reporting actions taken or proposed to the Governance Committee. 6. Keep the Trust Board informed of relevant issues relating to Governance. 7. Ensure links are made with Primary Care Commissioners in order to develop a common approach to Clinical and Corporate Governance standards, embracing the principles of Governance between Organisations. 8. To review the Trust's Corporate Risk Register and agree action plans and priorities. 9. Receive minutes of the assurance sub committees.
	<p>CHARITABLE FUNDS COMMITTEE</p>	<p>The Committee will:</p> <ol style="list-style-type: none"> 1. Ensure that the statutory Trusteeship Responsibilities of the North Cumbria University Hospitals Charitable Fund are properly exercised 2. Ensure all Charitable Funds are correctly registered with the Charity Commissioners and that the income and property of the charity is applied for the purposes set out in the governing documents. 3. Approve the formation and registration of any new Special Purpose Charities or the dissolution of any dormant Funds. 4. Ensure the charity's income is not allowed to accumulate unless there is a specific future use in mind 5. Ensure any fundraising activity carried out by or on behalf of the charity is properly undertaken and that all funds collected are properly accounted for. 6. Ensure money not needed for immediate use is invested and that the form of the investment is most suitable to the charity's needs. 7. Advise the Trust Board on all matters relating to the investments including the appointment and performance monitoring of Investment Advisors where appropriate. 8. Ensure all income and expenditure is properly accounted and that the Trustees responsibilities for the production of Annual Accounts and an Annual Report are discharged by the due dates. 9. The Charitable Funds Committee shall advise the Trust Board in all matters relating to the Charitable Funds under the control of the Trust Board. Final authority rests with the Trust Board who are the appointed

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		trustees 10. Ensure powers and responsibilities delegated by the Charities Commission are fulfilled.

PART C - SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM (AOM)

AOM REF	DELEGATED TO	DUTIES DELEGATED
Para 7	CHIEF EXECUTIVE (CE)	Accountable through NHS Accounting Officer to Parliament for stewardship of Trust resources.
Para 9	CE AND DIRECTOR OF FINANCE (DOF)	Ensure the accounts of the Trust are prepared under principles and in a format directed by the SofS. Accounts must disclose a true and fair view of the Trust's income and expenditure and its state of affairs. Sign the accounts on behalf of the Board.
Para 10	CHIEF EXECUTIVE	Sign a statement in the accounts outlining responsibilities as the Accountable Officer. Sign a statement in the accounts outlining responsibilities in respect of Internal Control.
Para12 & 13	CHIEF EXECUTIVE	<i>Ensure effective management systems that safeguard public funds and assist the Trust Chair to implement requirements of corporate governance including ensuring managers:</i> <ul style="list-style-type: none"> • “have a clear view of their objectives and the means to assess achievements in relation to those objectives • be assigned well defined responsibilities for making best use of resources • have the information, training and access to the expert advice they need to exercise their responsibilities effectively.”
Para 12	CHAIR	Implement requirements of corporate governance.
Para 13	CHIEF EXECUTIVE	Achieve value for money from the resources available to the Trust and avoid waste and extravagance in the organisations' activities. Follow through the implementation of any recommendations affecting good practice as set out on reports from such bodies as the Audit Commission and the National Audit Office (NAO).
Para 15	DOF	Operational responsibility for effective and sound financial management and information.
Para 15	CHIEF EXECUTIVE	Primary duty to see that DoF discharges this function.
Para 16	CHIEF EXECUTIVE	Ensuring that expenditure by the Trust complies with Parliamentary requirements.

AOM REF	DELEGATED TO	DUTIES DELEGATED
Para 18	CE and DoF	Chief Executive, supported by Director of Finance, to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
Para 19	CHIEF EXECUTIVE	If CE considers the Board or Chair is doing something that might infringe probity or regularity, he should set this out in writing to the Chair and the Board. If the matter is unresolved, he/she should ask the Audit & Risk Committee to inquire and if necessary the NHSI and Department of Health.
Para 21	CHIEF EXECUTIVE	If the Board is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the CE's responsibility for value for money, the CE should draw the relevant factors to the attention of the Board. If the outcome is that you are overruled it is normally sufficient to ensure that your advice and the overruling of it are clearly apparent from the papers. Exceptionally, the CE should inform the NHSI and the DH. In such cases, and in those described in paragraph 24, the CE should as a member of the Board vote against the course of action rather than merely abstain from voting.

PART D - SCHEME OF DELEGATION DERIVED FROM THE CODES OF CONDUCT AND ACCOUNTABILITY

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
BOARD	Approve procedure for declaration of hospitality and sponsorship.
BOARD	Ensure proper and widely publicised procedures for voicing complaints, concerns about misadministration, breaches of Code of Conduct, and other ethical concerns.
ALL BOARD MEMBERS	Subscribe to Code of Conduct.
BOARD	Board members share corporate responsibility for all decisions of the Board.
CHAIR AND NON-EXECUTIVE MEMBERS	Chair and non-executive members are responsible for monitoring the executive management of the organisation and are responsible to the SofS for the discharge of those responsibilities.
BOARD	<p>The Board has six key functions for which it is held accountable by the Department of Health on behalf of the Secretary of State:</p> <ol style="list-style-type: none"> 1. to ensure effective financial stewardship through value for money, financial control and financial planning and strategy; 2. to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation; 3. to appoint, appraise and remunerate senior executives; 4. to ratify the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer term objectives and agree plans to achieve them; 5. to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary; 6. to ensure effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs. <p>In addition to this the Board will:</p> <ol style="list-style-type: none"> 7. be collectively responsible for the safety and quality of care given to patients. 8. set and embed the organisations values. 9. provide active leadership of the organisation within a framework of prudent effective controls, which enable risk to be assessed and managed.

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
BOARD	<p>It is the Board's duty to:</p> <ol style="list-style-type: none"> 1. act within statutory financial and other constraints; 2. be clear what decisions and information are appropriate to the Board and draw up Standing Orders, a schedule of decisions reserved to the Board and Standing Financial Instructions to reflect these, 3. ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives for the main programmes of action and for performance against programmes to be monitored and senior executives held to account; 4. establish performance and quality measures that maintain the effective use of resources and provide value for money; 5. specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities; 6. establish Audit and Remuneration Committees on the basis of formally agreed terms of reference that set out the membership of the sub-committee, the limit to their powers, and the arrangements for reporting back to the Board.
CHAIR	<p>It is the Chair's role to:</p> <ol style="list-style-type: none"> 1. provide leadership to the Board; 2. enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team; 3. ensure that key and appropriate issues are discussed by the Board in a timely manner, 4. ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions; 5. lead Non-Executive Board members through a formally-appointed Remuneration Committee of the main Board on the appointment, appraisal and remuneration of the Chief Executive and (with the latter) other Executive Board members; 6. appoint Non-Executive Board members to an Audit & Risk Committee of the main Board; 7. advise the Secretary of State on the performance of Non-Executive Board members.
CHIEF EXECUTIVE	<p>The Chief Executive is accountable to the Chair and Non-Executive members of the Board for ensuring that its decisions are implemented, that the organisation works effectively, in accordance with Government policy and public service values and for the maintenance of proper financial stewardship.</p> <p>The Chief Executive should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Board.</p> <p>The other duties of the Chief Executive as Accountable Officer are laid out in the Accountable Officer Memorandum.</p>
NON-EXECUTIVE	<p>Non-Executive Directors are appointed by NHSI to bring independent judgement to bear on issues of strategy, performance,</p>

DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
DIRECTORS	key appointments and accountability through the Department of Health to Ministers and to the local community.
CHAIR AND DIRECTORS	Declaration of conflict of interests.
BOARD	NHS Boards must comply with legislation and guidance issued by the Department of Health on behalf of the Secretary of State, respect agreements entered into by themselves or in on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money.

