

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

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## **SANDWELL & WEST BIRMINGHAM NHS TRUST**

### **STANDING ORDERS, RESERVATION AND DELEGATION OF POWERS AND STANDING FINANCIAL INSTRUCTIONS**

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## SECTION A

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

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

"LCFS" means the Local Counter Fraud Specialist, who is responsible for receiving and investigating allegations of fraud or bribery, and proactively identifying and preventing fraud and bribery.



- 1.2.15 **'Member'** means executive or non-executive director of the Board as the context permits. Member in relation to the Board does not include its Chair
- 1.2.16 **'Membership, Procedure and Administration Arrangements Regulations'** means NHS Membership and Procedure Regulations (SI 1990/2024) and subsequent amendments.
- 1.2.17 **'Nominated officer'** means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
- 1.2.18 **'Non-Executive Director'** means a member of the Trust who is not appointed by the Trust and is not to be treated as an employee by virtue of regulation 1(3) of the Membership, Procedure and Administration Arrangements Regulations.
- 1.2.19 **'Officer'** means employee of the Trust or any other person holding a paid appointment or office with the Trust.
- 1.2.20 **'Executive Director'** means a member of the Trust who is either an officer of the Trust or is to be treated as an officer by virtue of regulation 1(3) (i.e. the Chair of the Trust or any person nominated by such a Committee for appointment as a Trust member). Executive Directors of the Trust are the Chief Executive, Chief Finance Officer, Medical Director, Chief Nurse, Chief Operating Officer, Chief People Officer, Director of Governance and Director of Integration.
- 1.2.21 **'Advising Director'** means a person appointed to perform specific statutory and non-statutory duties which have been delegated by the Trust Board for them to perform and these duties have been recorded in an appropriate Trust Board minute or other suitable record. Advising Directors are the Director of Governance, Director of Strategy, Chief Informatics Officer and Director of System Transformation.
- 1.2.22 **'Associate Director of Corporate Governance'** means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chair and monitor the Trust's compliance with the law, Standing Orders, and Department of Health guidance.
- 1.2.23 **'SFIs'** means Standing Financial Instructions.
- 1.2.24 **'SOs'** means Standing Orders
- 1.2.25 **'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.
- 1.2.26 **'Senior Independent Director'** means the Non-Executive Director appointed by the Board to act as a conduit to the Board for the communication of stakeholder and governor concerns when these have failed to be resolved or other channels of communication are inappropriate
- 1.2.27 **'NHS England and Improvement'** means the body that provides re governance and accountability for NHS trusts in England
- 1.2.28 **'PF2'** refers to the successor vehicle to PFI for undertaking major health infrastructure projects
- 1.2.29 **'NHS England and Improvement'** means the body that commissions primary care health services, as well as some nationally-based functions formerly undertaken by the Department of Health
- 1.2.30 LCFS means the Local Counter Fraud Specialist, who is responsible for receiving and investigating allegations of fraud or bribery, and proactively identifying and preventing fraud and bribery.

## **SECTION B – STANDING ORDERS**

### **1. INTRODUCTION**

#### **1.1 Statutory Framework**

The Sandwell and West Birmingham NHS Trust (the Trust) is a statutory body which came into existence on 22 March 2002 under The Sandwell and West Birmingham NHS Trust (Establishment) Order 2002 No 1364 (the Establishment Order). This was amended by The Sandwell and West Birmingham National Health Service Trust (Establishment) Amendment Order 2003 No 2345, which came into force on 29 September 2003.

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

#### **1.2 NHS Framework**

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

#### **1.3 Delegation of Powers**

The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Under the Standing Order relating to the Arrangements for the Exercise of Functions (SO 5) the Trust is given powers to 'make arrangements for the exercise, on behalf of the Trust of any of their functions by a committee, sub-committee or joint committee appointed by virtue of Standing Order 4 or by an officer of the Trust, in each case subject to such restrictions and conditions as the

Trust thinks fit or as the Secretary of State may direct'. Delegated Powers are covered in a separate document (Scheme of Reservation and Delegation). (See Section 1.8 and Appendix 2 of the Corporate Governance Framework Manual.) This document has effect as if incorporated into the Standing Orders.

#### **1.4 Integrated Governance**

Trust Boards are now encouraged to move away from silo governance and develop integrated governance that will lead to good governance and to ensure that decision-making is informed by intelligent information covering the full range of corporate, financial, clinical, information and research governance. Guidance from the Department of Health on the move toward and implementation of integrated governance has been issued and will be incorporated in the Trust's Governance Strategy (see Integrated Governance Handbook 2006). Integrated governance will better enable the Board to take a holistic view of the organisation and its capacity to meet its legal and statutory requirements and clinical, quality and financial objectives.

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

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

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

- (1) The Chair of the Trust (Appointed by NHS England and Improvement);
- (2) Up to 6 non-executive directors (appointed by NHS England and Improvement); One of the non-executive directors shall be nominated by the University of Birmingham
- (3) Up to 6 Executive Directors (but not exceeding the number of non-executive directors) Including;
  - the Chief Executive;
  - the Chief Finance Officer;
  - a medical or dental practitioner;
  - a registered nurse or midwife;

The Trust shall have not more than 12 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).

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

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

### **2.3 Terms of Office of the Chair and Members**

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

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

- (1) Subject to Standing Order 2.4 (2) below, the Chair and members of the Trust may appoint one of their numbers, who is not also an Executive Director, to be Vice-Chair, for such period, not exceeding the remainder of his/her term as a member of the Trust, as they may specify on appointing him.

- (2) Any member so appointed may at any time resign from the office of Vice-Chair by giving notice in writing to the Chair. The Chair and members may thereupon appoint another member as Vice-Chair in accordance with the provisions of Standing Order 2.4 (1).
- (3) Where the Chair of the Trust has died or has ceased to hold office, or where they have 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.

## **2.5 Joint Members**

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

## **2.6 Role of Members**

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

### **(1) Executive Directors**

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

### **(2) Chief Executive**

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

### **(3) Chief Finance Officer**

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

### **(4) Non-Executive Members**

The Non-Executive 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.

## **(5) Chair**

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

The Chair shall liaise with NHS England and 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.

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.

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

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

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

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

### **2.9 Lead Roles for Board Members**

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

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

### **3.1 Calling meetings**

- (1) Ordinary meetings of the Board shall be held at regular intervals at such times and places as the Board may determine.
- (2) The Chair of the Trust may call a meeting of the Board at any time.
- (3) One third or more members of the Board may requisition a meeting in writing. If the Chair refuses, or fails, to call a meeting within seven days of a requisition being presented, the members signing the requisition may forthwith call a meeting.

### **3.2 Business to be transacted**

- (1) In the case of a meeting called by members in default of the Chair calling the meeting, the notice shall be signed by those members.
- (2) No business shall be transacted at the meeting other than that specified on the agenda, or emergency motions allowed under Standing Order 3.6.

- (3) A member desiring a matter to be included on an agenda shall make his/her request in writing to the Associate Director of Corporate Governance at least **10** clear days before the meeting who will seek the Chair's authority to add it to the matters for consideration at the next meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than **10** days before a meeting may be included on the agenda at the discretion of the Chair.
- (4) 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)).

### **3.3 Agenda and Supporting Papers**

The agenda will be sent to members six days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be dispatched no later than three clear days before the meeting, save in emergency. The agenda and supporting papers may be issued by electronic means where necessary.

### **3.4 Petitions**

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

### **3.5 Notice of Motion**

- (1) Subject to the provision of Standing Orders 3.7 „Motions: Procedure at and during a meeting“ and 3.8 “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.
- (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.

### **3.6 Emergency Motions**

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

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

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

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

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

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

- the receipt of a report;
- consideration of any item of business before the Trust Board;
- the accuracy of minutes;
- that the Board proceed to next business;
- that the Board adjourn;

- that the question be now put.

iii) **Amendments to motions**

A motion for amendment shall not be discussed unless it has been proposed and seconded. Amendments to motions shall be moved relevant to the motion, and shall not have the effect of negating the motion before the Board.

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

iv) **Rights of reply to motions**

a) Amendments

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

b) Substantive/original motion

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

v) **Withdrawing a motion**

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

**Motions once under debate**

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

- an amendment to the motion;
- the adjournment of the discussion, or the meeting;
- that the meeting proceed to the next business;
- that the question should be now put;
- the appointment of an 'ad hoc' committee to deal with a specific item of business;
- that a member be not further heard;
- a motion under Section 1 (2) or Section 1 (8) of the Public Bodies (Admissions to Meetings) Act 1960 resolving to exclude the public, including the press (see Standing Order 3.17).

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

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

### 3.8 **Motion to Rescind a Resolution**

- (1) Notice of motion to rescind any resolution (or the general substance of any resolution) which has been passed within the preceding six calendar months shall bear the signature of the member who gives it and also the signature of three other members, and before considering any such motion of which notice shall have been given, the Trust Board may refer the matter to any appropriate Committee or the Chief Executive for recommendation.
- (2) When any such motion has been dealt with by the Trust Board it shall not be competent for any member

other than the Chair to propose a motion to the same effect within six months. This Standing Order shall not apply to motions moved in pursuance of a report or recommendations of a Committee or the Chief Executive.

### **3.9 Chair of meeting**

- (1) At any meeting of the Trust Board the Chair, if present, shall preside. If the Chair is absent from the meeting, the Vice-Chair (if the Board has appointed one), if present, shall preside.
- (2) If the Chair and Vice-Chair are absent, such member (who is not also an Executive Director of the Trust) as the members present shall choose shall preside.

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

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

### **3.11 Quorum**

- (i) No business shall be transacted at a meeting unless at least one-third of the whole number of the Chair and members (including at least one member who is also an Executive Director of the Trust and one member who is not) is present.
- (ii) A nominated manager in attendance for an Executive Director but without formal acting up status may not count towards the quorum.
- (iii) If the Chair or member has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest (see SO No.7) that person shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business.

### **3.12 Voting**

- (i) Save as provided in Standing Orders 3.13 - Suspension of Standing Orders and 3.14 - Variation and Amendment of Standing Orders, every question put to a vote at a meeting shall be determined by a majority of the votes of members present and voting on the question. In the case of an equal vote, the person presiding (ie: the Chair of the meeting) shall have a second, and casting vote.
- (ii) At the discretion of the Chair all questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chair directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.
- (iii) If at least one third of the members present so request, the voting on any question may be recorded so as to show how each member present voted or did not vote (except when conducted by paper ballot).
- (iv) If a member so requests, their vote shall be recorded by name.
- (v) In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.
- (vi) A manager who has been formally appointed to act up for an Executive Director during a period of incapacity or temporarily to fill an Executive Director vacancy shall be entitled to exercise the voting rights of the Executive Director.



- (vii) A manager attending the Trust 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.
- (viii) For the voting rules relating to joint members see Standing Order 2.5.

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

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

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

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

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

### **3.15 Record of Attendance**

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

### **3.16 Minutes**

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

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

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

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

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

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

- Guidance should be sought from the Associate Director of Corporate Governance to ensure correct procedure is followed on matters to be included in the exclusion.

(ii) **General disturbances**

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

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

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

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

Members or any employee of the Trust in attendance shall not reveal or disclose the contents of papers marked as for discussion 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.

(iv) **Use of Mechanical or Electrical Equipment for Recording or Transmission of Meetings**

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

**3.18 Observers at Trust meetings**

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

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

**4.1 Appointment of Committees**

Subject to such directions as may be given by the Secretary of State for Health, the Trust Board may appoint committees of the Trust.

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

**4.2 Joint Committees**

- (i) Joint committees may be appointed by the Trust by joining together with one or more other NHS bodies, or other Trusts consisting of, wholly or partly of the Chair and members of the Trust or other health service bodies, or wholly of persons who are not members of the Trust or other health bodies in question.
- (ii) Any committee or joint committee appointed under this Standing Order may, subject to such directions as may be given by the Secretary of State or the Trust or other health bodies in question, appoint sub-committees consisting wholly or partly of members of the committees or joint

committee (whether or not they are members of the Trust or health bodies in question) or wholly of persons who are not members of the Trust or health bodies in question or the committee of the Trust or health bodies in question.

#### **4.3 Applicability of Standing Orders and Standing Financial Instructions to Committees**

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

#### **4.4 Terms of Reference**

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

#### **4.5 Delegation of powers by Committees to Sub-Committees**

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

#### **4.6 Approval of Appointments to Committees**

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

#### **4.7 Appointments for Statutory functions**

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

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

The committees established by the Board are:

- 4.8.1 Audit & Risk Management Committee
- 4.8.2 Remuneration and Terms of Service Committee
- 4.8.3 Charitable Funds Committee
- 4.8.4 Finance, Investment and Performance Committee
- 4.8.5 Quality and Safety Committee
- 4.8.6 People and Organisation Development Committee
- 4.8.7 MMUH Opening Committee
- 4.8.8 Integration Committee

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

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

### **5.1 Delegation of Functions to Committees, Officers or other bodies**

- 5.1.1 Subject to such directions as may be given by the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions by a committee, sub-committee appointed by virtue of Standing Order 4, or by an employee of the Trust, or by another body as defined in Standing Order 5.1.2 below, in each case subject to such restrictions and conditions as the Trust thinks fit.
- 5.1.2 Section 16B of the NHS Act 1977 allows for regulations to provide for the Trust's functions to be carried out by third parties. In accordance with The Trusts (Membership, Procedure and Administration Arrangements) Regulations 2000 the functions of the Trust may also be carried out in the following ways:
- (i) by another Trust;
  - (ii) by arrangement with the appropriate Trust, by a joint committee or joint sub-committee of the Trust and one or more other health service bodies;
  - (iii) in relation to arrangements made under S63(1) of the Health Services and Public Health Act 1968, jointly with one or more NHS Trusts.
- 5.1.3 Where a function is delegated by these Regulations to another Trust, then that Trust or health service body exercises the function in its own right; the receiving Trust has responsibility to ensure that the proper delegation of the function is in place. In other situations, i.e. delegation to committees, sub-committees or officers, the Trust delegating the function retains full responsibility.

### **5.2 Emergency Powers and urgent decisions**

The powers which the Board has reserved to itself within these Standing Orders (see Standing Order 2.9) 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.

### **5.3 Delegation to Committees**

- 5.3.1 The Board shall agree from time to time to the delegation of executive powers to be exercised by other committees, or sub-committees, or joint-committees, which it has formally constituted in accordance with directions issued by the Secretary of State. The constitution and terms of reference of these committees, or sub-committees, or joint committees, and their specific executive powers shall be approved by the Board in respect of its sub-committees.
- 5.3.2 When the Board is not meeting as the Trust in public session it shall operate as a committee and may only exercise such powers as may have been delegated to it by the Trust in public session.

### **5.4 Delegation to Officers**

- 5.4.1 Those functions of the Trust which have not been retained as reserved by the Board or delegated to other committee or sub-committee or joint-committee shall be exercised on behalf of the Trust by the Chief Executive. The Chief Executive shall determine which functions he/she will perform personally and shall nominate officers to undertake the remaining functions for which he/she will still retain accountability to the Trust.
- 5.4.2 The Chief Executive shall prepare a Scheme of Reservation and Delegation identifying his/her proposals which shall be considered and approved by the Board. The Chief Executive may periodically propose amendment to the Scheme of Reservation and Delegation which shall be considered and approved by the Board.
- 5.4.3 Nothing in the Scheme of Reservation and Delegation shall impair the discharge of the direct accountability to the Board of the Chief Finance Officer to provide information and advise the Board in accordance with

statutory or Department of Health requirements. Outside these statutory requirements the role of the Chief Finance Officer shall be accountable to the Chief Executive for operational matters.

## **5.5 Schedule of Matters Specified in the Scheme of Reservation and Delegation**

5.5.1 The arrangements made by the Board as set out in the 'Scheme of Reservation and Delegation' shall have effect as if incorporated in these Standing Orders.

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

If for any reason these Standing Orders and the Standing Financial Instructions are not complied with, full details of **any significant and material breaches** 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. **Full details of any non-compliance will periodically be reported to the Audit & Risk Management Committee.** All members of the Trust Board and staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive as soon as possible.

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

### **6.1 Policy statements: general principles**

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

### **6.2 Specific Policy statements**

Notwithstanding the application of SO 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following Policy statements:

- the Gifts and Hospitality Policy
- the Disciplinary Policy
- Staff declarations
- Whistleblowing/Speak out Safely
- Anti-Bribery Policy
- Counter Fraud Policy

all of which shall have effect as if incorporated in these Standing Orders.

### **6.3 Standing Financial Instructions**

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

### **6.4 Specific guidance**

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

- Caldicott Guardian 1997;

- Equality Act 2010;
- Freedom of Information Act 2000;
- Bribery Act 2010
- Fraud Act 2006

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

### **7.1 Declaration of Interests**

#### **7.1.1 Requirements for Declaring Interests and applicability to Board Members**

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

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

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

#### **7.1.3 Advice on Interests**

If Board members have any doubt about the relevance of an interest, this should be discussed with the Chair of the Trust or with the Head of Corporate Governance.

Financial Reporting Standard No 8 (issued by the Accounting Standards Board) specifies that influence rather than the immediacy of the relationship is more important in assessing the relevance of an interest. The interests of partners in professional partnerships including general practitioners should also be considered.

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

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

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

#### **7.1.5 Publication of declared interests in Annual Report**

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

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

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

### **7.2 Register of Interests**

7.2.1 The Chief Executive via the Associate Director of Corporate Governance will ensure that a Register of Interests is established to record formally declarations of interests of Board or Committee members. In particular the Register will include details of all directorships and other relevant and material interests (as defined in SO 7.1.2) which have been declared by Executive, Non-Executive and advising directors of the Trust Board.

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

7.2.3 The Register will be available to the public and the Chief Executive via the Associate Director of Corporate Governance will take reasonable steps to bring the existence of the Register to the attention of local residents and to publicise arrangements for viewing it.

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

#### **7.3.1 Definition of terms used in interpreting "Pecuniary" interest**

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

(i) '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);

(ii) 'contract' shall include any proposed contract or other course of dealing.

(iii) 'Pecuniary interest'

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

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

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

iv) Exception to Pecuniary interests

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

- a) neither he/she or any person connected with him/her has any beneficial interest in the securities of a company of which he/she or such person appears as a member, or
- b) any interest that he/she or any person connected with him/her may have in the contract is so remote or insignificant that it cannot reasonably be regarded as likely to influence him/her in relation to considering or voting on that contract, or
- c) those securities of any company in which he/she (or any person connected with him/her) has a beneficial interest do not exceed £5,000 in nominal value or one per cent of the total issued share capital of the company or of the relevant class of such capital, whichever is the less.

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

### 7.3.2 Exclusion in proceedings of the Trust Board

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

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

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

Under 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.

#### (2) Definition of „Chair“ for the purpose of interpreting this waiver

For the purposes of paragraph 7.3.3.(3) (below), the ‘relevant Chair’ is—

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



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

(3) Application of waiver

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

It will apply to:

- (i) A member of Sandwell and West Birmingham NHS Trust ('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 –
  - (a) services under the National Health Service Act 1977; or
  - (b) services in connection with a pilot scheme under the National Health Service Act 1997;

for the benefit of persons for whom the Trust is responsible.

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

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

The removal is subject to the following conditions:

- (a) the member must disclose his/her interest as soon as practicable after the commencement of the meeting and this must be recorded in the minutes;
- (b) the relevant Chair must consult the Chief Executive before making a declaration in relation to the member in question pursuant to paragraph 7.3.3 (2) (b) above, except where that member is the Chief Executive;
- (c) **in the case of a meeting of the Trust:**
  - (i) the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
  - (ii) may not vote on any question with respect to it. (d)

**in the case of a meeting of the Committee:**

- (i) the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;

- (ii) may vote on any question with respect to it; but
- (iii) the resolution which is subject to the vote must comprise a recommendation to, and be referred for approval by, the Trust Board.

#### **7.4 Standards of Business Conduct**

**Reference is to be made to the** Department of Health's 'Code of Conduct for Managers'/Fraud and Bribery, Speak Out Safely/Whistleblowing.

This policy will be monitored for effectiveness and failure to comply.

##### **7.4.1 Trust Policy and National Guidance**

All Trust staff and members of must comply with the Trust's Standards of Business Conduct articulated in these standing orders and the national guidance contained in HSG(93)5 on „Standards of Business Conduct for NHS staff“.

##### **7.4.2 Interest of Officers in Contracts**

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

##### **7.4.3 Canvassing of and Recommendations by Members in Relation to Appointments**

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

##### **7.4.4 Relatives of Members or Officers**

- i) Candidates for any staff appointment under the Trust shall, when making an application, disclose in writing to the Trust whether they are related to any member or the holder of any office under the Trust. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render him liable to instant dismissal.
- ii) The Chair and every member and officer of the Trust shall disclose to the Trust Board any relationship between himself and a candidate of whose candidature that member or officer is aware. It shall be the duty of the Chief Executive to report to the Trust Board any such disclosure made.
- iii) On appointment, members (and prior to acceptance of an appointment in the case of non executive directors) should disclose to the Trust whether they are related to any other member or

holder of any office under the Trust.

- iv) Where the relationship to a member of the Trust is disclosed, the Standing Order headed „Disability of Chair and members in proceedings on account of pecuniary interest“ (SO 7) shall apply.

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

### **8.1 Custody of Seal**

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

### **8.2 Sealing of Documents**

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

### **8.3 Register of Sealing**

The Chief Executive via the Head of Corporate Governance shall keep a register in which he/she, shall enter a record of the sealing of every document. A list of documents sealed shall be presented to the Trust Board annually, as part of its cycle of business.

### **8.4 Signature of documents**

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

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

## **9. MISCELLANEOUS**

### **9.1 Joint Finance Arrangements**

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

See overlap with Standing Financial Instruction No. 21.3.

## DECISIONS RESERVED TO THE BOARD

### General Enabling Provision

The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.

#### Regulations and Control

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 employees' interests that may conflict with those of the Trust.
8. Approve arrangements for dealing with complaints, incident reporting and risk management
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. Authorise use of the seal.
15. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 5.6.
16. Discipline members of the Board who are in breach of statutory requirements or SOs.
17. Approve the declarations made demonstrating compliance or otherwise with regulatory requirements, national guidance and legislation

#### Appointments/ Dismissal

1. Appoint the Vice Chair & Senior Independent Director of the Board.
2. Appoint and dismiss committees (and individual members) that are directly accountable to the Board.
3. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.
4. Approve proposals of the Remuneration Committee regarding officer and associate members and senior employees and those of the Chief Executive for staff not covered by the Remuneration Committee.

### **Strategy, Plans and Budgets**

1. Define the strategic aims and objectives of the Trust.
2. Approve proposals for ensuring quality and developing governance arrangements in respect of services provided by the Trust, having regard to any guidance issued by the Secretary of State.
3. Approve Outline and Final Business Cases for Capital Investment where the value of the business case is greater than limits set by the Board.
4. Approve budgets.
5. Approve annually Trust's proposed organisational development proposals.
6. Ratify proposals for acquisition, disposal or change of use of land and/or buildings.
7. Approve PFI proposals.
8. Approve the opening of bank accounts.
9. Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over £1,000,000 over a 3 year period or the period of the contract if longer.
10. Approve proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and Chief Finance Officer (for losses and special payments) previously approved by the Board.
11. Approve individual compensation payments above the level approved by the Board where these are not delegated to an external authority (including the NHS Resolution)
12. Approve proposals for action on litigation on behalf of the Trust.
13. Review use of NHSLA risk pooling schemes

### **Policy Determination**

1. Approve management policies as so determined as warranting this level of ratification by the Chair and Accountable Executive Lead

### **Audit**

1. *Approve the appointment (and where necessary dismissal) of External Auditors and advise the Audit Commission on the appointment. Approval of external auditors' arrangements for the separate audit of funds held on trust, and the submission of reports to the Audit & Risk Management Committee meetings who will take appropriate action.*
2. Receive the annual management letter received from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit & Risk Management Committee.
3. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit & Risk Management Committee.

### **Annual Reports and Accounts**

1. Receipt and approval of the Trust's Annual Report and Annual Accounts.
2. Receipt and approval of the Annual Report and Accounts for funds held on trust.
3. Receipt and approval of the Trust's Quality Account

**Monitoring**

1. Receive such reports as the Board sees fit from committees in respect of their exercise of powers delegated.
2. Continuous appraisal of the affairs of the Trust by means of the provision to the Board as the Board may require from executive/associate members, committees, and officers of the Trust as set out in management policy statements.
3. Receive reports from Chief Finance Officer regarding financial performance against budget and SLAs.
4. Receive reports from Chief Finance Officer regarding actual and forecast income from SLAs

## DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES

The terms of reference for the Board Committees are appended (Appendices 1 – 8) which set out the scope of the responsibility and duties & decisions delegated by the Board.

## SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM

REF	DELEGATED TO	DUTIES DELEGATED
7	Chief Executive (CE)	Accountable through NHS Accounting Officer to Parliament for stewardship of Trust resources
9	CE AND Chief Finance Officer (CFO)	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.
10	Chief Executive (CE)	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.
12 & 13	Chief Executive (CE)	Ensure effective management systems that safeguard public funds and assist the Trust Chair to implement requirements of corporate governance including ensuring managers: ‘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.’
12	Chair	Implement requirements of corporate governance.
13	Chief Executive (CE)	Achieve value for money from the resources available to the Trust and avoid waste and extravagance in the organisation's activities. Follow through the implementation of any recommendations affecting good practice as set out on reports from such bodies as the Audit Commission and the National Audit Office (NAO).
15	Chief Finance Officer (CFO)	Operational responsibility for effective and sound financial management and information.
15	Chief Executive	Primary duty to see that Chief Finance Officer discharges this function.

16	CHIEF EXECUTIVE	Ensuring that expenditure by the Trust complies with Parliamentary requirements.
18	CE and CFO	Chief Executive, supported by Chief Finance Officer, to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
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 Committee to inquire and if necessary the SHA and Department of Health.
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 NHSEI 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.



SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.3.1.7	BOARD	Approve procedure for declaration of gifts, hospitality and sponsorship.
1.3.1.8	BOARD	Ensure proper and widely publicised procedures for voicing complaints, concerns about misadministration, breaches of Code of Conduct, and other ethical concerns.
1.3.1.9 & 1.3.2.2	ALL BOARD MEMBERS	Subscribe to Code of Conduct.
1.3.2.4	BOARD	Board members share corporate responsibility for all decisions of the Board.
1.3.2.4	CHAIR AND NON EXECUTIVE/ EXECUTIVE DIRECTORS	Chair and non-executive directors are responsible for monitoring the executive management of the organisation and are responsible to the SofS for the discharge of those responsibilities.
1.3.2.4	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"> <li>1. to ensure effective financial stewardship through value for money, financial control and financial planning and strategy;</li> <li>2. to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation;</li> <li>3. to appoint, appraise and remunerate senior executives;</li> <li>4. to ratify the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer term objectives and agree plans to achieve them;</li> <li>5. to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary;</li> <li>6. to ensure effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs.</li> </ol>
1.3.24	BOARD	<p>It is the Board's duty to:</p> <ol style="list-style-type: none"> <li>1. act within statutory financial and other constraints;</li> <li>2. be clear what decisions and information are appropriate to the Board and draw up Standing Orders, a schedule of decisions reserved to the Board and Standing Financial Instructions to reflect these,</li> <li>3. ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives for the main programmes of action and for performance against</li> </ol>

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<p>programmes to be monitored and senior executives held to account;</p> <ol style="list-style-type: none"> <li>establish performance and quality measures that maintain the effective use of resources and provide value for money;</li> <li>specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities;</li> <li>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 main Board.</li> </ol>
1.3.2.5	CHAIR	<p>It is the Chair's role to:</p> <ol style="list-style-type: none"> <li>provide leadership to the Board;</li> <li>enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team;</li> <li>ensure that key and appropriate issues are discussed by the Board in a timely manner,</li> <li>ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions;</li> <li>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;</li> <li>appoint Non-Executive Board members to an Audit &amp; Risk Management Committee of the main Board;</li> <li>advise the Secretary of State on the performance of Non-Executive Board members.</li> </ol>
1.3.2.5	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. 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>
1.3.2.6	Non Executive Directors	<p>Non-Executive Directors are appointed by NHSEI to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health to Ministers and to the local community.</p>

1.3.2.8	Chair And Officers And Non Executive Directors	Declaration of conflict of interests.
1.3.2.9	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.

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.1	Chair	Final authority in interpretation of Standing Orders (SOs).
2.4	Board	Appointment of Vice Chair and Senior Independent Director
3.1	Chair	Call meetings.
3.9	Chair	Chair all Board meetings and associated responsibilities.
3.10	Chair	Give final ruling in questions of order, relevancy and regularity of meetings.
3.12	Chair	Having a second or casting vote
3.13	Board	Suspension of Standing Orders
3.13	Audit & Risk Management	Audit & Risk Management Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board)
3.14	Board	Variation or amendment of Standing Orders
4.1	Board	Formal delegation of powers to committees, sub committees or joint committees and approval of their constitution and terms of reference. (Constitution and terms of reference of sub committees may be approved by the Chief Executive.)
5.2	Chair & Chief Executive	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chair and Chief Executive after having consulted at least two Non-Executive members.
5.4	Chief Executive	The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals that shall be considered and approved by the Board, subject to any amendment agreed during the discussion.
5.6	All	Disclosure of non-compliance with Standing Orders to the Chief Executive as soon as possible.
7.1	The Board	Declare relevant and material interests.
7.2	Chief Executive	Maintain Register(s) of Interests.

7.4	All Staff	Comply with national guidance contained in HSG 1993/5 'Standards of Business Conduct for NHS Staff'.
7.4	All	Disclose relationship between self and candidate for staff appointment. (CE to report the disclosure to the Board.)
8.1/8.3	Chief Executive	Keep seal in safe place and maintain a register of sealing.
8.4	Chief Executive/Officer Or Advising Director	Approve and sign all documents which will be necessary in legal proceedings.

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
10.1.3	Chief Finance Officer	Approval of all financial procedures.
10.1.4	Chief Finance Officer	Advice on interpretation or application of SFIs.
10.1.6	All Members Of The Board And Employees	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the CFO as soon as possible.
10.2.4	Chief Executive	Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
10.2.4	Chief Executive & Chief Finance Officer	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
10.2.5	Chief Executive	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.

10.2.6	CHIEF FINANCE OFFICER	Responsible for: a) Implementing the Trust's financial policies and coordinating corrective action; b) Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented; c) Ensuring that sufficient records are maintained to explain Trust's transactions and financial position; d) Providing financial advice to members of Board and staff; e) Maintaining such accounts, certificates etc as are required for the Trust to carry out its statutory duties.
10.2.7	All Members Of The Board And Employees	Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Financial Instructions and financial procedures.
10.2.8	Chief Executive	Ensure that any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income are made aware of these instructions and their requirement to comply.
11.1.1	Audit & Risk Management Committee	Provide independent and objective view on internal control and probity.
11.1.2	Chair	Raise the matter at the Board meeting where Audit & Risk Management Committee considers there is evidence of ultra vires transactions or improper acts.
11.1.3 & 11.2.1	Chief Finance Officer	Ensure an adequate internal audit service, for which he/she is accountable, is provided (and involve the Audit & Risk Management Committee in the selection process when/if an internal audit service provider is changed.)
11.2.1	Chief Finance Officer	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or bribery.
11.3	Head Of Internal Audit	Review, appraise and report in accordance with NHS Internal Audit Manual and best practice.
11.4	Audit & Risk	Ensure cost-effective External Audit.
11.5	Chief Executive & Chief Finance Officer	Monitor and ensure compliance with SofS Directions on fraud and bribery including the appointment of the Local Counter Fraud Specialist.
11.6	Chief Executive	Monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management including appointment of the Local Security Management Specialist.
13.1.1	Chief Executive	Compile and submit to the Board an LDP which takes into account financial targets and forecast limits of available resources. The LDP will contain: a statement of the significant assumptions on which the plan is based; details of major changes in workload, delivery of services or resources required to achieve the plan.