**SECTION D – STANDING
FINANCIAL INSTRUCTIONS**

STANDING FINANCIAL INSTRUCTIONS

10. INTRODUCTION

10.1 General

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

10.2 Responsibilities and delegation

10.2.1 The Trust Board

The Board exercises financial supervision and control by:

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

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

10.2.3 **The Chief Executive and Director of Finance**

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

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

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

10.2.5 **The Director of Finance**

The Director of Finance is responsible for:

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

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

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

10.2.6 **Board Members and Employees**

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

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

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

10.2.7 **Contractors and their employees**

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

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

11. **AUDIT**

11.1 **Audit & Risk Committee**

- 11.1.1 In accordance with Standing Orders, the Board shall formally establish an Audit & Risk Committee, with clearly defined terms of reference and following guidance from the NHS Audit & Risk Committee Handbook (2005), which will provide an independent and objective view of internal control by:

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

- 11.1.2 Where the Audit & Risk Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chair of the Audit & Risk Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Department of Health (to the Director of Finance in the first instance).

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

11.2 Director of Finance

11.2.1 The Director of Finance is responsible for:

- (a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective Internal Audit function;
- (b) ensuring that the Internal Audit is adequate and meets the NHS mandatory audit standards;
- (c) deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption;
- (e) ensuring that an annual internal audit report is prepared for the consideration of the Audit & 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 including for example compliance with control criteria and standards;
 - (ii) major internal financial control weaknesses discovered;
 - (iii) progress on the implementation of internal audit recommendations;
 - (iv) progress against plan over the previous year;
 - (v) strategic audit plan covering the coming three years;
 - (vi) a detailed plan for the coming year.

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

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

11.3 Role of Internal Audit

11.3.1 Internal Audit will review, appraise and report upon:

- (a) the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;
- (b) the adequacy and application of financial and other related management controls;
- (c) the suitability of financial and other related management data;
- (d) the extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:

- (i) fraud and other offences;
- (ii) waste, extravagance, inefficient administration;
- (iii) poor value for money or other causes.

(e) Internal Audit shall also independently verify the Assurance Statements in accordance with guidance from the Department of Health.

(f) assessment of risk management and governance arrangements.

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

11.3.3 The Chief Internal Auditor will normally attend Audit & Risk Committee meetings and has a right of access to all Audit & Risk Committee members, the Chair and Chief Executive of the Trust.

11.3.4 The Chief Internal Auditor shall be accountable to the Director of Finance. The reporting system for internal audit shall be agreed between the Director of Finance, the Audit & Risk Committee and the Chief Internal Auditor. The agreement shall be in writing and shall comply with the guidance on reporting contained in the Public Sector Internal Audit Standards. The reporting system shall be reviewed at least every three years.

11.4 External Audit

11.4.1 The External Auditor is appointed by the Board on a recommendation from the Audit and Risk Committee. The Audit and Risk Committee recommendation arises from a competitive procurement exercise, conducted in accordance with the Trust's procurement policy. Any issues with the external audit service are initially considered by the Audit and Risk Committee, with any unresolved issues being referred to the Board.

11.5 Fraud, Bribery and Corruption

11.5.1 In line with their responsibilities, the Trust Chief Executive and Director of Finance shall monitor and ensure compliance with requirements as detailed in the NHS Contract for healthcare services on fraud and corruption, this will also include monitoring compliance with the Bribery Act.

11.5.2 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist, [Internal Audit Consortium](#), [AuditOne](#), as specified by NHS Protect.

11.5.3 NHS Protect staff shall report to the Trust Director of Finance and shall work with staff from NHS Protect in accordance with the Department of Health Fraud and Corruption Manual.

11.5.4 The Local Counter Fraud , [Internal Audit Consortium](#), [AuditOne](#), will provide a written report, at least annually, on counter fraud work within the Trust.

11.5.5 The Bribery Act 2010 replaces the 'Prevention of Corruption Acts 1906 and 1916' with new corporate and individual offences as defined in s17.5 of these Standing Financial Instructions. All staff and contractors must be made aware of the Act and Anti-Bribery Policy to ensure compliance. Any breach of the Act may result in criminal proceedings being commenced.

11.6 Security Management

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

12. RESOURCE LIMIT CONTROL

Not applicable to NHS Trusts.

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

13.1 Preparation and Approval of Plans and Budgets

- 13.1.1 The Chief Executive will compile and submit to the Board an Annual Plan which takes into account financial targets and forecast limits of available resources. The Annual Plan will contain:
- (a) a statement of the significant assumptions on which the plan is based;
 - (b) details of major changes in workload, delivery of services or resources required to achieve the plan.
- 13.1.2 Prior to the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board. Such budgets will:
- (a) be in accordance with the aims and objectives set out by the Trust's commissioners;
 - (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;
 - (e) identify potential risks.
- 13.1.3 The Director of Finance shall monitor financial performance against budget and plan, periodically review them, and report to the Board.
- 13.1.4 All budget holders must provide information as required by the Director of Finance to enable budgets to be compiled.

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

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

13.2 Budgetary Delegation

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

- (a) the amount of the budget;
- (b) the purpose(s) of each budget heading;
- (c) individual and group responsibilities;
- (d) authority to exercise virement;
- (e) achievement of planned levels of service;
- (f) the provision of regular reports.

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

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

13.2.4 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.

13.3 Budgetary Control and Reporting

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

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

- (e) arrangements for the authorisation of budget transfers.

13.3.2 Each Budget Holder is responsible for ensuring that:

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

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

13.4 Capital Expenditure

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

13.5 Monitoring Returns

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

14. ANNUAL ACCOUNTS AND REPORTS

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

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

14.2 The Trust's annual accounts must be audited by the external auditors. The Trust's audited annual accounts must be presented to a public meeting and made available to the public.

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

15. BANK ACCOUNTS

15.1 General

15.1.1 The Director of Finance is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance / Directions

issued from time to time by the Department of Health. In line with 'Cash Management in the NHS' Trusts should minimise the use of commercial bank accounts.

15.1.2 The Board shall approve the banking arrangements.

15.2 Bank Accounts

15.2.1 The Director of Finance is responsible for:

- (a) bank accounts and;
- (b) establishing separate bank accounts for the Trust's non-exchequer funds;
- (c) ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made;
- (d) reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn.
- (e) monitoring compliance with DH guidance on the level of cleared funds.

15.3 Banking Procedures

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

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

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

15.4 Tendering and Review

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

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

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

16.1 Income Systems

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

16.1.2 The Director of Finance is also responsible for the prompt banking of all monies received.

16.2 Fees and Charges

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

16.3 Debt Recovery

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

16.4 Security of Cash, Cheques and other Negotiable Instruments

- 16.4.1 The Director of Finance is responsible for:
- (a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
 - (b) ordering and securely controlling any such stationery;
 - (c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines;
 - (d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.
- 16.4.2 Official money shall not under any circumstances be used for the encashment of private cheques or 'IOUs'.
- 16.4.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.
- 16.4.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the Trust is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the Trust from responsibility for any loss.