13.1.2 & 13.1.3	Chief Finance Officer	Submit budgets to the Board for approval. Monitor performance against budget; submit to the Board financial estimates and forecasts.
13.1.6	Chief Finance Officer	Ensure adequate training is delivered on an on going basis to budget holders.
13.3.1	Chief Executive	Delegate budget to budget holders.
13.3.2	Chief Executive & Budget Holders	Must not exceed the budgetary total or virement limits set by the Board.
13.4.1	Chief Finance Officer	Devise and maintain systems of budgetary control.
13.4.2	Budget Holders	Ensure that a) no overspend or reduction of income that cannot be met from virement is incurred without prior consent of Board; b) approved budget is not used for any other than specified purpose subject to rules of virement; c) no permanent employees are appointed without the approval of the CE other than those provided for within available resources and manpower establishment.
13.4.3	Chief Executive	Identify and implement cost improvements and income generation activities in line with the LDP.
13.6.1	Chief Executive	Submit monitoring returns
14.1	Chief Finance Officer	Preparation of annual accounts and reports.
15.1	Chief Finance Officer	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories. (Board approves arrangements.)
16.	Chief Finance Officer	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
16.2.3	All Employees	Duty to inform DoF of money due from transactions which they initiate/deal with.
17.	Chief Executive	Tendering and contract procedure.
17.5.3	Chief Executive	Waive formal tendering procedures.
17.5.3	Chief Executive	Report waivers of tendering procedures to the Board.
17.5.5	Chief Finance Officer	Where a supplier is chosen that is not on the approved list the reason shall be recorded in writing to the CE.

17.6.2	Chief Executive	Responsible for the receipt, endorsement and safe custody of tenders received.
17.6.3	Chief Executive	Shall maintain a register to show each set of competitive tender invitations despatched.
17.6.4	Chief Executive and Chief Finance Officer	Where one tender is received will assess for value for money and fair price.
17.6.6	Chief Executive	No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.
17.6.8	Chief Executive	Will appoint a manager to maintain a list of approved firms.
17.6.8	Chief Executive	Shall ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.
17.7.2	Chief Executive	The Chief Executive or his nominated officer should evaluate the quotation and select the quote which gives the best value for money.
17.7.4	CHIEF EXECUTIVE Or CHIEF FINANCE OFFICER	No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.
17.10	Chief Executive	The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
17.10	Board	All PFI proposals must be agreed by the Board.
17.11	Chief Executive	The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.
17.12	Chief Executive	The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.
17.15	Chief Executive	The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis.
17.15.5	Chief Executive	The Chief Executive shall nominate an officer to oversee and manage the contract on behalf of the Trust.
18.1.1	Chief Executive	Must ensure the Trust enters into suitable Service Level Agreements (SLAs) with service commissioners for the provision of NHS services
18.4	Chief Executive	As the Accountable Officer, ensure that regular reports are provided to the Board detailing actual and forecast income from the SLA
20.1.1	Board	Establish a Remuneration & Terms of Service Committee

20.1.2	Remuneration Committee	<p>Advise the Board on and make recommendations on the remuneration and terms of service of the CE, other Executive Directors and senior employees to ensure they are fairly rewarded having proper regard to the Trust's circumstances and any national agreements;</p> <p>Monitor and evaluate the performance of individual senior employees;</p> <p>Advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.</p>
20.1.3	Remuneration Committee	Report in writing to the Board its advice and its bases about remuneration and terms of service of officer and associate members and senior employees.
20.1.4	Board	Approve proposals presented by the Chief Executive for setting of remuneration and conditions of service for those employees and officers not covered by the Remuneration Committee.
20.2.2	Chief Executive	Approval of variation to funded establishment of any department.
20.3	Chief Executive	Staff, including agency staff, appointments and re-grading.
20.4.1 and 20.4.2	Chief Finance Officer	<p>Payroll:</p> <p>specifying timetables for submission of properly authorised time records and other notifications;</p> <p>final determination of pay and allowances;</p> <p>making payments on agreed dates; agreeing method of payment;</p> <p>issuing instructions (as listed in SFI 20.4.2).</p>
20.4.3	Nominated Managers	<p>Submit time records in line with timetable.</p> <p>Complete time records and other notifications in required form.</p> <p>Submitting termination forms in prescribed form and on time.</p>
20.4.4	CHIEF FINANCE OFFICER	Ensure that the chosen method for payroll processing is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.
20.5	Nominated Manager	<p>Ensure that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and</p> <p>Deal with variations to, or termination of, contracts of employment.</p>
21.1	Chief Executive	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level.
21.1.3	Chief Executive	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
21.2.1	Requisitioner	In choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought.



21.2.2	Chief Finance Officer	Shall be responsible for the prompt payment of accounts and claims.
21.2.3	Chief Finance Officer	<ul style="list-style-type: none"> <li>a) Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed;</li> <li>b) Prepare procedural instructions on the obtaining of goods, works and services incorporating the thresholds;</li> <li>c) Be responsible for the prompt payment of all properly authorised accounts and claims;</li> <li>d) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable;</li> <li>e) A timetable and system for submission to the Chief Finance Officer of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment;</li> <li>f) Instructions to employees regarding the handling and payment of accounts within the Finance Department;</li> <li>g) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received</li> </ul>
21.2.4	Appropriate Officer	Make a written case to support the need for a prepayment.
21.2.4	Chief Finance Officer	Approve proposed prepayment arrangements.
21.2.4	Budget Holder	Ensure that all items due under a prepayment contract are received (and immediately inform DoF if problems are encountered).
21.2.5	Chief Executive	Authorise who may use and be issued with official orders.
21.2.6	Managers And All Staff	Ensure that they comply fully with the guidance and limits specified by the Director of Finance.
21.2.7	Chief Executive & Chief Finance Officer	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 Officer/advising director.
21.3	Chief Finance Officer	Lay down procedures for payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act.
22.1.1	Chief Finance Officer	The DoF will advise the Board on the Trust's ability to pay dividend on PDC and report, periodically, concerning the PDC debt and all loans and overdrafts.
22.1.2	Board	Approve a list of employees authorised to make short term borrowings on behalf of the Trust. (This must include the CE and DoF.)
22.1.3	Chief Finance Officer	Prepare detailed procedural instructions concerning applications for loans and overdrafts.

22.1.4	Chief Executive or Chief Finance Officer	Be on an authorising panel comprising one other member for short term borrowing approval.
22.2.2	Chief Finance Officer	Will advise the Board on investments and report, periodically, on performance of same.
22.2.3	Chief Finance Officer	Prepare detailed procedural instructions on the operation of investments held.
23	Chief Finance Officer	Ensure that Board members are aware of the Financial Framework and ensure compliance
24.1.1 & 2	Chief Executive	Capital investment programme: a) ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on plans b) responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost; c) ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences; d) ensure that a business case is produced for each proposal.
24.1.2	Chief Finance Officer	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
24.1.3	Chief Executive	Issue procedures for management of contracts involving stage payments.
24.1.4	Chief Finance Officer	Assess the requirement for the operation of the construction industry taxation deduction scheme.
24.1.5	Chief Finance Officer	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
24.1.6	Chief Executive	Issue manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender. Issue a scheme of delegation for capital investment management.
24.1.7	Chief Finance Officer	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
24.2.1	Board	Proposal to use PFI must be specifically agreed by the Board.
24.3.1	Chief Executive	Maintenance of asset registers (on advice from DoF).
24.3.5	Chief Finance Officer	Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

24.3.8	CHIEF FINANCE OFFICER	Calculate and pay capital charges in accordance with Department of Health requirements.
24.4.1	Chief Executive	Overall responsibility for fixed assets.
24.4.2	CHIEF FINANCE OFFICER	Approval of fixed asset control procedures.
24.4.4	Board, Executive Members And All Senior Staff	Responsibility for security of Trust assets including notifying discrepancies to DoF, and reporting losses in accordance with Trust procedure.
25.2	Chief Executive	Delegate overall responsibility for control of stores (subject to DoF responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded.
25.2	Chief Finance Officer	Responsible for systems of control over stores and receipt of goods.
25.2	Designated Pharmaceutical Officer	Responsible for controls of pharmaceutical stocks
25.2	Designated Estates Officer	Responsible for control of stocks of fuel oil and coal.
25.2	Nominated Officers	Security arrangements and custody of keys
25.2	Chief Finance Officer	Set out procedures and systems to regulate the stores.
25.2	Chief Finance Officer	Agree stocktaking arrangements.
25.2	Chief Finance Officer	Approve alternative arrangements where a complete system of stores control is not justified.
25.2	Chief Finance Officer	Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items.
25.2	Nominated Officers	Operate system for slow moving and obsolete stock, and report to DoF evidence of significant overstocking.
25.3.1	Chief Executive	Identify persons authorised to requisition and accept goods from NHS Supply Chain.
26.1.1	CHIEF FINANCE OFFICER	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.

26.2.1	CHIEF FINANCE OFFICER	Prepare procedures for recording and accounting for losses, special payments and informing police in cases of suspected arson or theft.
26.2.2	All Staff	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department / nominated officer should then inform the CE and DoF.
26.2.2	Chief Finance Officer	Where a criminal offence is suspected, DoF must inform the police if theft or arson is involved. In cases of fraud and corruption DoF must inform the relevant LCFS and NHS Counter Fraud Authority and NHS standards for providers.
26.2.2	Chief Finance Officer	The LCFS should be notified of all frauds and bribery.
26.2.3	Chief Finance Officer	Notify Board and External Auditor of losses caused theft, arson, neglect of duty or gross carelessness (unless trivial).
26.2.4	Board	Approve write off of losses (within limits delegated by DH).
26.2.6	Chief Finance Officer	Consider whether any insurance claim can be made.
26.2.7	Chief Finance Officer	Maintain losses and special payments register.
27.1	Chief Finance Officer	Responsible for accuracy and security of computerised financial data.
27.1	Chief Finance Officer	Satisfy himself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation assurances of adequacy must be obtained from them prior to implementation.
27.1.3	HEAD OF CORPORATE	Shall publish and maintain a Freedom of Information Scheme.
27.2.1	Relevant Staff	Send proposals for general computer systems to the Director with responsibility for IM & T
27.3	Director With Responsibility for IM & T And Chief Finance Officer	<i>Ensure that contracts with other bodies for the provision of computer services for financial applications clearly define responsibility of all parties for security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage, and allow for audit review.</i>  Seek periodic assurances from the provider that adequate controls are in operation.
27.4	Director With Responsibility for IM & T	Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place.

27.5	CHIEF FINANCE OFFICER	<p>Where computer systems have an impact on corporate financial systems satisfy him/herself that:</p> <p>a) systems acquisition, development and maintenance are in line with corporate policies;</p> <p>b) data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management rail exists;</p> <p>c) CFO and finance staff have access to such data;</p> <p>Audits of computerised systems are carried out as considered necessary.</p>
28.2	Chief Executive	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
28.3	CHIEF FINANCE OFFICER	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.
28.6	Departmental Managers	Inform staff of their responsibilities and duties for the administration of the property of patients.
29.1	Chief Finance Officer	Shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately.
30	Chief Governance Officer	Ensure all staff are made aware of the Trust policy on the acceptance of gifts and other benefits in kind by staff
32	Chief Executive	Retention of document procedures in accordance with HSC 1999/053.
33.1	Chief Executive	Risk management programme.
33.1	Board	Approve and monitor risk management programme.
33.2	Board	Decide whether the Trust will use the risk pooling schemes administered by the NHS Litigation Authority or self-insure for some or all of the risks (where discretion is allowed). Decisions to self-insure should be reviewed annually.
33.4	Chief Finance Officer	<p>Where the Board decides to use the risk pooling schemes administered by the NHS Resolution the CFO shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The CFO shall ensure that documented procedures cover these arrangements.</p> <p>Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for any one or other of the risks covered by the schemes, the CFO 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 CFO will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.</p>
33.4	Chief Finance Officer	Ensure documented procedures cover management of claims and payments below the deductible limits.

## Schedule of Delegated Authority and Authorisation Limits

### 1. General Conditions

In planned periods of absence of up to 21 days, Directors may temporarily transfer their authorisation authority to a nominated deputy. This transfer should be recorded in writing or e-mail and a copy of the authorisation passed to the Director of Finance and the Director of Procurement.

In unplanned periods of absence or planned absence greater than 21 days, the Chief Executive may temporarily transfer the authorisation authority of a Director to a nominated deputy. This transfer should be recorded in writing or e-mail, specify the period of transfer and a copy of the authorisation be passed to the Chief Finance Officer and the Director of Procurement.

### 2. Business Cases Approval

#### SFI reference 24

**Capital and revenue business cases which form part of the annual capital programme will be subject to the limits specified below.**

Business Case Value	Responsibility Delegated To
Up to £500,000	Executive director consistent with the delegated limits for quotations and tenders in
Above £500,000 but below £1,250,000	Finance, Investment and Performance Committee
Above £1,250,000	Trust Board

### 3. Management of Budgets

#### SFI reference 13

Responsibility for maintaining expenditure within approved budget limits is specified below.

Budget Level	Responsibility Delegated To
Individual budgets (pay and non pay)	Budget Holder
Group Level	Group Director / Group Director of Operations
All Other Areas	Chief Finance Officer or Nominated Deputy

Virement of budgets within any limitations imposed in the Trust's Financial Plan and/or Annual Budget is specified below:

Budget Level	Responsibility Delegated To
Individual (cost centre level) budgets (pay and non pay)	Budget Holder (subject to any Personnel and Pay conditions specified in section 12)
Group Level	Group Director / Group Director of Operations (subject to any Personnel and Pay conditions specified in section 12)

Between Operational Groups(excluding reserves and other non operational budgets)	Chief Operating Officer or Chief Nurse with Chief Finance Officer or authorised
Use of Specifically Allocated Trust Reserves (as identified in Annual Budget)	CFO or authorised deputy and reported to Finance & Performance Management Committee
Use of Other Trust Reserves and/or non operational budgets	Chief Executive and Chief Finance Officer and reported to Finance & Performance Management Committee

#### **4. Requisitions and Invoices**

##### **SFI reference 21**

##### **4.1. Conditions**

Raising and authorisation of requisitions and orders and authorisation and payment of invoices are subject to financial procedures which have been agreed with the Chief Finance Officer.

Raising and authorisation of requisitions and orders must comply with Standing Financial Instructions on the management of budgets.

Authorisation of expenditure must be within budgets specifically approved by the Trust Board as part of the Trust's revenue or capital financial plans.

##### **4.2. Stock/Non Stock Requisitions and Invoices and Works Orders**

<b>Authorisation Level</b>	<b>Authorise Stock/Non Stock Requisitions and Approve Invoices for Payment ex VAT *</b>
Budget Managers	<= £5,000
Group Directors of Operations and Employees Specifically Authorised by the CFO	<=£50,000
Chief Executive or Executive Director	<= £100,000
Two Executive Directors (one of whom should be the CFO)	<= £250,000
Chief Executive and CFO	<= £500,000

Note : Approvers may have their approval limit reduced to £nil at the discretion of the Director of Finance as a consequence of failing to exercise satisfactory financial control.



#### 4.3. MMUH Delegated Authority - Stock/Non Stock Requisitions and Invoices and Works Orders

Authorisation Level	Authorise Stock/Non Stock Requisitions and Approve Invoices for Payment ex VAT *	Responsibility for MMUH Delegation
Budget Managers	<=5000	Budget Managers
Group Directors of Operations and Employees Specifically Authorised by the CFO	<=£50,000	MMUH Managing Director / Director of Operational Finance
Chief Executive or Executive Director	<= £100,000	MMUH Managing Director / Director of Operational Finance
Two Executive Directors (one of whom should be the CFO) Chief Executive and CFO	<= £250,000	MMUH Managing Director / Director of Operational Finance
Chief Executive and CFO	<= £500,000	MMUH Managing Director / Director of Operational Finance

#### 4.4. Pharmacy Orders

Authorisation Level	Authorise Pharmacy Orders and Approve Invoices for Payment
Pharmacy Authorised Signatory	<= £25,000
Pharmacy Authorised Signatory and Group Directors of Operations	<= £50,000
Pharmacy Authorised Signatory and Group Director	<= £75,000
Pharmacy Authorised Signatory and one Executive Director	<= £250,000
Pharmacy Authorised Signatory and Chief Finance Officer and Chief Executive	<= £500,000

#### **4.5. Granting and Termination of Leases**

Leases which require the application of the Trust's seal will be considered individually by the Trust Board as the application of the seal must be authorised by the Board.

<b>Authorisation Level</b>	<b>Value of Annual Rental</b>
Chief Finance Officer	<= £100,000
Non Executive Director and Chief Executive or Chief Finance Officer	<= £500,000

### **5. Quotations, Tendering and Contracts**

#### **SFI Reference 17**

##### **5.1. Conditions**

Quotation, tendering and contracting procedures must operate within the conditions specified in SFIs Section 17.

The financial thresholds stated below for procurements above £10,000 refer to those prescribed as a legal requirement under the Procurement Regulations 2024. Therefore activity in compliance with the requirements of those regulations must be undertaken. The financial value of a project, contract or order against which the thresholds apply is the total cost, including (as appropriate) all works, furniture, equipment, fees, land, but excluding VAT, for the whole expected life of the contract. Splitting or otherwise changing orders in a manner devised so as to avoid the financial thresholds is forbidden

Thresholds apply to the total value of all orders placed with a single supplier for related goods or services. Therefore if one division places a first order and another division wishes to place a subsequent order with the same supplier for related goods or services within a similar timeframe (within two months), it is the combined order value that should be reviewed against the threshold. If there is any uncertainty, employees should contact the Director of Procurement.

The advice of the Trust's Director of Procurement should be sought with regard to the applicability of the Procurement Regulations 2024 and for professional guidance and support for running procurement exercises in compliance with the regulations

In exceptional circumstances the requirement to obtain competitive quotations/tenders may be waived by the Chief Executive within the terms of SFIs Section 17.5.

## 5.2. Financial Values of Quotations and Tenders

Requirement	Values ex VAT
Obtain minimum of 2 verbal quotations – end users to obtain and provide assurance to Procurement as required.	Up to £10,000
Obtain a minimum of 3 written quotations	Between £10,000 and £30,000
Director of Procurement - Advertisement in Central Digital Platform as Regulated Below Threshold exercise.	Between £30,000 and £139,687
Director of Procurement – Central Digital Platform advertisement for above threshold projects.	Above £139,687

## 5.3. Opening of Tenders

Tenders to be Opened By	Estimated Tender Value Over the Life of the Contract
Two officers of the Trust authorised by the Chief Executive and not from the originating department	<= £499,999
Two officers of the Trust as above, one of whom must be an Executive Director of the Trust	>= £500,000

## Electronic Tenders

For Electronic Tenders:

- ✓ All tenders will be accepted by the unlocking of the Atamis E-Tendering tool.
- ✓ All changes will be fully auditable within the Atamis E-Tendering tool

## 5.4. Evaluation of Quotations and Tenders

Where the result of a tender/quotation exercise or the receipt of a contractors variation notice results in the estimated tender/quotation sum being or the approved budget being exceeded then the following approval process for the additional expenditure will apply.

Amount of Excess Costs	Authority Delegated To
Up to 10% or £25,000 (whichever is the lower) more than the tender/quotation estimate	Executive Director
Up to 10% or £100,000 (whichever is the lower) more than the tender/quotation estimate	Chief Executive

Over £100,000	Trust Board approval required
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### 5.5. Authorisation of Quotations and Tenders

Subject to the evaluation limits specified in Section 4.4 above, formal authorisation and awarding of a contract may be decided by the following staff to the value of the contract as specified in the following table.

Authorisation Level	Value of Contract
Designated Budget Holder	<= £10,000
Group Director or Group Director of Operations	<= £50,000
Executive Directors of the Trust	<= £100,000
Chief Executive	<= £250,000
Chief Executive and CFO	<= £500,000
Chair and Chief Executive	<= £1,000,000
Trust Board	> £1,000,000

### 6. Setting of Fees and Charges

SFI reference 16.

Item	Authority Delegated To
Pricing of NHS Service Agreements (Where Not Covered By National Tariffs)	CFO or Nominated Deputy
Private Patients, Overseas Visitors and Other Patient Services	CFO or Nominated Deputy
Non Clinical Services	CFO or Nominated Deputy in Conjunction with Responsible

### 7. Engagement of Staff Not Within Establishment

SFI reference 17 and 21.

Item	Authority Delegated To
Non Clinical Consultancy Staff with Commitment in any one Year <= £20,000	Chief Executive or CFO
Non Clinical Consultancy Staff with Commitment in any one Year <= £50,000	Chief Executive and CFO
Non Clinical Consultancy Staff with Commitment in any one Year > £50,000	Trust Board
Engagement of Trust's Solicitors	Chief Executive or Executive Director

### 8. Agreements and Licences

SFI reference 16.

Item	Authority Delegated To
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Preparation and Signature of all Tenancy Agreements/Licences for Staff Accommodation	Executive Director or Nominated Deputy
Extensions or Amendments to Above	Executive Director or Nominated Deputy
Letting of Premises to Outside Organisations	Director with responsibility for Estates after Consultation with Chief Executive and CFO
Approval of Rent Based on Professional Assessment	CFO

## 9. Charitable Funds

SFI reference 29.

### 9.1. Conditions

Expenditure funded from charitable funds must be in accordance within the purposes of the fund being utilized and in accordance with any restrictions laid down by the Trust and/or the Charity Commission.

Expenditure must not exceed the balance of funds available.

### 9.2. Authorisation Limits

Type of Expenditure	Authorisation of Requests	Authorisation Limit per Request
Pay expenditure as part of a linked research programme.	CFO and Fund Manager	Value of salary + on costs.
Non Pay	Fund Manager and Nominated Representative of CFO	<= £5,000
	Fund Manager and CFO	£5,001 - £20,000
	Fund Manager and CEO	£20,001 - £50,000
	Charitable Funds Committee	> £50,001

## 10. Condemnation, Disposal, Write Offs, Losses and Compensation

SFI reference 26.

### 10.1. Condemnation and Disposal

Items which are obsolete, redundant and irreparable or cannot be repaired cost effectively will be disposed of according to the following limits (subject to acting on appropriate professional advice regarding disposal).

Estimated Current Value	Authority Delegated To
<= £1,000	Budget Holder
<= £10,000	Group Director or Group Director of Operations
<= £25,000	CFO

### 10.2. Sale of Obsolete Equipment or Scrap

Item	Estimated Sale Value	Authority Delegated To
Mechanical and Engineering Plant	<= £10,000	Director with responsibility for Estates
Mechanical and Engineering Plant	Between £10,001 and £25,000	Director with responsibility for Estates after consultation with CFO
IT Equipment	<= £5,000	Executive Director with responsibility for IM & T
IT Equipment	Between £5,001 and £20,000	Executive Director with responsibility for IM & T after consultation with CFO
Medical Equipment and Materials	< £5,000	Group Director or Divisional General Manager
Medical Equipment and Materials	Between £5,001 and £20,000	Group Director or Group Director of Operations after consultation with CFO

### 10.3. Losses, Write Off and Compensation

Item	Value	Authority Delegated To
Losses Due to Theft, Fraud, Over Payment and Other	<= £50,000	Chief Executive or CFO Reported to Audit & Risk Management Committee
Fruitless Payments (Including Abandoned Capital Schemes)	<= £250,000	Chief Executive or CFO Reported to Audit & Risk Management Committee
Fruitless Payments (Including Abandoned Capital Schemes)	> £250,000	The Trust Board Reported to Audit & Risk Management Committee
Bad Debts, Write Off of Debtors and Claims Abandoned (Non NHS)	<= £50,000	Chief Executive or CFO Reported to Audit & Risk Management Committee
Bad Debts, Write Off of Debtors and Claims Abandoned (NHS)	<= £250,000	Chief Executive or CFO Reported to Audit & Risk Management Committee
Bad Debts, Write Off of Debtors and Claims Abandoned (NHS)	> £250,000	The Trust Board Reported to Audit & Risk Management Committee



Damage to or Loss of Property Due To Culpable Causes (e.g. Theft, Arson)	<= £50,000	Chief Executive or CFO Reported to Audit & Risk Management Committee
Compensation Payments Made Under Legal Obligation	Any	Chief Executive or CFO Reported to Audit & Risk Management Committee
Extra Contractual Payment to Contractors	<= £50,000	Chief Executive or CFO Reported to Audit & Risk Management Committee
Ex Gratia Payments to Staff and Patients for Loss of or Damage to Personal Effects	<= £1,000	Group Director or Group Director of Operations and Reported to Audit & Risk Management Committee
	<= £50,000	Chief Executive or CFO Reported to Audit & Risk Management Committee
Personal Injury Claims Involving Negligence Where Legal Advice Has Been Obtained and Guidance Applied (Including Plaintiff's Costs)	<= £250,000	Chief Executive or CFO Reported to Audit & Risk Management Committee
Personal Injury Claims Involving Negligence Where Legal Advice Has Been Obtained and Guidance Applied (Including Plaintiff's Costs)	> £250,000	The Trust Board Reported to Audit & Risk Management Committee
Other (Excluding Cases of Maladministration)	<= £50,000	Chief Executive or CFO Reported to Audit & Risk Management Committee

#### 11. Reporting of Incidents to the Police

Incident	Authority Delegated To
Criminal Offence of a Violent Nature	Local Security Management Specialist/Executive Director On Call
Other Criminal Offence	Local Security Management Specialist /Director On Call
Fraud	Nominated Local Counter Fraud Specialist

#### 12. Petty Cash Disbursements

SFI reference 21.

Expenditure Up To	Authority Delegated To
Expenditure <= £25 Per Item	Budget Holder

Expenditure <= £50 Per Item	Group Director of Operations
Expenditure > £50 Per Item	CFO or Nominated Deputy
Reimbursement of Patients Monies <= £100	Budget Holder
Reimbursement of Patients Monies > £100	CFO or Nominated Deputy

### **13. Personnel and Pay**

**SFI reference 20.**

**13.1. Establishments**

Item	Authority Delegated To
Authority to Fill Funded Post within Establishment with Permanent Staff	Staff specifically Permitted to Authorise Permanent Payroll Documentation
Authority to Appoint Staff to Posts Not Within Formal Establishment but Within Total Available Budget	Chief Executive or CFO and responsible Executive Director
Granting of Additional Increments to Staff Within Budget	Chief Nurse
Regrading of Staff	Staff specifically permitted to Authorise Permanent Payroll Documentation where Changes are in Accordance with Trust Procedures.
Increase Establishment with Specifically Allocated Finance	Chief Nurse
Increase Establishment without Specifically Allocated Finance	Chief Executive and CFO

**13.2. Pay**

Item	Authority Delegated To
Completion of Standing Data Changes Affecting Pay, Starters, Leavers and Amendments	Officers Specifically Permitted to Authorise Permanent Payroll Documentation
Completion and Authorisation of In Month Changes	Officers Specifically Permitted to Authorise Temporary Payroll Changes
Authorisation of Overtime	Officers Specifically Permitted to Authorise Temporary Payroll Changes
Authorisation of Travel and Subsistence Expenses	Officers Specifically Permitted to Authorise Temporary Payroll Changes

**13.3. Leave**

Item	Authority Delegated To
Approval of Annual Leave	Line/Departmental Manager
Approval of Carry Forward of Annual Leave	Line/Departmental Manager within the Conditions laid down by the Trust.
Approval of Annual Leave Outside Conditions Laid Down by the Trust	Chief Nurse
First 3 Days Compassionate Leave	Line/Departmental Manager within Trust Policies on Compassionate Leave
Additional Compassionate Leave	Group Director of Operations within Trust Policies on Compassionate Leave
Maternity Leave (Paid and Unpaid)	Line/Departmental Manager, Group Director/General Manager (automatic approval within HR guidance)
Paternity Leave	Line/ Departmental Manager within Trust Policies
Carers and Other Special Leave	Line/Departmental Manager within Trust Policies
Leave Without Pay	Line/Departmental Manager in consultation with Human Resources Department
Medical Staff Leave of Absence	Group Director, Group Director of Operations or Executive Director

Time Off in Lieu	Line/Departmental Manager
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**13.4. Sick Leave**

Item	Authority Delegated To
Extension of Sick Leave on Half Pay up to 3 Months	Appropriate Executive Director in conjunction with Chief Nurse
Return to work Part-Time on Full Pay to Assist Recovery	Group Director/Appropriate Manager/Executive Director Director in Conjunction with the Executive Director responsible for HR
Extension of Sick Leave on Full Pay	Chief Executive and Executive Director responsible for HR

**13.5. Study Leave**

Item	Authority Delegated To
Study Leave Outside the UK: Medical	Chief Medical Officer
Study Leave Outside the UK: Non Medical	Chief Executive
Study Leave Within the UK: Medical	Group Director
Study Leave Within the UK: Non Medical	As per Trust Policy

**13.6. Other Employment Matters**

Item	Authority Delegated To
Authorisation of Removal Expenses in Accordance with Trust Policies	Executive Director responsible for HR and Group Director of Operations
Grievances	In accordance with Grievance Procedure and with the advice of a Human Resources Officer when the grievance reaches the level of General Manager.
Authorisation of Regular Users as Car Users	Executive Director responsible for HR or CFO
Authorisation of posts as portable data/communication devices	Chief Operating Officer/Deputy Chief Operating Officer
Renewal of Fixed term Contract	Chief Executive, Executive Director or Group Director
Authorisation of Extensions of Contracts Beyond Normal Retirement Age	Executive Director responsible for HR
Redundancy: Chief Executive, Officer and Advising Directors	Remuneration Committee (after consultation with CFO in respect of financial implications)
Redundancy: All Other Staff	Executive Director responsible for HR (after consultation with CFO in respect of financial implications)
Pursuit of Retirement on the Grounds of Ill Health	Executive Director responsible for HR
Dismissal: Chief Executive, Officer and Advising Directors	Remuneration Committee
Dismissal: All Other Staff	Group Directors or Executive Director

**14. Patients and Relatives Complaints**

<b>Item</b>	<b>Authority Delegated To</b>
Overall Responsibility for Ensuring Effective Management of Complaints	Chief Executive
Ensuring Thorough Investigation of Complaints Relating to a Division	Group Director, Group Director of Operations or Executive Director
Management of Medico-Legal Complaints	Chief Governance Officer

### 15. Relationship with the Press

Item	Authority Delegated To
Non Emergency General Enquiries: Within Normal Working Hours	Head of Communications and Engagement
Outside Working Hours	Head of Communications and Engagement
Emergencies: Within Normal Working Hours	Head of Communications and Engagement
Outside Working Hours	Head of Communications and Engagement or On Call Manager/Director