17. TENDERING AND CONTRACTING PROCEDURE

17.1 Duty to comply with Standing Orders and Standing Financial Instructions

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

17.2 EU Directives Governing Public Procurement

Directives by the Council of the European Union promulgated by the Department of Health (DH) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders and Standing Financial Instructions.

17.3 Reverse eAuctions

The Trust should have policies and procedures in place for the control of all tendering activity carried out through Reverse eAuctions. For further guidance on Reverse eAuctions refer to www.ogc.gov.uk.

17.4 Capital Investment Manual and other Department of Health Guidance

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

17.5 The Bribery Act 2010

The Bribery Act 2010 replaces the fragmented and complex offences at common law and in the Prevention of Corruption Acts 1889-1916. It introduces new offences broadly defined below:

- Two general offences of bribery:
 - 1) Offering or giving a bribe to induce someone to behave, or to reward someone for behaving, improperly and,
 - 2) requesting or accepting a bribe either in exchange for acting improperly, or where the request or acceptance is itself improper.
- The new corporate offence of negligently failing by the Trust to prevent bribery being given or offered by an employee or agent on behalf of that organisation.

All personnel involved in procurement, tendering and contacting activities must be aware of the Bribery Act 2010 and Anti-Bribery Policy, and must ensure that all dealings with other organisations and their staff do not bring them into any breach of the Act that could leave them and/or the Trust open to criminal proceeding.

17.5 Formal Competitive Tendering

17.5.1 General Applicability

The Trust shall ensure that competitive tenders are invited for:

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

17.5.2 Health Care Services

Where the Trust elects to invite tenders for the supply of healthcare services these Standing Orders and Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure and need to be read in conjunction with Standing Financial Instruction No. 18 and No. 19.

17.5.3 Exceptions and instances where formal tendering need not be applied

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

- (a) the estimated expenditure or income does not, or is not reasonably expected to, exceed **£50,000**;
- (b) where the supply is proposed under special arrangements negotiated by the DH in which event the said special arrangements must be complied with;
- (c) regarding disposals as set out in Standing Financial Instructions No. 25;

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

- (a) in very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Trust record;
- (b) where the requirement is covered by an existing contract;
- (c) where collaborative framework agreements are in place and a lead organisation has carried out legally compliant competitive tendering prior to the formation of the agreement.
- (d) where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
- (e) where specialist expertise is required and is available from only one source;
- (f) when the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;
- (g) 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;
- (h) for the provision of specialist legal advice and services not available through the Trust's legal services contract providing that any legal firm or partnership commissioned by the Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned.

The Director of Finance will ensure that any fees paid are reasonable and within commonly accepted rates for the costing of such work.

- (i) where allowed and provided for in the Capital Investment Manual.

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

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

17.5.4 Fair and Adequate Competition

Where the exceptions set out in SFI Nos. 17.1 and 17.5.3 apply, the Trust shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, and in no case less than two firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.

17.5.5 Building and Engineering Construction Works

Competitive Tendering cannot be waived for building and engineering construction works and maintenance (other than in accordance with Concode) without Departmental of Health approval.

17.5.6 Items which subsequently breach thresholds after original approval

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

17.6 Contracting/Tendering Procedure

17.6.1 Invitation to tender

- (i) All invitations to tender shall be carried out electronically using an approved e-tendering system wherever possible.
- (ii) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- (iii) Where invitations to tender have to be sent out and returned manually, invitations to tender shall state that no tender will be accepted unless:
 - (a) submitted in a plain sealed package or envelope bearing a pre-printed label supplied by the Trust (or the word "tender" followed by the subject to which it relates) and the latest date and time for the receipt of such tender addressed to the Chief Executive or nominated Managers as set out in the scheme of delegation (section 5).
 - (b) that tender envelopes/ packages shall not bear any names or marks indicating the sender. The use of courier/postal services must not identify the sender on the envelope or on any receipt so required by the deliverer.
- (iv) Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable.
- (v) Every tender for building or engineering works (except for maintenance work, when Estmancode guidance shall be followed) shall embody or be in the terms of the current edition of one of the Joint Contracts Tribunal Standard

Forms of Building Contract or Department of the Environment (GC/Wks) Standard forms of contract amended to comply with concode; or, when the content of the work is primarily engineering, the General Conditions of Contract recommended by the Institution of Mechanical and Electrical 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 Institute of Civil Engineers, the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. These documents shall be modified and/or amplified to accord with Department of Health guidance and, in minor respects, to cover special features of individual projects.

17.6.2 **Receipt and safe custody of tenders**

The Chief Executive or his nominated representative will be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening.

The date and time of receipt of each tender shall be endorsed on the tender documents and in the register of tenders.

17.6.3 **Opening tenders and Register of tenders**

- (i) As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, electronic tenders shall be opened by an officer designated by the Chief Executive. Tenders returned manually shall be opened by two senior officers/managers designated by the Chief Executive.
- (ii) The opening and obtaining of registers and tenders should be undertaken in accordance with the provisions set out in the Trust's detailed scheme of delegation.
- (iii) The involvement of Finance Directorate staff in the preparation of a tender proposal will not preclude the Director of Finance or any approved Senior Manager from the Finance Directorate from serving as one of the two senior managers to open tenders.
- (iv) All Executive Directors/members will be authorised to open tenders.

The Trust's Company Secretary will count as a Director for the purposes of opening tenders.
- (v) Every tender received shall be marked with the date of opening and initialled by those present at the opening.
- (vi) A register shall be maintained by the Chief Executive, or a person authorised by him, to show for each set of competitive tender invitations dispatched:
 - the name of all firms individuals invited;
 - the names of firms individuals from which tenders have been received;
 - the date the tenders were opened;
 - the persons present at the opening;
 - the price shown on each tender;
 - a note where price alterations have been made on the tender.

Each entry to this register shall be signed by those present.

A note shall be made in the register if any one tender price has had so many alterations that it cannot be readily read or understood.

- (vii) Incomplete tenders, i.e. those from which information necessary for the adjudication of the tender is missing, and amended tenders i.e., those amended by the tenderer upon his own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders. (Standing Order No. 17.6.5 below).

17.6.4 **Admissibility**

- (i) If for any reason the designated officers are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) no contract shall be awarded without the approval of the Chief Executive.
- (ii) Where only one tender is sought and/or received, the Chief Executive and Director of Finance shall, as far practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the Trust.

17.6.5 **Late tenders**

- (i) Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Chief Executive or his nominated officer decides that there are exceptional circumstances e.g. despatched in good time but delayed through no fault of the tenderer.
- (ii) Only in the most exceptional circumstances will a tender be considered which is received after the opening of the other tenders and only then if the tenders that have been duly opened have not left the custody of the Chief Executive or his nominated officer or if the process of evaluation and adjudication has not started.
- (iii) While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall be kept strictly confidential, recorded, and held in safe custody by the Chief Executive or his nominated officer.

17.6.6 **Acceptance of formal tenders (See overlap with SFI No. 17.7)**

- (i) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his tender before the award of a contract will not disqualify the tender.
- (ii) The lowest tender, if payment is to be made by the Trust, or the highest, if payment is to be received by the Trust, shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in either the contract file, or other appropriate record.