### 16. Patient Services

Item	Authority Delegated To
Variation of Operating and Clinic Sessions Within Existing Numbers: Out-Patients	Clinical Director/Group Director of Operations and Chief Operating Officer
Variation of Operating and Clinic Sessions Within Existing Numbers: Theatres	Clinical Director/Group Director of Operations and Chief Operating Officer
Variation of Operating and Clinic Sessions Within Existing Numbers: Other	Clinical Director/Group Director of Operations and Chief Operating Officer
Proposed Changes in Bed Allocation and Use: Temporary Changes	Group Director/Group Director of Operations and reported to Chief Operating Officer
Proposed Changes in Bed Allocation and Use: Permanent Changes	Chief Operating Officer
Infectious Diseases and Notifiable Outbreaks	Chief Nurse as DIPC
Extended Role Activities: Approval of Nurses to Undertake Duties/ Procedures Which Can Properly Be Described As Beyond The Normal Scope Of Nursing Practice	Chief Nurse

### 17. Compliance with Statutory and Other Regulatory Requirements

Item	Authority Delegated To
Review of Fire Precautions	Director responsible for Estates
Review of all Statutory Compliance Legislation and Health and Safety Requirements Including Control of Substances Hazardous to Health Regulations	Executive/Advising Directors responsible for facilities and estates
Review of Medicines Inspectorate Regulations	Medical Director
Review of Compliance with Environmental Regulations (e.g. Clean Air and Waste Disposal)	Executive/Advising Directors responsible for facilities and estates
Review of Compliance with the Data Protection Act	Executive Director responsible for IM & T
Monitor Proposals for Contractual Arrangements Between the Trust and Outside Bodies	CFO

Review of Compliance with the Access to Records Act	Executive Directors responsible for IM & T and HR
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Item	Authority Delegated To
Review of Compliance with the Disability Discrimination Act	Executive/Advising Directors responsible for Estates and HR
Review of Compliance with the Code of Practice for Handling Confidential Information	Executive Director responsible for IM & T
Compliance with Other Legislation and Regulations	Chief Executive (May Subsequently be Delegated by the Chief Executive to other Executive Directors)

#### 18. Other Requirements

Item	Authority Delegated To
Maintenance of a Declaration of Interests Register	Chief Governance Officer
Attestation of Sealings in Accordance with Standing Orders	Chair or Non Executive Directors and Chief Executive or Executive Director
Maintenance of a Register of Sealings	Chief Governance Officer
Maintenance of Hospitality Register	Chief Governance Officer
Declaration of Gifts exceeding £10 and Hospitality exceeding £40	All Staff
Retention of Records	Executive Director responsible for IM & T
Development and Maintenance of System for Ensuring Sound Clinical Governance	Director of Governance /Medical Director/Group Directors
Implementation of External and Internal Audit Recommendations	CFO and Appropriate Executive Director
Maintenance and Update of Trust Financial Procedures	CFO



## SECTION D - STANDING FINANCIAL INSTRUCTIONS

### 10. INTRODUCTION

#### 10.1 General

- 10.1.1 These Standing Financial Instructions (SFIs) are issued in accordance with the Trust (Functions) Directions 2000 issued by the Secretary of State which require that each Trust shall agree Standing Financial Instructions for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. They shall have effect as if incorporated in the Standing Orders (SOs).
- 10.1.2 These Standing Financial Instructions detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and the Scheme of Reservation and 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 & Performance Management.
- 10.1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the CFO 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 any significant and material breaches 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. Full details of any non-compliance will be periodically reported to the Audit & Risk Management Committee. All members of the Board and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the CFO 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 Reservation and 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 Decisions Reserved to the Board section of the Scheme of

Reservation and Delegation. All other powers have been delegated to such other committees as the Trust has established.

#### 10.2.3 **The Chief Executive**

The Chief Executive and Chief Finance Officer 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 Chief Finance Officer**

The Chief Finance Officer 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 Chief Finance Officer 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 Reservation and 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 CFO.

### 11. **AUDIT**

#### 11.1 **Audit & Risk Management Committee**

- 11.1.1 In accordance with Standing Orders, the Board shall formally establish an Audit & Risk Management Committee, with clearly defined terms of reference and following guidance from the NHS Audit 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 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 Management 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 Management 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 CFO in the first instance.)

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

#### 11.2 **Chief Finance Officer (CFO)**

- 11.2.1 The Chief Finance Officer (CFO) 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 bribery;

- (e) ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee. The report must cover:
  - (i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health 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 CFO, designated auditors or LCFS 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.

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 Chief Finance Officer must be notified immediately.

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

11.3.4 The HOIA shall be accountable to the Chief Governance Officer .  
The reporting system for internal audit shall be agreed between the Chief Governance Officer, the Audit & Risk Management Committee and the HOIA. The agreement

shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit Standards. The reporting system shall be reviewed at least every three years.

#### **11.4 External Audit**

- 11.4.1 The External Auditor is appointed by, and paid for by the Trust. The Audit & Risk Management Committee must ensure a cost-efficient service. If there are any problems relating to the service provided by the External Auditor, then this should be raised with the External Auditor and referred on to NHSEI if the issue cannot be resolved.

#### **11.5 Fraud and Bribery**

- 11.5.1 In line with their responsibilities, the Trust Chief Executive and Chief Finance Officer shall monitor and ensure compliance with provisions contained within the Fraud Act 2006 and Bribery Act and Health and Social Care Act 2012.
- 11.5.2 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the Department of Health Fraud and Corruption Manual and guidance.
- 11.5.3 The Local Counter Fraud Specialist shall report to the CFO and shall work with staff in NHS Protect, the national counter fraud body incorporated within the NHS Business Services. He or she shall work in accordance with the NHS Protect's Anti Fraud Manual and guidance.
- 11.5.4 The LCFS will attend Audit Committee meetings. The Healthcare Provider shall receive Local Counter Fraud Specialist reports at these meetings..

The Trust's requirement is that the NHS Counter Fraud Authority's Self-Review Tool should be completed on an annual basis.

#### **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 (SMD) 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 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 Chief Finance Officer will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board. Such budgets will:
- (a) be in accordance with the aims and objectives set out in the Annual Plan;
  - (b) accord with workload and manpower plans;
  - (c) be produced following discussion with appropriate budget holders;
  - (d) be prepared within the limits of available funds;
  - (e) identify potential risks.
- 13.1.3 The CFO 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 CFO 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 CFO has a responsibility to ensure that adequate training is delivered on an on- going basis to budget holders to help them manage successfully.

### **13.3 Budgetary Delegation**

- 13.3.1 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.
- 13.3.2 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.
- 13.3.3 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.
- 13.3.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Chief Finance Officer.

### **13.4 Budgetary Control and Reporting**

- 13.4.1 The CFO 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 CFO'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.

13.4.2 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.

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

### **13.5 Capital Expenditure**

13.5.1 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).

### **13.6 Monitoring Returns**

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

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

14.1 The Chief Finance Officer, 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 an auditor appointed by the Trust. 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 and the GBS**

### **15.1 General**

15.1.1 The Chief Finance Officer 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' the Trust shall use the GBS (Government Banking Service) which replaced the Office of the Paymaster General. All transactions are to be processed through the banking facilities offered by the GBS which includes use of commercial bank accounts.

15.1.2 The Board shall approve the banking arrangements.

### **15.2 Bank Accounts**

15.2.1 The CFO is responsible for: (a) bank accounts including those secured through the GBS;

(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 CFO 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 CFO 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 CFO 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 accounts directed under the GBS.

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

### **16.1 Income Systems**

16.1.1 The CFO 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 CFO 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 CFO 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 CFO 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 CFO 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 CFO 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 CFO.
- 16.4.4 No member of staff is able to receipt a sum in cash form (in any currency) in excess of £5000 from an external source. The CFO must be informed immediately if such an offer of payment in a cash form is made.
- 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 Directives Governing Public Procurement**

Directives enacted in UK legislation by the Procurement Regulations 2024 prescribe a legal requirement on the Trust to observe certain procedures for awarding all forms of contracts. These 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 the Director of Procurement.

## **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 Formal Competitive Tendering**

The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided under contract or in-house. It is the responsibility of all Directors and employees of the Trust to ensure value for money at all times and to review all contracts prior to signing (or submitting for signature). All tenders will be managed within the process established by the Director of Procurement, and this will include maintenance of a register of tenders. All third party contracts for the supply of goods/services will be maintained in a contracts database maintained by the Director of Procurement. For all contracts awarded by the Trust it is required that a Contracts Sign-Off Pro-Forma is completed.

### **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 £25,000.
- (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. 17.5; Formal tendering

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

- (d) Products / Services can only be supplied by a particular supplier / person;
- (e) To buy elsewhere would result in incompatibility with existing equipment;
- (f) To buy elsewhere would result in disproportionate technical / project difficulty or cost;
- (g) Timescales genuinely preclude tendering (failure to plan is not a valid justification);
- (h) Other - (NB – This option should only be selected in exceptional circumstances and will require approval from both the CFO and the Director of Procurement).

The waiving of competitive tendering procedures should not be used to avoid competition or administrative convenience or to award further work to a consultant originally appointed through a competitive procedure. A detailed record of the reasons for the request and decision need to be made, reviewed by Procurement Department before approval and retained for audit purposes.

Approval of Single Tender Arrangements requires Board approval for any amount above the threshold specified under the Procurement Regulations 2024 (including Light Touch Regime) procurement limit for goods and services (£118,133) and medical services (£615,278) at 1 January 2018 net of VAT.

The Trust is obliged legally to comply with the Procurement Regulations 2024. 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 periodically reported to the Audit & Risk Management Committee.

#### **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 unless permitted under Department of Health Estates and Facilities guidance which may require specific Department 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**

All invitations to tender on a formal competitive basis shall state that no tender will be considered for acceptance unless submitted electronically using the Trust's E-Tendering Tool, or if necessary:

- a) In a plain, sealed package bearing a pre-printed label supplied by the Trust (or bearing the word 'Tender' followed by the subject to which it relates and the latest date and time for the receipt of such tender); or
- b) In a special envelope supplied by the Trust to prospective tenderers.

The tender envelopes/packages shall not bear any names or marks indicating the sender.

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

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

For Electronic Tenders:

- ☐ Formal tenders will be submitted using the E-Tendering tool and will be unlocked automatically on the set return date and time.
- ☐ The authorised procurement representative will be responsible for the maintenance of all records.

For Paper Based Tenders:

- ☐ Formal competitive tenders shall be addressed to the Associate Director of Corporate Governance / Company Secretary.
- ☐ The date and time of receipt of each tender shall be endorsed on the unopened tender envelope/package.
- ☐ The Associate Director of Corporate Governance / Company Secretary shall receive tenders on behalf of the Chief Executive, and be responsible for their endorsement and safe custody until the time appointed for their opening, and for the records maintained in accordance with Section 3.

#### **17.6.3 Opening tenders, Register of tenders**

For Electronic Tenders:

- ☐ All tenders will be accepted by the unlocking of the E-Tendering tool.
- ☐ All changes will be fully auditable within the E-Tendering tool.

In the case of Paper Based Tenders:

- ☐ As soon as practicable after the date and time stated as being the latest time for the receipt of tenders they shall be opened in accordance with the Scheme of Delegation (SoD).
- ☐ Every tender received shall be stamped with the date of opening and initialled by the two Trust Directors in line with the SoD present at the opening.
- ☐ A permanent record shall be maintained, signed by the Directors present at the opening, to show the following for each set of competitive tender invitations dispatched:
  - a) The names of firms/individuals invited
  - b) The names of and the number of firms/individuals from which tenders are received
  - c) The total price(s) tendered
  - d) Date and time of opening and closing;

A record shall be maintained of all price alterations on tenders, i.e. where a price has apparently been altered, and the final price shown shall be recorded, unless price alterations are so numerous as to render this procedure unreasonable. Every price alteration appearing on a tender and the record should be initialed by two of those present at the opening.

#### **17.6.4 Admissibility**

In considering which tender to accept, if any, the designated officers shall have regard to whether best value will be obtained by the Trust and whether the number of tenders received provides adequate competition. In cases of doubt they shall consult the Director of Procurement or CFO.

Tenders received after the due time and date may be considered only if the Head of Corporate Governance decides that there are exceptional circumstances, e.g. where significant financial, technical or delivery advantages would accrue, and is satisfied that there is no reason to doubt the bona fides of the tenders concerned. The nominated officer shall decide

whether such tenders are admissible and whether re-tendering is desirable. Re-tendering may be limited to those tenders reasonably in the field of consideration in the original competition. If the tender is accepted, the late arrival of the tender should be reported to the Audit Committee at its next meeting.

Technically late tenders (i.e. those dispatched in good time but delayed through no fault of the tenderer) may at the discretion of the Associate Director of Corporate Governance / Company Secretary regarded as having arrived in due time.

Incomplete tenders (i.e. those from which information necessary for the adjudication of the tender is missing) and amended tenders (i.e. those amended by the tenderer upon his own initiative either orally or in writing after the due time for receipt) should be dealt with in the same way as late tenders

Where examination of tenders reveals errors which would affect the tender figure, the tenderer is to be given details of such errors and afforded the opportunity of confirming or withdrawing his/her offer.

Necessary discussions with a tenderer of the contents of his/her tender, in order to elucidate technical points etc, before the award of a contract, need not disqualify the tender.

While decisions as to the admissibility of late, incomplete, or amended tenders are under consideration and while re-tenders are being obtained, the tender documents shall remain strictly confidential and kept in safekeeping by an officer designated by the Director of Procurement.

Where only one tender/quotation is received the Trust shall, as far as practicable, ensure that the price to be paid is fair and reasonable.

A tender other than the lowest (if payment is to be made by the Trust), or other than the highest (if payment is to be received by the Trust) shall not be accepted unless for good and sufficient reason the CFO decides otherwise and records that decision, plus the financial implications, with the Audit Committee.

Where the form of contract includes a fluctuation clause all applications for price variations must be submitted in writing by the tenderer and shall be approved by the CFO or Director of Procurement.

All Tenders must be treated as confidential and must be retained for a period of at least 6 years for unsuccessful tenders, or 6 years beyond the life of the successful tendered contract, in accordance with HSC1999/053 'For The Record: Managing Records in NHS Trusts and Health Authorities'. Associated records for contracts under seal should be kept for a minimum of 15 years.

#### **17.6.5. Monitoring Potential and Current Suppliers**

The Director of Procurement or nominated officers should ensure that appropriate checks are carried out as to the technical and financial capability of firms invited to tender or quote:

- ☐ In the case of building, engineering and maintenance works, the Director of Procurement in conjunction with the Director of Estates is satisfied on their capacity, conditions of labour, etc, and that the CFO is satisfied that their financial standing is adequate.
- ☐ In the case of the supply of goods, materials and related services, and management consultancy services, the Chief Executive or the nominated officer is satisfied as to their competence and that the CFO is satisfied that their financial standing is adequate.
- ☐ In the case of the provision of healthcare services to the Trust by a private sector provider, the CFO is satisfied as to their financial standing and the Medical Directors are satisfied as to their technical/medical competence and the Director of Procurement is satisfied with the value for money and risks. If the value of the contract exceeds EU thresholds then this should be referred to the Director of Procurement for due process.

The Director of Procurement will monitor the level of business transacted with suppliers by the Trust in relation to the total annual turnover of the Supplier. Where Trust business represents 50% or more of a supplier's total annual turnover the CFO, together with the appropriate procuring officer will review the extent that this represents a risk to the Trust and agree the necessary action to remove this risk.

#### 17.6.6 Tender reports to the Trust Board

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

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

##### 17.7.1 General Position on quotations

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed amounts as laid down in the Trust's Scheme of Reservation and Delegation.

##### 17.7.2 Competitive Quotations

Quotations are required for the supply of goods, services or products above the thresholds described in **4.2. Financial Values of Quotations and Tenders** with the number required depending upon total value. All quotations should be received in writing, which may be by email unless specified otherwise in appendix 3.