It is accepted that for most cases tenders will be evaluated on the basis of most economically advantageous offer and only in exceptional circumstances on lowest price.

All factors taken into account in selecting a tenderer must be clearly recorded against pre-determined evaluation criteria notified in the invitation to tender.

- (iii) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.
- (iv) The use of these procedures must demonstrate that the award of the contract was:

- (a) not in excess of the going market rate / price current at the time the contract was awarded;
- (b) that best value for money was achieved.
- (v) All tenders should be treated as confidential and should be retained for inspection.

17.6.7 **Tender reports to the Trust Board**

Reports to the Trust Board will be made on an exceptional circumstance basis only.

17.6.8 **Firms invited to tender**

- (a) Firms invited to tender shall ensure that when engaging, training, promoting or dismissing employees or in any conditions of employment, shall not discriminate against any person because of colour, race, ethnic or national origins, religion or sex, and will comply with the provisions of the Equal Pay Act 1970, the Sex Discrimination Act 1975, the Race Relations Act 1976, and the Disabled Persons (Employment) Act 1944 and any amending and/or related legislation.
- (b) Firms shall conform at least with the requirements of the Health and Safety at Work Act and any amending and/or other related legislation concerned with the health, safety and welfare of workers and other persons, and to any relevant British Standard Code of Practice issued by the British Standard Institution. Firms must provide to the appropriate manager a copy of its safety policy and evidence of the safety of plant and equipment, when requested.
- (c) **Financial Standing and Technical Competence of Contractors**

The Director of Finance may make or institute any enquiries he deems appropriate concerning the financial standing and financial suitability of approved contractors. The Director with lead responsibility for clinical governance will similarly make such enquiries as is felt appropriate to be satisfied as to their technical / medical competence.

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

17.7.1 **General Position on quotations**

Verbal quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income does not exceed £15,000.

17.7.2 **Competitive Quotations**

- (i) Quotations should be obtained from at least three firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the Trust for goods or services that value between £5,000 and £50,000.
- (ii) Quotations should be in writing unless the Chief Executive or his nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.
- (iii) All quotations should be treated as confidential and should be retained for inspection.

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

17.7.3 Non-Competitive Quotations

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

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

17.7.4 Quotations to be within Financial Limits

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

17.8 Authorisation of Tenders and Competitive Quotations

Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation and awarding of a contract may be decided by the following staff to the value of the contract as follows:

Designated Budget Manager	up to	£1,500
Designated Budget Holder	up to	£5,000
General Managers	up to	£15,000
Deputy Business Unit Directors & Deputy Directors of Corporate Services	up to	£25,000
Directors	up to	£50,000
Executive Directors	up to	£100,000
Director of Finance	up to	£250,000
Chief Executive	up to	£500,000
Trust Board	over	£500,000

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

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

17.9 Private Finance for capital procurement

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

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

17.10 Compliance requirements for all contracts

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

- (a) The Trust's Standing Orders and Standing Financial Instructions.
- (b) EU Directives and other statutory provisions.
- (c) Any relevant directions including the Capital Investment Manual, Estatecode and guidance on the Procurement and Management of Consultants.
- (d) Such of the NHS Standard Contract Conditions as are applicable.
- (e) Contracts with Foundation Trusts must be in a form compliant with appropriate NHS guidance.
- (f) Where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited.
- (g) In all contracts made by the Trust, the Board shall endeavour to obtain best value for money by use of all systems in place. The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.

17.11 Personnel and Agency or Temporary Staff Contracts

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

17.12 Healthcare Services Agreements (see overlap with SFI No. 18)

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

The Chief Executive shall nominate officers to commission service agreements with providers of healthcare in line with a commissioning plan approved by the Board.

17.13 Disposals (see overlap with SFI No. 26)

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 policy of the Trust;
- (c) items to be disposed of with an estimated sale value of less than £1,000, this figure to be reviewed on a periodic basis;
- (d) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- (e) land or buildings concerning which DH guidance has been issued but subject to compliance with such guidance.

17.14 In-house Services

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

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

- (a) Specification group, comprising the Chief Executive or nominated officer/s and specialist.
- (b) In-house tender group, comprising a nominee of the Chief Executive and technical support.
- (c) Evaluation team, comprising normally a specialist officer, a supplies officer and a Director of Finance representative. For services having a likely annual expenditure exceeding £ 50,000 a non-executive director should be a member of the evaluation team.

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

17.14.4 The evaluation team shall make recommendations to the Board.

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

17.16 Applicability of SFIs on Tendering and Contracting to funds held in trust (see overlap with SFI No. 29)

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

18. NHS SERVICE AGREEMENTS FOR PROVISION OF SERVICES (see overlap with SFI No. 17.13)

18.1 Service Level Agreements (SLAs)

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

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

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

18.2 Involving Partners and jointly managing risk

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

18.3 Reports to Board on SLAs

The Chief Executive, as the Accountable Officer, will need to ensure that regular reports are provided to the Board detailing actual and forecast income from the SLA. This will include information on costing arrangements, which increasingly should be based upon Healthcare Resource Groups (HRGs). Where HRGs are unavailable for specific services, all parties should agree a common currency for application across the range of SLAs.

19. TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF MEMBERS OF THE TRUST BOARD AND EXECUTIVE COMMITTEE AND EMPLOYEES

19.1 Remuneration and Terms of Service (see overlap with SO No. 4)

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

- 19.1.2 The Committee will:
- (a) advise the Board about appropriate remuneration and terms of service for the Chief Executive, other officer members employed by the Trust and other senior employees including:
 - (i) all aspects of salary (including any performance-related elements/bonuses);
 - (ii) provisions for other benefits, including pensions and cars;
 - (iii) arrangements for termination of employment and other contractual terms;
 - (b) make such recommendations to the Board on the remuneration and terms of service of officer members of the Board (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate;
 - (c) monitor and evaluate the performance of individual officer members (and other senior employees);
 - (d) advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.
- 19.1.3 The Committee shall report in writing to the Board the basis for its recommendations. The Board shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of officer members. Minutes of the Board's meetings should record such decisions.
- 19.1.4 The Board will consider and need to approve proposals presented by the Chief Executive for the setting of remuneration and conditions of service for those employees and officers not covered by the Committee.
- 19.1.5 The Trust will pay allowances to the Chair and non-executive director of the Board in accordance with instructions issued by the Secretary of State for Health.

19.2 Funded Establishment

- 19.2.1 The manpower plans incorporated within the annual budget will form the funded establishment.
- 19.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive.

19.3 Staff Appointments

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

- (a) unless authorised to do so by the Chief Executive;
- (b) within the limit of their approved budget and funded establishment.

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

19.4 Processing Payroll

19.4.1 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;
- (c) making payment on agreed dates;
- (d) agreeing method of payment.

19.4.2 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 employees and allowances;
- (c) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- (d) security and confidentiality of payroll information;
- (e) checks to be applied to completed payroll before and after payment;
- (f) authority to release payroll data under the provisions of the Data Protection Act;
- (g) methods of payment available to various categories of employee and officers;
- (h) procedures for payment by cheque, bank credit, or cash to employees and officers;
- (i) procedures for the recall of cheques and bank credits;
- (j) pay advances and their recovery;
- (k) maintenance of regular and independent reconciliation of pay control accounts;
- (l) separation of duties of preparing records and handling cash;
- (m) a system to ensure the recovery from those leaving the employment of the Trust of sums of money and property due by them to the Trust.