Quotations should be obtained from firms/individuals based on specifications or terms of reference prepared by, the user department. The procurement department should be consulted for assistance in obtaining quotations and best use should be made of the Procurement Departments standard quotation system. All quotations sought should be subject to NHS Standard Terms and Conditions of Contract and should be in writing.

All quotations should be treated as confidential and should be retained for inspection. The nominated officer should evaluate the quotations and select the one which gives best value. If this is not the lowest then this fact and the reasons why the lowest quotation was not chosen should be sent to the procurement department, where the reasons will be held in a permanent record, available on request to the Audit Committee.

##### 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/(sponsoring) Director, possible or desirable to obtain competitive quotations and the circumstances are detailed in an appropriate Trust record;
- (ii) where the requirement is covered by an existing contract;
- (iii) where a consortium arrangement is in place and a lead organisation has been appointed to carry out quotation activity on behalf of the consortium members;
- (iv) where the timescale genuinely precludes competitive quotations and the supply of goods or manufactured articles are required quickly and are not obtainable under existing contracts; (failure to plan the work properly would not be regarded as a justification for a single quote)
- (v) where specialist expertise is required and is available from only one source;
- (vi) 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;
- (vii) 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 from competitive quotations;
- (viii) for the provision of legal advice and services providing that any legal firm or partnership commissioned by the Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's

opinion) and are generally recognized as having sufficient expertise in the area of work for which they are commissioned. The CFO will ensure that any fees paid are reasonable and within commonly accepted rates for the costing of such work.

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

The waiving of competitive quotation 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 obtaining competitive quotations 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 periodically reported to the Audit & Risk Management Committee.

Where the goods or services are for building and engineering maintenance, there is an expectation that when requesting a waiver, the responsible works manager will justify the request by reference to the first two conditions of this SFI (i.e.: (i) and (ii)).

#### **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 CFO.

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 periodically reported to the Audit & Risk Management Committee.

#### **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 staff to the value of the contract in accordance with the individual limits as laid down in the Trust's Scheme of Reservation and Delegation.

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

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

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

(a) the Trust shall use central and local NHS supply organisations for procurement of all goods and services unless the Chief Executive or nominated officers deem it inappropriate. The decision to use alternative sources must be documented.

(b) If the Trust does not use central and local NHS supply organisations for procurement - where tenders or quotations are not required, because expenditure is below the level defined in the Scheme of Reservation and Delegation, the Trust shall procure goods and services in accordance with procurement procedures approved by the CFO.

#### **17.10 Private Finance for capital procurement (see overlap with SFI No. 24)**

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.

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

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

- (a) The Trust's Standing Orders and Standing Financial Instructions; (b) Procurement 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.

#### **17.12 Personnel and Agency or Temporary Staff Contracts**

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

#### **17.13 Healthcare Services Agreements (see overlap with SFI No. 18)**

Service agreements with NHS providers for the supply of healthcare services shall be procured in line with the Provider selection regime 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 (public benefit corporation), 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.

#### **17.14 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 supplies 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.

#### **17.15 In-house Services**

- 17.15.1 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.
- 17.15.2 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 & Performance Management representative. For services having a likely annual expenditure exceeding the level specified in the Trust's Scheme of Reservation and Delegation, a non-executive director should be a member of the evaluation team.
- 17.15.3 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.
- 17.15.4 The evaluation team shall make recommendations to the Board.
- 17.15.5 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, in accordance with Provider Selection Regime requirements.

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

- 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 Locally Commissioned Services**

The Department of Health has published its document Health and Social Care Act 2012 setting out the basis upon which the Government's major reform agenda should be carried forward.

Every aspect of the system is designed to create a service which is patient-led, where:

- people have a far greater range of choices and of information and guidance to help make choices;
- there are stronger standards and safeguards for patients;
- NHS organisations, particularly GP led commissioning bodies are better at understanding patients and their needs, use new and different methodologies to do so and have better and more regular sources of information about preferences and satisfaction.

### **What services will look like**

In order to be patient-led the Act has required the NHS to develop new service models which build on previous experience and innovation to:

- give patients more choice and control wherever possible;
- offer integrated networks for emergency, urgent and specialist care to ensure that everyone throughout the country has access to safe, high quality care;
- make sure that all services and all parts of the NHS contribute to health promotion, protection and improvement.

### **Securing services**

The NHS has developed the way it secures services for its patients by :

- promoting more choice in acute care by offering choice to the patient both in number and type of provider;
- encouraging development of new community and primary services alongside new practices;
- strengthening existing networks for emergency, urgent and specialist services;
- building on previous practices in shared commissioning to create a far simpler contract management and administration system that can be professionally managed.

### **Changing the way the NHS works**

The NHS needs a change of culture as well as of systems to become truly patient-led, where:  
everything is measured by its impact on patients and type of provider;  
the NHS is as concerned with health promotion and prevention as with sickness and injury;  
frontline staff have more authority and autonomy to better support the patient;  
barriers which create rigidity and inflexibility are tackled and codes of conduct and shared values are instilled into the culture.

### **Making the changes**

A Patient-led NHS needs effective organisations and incentives, with:

a new development programme to help NHS Trusts become NHS Foundation Trusts;  
a similar structured programme to support GP commissioning bodies to take on their new responsibilities;  
further development of Payment by Results to provide appropriate financial incentives for all services;  
greater integration of all the financial and quality incentives along with full utilization of new human resources and IT programmes

The latest guidance may be accessed at <http://www.dh.gov.uk>

#### **18.4 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. COMMISSIONING**

#### **19.1 Role of the Trust in Commissioning Secondary Services**

- 19.1.1 Where the Trust has responsibilities for commissioning secondary services on behalf of the resident population, this will require the Trust to work in partnership with GPs, NHSEI, ICBs, other local NHS Trusts, and FTs, local authority, users, carers and the voluntary sector to develop an annual plan.

#### **19.2 Role of the Chief Executive**

- 19.2.1 The Chief Executive as the Accountable Officer has responsibility for ensuring secondary services are commissioned in accordance with the priorities agreed in the Annual Plan. This will involve ensuring SLAs are put in place with the relevant providers, based upon integrated care pathways.
- 19.2.2 SLAs will be the key means of delivering the objectives of the Annual Plan and therefore they need to have a wider scope. The Chief Executive will need to ensure that all SLAs;

Meet the standards of service quality expected;

Fit the requirement of 'standards for Better n Health';

Fit the relevant national service framework (if any);

Enable the provision of reliable information on cost and volume of services;

Fit the NHS National Performance Assessment Framework;

that SLAs build where appropriate on existing Joint Investment Plans;

that SLAs are based upon cost-effective services;

that SLAs are based on integrated care pathways.

- 19.2.3 The Chief Executive, as the Accountable Officer, will need to ensure that regular reports are provided to the Board detailing actual and forecast expenditure and activity for each SLA.
- 19.2.4 Where the Trust makes arrangements for the provision of services by non-NHS providers it is the Chief Executive, as the Accountable Officer, who is responsible for ensuring that the agreements put in place have due regard to the quality and cost-effectiveness of services provided. Before making any agreement with non-NHS providers, the Trust should explore fully the scope to make maximum cost-effective use of NHS

facilities.

### **19.3 Role of the Chief Finance Officer**

- 19.3.1 A system of financial monitoring must be maintained by the CFO to ensure the effective accounting of expenditure under the SLA. This should provide a suitable audit trail for all payments made under the agreements, but maintains patient confidentiality.
- 19.3.2 The CFO must account for Out of Area Treatments/Non Contract Activity financial adjustments in accordance with national guidelines.

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

### **20.1 Remuneration and Terms of Service (see overlap with SO No. 4)**

- 20.1.1 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.)
- 20.1.2 The Committee will:
- (a) advise the Board about appropriate remuneration and terms of service for the Chief Executive, other Executive Directors employed by the Trust and other senior employees including:
    - (i) all aspects of salary (including any performance-related elements/bonuses);
    - (ii) arrangements for termination of employment and other contractual terms;
  - (b) make such recommendations to the Board on the remuneration and terms of service of Executive Directors of the Board (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate;
  - (c) monitor and evaluate the performance of individual Executive Directors (and other senior employees);
  - (d) advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.
- 20.1.3 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 Executive Directors. Minutes of the Board's meetings should record such decisions.
- 20.1.4 The Board will consider and need to approve proposals presented by the Chief Executive for the setting of remuneration and conditions of service for those employees and officers not covered by the Committee.
- 20.1.5 The Trust will pay allowances to the Chair and non-Executive Directors of the Board in accordance with instructions issued by the Secretary of State for Health.
- ### **20.2 Funded Establishment**
- 20.2.1 The manpower plans incorporated within the annual budget will form the funded establishment.
- 20.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive.

### **20.3 Staff Appointments**

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

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

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

### **20.4 Processing Payroll**

20.4.1 The CFO 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.
- (e) delegation of the task of approving the payroll run to the Associate Director of Finance

20.4.2 The CFO 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, national insurance 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; (l)  
procedures for the recall of cheques and bank credits;
- (j) pay advances and their recovery;
- (k) maintenance of regular and independent reconciliation of pay control accounts;
- (l) separation of duties of preparing records and handling cash;
- (m) a system to ensure the recovery from those leaving the employment of the Trust of sums of money

and property due by them to the Trust.

20.4.3 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 C F O ' s instructions and in the form prescribed by the CFO;
- (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 CFO must be informed immediately.

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

## **20.5 Contracts of Employment**

20.5.1 The Board shall delegate responsibility to an officer for:

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

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

### **21.1 Delegation of Authority**

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

21.1.2 The Chief Executive will set out:

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

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

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

#### **21.2.1 Requisitioning**

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

#### **21.2.2 System of Payment and Payment Verification**

The C F O 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.

### 21.2.3 The CFO 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 Reservation and 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 members of the Board and employees (including specimens of their signatures) authorised to certify invoices.
  - (ii) Certification that:
    - goods have been duly received, examined and are in accordance with specification and the prices are correct;
    - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
    - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
    - where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
    - the account is arithmetically correct;
    - the account is in order for payment.
  - (iii) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
  - (iv) Instructions to employees regarding the handling and payment of accounts within the Finance Department.
- (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.

### 21.2.4 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 CFO will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account public procurement rules where the contract is above a stipulated financial threshold);
- (d) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.

#### 21.2.5 Official orders

Official Orders must:

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

#### 21.2.6 Duties of Managers and Officers

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

- (a) all contracts (except as otherwise provided for in the Scheme of Reservation and Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the CFO 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. 7.4 and the principles outlined in the national guidance contained in HSG 93(5) 'Standards of Business Conduct for NHS Staff' as well as the Bribery Act 2010);**

- (e) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the CFO 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 or on purchase cards;
- (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 CFO;
- (k) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the CFO;
- (l) petty cash records are maintained in a form as determined by the CFO.

21.2.7 The Chief Executive and CFO 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, ESTATECODE and NEC-ECC. The technical audit of these contracts shall be the responsibility of the relevant Director.

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

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

## **22. EXTERNAL BORROWING**

22.1.1 The CFO 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 CFO is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.

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

22.1.3 The CFO must prepare detailed procedural instructions concerning applications for loans and overdrafts.

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

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

22.1.6 All long-term borrowing must be consistent with the plans outlined in the current Annual and/or Financial Plan and be approved by the Trust Board.

### **22.2 INVESTMENTS**

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

22.2.2 The CFO is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.

22.2.3 The CFO will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

## 23. OPERATING FRAMEWORK

23.3.1 The CFO should ensure that members of the Board are aware of the Financial Framework. This document contains directions which the Trust must follow. It also contains directions to Strategic Health Authorities regarding resource and capital allocation and funding to Trusts. The CFO should also ensure that the direction and guidance in the framework is followed by the Trust.

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

### 24.1 Capital Investment

24.1.1 The Chief Executive:

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

24.1.2 For every capital expenditure proposal the Chief Executive shall ensure:

- (a) that a business case (in line with the guidance contained within the *Capital Investment Manual*) is produced in accordance with the Trust's business case process 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 CFO has certified professionally to the costs and revenue consequences detailed in the business case.

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

24.1.4 The CFO shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with Inland Revenue guidance.

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

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

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

- (a) specific authority to commit expenditure;
- (b) authority to proceed to tender ( see 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 Reservation and Delegation for capital investment management in accordance with '**Estatecode**' guidance and the Trust's Standing Orders.

- 24.1.7 The CFO 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.

## **24.2 Private Finance (see overlap with SFI No. 17.10)**

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

- (a) The CFO 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.

## **24.3 Asset Registers**

- 24.3.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the CFO 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.
- 24.3.2 The Trust shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as specified in the *Capital Accounting Manual* as issued by the Department of Health.
- 24.3.3 Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:
- (a) properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
  - (b) stores, requisitions and wages records for own materials and labour including appropriate overheads;
  - (c) lease agreements in respect of assets held under a finance lease and capitalised.
- 24.3.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).
- 24.3.5 The CFO shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 24.3.6 The value of each asset shall be indexed to current values in accordance with methods specified in the *Capital Accounting Manual* issued by the Department of Health.
- 24.3.7 The value of each asset shall be depreciated using methods and rates as specified in the *Capital Accounting Manual* issued by the Department of Health.
- 24.3.8 The CFO of the Trust shall calculate and pay capital charges as specified in the *Capital Accounting Manual* issued by the Department of Health.

## **24.4 Security of Assets**

24.4.1 The overall control of fixed assets is the responsibility of the Chief Executive.

24.4.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated and government granted assets) must be approved by the CFO. This procedure shall make provision for:

- (a) recording managerial responsibility for each asset;
- (b) identification of additions and disposals;
- (c) identification of all repairs and maintenance expenses;
- (d) physical security of assets;
- (e) periodic verification of the existence of, condition of, and title to, assets recorded;
- (f) identification and reporting of all costs associated with the retention of an asset;
- (g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

24.4.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the CFO.

24.4.4 Whilst each employee and officer has a responsibility for the security of property of the Trust, it is the responsibility of Board members and senior 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.

24.4.5 Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board members and employees in accordance with the procedure for reporting losses.

24.4.6 Where practical, assets should be marked as Trust property.

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

### **25.1 General position**

25.1.1 Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:

- (a) kept to a minimum;
- (b) subjected to annual stock take;
- (c) valued at the lower of cost and net realisable value.

### **25.2 Control of Stores, Stocktaking, condemnations and disposal**

25.2.1 Subject to the responsibility of the CFO for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by him/her to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the CFO. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel oil and coal of a designated estates manager.

25.2.2 The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, stocks should be marked as health service property.

25.2.3 The Chief Finance Officer shall set out procedures and systems to regulate

the stores including records for receipt of goods, issues, and returns to stores, and losses.

- 25.2.4 Stocktaking arrangements shall be agreed with the CFO and there shall be a physical check covering all items in store at least once a year.
- 25.2.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the CFO.
- 25.2.6 The designated Manager/Pharmaceutical Officer shall be responsible for a system approved by the CFO 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 CFO any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI No. 26 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.

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

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

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

### **26.1 Disposals and Condemnations**

#### **26.1.1 Procedures**

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

- 26.1.2 When it is decided to dispose of a Trust asset, the Head of Department or authorised deputy will determine and advise the CFO of the estimated market value of the item, taking account of professional advice where appropriate.

- 26.1.3 All unserviceable articles shall be:

- (a) condemned or otherwise disposed of by an employee authorised for that purpose by the CFO;
- (b) recorded by the Condemning Officer in a form approved by the CFO 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 CFO.

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

### **26.2 Losses and Special Payments**

#### **26.2.1 Procedures**

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

- 26.2.2 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 CFO or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the CFO and/or Chief Executive. Where a criminal offence is suspected, the CFO 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 CFO must inform the relevant LCFS and Area Anti Fraud Specialist of NHS Protect in accordance with the Health and Social Care Act 2012.