- 19.4.3 Appropriately nominated managers have delegated responsibility for:
- (a) submitting time records, and other notifications in accordance with agreed timetables;
 - (b) completing time records and other notifications in accordance with the Director of Finance's instructions and in the form prescribed by the Director of Finance;
 - (c) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfill obligations in circumstances that suggest they have left without notice, the Director of Finance must be informed immediately.
- 19.4.4 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.

19.5 Contracts of Employment

19.5.1 The Board shall delegate responsibility to an officer for:

- (a) ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation;
- (b) dealing with variations to, or termination of, contracts of employment.
- (c) The Chair and Chief Executive are responsible for issuing Honorary contracts which will be ratified by the Remuneration Committee.

20. NON-PAY EXPENDITURE

20.1 Delegation of Authority

- 20.1.1 The Board will approve the level of non-pay expenditure on an annual basis and the Chief Executive will determine the level of delegation to budget managers, in conjunction with the processes in place for investment approval.
- 20.1.2 The Chief Executive will set out:
- (a) the list of managers who are authorised to place requisitions for the supply of goods and services;
 - (b) the maximum level of each requisition and the system for authorisation above that level.
- 20.1.3 The Chief Executive shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

20.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services (see overlap with Standing Financial Instruction No. 17)

20.2.1 Requisitioning

The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought.

Orders will be placed using the electronic on-line ordering system, with the order being requested and authorised by separate individuals. The authoriser will be an individual who has delegated authority to purchase goods and services on behalf of the Trust.

Where this advice is not acceptable to the requisitioner, the Director of Finance (and/or the Chief Executive) shall be consulted.

20.2.2 System of Payment and Payment Verification

Requisitioners and budget holders are responsible for receipting goods and services electronically in a timely manner. Budget holders must electronically authorise invoices in a timely manner.

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.

20.2.3 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 Standing Orders and Standing Financial Instructions and regularly reviewed;
- (b) prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds;
- (c) be responsible for the prompt payment of all properly authorised accounts and claims;
- (d) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
 - (i) A list of employees (including specimens of their signatures) authorised to certify invoices, in addition an electronic hierarchy of budget holders is kept to allow the electronic authorization of invoices to be carried out.
 - (ii) Certification that:
 - goods have been duly received, examined and are in accordance with specification and the prices are correct;
 - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
 - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the

charges for the use of vehicles, plant and machinery have been examined;

- where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
- the account is arithmetically correct;
- the account is in order for payment.

(iii) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.

(iv) Instructions to employees regarding the handling and payment of accounts within the Finance Department.

- (e) be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in SFI No. 21.2.4 below.

20.2.4 Prepayments

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

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

20.2.5 Official orders

Official Orders must:

- (a) be consecutively numbered;
- (b) be completed using the on-line electronic ordering system;
- (c) state the Trust's terms and conditions of trade;
- (d) only be issued to, and used by, those duly authorised by the Chief Executive.

20.2.6 Duties of Managers and Officers

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

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

(This provision needs to be read in conjunction with Standing Order No. 6 and the principles outlined in the national guidance contained in HSG 93(5) "Standards of Business Conduct for NHS Staff");

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

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

20.3 Joint Finance Arrangements with Local Authorities and Voluntary Bodies (see overlap with Standing Order No. 9.1)

20.3.1 Payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act **shall** comply with procedures laid down by the Director of Finance which shall be in accordance with these Acts (see overlap with Standing Order No. 9.1).

21. EXTERNAL BORROWING

21.1.1 The Director of Finance will advise the Board concerning the Trust's ability to pay dividend on, and repay Public Dividend Capital and any proposed new borrowing, within the limits set by the Department of Health. The Director of Finance is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.

21.1.2 The Board will agree the list of employees (including specimens of their signatures) who are authorised to make short term borrowings on behalf of the Trust. This must contain the Chief Executive and the Director of Finance.

21.1.3 The Director of Finance must prepare detailed procedural instructions concerning applications for loans and overdrafts.

21.1.4 All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cashflow position, represent good value for money, and comply with the latest guidance from the Department of Health.

21.1.5 Any short-term borrowing must be with the authority of two members of an authorised panel, one of which must be the Chief Executive or the Director of Finance. The Board must be made aware of all short term borrowings at the next Board meeting.

21.1.6 All long-term borrowing must be approved by the Trust Board.

21.2 INVESTMENTS

21.2.1 Temporary cash surpluses must be held only in such public or private sector investments as notified by the Secretary of State and authorised by the Board.

21.2.2 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.

21.2.3 The Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

22. FINANCIAL FRAMEWORK

The Director of Finance should ensure that members of the Board are aware of the Financial Framework. This document contains directions which the Trust must follow.

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

23. CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTERS AND SECURITY OF ASSETS

23.1 Capital Investment

- 23.1.1 The Chief Executive:
- (a) shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
 - (b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
 - (c) shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences, including capital charges.
- 23.1.2 For every capital expenditure proposal the Chief Executive shall ensure:
- (a) that a business case (in line with the guidance contained within the *Capital Investment Manual*) is produced setting out:
 - (i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
 - (ii) the involvement of appropriate Trust personnel and external agencies;
 - (ii) appropriate project management and control arrangements;
 - (b) that the Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case.
- 23.1.3 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management, incorporating the recommendations of "Estatecode".
- 23.1.4 The Director of Finance shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with Inland Revenue guidance.
- 23.1.5 The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

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

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

- (a) specific authority to commit expenditure;
- (b) authority to proceed to tender (see overlap with SFI No. 17.6);
- (c) approval to accept a successful tender (see overlap with SFI No. 17.6).

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

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

23.2 Private Finance (see overlap with SFI No. 17.10)

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

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

23.3 Asset Registers

23.3.1 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.

23.3.2 Each Trust shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as specified in the *Manual for Accounts* as issued by the Department of Health.

23.3.3 Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:

- (a) properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
 - (b) stores, requisitions and wages records for own materials and labour including appropriate overheads;
 - (c) lease agreements in respect of assets held under a finance lease and capitalised.
- 23.3.4 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).
- 23.3.5 The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 23.3.6 The value of each asset shall be indexed to current values in accordance with methods specified in the *Manual for Accounts* issued by the Department of Health.
- 23.3.7 The value of each asset shall be depreciated using methods and rates as specified in the *Manual for Accounts* issued by the Department of Health.
- 24.3.8 The Director of Finance of the Trust shall calculate and pay capital charges as specified in the *Manual for Accounts* issued by the Department of Health.

23.4 Security of Assets

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

- 23.4.4 Whilst each employee and officer has a responsibility for the security of property of the Trust, it is the responsibility of Board members and senior employees in all disciplines to apply such appropriate routine security practices in relation to NHS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with agreed procedures.
- 23.4.5 Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board members and employees in accordance with the procedure for reporting losses.
- 23.4.6 Where practical, assets should be marked as Trust property.

24. STORES AND RECEIPT OF GOODS

24.1 General position

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

24.2 Control of Stores, Stocktaking, condemnations and disposal

- 24.2.1 Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by him to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel oil and coal of a designated estates manager.
- 24.2.2 The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, stocks should be marked as health service property.
- 24.2.3 The Director of Finance shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
- 24.2.4 Stocktaking arrangements shall be agreed with the Director of Finance and there shall be a physical check covering all items in store at least once a year.
- 24.2.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.
- 24.2.6 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 also overlap with SFI No. 25 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.

24.3 Goods supplied by NHS Supply Chain

24.3.1 For goods supplied via the NHS Supply Chain central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the Director of Finance who shall satisfy himself that the goods have been received before accepting the recharge.

25. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

25.1 Disposals and Condemnations

26.1.1 Procedures

The Director of Finance must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers.

25.1.2 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.

25.1.3 All unserviceable articles shall be:

- (a) condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Finance;
- (b) recorded by the Condemning Officer in a form approved by the Director of Finance which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Director of Finance.

25.1.4 The Condemning Officer shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Finance who will take the appropriate action.

25.2 Losses and Special Payments

25.2.1 Procedures

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

25.2.2 Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive and the Director of Finance or inform an officer charged with responsibility for responding to

concerns involving loss. This officer will then appropriately inform the Director of Finance and/or Chief Executive. Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Director of Finance must inform the NHS Protect in accordance with Secretary of State for Health's Directions.

The Director of Finance must notify NHS Protect and External Audit of all frauds.

- 25.2.3 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Director of Finance must immediately notify:
- (a) the Board,
 - (b) the External Auditor.
- 25.2.4 Within limits delegated to it by the Department of Health, the Board shall approve the writing-off of losses.
- 25.2.5 The Director of Finance shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 25.2.6 For any loss, the Director of Finance should consider whether any insurance claim can be made.
- 25.2.7 The Director of Finance shall maintain a Losses and Special Payments Register in which write-off action is recorded.
- 25.2.8 No special payments exceeding delegated limits shall be made without the prior approval of the Department of Health.
- 25.2.9 All losses and special payments must be reported to the Audit & Risk Committee at every meeting.

26. INFORMATION TECHNOLOGY

26.1 Responsibilities and duties of the Director of Finance

- 26.1.1 The Director of Finance, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:
- (a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which the Director is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998;
 - (b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;

- (c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- (d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.

26.1.2 The Director of Finance shall need to ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.

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

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

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

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

The Director of Finance shall ensure that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.

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

26.4 Risk Assessment

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

26.5 Requirements for Computer Systems which have an impact on corporate financial systems

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

- (a) systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;
- (b) data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;
- (c) Director of Finance staff have access to such data;
- (d) such computer audit reviews as are considered necessary are being carried out.

27. PATIENTS' PROPERTY

- 27.1 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.
- 27.2 The Chief Executive is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission by:
- notices and information booklets; (***notices are subject to sensitivity guidance***)
 - hospital admission documentation and property records;
 - the oral advice of administrative and nursing staff responsible for admissions,
- that the Trust will not accept responsibility or liability for patients' property brought into Health Service premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.
- 27.3 The Director of Finance must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients. Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.
- 27.4 Where Department of Health instructions require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Director of Finance.
- 27.5 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.
- 27.6 Staff should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.
- 27.7 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.

28. FUNDS HELD ON TRUST

28.1 Corporate Trustee

- (1) Standing Order No. 4.8.3 outlines the responsibilities for the Trust in its role as a corporate trustee for any funds held in trust, along with this SFI which defines the need for compliance with Charities Commission latest guidance and best practice.
- (2) The discharge of the Trust's corporate trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.

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

28.2 Accountability to Charity Commission and Secretary of State for Health

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

28.3 Applicability of Standing Financial Instructions to funds held on Trust

- (1) In so far as it is possible to do so, most of the sections of these Standing Financial Instructions will apply to the management of funds held on trust. (See overlap with SFI No 17.16).
- (2) The over-riding principle is that the integrity of each Trust must be maintained and statutory and Trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

29. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT (see overlap with SO No. 6 and SFI No. 21.2.6 (d))

The Director of Finance shall ensure that all staff are made aware of the Trust policy on acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in the Department of Health circular HSG (93) 5 'Standards of Business Conduct for NHS Staff' and is also deemed to be an integral part of these Standing Orders and Standing Financial Instructions (see overlap with SO No. 6).

30. RETENTION OF RECORDS

- 30.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with Department of Health guidelines.

- 30.2 The records held in archives shall be capable of retrieval by authorised persons.
- 30.3 Records held in accordance with latest Department of Health guidance shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed.

31. RISK MANAGEMENT AND INSURANCE

31.1 Programme of Risk Management

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

The programme of risk management shall include:

- a) a process for identifying and quantifying risks and potential liabilities;
- b) engendering among all levels of staff a positive attitude towards the control of risk;
- a) 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;
- b) contingency plans to offset the impact of adverse events;
- d) audit arrangements including; Internal Audit, clinical audit, health and safety review;
- f) a clear indication of which risks shall be insured;
- g) arrangements to review the Risk Management programme.

The existence, integration and evaluation of the above elements will assist in providing a basis to make a Statement on the effectiveness of Internal Control (SIC) within the Annual Report and Accounts as required by current Department of Health guidance.

31.2 Insurance: Risk Pooling Schemes administered by NHSLA

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

31.3 Insurance arrangements with commercial insurers

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

- (1) Trust's may enter commercial arrangements for **insuring motor vehicles** owned by the Trust including insuring third party liability arising from their use;

- (2) where the Trust is involved with a consortium in a **Private Finance Initiative contract** and the other consortium members require that commercial insurance arrangements are entered into; and
- (3) where **income generation activities** take place. Income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the Trust for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from the Litigation Authority. In any case of doubt concerning a Trust's powers to enter into commercial insurance arrangements the Finance Director should consult the Department of Health.

31.4 Arrangements to be followed by the Board in agreeing Insurance cover

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

SECTION E

DETAILED SCHEME OF DELEGATION

DERIVED FROM

STANDING FINANCIAL INSTRUCTIONS

DETAILED SCHEME OF DELEGATION

DERIVED FROM

STANDING FINANCIAL INSTRUCTIONS

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.

Limits may be temporarily changed at the Board’s discretion.

Lack of space requires abbreviations be used in the following table for the reference documents, they are as follows:

Standing Orders	SOs
Standing Financial Instructions	SFIs

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
1. Management of Budgets		
1.1 At Directorate Level	Budget Holder	SFIs Section 13
1.2 At individual budget (cost centre) level (pay and non-pay)	Budget Manager	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
1.3 For all other areas	Nominated Manager	SFIs Section 13
2. Maintenance/Operation of Bank Accounts	Director of Finance	SFIs Section 15
3. Non Pay Revenue and Capital Expenditure/Requisitioning/Ordering/ Payment for Goods and Services		
3.1 Pharmacy Orders <£15,000	Senior Pharmacists (band 8B and above)	SFIs Section 20
3.2 Pharmacy Orders <£25,000	Head of Pharmacy	
3.3 Pharmacy Orders >£25,000	Head of Pharmacy and Director of Finance/Chief Executive	
3. Non Pay Revenue and Capital Expenditure/Requisitioning/ Ordering/Payment for Goods and Services		
3.4 Works Orders <£20,000	Director of Estates and Facilities	
3.5 Works Orders >£20,000 < £250,000	Director of Finance or Chief Executive	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
3.6 Works Orders >£250,000 Employees with Honorary contracts will have the same delegated limits as those employees with substantive employment contracts.	As for non-works (see 3.13 and 3.14)	SFIs Section 20
3.7 All other requisitions <£1,500	Budget Manager and/or Nominated manager	
3.8 All other requisitions <£5,000	Budget Holder	
3.9 All other requisitions <£15,000	General Manager	
3.10 Requisitions >£25k for which a regular weekly/monthly/quarterly charge applies under contract or service level agreement and that charge is the same, or broadly similar each time	Deputy Director of Finance	
3.11 All other requisitions <£25,000	Deputy Business Unit Directors & Deputy Directors of Corporate Services	
3.12 All other requisitions <£50,000	Directors	
3.13 All other requisitions <£100,000	Executive Directors	
3.14 All other requisitions <£250,000	Director of Finance	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
3.15 All other requisitions <£500,000	Chief Executive	SFIs Section 20
3.16 All other requisitions >£500,000	Trust Board	
3.17 Non pay expenditure for which no specific budget has been set and which is not subject to funding under delegated powers of virement and not subject to other limits set out in 3.4 to 3.10 above	Director of Finance/Chief Executive	
3.18 Orders exceeding 12 months period	Determined by total value of the order. Non pay limits as noted above apply.	
3.19 Contracts for goods and services and subsequent variations to contracts (including PFI related services) <£50k	Head of Procurement	
3.20 Contracts for goods and services and subsequent variations to contracts (including PFI related services) >£50k	Director of Finance	
4. Capital Schemes		
4.1 Selection of architects, quantity surveyors, consultant engineers and other professional advisors within EU regulations.	Director of Estates and Facilities	SFIs Section 23
4.2 Financial monitoring and reporting on all capital scheme expenditure	Director of Estates and Facilities/Director of Finance	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
4.3 Granting and termination of leases with annual rent <£100,000	Director of Finance	SFIs Section 13.5
4.4 Granting and termination of leases with annual rent >£100,000	Director of Finance and Chief Executive	
5. Quotation, Tendering and Contract Procedures		
5.1 Obtaining a minimum of 3 verbal quotations for goods <£15,000	Head of Procurement Director of Estates and Facilities and Head of Pharmacy	SFIs Section 17
5.2 Obtaining a minimum of 3 written competitive tenders for goods/services >£15,000 and <£150,000	Director of Finance	
5.3 Obtaining a minimum of 4 written competitive tenders for goods/services >£150,000 and <£250,000	Director of Finance	
5.4 Waiving of quotations and tenders subject to SFIs	Chief Executive or Director of Finance	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
5.5 Opening: Tenders and Quotations	Procurement and Finance Nominated Officers	
5.6 Negotiate professional fees for capital schemes < £50,000	Director of Estates and Facilities	
5.7 Competition sought for professional fees on capital schemes > £50,000	Director of Estates and Facilities and Director of Finance	
6. Setting of Fees and Charges		
6.1 Private Patients, Overseas Visitors. Income Generation and other patient related services	Director of Finance or nominated deputy	SFIs Section 16.2
6.2 Price and sign-off of all NHS service agreements	Director of Finance or nominated deputy	
7. Engagement of Staff not on the Establishment		
7.1 Non Medical Consultancy staff where the aggregate commitment in any one year (or total commitment) <£50,000	Chief Executive or Director of Finance	SFIs Section 19

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
7.2 Where aggregate commitment in any one year >£50,000	Trust Board	
7.3 Engagement of Trust Solicitors	Chief Executive or Executive Director	
7.4 Ordering Bank Staff and Requisitioning of Agency Staff	Directorate Manager or Executive Director	
8. Expenditure of Charitable and Endowment Funds		
8.1 <£5,000 per request	Fund Holder	SFIs Section 28
8.2 <£5,000 up to £20,000 per request	Chief Executive or Director of Finance	
8.3 >£20,000 per request	Charitable Funds Committee	
9. Agreements/Licenses		
9.1 Preparation and signature of all tenancy agreements/licenses for all staff subject to Trust Policy on accommodation or staff	Director of Finance or Director of Human Resources	
9.2 Extensions to existing leases	Chief Executive and Director of Finance	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
9.3 Letting of premises to outside organisations	Chief Executive and Director of Finance	
9.4 Approval of rent based on professional Assessment	Director of Finance	
9.5 Registration of Pharmacy premises, wholesale operations and Sterile Services Department	Chief Executive/Director of Estates/Head of Pharmacy and Chief Operating Officer	
10. Condemning and Disposal		
10.1 Items obsolete, obsolescent, redundant, irreparable or cannot be repaired cost effectively		SFIs Section 25
10.2 With current/estimated purchase price <£50	Directorate Manager/Head of Department	
10.3 With current purchase/ new price >£50	Head of Procurement	
10.4 Disposal of X-Ray films (subject to estimated income of £1,000 per sale)	Directorate Manager – Radiography	
10.5 Disposal of mechanical and engineering plant (subject to estimated income of less	Director of Estates and Facilities	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
than £1,000 per sale and, for capital items where NBV=0)		
10.6 Disposal of mechanical and engineering plant (subject to estimated income exceeding £1,000 per sale and, for capital items where NBV>1)	Director of Estates and Facilities and Director of Finance	
10.7 Pharmaceuticals and controlled drugs	Pharmacist supervised by a nominated Executive Director	
11. Losses, Write-offs and Compensation		
11.1 Losses due to theft, fraud, overpayment, bad debts and claims abandoned (Private Patients, Overseas Visitors and other)	All subject to review by Audit & Risk Committee as follows:	SFIs Section 25.2
11.1.1 Up to £50,000	Director of Finance	
11.2 Fruitless payments (including abandoned capital schemes) < £15,000	Chief Executive	
11.3 Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to culpable (e.g.: fraud, theft or arson) or other causes.		

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
11.3.1 Up to £50,000	Director of Finance	SFIs Section 25.2
11.3.2 For cases above £50,000	Trust Board	
11.4 Compensation Payments made under legal obligation	Chief Executive or Director of Finance	
11.5 Extra contractual payments to contractors < £50,000	Chief Executive or Director of Finance	
Ex Gratia Payments		
11.6 Patients and staff or loss of personal effects		
11.6.1 Up to <£1,000	Director of Finance	
11.6.2 From £1,000 to £5,000	Chief Executive and Director of Finance	
11.7 Other except cases of maladministration where there was no financial loss by claimant	Chief Executive and Director of Finance	
11. Losses, Write-offs and Compensation		

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
11.8 Write off of NHS and non-NHS debtors	Reported to Audit & Risk Committee for information	
12. Reporting of Incidents to the Police		
12.1 Where a criminal offence is suspected or offence of a violent nature	Departmental Manager /On Call Senior Manager/Executive Director or Director	SFIs Section 25.2.2
12.2 Where fraud is involved	Director of Finance	
13. Petty Cash Disbursements		
13.1 Expenditure <£25 per item	Petty Cash Holder	SFIs Section 16.4
13.2 Reimbursement of <£50	Operational Service Manager	
13.3 Reimbursement of <£100	Deputy Business Unit Director	
13.4 Reimbursement of >£100	Director of Finance	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
14. Receiving Hospitality		
14.1 Applies to both individual and collective hospitality in excess of £50	Declaration required in Trusts Hospitality Register and reported to the Audit & Risk Committee annually	
15. Implementation of Internal and External Audit Recommendations	Chief Executive or Director of Finance	SFIs Section 11
16. Maintenance and Update of Trust Financial Procedures	Director of Finance	SFIs Section 10.2.6
17. Investment of Funds	Director of Finance	
18. Charitable Funds Investments		
18.1 Sales/purchases <£20,000	Director of Finance	SFIs Section 28
18.2 Sales/purchases >£20,000 to £60,000	Director of Finance and Chair, Charitable Funds Committee	
18.3 Sales/purchases >£60,000	Charitable Funds Committee	SFIs Section 28