The CFO must notify the NHS Counter Fraud Authority and the Local Counter Fraud Specialist..

26.2.3 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the CFO must immediately notify:

- (a) the Board,
- (b) the External Auditor.

26.2.4 Within limits delegated to it by the Department of Health, the Board shall approve the writing-off of losses.

26.2.5 The CFO shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.

26.2.6 For any loss, the CFO should consider whether any insurance claim can be made.

25.2.7 The CFO shall maintain a Losses and Special Payments Register in which write-off action is recorded.

26.2.8 No special payments exceeding delegated limits shall be made without the prior approval of the Department of Health.

26.2.9 All losses and special payments must be reported periodically to the Audit & Risk Management Committee.

## **27. INFORMATION TECHNOLOGY**

### **27.1 Responsibilities and duties of the Chief Finance Officer (CFO)**

27.1.1 The CFO, 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.

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

27.1.3 The Director of Governance shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the information Commissioner. A Publication

Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about our Trust that we make publicly available.

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

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

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

## **27.3 Contracts for Computer Services with other health bodies or outside agencies**

The CFO 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 CFO shall periodically seek assurances that adequate controls are in operation.

## **27.4 Risk Assessment**

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

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

Where computer systems have an impact on corporate financial systems the CFO 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) CFO staff have access to such data;
- (d) such computer audit reviews as are considered necessary are being carried out.

## **28. PATIENTS' PROPERTY**

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

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

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

that the Trust will not accept responsibility or liability for patients' property brought into 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.

- 28.3 The CFO must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients. Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.
- 28.4 Where Department of Health instructions require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Director of Finance & Performance Management.
- 28.5 In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965), the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.
- 28.6 Staff should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.
- 28.7 Where patients' property or income is received for specific purposes and held for safekeeping the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

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

### **29.1 Corporate Trustee**

- (1) Standing Order No. 2.8 outlines the Trust's responsibilities as a corporate trustee for the management of funds it holds on trust, along with SFI's which define 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 CFO shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately with regard to its purpose and to its requirements.

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

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

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

- (1) In so far as it is possible to do so, most of the sections of these Standing Financial Instructions will apply to the management of funds held on trust. (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.

**30. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT (see overlap with SO No. 7.4 and SFI No. 21.2.6 (d))**

The CFO 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. 7.4).

**31. PAYMENTS TO INDEPENDENT CONTRACTORS**

Not applicable to NHS Trusts

**32. RETENTION OF RECORDS**

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

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

32.3 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.

**33. RISK MANAGEMENT AND INSURANCE**

**33.1 Programme of Risk Management**

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

The programme of risk management shall include:

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

**33.2 Insurance: Risk Pooling Schemes administered by NHS Resolution**

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

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

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

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

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

- (1) Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the CFO shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The CFO 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 CFO 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 CFO 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 CFO should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

## AUDIT & RISK MANAGEMENT COMMITTEE

### Terms of Reference

#### **1. CONSTITUTION**

- 1.1 The Board hereby resolves to establish a Committee of the Board to be known as the Audit & Risk Management Committee (The Committee). The Committee has no executive powers, other than those specifically delegated in these Terms of Reference. Its terms of reference are set out below and can only be amended with the approval of the Trust Board.

#### **2. AUTHORITY**

- 2.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 2.2 The Committee is authorised by the Board to instruct professional advisors and request the attendance of individuals and authorities from outside of the Trust with relevant experience and expertise if it considers this necessary or expedient to carrying out its functions.
- 2.3 The Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.

#### **3. PURPOSE**

- 3.1 The purpose of the Committee is to provide the Board with assurance concerning the establishment and maintenance of an effective system of governance, risk management and internal control across the Trust's activities that support the achievement of the organisation's objectives. *NOTE: Proposals to establish any material new performance objectives or milestones will be considered by members at Clinical Leadership Executive (CLE) and resolution agreed by the Chair and lead director.*

#### **4 MEMBERSHIP**

- 4.1 The Committee will comprise of not less than three Non-Executive Directors, at least a member of the Committee.
- 4.2 The Chair of the Committee will be a Non-Executive Director and will be recommended by the Chair of the Trust to the Trust Board for approval. If the Chair is absent from the meeting then another Non-Executive Director shall preside.
- 4.3 A quorum will be three members.

- 4.4 Members should make every effort to attend all meetings of the Committee and are mandated to attend 80% as a minimum annually.

## **5 ATTENDANCE**

- 5.1 The Director of Governance, Director of Finance & Performance Management and the Chief Nurse will attend the meetings.
- 5.2 All other Non-Executive Directors shall be welcome to attend and all members of the Trust Board will receive papers to be considered by the Committee.
- 5.3 Representatives from LCFS, Internal Audit and External Audit will be given a standing invitation to the meetings. The last part of each meeting of the Committee will be normally held with the Internal and/or External auditors and without the Executive Directors present.
- 5.4 Other Executive Directors or any other individuals deemed appropriate by the Committee may be invited to attend for specific items for which they have responsibility.
- 5.5 The Head of Corporate Governance shall be secretary to the Committee and will provide administrative support and advice.

The duties of the Head of Corporate Governance in this regard are:

- ✓ Agreement of the agenda with the Chair of the Committee and attendees with the collation of connected papers
- ✓ Taking the minutes and keeping a record of matters arising and issues to be carried forward
- ✓ Advising the Committee as appropriate

## **6 FREQUENCY OF MEETINGS**

- 6.1 Meetings will be held five times a year, with additional meetings where necessary.

## **7 REPORTING AND ESCALATION**

- 7.1 Following each committee meeting, the minutes shall be drawn up and submitted to the Chair of the committee in draft format. The draft minutes will then be presented at the next Committee meeting where the person presiding at it will sign them. The approved minutes will be presented to the next immediate public Trust Board meeting for information.
- 7.2 The Chair of the Committee will provide an oral report to the next Trust Board after each Committee meeting, highlighting the matters on which future focus will be directed.
- 7.3 The Chair of the Committee shall draw to the attention of the Trust Board and issues that require disclosure to the full Board or require Executive action.
- 7.4 The Committee will provide an annual report to the Trust Board on the effectiveness of its work and its findings, which is to include an indication of its success with delivery of its work plan and key duties.
- 7.5 In the event that the Committee is not assured about the delivery of the work plan within its domain, it may choose to escalate or seek further assurance in one of five ways:
- (i) insisting on an additional special meeting;

- (ii) escalating a matter directly to the full Board;
- (iii) requesting a chair's meeting with the Chief Executive and Chairman;
- (iv) attending the relevant Executive committee to challenge progress directly; and
- (v) asking the Audit Committee to direct internal, clinical or external audit to review the position

## **8 REVIEW**

- 8.1 The terms of reference should be reviewed by the Committee and approved by the Trust Board annually.

## **9 DUTIES**

- 9.1 The Committee shall seek assurance on the delivery against the Trust's long term goals, Trust objectives, the annual corporate & financial plans and national requirements through:
- 9.1.1 The receipt of reports at each meeting outlining progress with the long term delivery plan appropriate to the domain in which the Committee is providing assurance, paying attention to the depth and breadth of delivery in the Trust, principally through Group level performance within its domain.
  - 9.1.2 The receipt of reports on compliance with key national and local targets relevant to the remit of the Committee
  - 9.1.3 The receipt of reports which focus on improvement or recovery to address areas of material deviation from the long term delivery plan or areas where poor performance against national or local targets is identified
- 9.2 To receive all external reports on the Trust that are deemed to fall within the remit of the Committee, seeking assurance that actions are being taken to address recommendations and other issues identified and that learning is promulgated and acted upon
- 9.3 To seek assurance that the Trust is complying with relevant policies and statutory guidance that falls within the remit of the Committee
- 9.4 To receive reports on key risks to the Trust which fall within the remit of the Committee and seek assurance that sufficiently robust mitigating actions are in place to manage these

### **Governance, internal control and risk management**

- 9.5 The Committee will seek assurance on – either directly or through the work of the Quality & Safety Committee – the adequacy of:
- 9.5.1 The Trust's general risk management structures, processes and responsibilities. This will include an annual review of the Trust's Risk Management Strategy and Policy ahead of Trust Board approval.
  - 9.5.2 All risk and control-related disclosure statements (in particular the Annual Governance Statement and declarations of compliance with the Essential Standards of Quality and Safety), together with any accompanying Head of Internal Audit Opinion, External Audit opinion or other appropriate independent assurances, prior to endorsement by the Trust Board.
  - 9.5.3 The underlying assurance processes that indicate the degree of achievement of corporate objectives,

the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements.

- 9.5.4 Policies for ensuring compliance with relevant regulatory, legal and conduct requirements.
- 9.5.5 Policies and procedures for all work related to fraud and bribery as required by the NHS Counter Fraud Authority.
- 9.5.6 The Trust's arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and control and related matters or any other matters of concern.
- 9.6 In carrying out this work the Committee will primarily utilise the work of Internal Audit, External Audit and other assurance functions, but will not be limited to these audit functions. It will also seek reports and assurances from directors and managers as appropriate, and in particular the Quality & Safety Committee, concentrating on the overarching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.
- 9.7 This will be evidenced through the Committee's use of an effective Board Assurance Framework (BAF) to guide its work and that of the audit and assurance functions that report to it. The full BAF will be received by the Trust Board at least four times a year.
- 9.8 The Trust's Corporate Risk Register (risks scoring 15 and above) will be reviewed by the Committee two times a year.

#### **Internal Audit**

- 9.9 The Committee shall ensure that there is an effective Internal Audit function put in place by management that meets mandatory NHS Internal Audit standards and provides appropriate independent assurance to the Audit and Risk Committee, Chief Executive and Board. This will be achieved by:
  - 9.9.1 Consideration of the provision of the Internal Audit service, the cost of the audit and any questions of resignation and dismissal.
  - 9.9.2 Review and approval of the Internal Audit strategy, operational plan and detailed work programme, ensuring that this is consistent with the audit needs of the organisation as identified in the Board Assurance Framework and the recommendations of the Quality & Safety Committee.
  - 9.9.3 Consideration of the major findings of Internal Audit work and the management response and ensuring coordination between the Internal and External Auditors to optimise audit resources. While the Quality & Safety Committee will lead on the review of audit reports covering patient safety, quality and patient experience, education and research, the Audit and Risk Committee will receive assurance that they have been carefully reviewed by the Quality & Safety Committee. If there is any perceived ambiguity regarding the relative roles of the Audit and Risk Committee and the Quality & Safety Committee in this respect, the committee chairs will liaise to agree a satisfactory approach.
  - 9.9.4 Reviewing and monitoring management's responsiveness to auditor's findings and recommendations, assuring itself that the management of the Trust is implementing the agreed recommendations of Internal Audit reports in a timely and effective way.
  - 9.9.5 Ensuring that both the LCFS and Internal Audit functions are adequately resourced and have appropriate standing within the organisation.

- 9.9.6 Review and acceptance of the annual LCFS workplan
- 9.9.7 An annual review of the effectiveness of Internal Audit carried out by External Audit. An in-depth review of Internal Audit will be carried out by External Audit on a three-yearly basis.

#### **External Audit**

- 9.10 The Committee shall review the work and findings of the External Auditor appointed by the Audit Commission and consider the implications and management responses to their work. This will be achieved by:
  - 9.10.1 Consideration of the appointment and performance of the External Auditor, as far as the Audit Commission's rules permit.
  - 9.10.2 Discussion and agreement with the External Auditor, before the audit commences, of the nature and scope of the audit as set out in the Annual Plan, and ensuring coordination, as appropriate, with other External Auditors in the local health economy.
  - 9.10.3 Discussion with the External Auditors of their local evaluation of audit risks and assessment of the Trust and associated impact on the audit fee.
  - 9.10.4. Review of External Audit reports, including agreement of the annual audit letter before submission to the Trust Board and any work carried out outside the annual audit plan, together with the appropriateness of management responses. While the Quality & Safety Committee will lead on the review of external audit reports covering patient safety and quality risk and controls, the Audit and Risk Committee will seek assurance that they have been carefully reviewed by the Quality & Safety Committee.
  - 9.10.5 Assuring itself that the management of the Trust has implemented the agreed recommendations of External Audit reports in a timely and effective way.

#### **Other assurance functions**

- 9.11 The Audit and Risk Committee shall review as appropriate the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications to the governance of the organisation.
- 9.12 In doing this, the Committee may review the work of other committees within the Trust whose work can provide relevant assurance to the Audit and Risk Management Committee's own scope of work. In particular, the Audit and Risk Management Committee will look to the assurance provided by the Quality & Safety Committee, which will report annually to the Audit Committee on its work. In reviewing clinical governance arrangements and issues around clinical risk management, the Audit and Risk Management Committee will wish to satisfy itself on the assurance that can be gained from the work of the Quality & Safety Committee.

#### **Management**

- 9.13 The Committee shall request and review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control.
- 9.14 They may also request specific reports from individual functions within the organisation as they may be appropriate to the overall arrangements.

## **Annual accounts review**

- 9.15 The Committee shall review the annual statutory accounts before they are presented to the Trust Board, to determine their completeness, objectivity, integrity and accuracy. This review will cover but not be limited to:
- 9.15.1 The meaning and significance of the figures, notes and significant changes.
  - 9.15.2 Areas where judgement has been exercised.
  - 9.15.3 Changes in, and compliance with, accounting policies and practices.
  - 9.15.4 Explanation of estimates or provisions having material effect.
  - 9.15.5 The schedule of losses and special payments.
  - 9.15.6 Any unadjusted misstatements.
  - 9.15.7 Any reservations and disagreements between the External Auditors and management which have not been satisfactorily resolved.
- 9.16 The Committee shall review the Annual Report and Annual Governance Statement before they are submitted to the Trust Board to determine completeness, objectivity, integrity and accuracy.
- 9.17 The Committee shall also ensure that the systems for financial reporting to the Finance and Investment Committee and the Trust Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Trust Board.

## **Standing Orders, Standing Financial Instructions and Standards of Business Conduct**

- 9.18 The Committee will review on behalf of the Trust Board the operation of, and proposed changes to, the Standing Orders and Standing Financial Instructions, the Scheme of Delegation and Standards of Business Conduct, including the maintenance of registers of interests.
- 9.19 The Committee will examine the circumstances of any significant departure from the requirements of any of the foregoing, whether those departures relate to a failing, an overruling or a suspension.
- 9.20 Specifically, the Committee will receive regular reports on Waivers of Standing Orders and Losses and Special Payments
- 9.21 To seek assurance on any additional matter referred to the Committee from the Board





## QUALITY & SAFETY COMMITTEE

### Terms of Reference

#### **1. CONSTITUTION**

- 1.1 The Board hereby resolves to establish a Committee of the Board to be known as the Quality & Safety Committee (The Committee). The Committee has no executive powers, other than those specifically delegated in these Terms of Reference. Its terms of reference are set out below and can only be amended with the approval of the Trust Board.

#### **2. AUTHORITY**

- 2.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 2.2 The Committee is authorised by the Board to instruct professional advisors and request the attendance of individuals and authorities from outside of the Trust with relevant experience and expertise if it considers this necessary or expedient to carrying out its functions.
- 2.3 The Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.

#### **3. PURPOSE**

- 3.1 The purpose of the Committee is to provide the Board with assurance concerning all aspects of quality and safety relating to the provision of care and services in support of getting the best clinical outcomes and experience for patients and the delivery of Trust's long term quality goals as set out in the Quality & Safety strategy. *NOTE: Proposals to establish any material new performance objectives or milestones will be considered by members at Clinical Leadership Executive (CLE) and resolution agreed by the Chair and lead director.*

#### **4 MEMBERSHIP**

- 4.1 The Committee will comprise of not less than three Non-Executive Directors, the Chief Nurse, Medical Director, Chief Operating Officer, Director of Finance & Performance Management and Director of Governance.
- 4.2 The Chair of the Committee will be a Non-Executive Director and will be appointed by the Trust Chair. If the Chair is absent from the meeting then another Non-Executive Director shall preside.