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
19. Personnel and Pay		
19.1 Authority to fill funded posts on the establishment with permanent staff	Chief Executive or nominated officer	SFIs Section 19.3
19.2 Authority to appoint staff to posts not on the formal establishment	Chief Executive or Director of Finance	SFIs Section 19.2.2
19.3 Establishments		
19.3.1 Additional staff to the agreed establishment with specifically allocated finance	Directorate Manager	
19.3.2 Additional staff to the agreed establishment without specifically allocated finance	Director of Human Resources and Director of Finance	
19.4 Pay		
19.4.1 Authority to complete standing data forms effecting pay, new starters, variations and leavers	Director of Human Resources or authorised signatory	
19.4.2 Authority to complete and authorise positive reporting forms	Authorised signatory	
19.4.3 Authority to authorise overtime	Authorised signatory or Executive Director	
19.4.4 Authority to authorise travel & subsistence expenses	Authorised signatory or Executive Director	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
19.5 Leave		SFIs Section 19.2.2
19.5.1 Approval of annual leave	Line or Departmental Manager	
19.5.2 Annual leave - approval of carry forward < 5 days	Departmental Manager	
19.5.3 Annual leave - approval to carry forward >5 days	Director of Human Resources	
19.5.4 Compassionate and Carer leave < 5 days with pay	Designated Director or Manager	
19.5.5 Compassionate and Carer leave > 5 days without pay	Designated Director or Manager	
19.5.6 Special leave arrangements <ul style="list-style-type: none"> o Paternity leave 	Operational Service Manager	
19.5.7 Leave without pay < 6 weeks	Operational Service Manager or Executive Directors	
19.5.8 Medical Staff Leave of Absence <ul style="list-style-type: none"> o Paid and unpaid 	Medical Director and Chief Executive	
19.6 Sick Leave		
19.6.1 Return to work part-time on full pay to assist recovery	Director of Human Resources and Chief Executive	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
19.7 Study Leave		SFIs Section 19.2.2
19.7.1 Study leave outside the UK	Chief Executive	
19.7.2 Medical staff study leave (UK)	Medical Director and Director of Human Resources	
19.7.3 All other study leave (UK)	Directorate Manager and/or Director of Human Resources	
19.8 Removal Expenses		
19. Personnel and Pay		SFIs Section 19.2.2
19.8.1 Authorisation of payment of removal expenses incurred by officers taking up new appointments subject to considerations negotiated at interview o <= £8,000	Director of Human Resources	
19.9 Authorised Car & Mobile Phone Users		
19.9.1 Requests for new posts to be authorised as car user	Director of Finance	
19.9.2 Requests for new posts to be authorised as mobile telephone users	Director of Finance	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
19.10 Renewal of Fixed Term Contract	Chief Executive or Director of Human Resources	
19.11 Staff Retirement Policy		
19.11.1 Authorisation of extensions of contract beyond normal retirement age in exceptional circumstances	Director of Human Resources	
19.12 Redundancy	Director of Human Resources or Remuneration Committee as appropriate	
19.13 Ill Health Retirement		
19.13.1 Decision to pursue retirement on the grounds of ill-health	Director of Human Resources	
19.14 Disciplinary Procedures	Line Management	
19.15 Dismissal	Dismissing Officers	
20. Authorisation of New Drugs	Drugs and Therapeutics Committee	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
21. Authorisation of Sponsorship deals	Chief Executive or Medical Director	
22. Authorisation of Research Projects	Chief Executive or Medical Director and Research and Development Committee	
23. Authorisation of Clinical Trials	Chief Executive or Medical Director	
24. Insurance Policies and Risk Management	Chief Executive/Director of Finance/Director of Nursing & Midwifery	SFIs Section 31
25. Patients & Relatives Complaints		
25.1 Overall responsibility for ensuring that all complaints are dealt with effectively	Chief Executive	Complaints Procedure
25.2 Responsibility for ensuring complaints relating to a directorate are investigated thoroughly	Director of Nursing & Midwifery	
25.3 Management of Legal Complaints	Chief Executive	
26. Relationships with Press		
26.1 Non-Emergency General Enquiries		

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE	
26.1.1 Within Hours	Chief Executive	Communications Policy	
26.1.2 Outside Hours	On Call Senior Manager or Executive Director		
26.2 Emergency	Chief Executive		
26.2.1 Within Hours	On Call Senior Manager or Executive Director		
26.2.2 Outside Hours			
27. Infectious Diseases & Notifiable Outbreaks	On Call Senior Manager or Medical Director or Director of Nursing & Midwifery	Nurses / Midwives / Health Visitors Act Midwives Rules / Code of Practice UKCC Code of Professional Conduct	
28. Extended Role Activities			
28.1 Approval of Nurses to undertake duties/ procedures which can properly be described as beyond the normal scope of Nursing Practice.	Director of Nursing & Midwifery or Chief Executive		
29. Patient Services			
29.1 Variation of operating and clinic sessions within existing numbers		Nurses / Midwives / Health Visitors Act Midwives Rules / Code of Practice UKCC Code of Professional Conduct	
29.1.1 Outpatients	Chief Operating Officer		
29.1.2 Theatres			
29.1.3 Other			
29.2 All proposed changes in bed allocation and use			

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
29.2.1 Temporary Change	On Call Senior Manager	
29.2.2 Permanent Change	Chief Executive	
30. Facilities for staff not employed by the Trust to gain practical experience	Director of Human Resources	
31. Review of fire precautions	Chief Executive	
32. Review of all statutory compliance legislation and Health and Safety requirements including COSHH	Director of Estates & Facilities	
33. Review of Medicines Inspectorate Regulations	Medical Director and Head of Pharmacy	
34. Review of compliance with environmental regulations, for example those relating to clean air and waste disposal	Director of Estates and Facilities	
35. Review of Trust's compliance with the Data Protection Act	Director of Finance	
36. Monitor proposals for contractual arrangements between the Trust and outside bodies	Director of Finance	
37. Review the Trust's compliance with the Access to Health Records Act 1990	Medical Director	

DELEGATED MATTER	AUTHORITY DELEGATED TO	REFERENCE
38. Review of the Trust's compliance code of Practice for handling confidential information in the contracting environment and the compliance with "safe haven" per EL 92/60	Medical Director	
39. The keeping of a Declaration of Interests' Register	Company Secretary	SOs Section 7
40. Attestation of sealings in accordance with Standing Orders	Company Secretary	SOs Section 8
41. The keeping of a register of sealings	Company Secretary	SOs Section 8
42. The keeping of the Hospitality Register	Company Secretary	
43. Retention of Documents	Chief Executive	SFIs Section 30, Updated HC (89) 20
44. Clinical Audit	Medical Director	