- 4.3 A quorum will be 3 members, of which there must be at least one Non-Executive Director and one Executive Director.
- 4.4 Members should make every effort to attend all meetings of the Committee and are mandated to attend 80% as a minimum annually.

## **5 ATTENDANCE**

- 5.1 The Assistant Director of Governance, Assistant Director (Quality) and Head of Clinical Effectiveness will attend the meetings.
- 5.2 All other Non-Executive Directors shall be welcome to attend and all members of the Trust Board will receive papers to be considered by the Committee.
- 5.3 The Chairman and Chief Executive will be given a standing invitation to the meetings.
- 5.4 Other Executive Directors or any other individuals deemed appropriate by the Committee may be invited to attend for specific items for which they have responsibility.
- 5.5 The Head of Corporate Governance shall be secretary to the Committee and will provide administrative support and advice.

The duties of the Head of Corporate Governance in this regard are:

- ✓ Agreement of the agenda with the Chair of the Committee and attendees with the collation of connected papers
- ✓ Taking the minutes and keeping a record of matters arising and issues to be carried forward
- ✓ Advising the Committee as appropriate

## **6 FREQUENCY OF MEETINGS**

- 6.1 Meetings will be held monthly with additional meetings where necessary.

## **7 REPORTING AND ESCALATION**

- 7.1 Following each committee meeting, the minutes shall be drawn up and submitted to the Chair of the committee in draft format. The draft minutes will then be presented at the next Committee meeting where the person presiding at it will sign them. The approved minutes will be presented to the next immediate public Trust Board meeting for information.
- 7.2 The Chair of the Committee will provide an oral report to the next Trust Board after each Committee meeting, highlighting the matters on which future focus will be directed.
- 7.3 The Chair of the Committee shall draw to the attention of the Trust Board and issues that require disclosure to the full Board or require Executive action.
- 7.4 The Committee will provide an annual report to the Trust Board on the effectiveness of its work and its findings, which is to include an indication of its success with delivery of its work plan and key duties.
- 7.5 In the event that the Committee is not assured about the delivery of the work plan within its domain, it may

choose to escalate or seek further assurance in one of five ways:

- (i) insisting on an additional special meeting;
- (ii) escalating a matter directly to the full Board;
- (iii) requesting a chair's meeting with the Chief Executive and Chairman;
- (iv) attending the relevant Executive committee to challenge progress directly; and
- (v) asking the Audit Committee to direct internal, clinical or external audit to review the position

## **8 REVIEW**

- 8.1 The terms of reference should be reviewed by the Committee and approved by the Trust Board annually.

## **9 DUTIES**

- 9.1 The Committee shall draw on the standing data set within the integrated performance report that relates to long term goals, Trust objectives, the annual corporate & financial plans and national requirements to seek assurance through:
- 9.1.1 The receipt of reports at each meeting outlining progress with the long term delivery plan appropriate to the domain in which the Committee is providing assurance, paying attention to the depth and breadth of delivery in the Trust, principally through Group level performance within its domain.
  - 9.1.2 The receipt of reports on performance against and compliance with key national and local targets relevant to the remit of the Committee
  - 9.1.3 The receipt of reports which focus on improvement or recovery to address areas of material deviation from the long term delivery plan or areas where poor performance against national or local targets is identified
- 9.2 To receive all external reports on the Trust that are deemed to fall within the remit of the Committee, seeking assurance that actions are being taken to address recommendations and other issues identified and that learning is promulgated and acted upon
- 9.3 To seek assurance that the Trust is complying with relevant policies and statutory guidance that falls within the remit of the Committee
- 9.4 To receive reports on key risks to the Trust which fall within the remit of the Committee and seek assurance that sufficiently robust mitigating actions are in place to manage these
- 9.5 To seek assurance on the Trust's compliance with the Care Quality Commission's Essential Standards of Quality and Safety through the receipt of a rolling programme of reports, evidencing compliance and grouped by key themes. The Committee shall also receive all reports on the Trust produced by the Care Quality Commission and to seek assurance on the actions being taken to address recommendations and other issues identified
- 9.6 To seek assurance that the Trust learns from national and local reviews and inspections and implements all necessary recommendations to improve the safety and quality of care
- 9.7 To seek assurance that the Trust is robustly responding to significant concerns or adverse findings highlighted by external bodies in relation to clinical quality and safety and the actions being taken by management to address these. This should include but not be limited to mortality outlier alerts.

- 9.8 To seek assurance that the systems and processes in place in the Trust in relation to Infection Control are adequate and that performance against key national and local targets is satisfactory. The Committee will also seek assurance on progress with actions designed to mitigate risks associated with and aimed to reduce hospital acquired infections are delivered as planned.
- 9.9 To seek assurance on the effectiveness of actions to support a safer environment for patients, staff and visitors, including Patient Environment Action Team (PEAT) assessments
- 9.10 To seek assurance that common themes and trends associated with adverse events (including serious incidents), claims, inquests, Rule 43 notifications and litigation are identified and that appropriate actions are being taken to address these.
- 9.11 To seek assurance on the effectiveness of the Trust's arrangements for complaints handling and that performance against key targets in this respect are met. The Committee will also seek assurance that the learning from themes and trends of complaints is robustly communicated and disseminated, looking for clear evidence that by so doing, improvements to the quality of patient care are delivered.
- 9.11 To seek assurance that that there is a sufficient focus on patient experience in the Trust, reviewing Trust initiatives to learn more about and improve patient experience and spread best practice.
- 9.12 To advise the Trust Board on the appropriate quality and safety indicators and benchmarks for inclusion on the Trust quality & performance dashboard and keep these under regular review.
- 9.13 To seek assurance that performance against external metrics, standards and frameworks set by the Department of Health and National Trust Development Authority is robustly monitored
- 9.14 To seek assurance that performance against a range of internally developed clinical, financial and operational indicators, through routine consideration of the Trust quality & performance dashboard is robustly monitored
- 9.15 To seek assurance that performance in achieving the Trust's long term quality and safety aims is given sufficient oversight and that actions are undertaken in a timely way to address any underperformance against targets.
- 9.16 To review the Trust's annual Quality Account and make recommendations as appropriate for Trust Board approval.
- 9.17 To seek assurance that the pace of progress in delivering Quality Development Plans is sufficient and actions taken to enhance clinical quality and safety, including in response to the findings of internal and external reviews, audits and inspections are adequate
- 9.18 To review the Internal Audit plan and work programme and to make recommendations, subject to Audit and Risk Committee approval, on the clinical aspects of the Plan.
- 9.19 To seek assurance that management of the Trust is implementing the agreed recommendations from Internal and External Audit in a timely and effective way.
- 9.20 To seek assurance from Internal Audit (including an in-depth review on a three yearly basis) regarding the effectiveness of the Trust's Clinical Audit function. It shall also receive by exception, details of national clinical audits where the Trust is identified as an outlier or potential outlier.
- 9.21 To seek assurance on any additional matter referred to the Committee from the Board



## **FINANCE, INVESTMENTS AND PERFORMANCE COMMITTEE**

### **Terms of Reference**

#### **1 CONSTITUTION AND PURPOSE**

As part of the Trust's Governance Structure, the Board of Directors has established a committee of the Board to be known as the Finance, Investments and Performance Committee.

The purpose of the Committee is to provide scrutiny and challenge with regard to:

- The Trust's financial and operational planning and performance;
- Its achievement of business and operational objectives;
- Planning and delivery of capital investments and major projects;
- Estates, facilities and digital strategy and implementation

in order to provide assurance and make appropriate reports or recommendations to the Board.

#### **2 AUTHORITY**

The Committee has no delegated powers other than those specified in these Terms of Reference or as requested by the Trust Board. The Committee is authorised to investigate any activity within its Terms of Reference and all Trust employees are directed to co-operate with any request made by the Committee.

The Committee is authorised to obtain independent professional advice as it considers necessary in accordance with these Terms of Reference.

#### **3 MEMBERSHIP**

Membership of the Committee shall comprise:

- Two Non-Executive Directors (one as Chair)
- Chief Finance Officer
- Chief Operating Officer
- Chief People Officer
- Clinical Executive (Medical Director or Chief Nurse)
- Chief Informatics Officer

- Director of System Transformation

The Board of Directors will review membership of the Committee annually to ensure that it meets the evolving needs of the Trust.

#### **4 MEETINGS, ATTENDANCE AND QUORUM**

The Committee may invite non-members to attend all or part of its meetings as it considers necessary and appropriate, at the discretion of the Committee Chair. If not already members, the Chair, Chief Executive or other Board director may be invited to attend any meeting of the Committee, particularly when the Committee is discussing areas of the Trust's operation that are the responsibility of that director.

The Committee may ask any or all of those who normally attend Committee meetings but who are not members to withdraw to facilitate discussion of any particular matters at the discretion of the Chair.

In exceptional circumstances when an executive member cannot attend Committee meetings, they must arrange for a fully briefed deputy of sufficient seniority to attend on their behalf.

Meetings of the Committee shall be Chaired by one of the Non-executive Director members, with another acting as deputy in his/her absence.

Responsibility for calling meetings of the Committee shall rest with the Committee Chair.

To be quorate at least 3 members of the Committee must be present including at least one non-executive director. Attendance at the meeting may be by teleconference or video conferencing at the discretion of the Committee Chair. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions invested in, or exercised by the Committee.

In accordance with Standing Orders, if it is necessary to resolve an issue at a meeting of the Committee by way of a vote, this shall be determined by a majority of the votes of the Members present and voting and, in the case of any equality of votes, the person presiding shall have a second or casting vote.

#### **5 SUPPORT ARRANGEMENTS**

The Associate Director of Corporate Governance/Company Secretary will be responsible for providing secretarial support to the Committee.

The Committee shall operate as follows:

- The Committee will routinely meet monthly unless agreed otherwise;

- The Committee will establish an annual Work Programme, summarising those items
  - that it expects to consider at forthcoming meetings;
  - Agendas for forthcoming meetings will be based on the Work Programme, reviewed by the Committee and agreed with the Committee Chair;
  - Unless otherwise agreed, papers for the meeting should be submitted to the Associate Director of Corporate Governance/Company Secretary a minimum of 5 working days prior to the meeting. Papers on other matters will be put on the agenda only at the request of or with the prior agreement of the Chair;
  - Papers will be sent out by the Committee secretary at least 4 days before each meeting unless otherwise agreed;
  - To facilitate oversight by the Board of Directors of matters relating to finance, investments and performance, papers for meetings of the Committee will be circulated for information to those members of the Board who are not members of the Committee;
- Minutes will be prepared after each meeting of this Committee within 14 days and circulated to members of the Committee and others as necessary once confirmed by the Chair of the Committee. A record of action points arising from meetings of the Committee shall be made and circulated to its members with the minutes;
- Following each meeting of the Committee, the Chair of the Committee shall make a report to the next meeting of the Board of Directors highlighting any issues that require its particular attention, or require it to take action;
  - The Terms of Reference of the Committee will be reviewed at least annually and will only be changed with the approval of the Trust Board;

## 6 DECLARATION OF INTERESTS

All members must declare any actual or potential conflicts of interest relevant to the work of the Committee, which shall be recorded in the Minutes accordingly. Members should exclude themselves from any part of a meeting in which they have a material conflict of interest. The Chair will decide whether a declared interest represents a material conflict.

## 7 DUTIES

In furtherance of achievement of its Purpose, particular duties of the Committee shall be to provide assurance to the Board in relation to:

### *Financial Planning & Performance*

7.1 the Trust's financial strategy and plans, financial planning framework, budgets, cost improvement and income generation programmes and capital investment plans;

7.2 delivery of financial performance with respect to the programmes, plans and budgets (as per 7.1 above) as reported in the monthly Report to the Trust Board, noting any trends, exceptions and variances against plans on a Trust-

wide and group and directorate basis and reviewing in detail any major performance variations as appropriate;

- 7.3 monitoring the rolling capital programme, including scrutiny of the prioritisation process and its delivery;
- 7.4 Oversight of the development of the medium term cost model and strategy in relation to the MMUH affordability assessment
- 7.5 Oversight of the development of a costing strategy for the Trust with an understanding of how that relates to the costing strategies of the Trust's two constituent ICSs
- 7.6 Monitoring of the Trust's financial performance in the context of the Black Country and Birmingham & Solihull ICS's financial strategies and resource management

#### ***Operational Planning and Performance***

- 7.7 delivery of operational performance targets as reported in the Integrated Performance Report (IPR) and Board Metrics to the Trust Board, noting any trends, exceptions and variances against plans on a Trust-wide and group basis and reviewing in detail any major performance variations as appropriate;
  - 7.8 Performance within the Trust, Directorates and Groups with particular regard to:
    - achievement of key standards and contractual obligations;
    - activity, income, costs;
    - quality, innovation, productivity and cost improvement plans;
    - the Trust's Use of Resources assessment
  - 7.9 major contracts, procurement and investment projects and business cases, including the investment appraisal of business cases in accordance with the Trust's Business Case process and thresholds stated within and wider development opportunities, under direction from the Trust Board;
- business areas of substantial business collaboration with other organisations.

#### ***Estates Planning & Management***

- 7.10 development and implementation of the Trust's Estates Strategy, in order to optimise efficiency, facilitate operational performance and achievement of the Trust's Strategic Objectives;
- 7.11 oversight of the Trust's PFI contracts, including performance monitoring arrangements, significant contractual issues and lifecycle programme;



- 7.12 delivery of the Facilities Management contracts across the Trust's Estate, including oversight of monitoring arrangements and performance against contract;
- 7.13 oversight of procurement and market testing processes for the major contracts, including recommendations to the Board for contract renewal/award.
- 7.14 relevant areas of Trust activity such as estates management, including fire safety and compliance with the NHS Premises Assurance Model

#### ***Digital Infrastructure & Maturity***

- 7.15 development and implementation of the Trust's Digital Strategies and Plans, to include cyber security, information governance and data quality

#### **Use of Resources, Productivity, Efficiency, and Regulatory Compliance**

- 7.16 advising the Board on the Trust's disclosure statement confirming compliance with national guidance relating to the National Cost Collection and the underlying process;
- 7.17 compliance with the Trust's obligations and ambitions concerning energy efficiency, sustainability and the commitment to a Net Zero-Carbon NHS;
- 7.18 service transformation and system & process optimisation to enhance productivity, cost-effectiveness and patient experience;
- 7.19 risks and mitigations related to the Trust's financial and operational performance and to review reports or extracts from the Board Assurance Framework and Corporate Risk Register as relevant to the remit of the Committee and in line with the Board's Risk Appetite;

### **8 RELATIONSHIP WITH OTHER BOARD COMMITTEES**

In practice, issues of finance, quality, safety and performance are inextricably linked. Through alignment of the relevant Work Programmes for each of the Board Committees overlap or gaps in their collective assurance function will be avoided. For the avoidance of doubt, it is noted that the following items remain within the area of responsibility of the Audit Committee (as specified in its Terms of Reference):

- Internal and External Audit;
- Local Counter Fraud Specialist work;
- approval of Financial Statements and Quality Accounts;
- oversight of the structures and systems for risk management and the processes in place for identifying and managing key risks including the Risk Register.

### **9 PROCESS FOR MONITORING COMMITTEE EFFECTIVENESS**

The Committee shall submit an Annual Report to the Trust Board, reporting on the work of the Committee, member attendance and the results of its annual review of performance and function.

The Committee will carry out an annual review of its performance and function in satisfaction of these Terms of Reference and report to the Board on any consequent recommendations for change.

## **10 REPORTING COMMITTEES**

There are no standing sub-committees which report to the Finance, Investments and Performance Committee. In order to obtain assurance with regard to the operation of the Trust's financial, business planning and operational performance processes, however, the Committee will receive regular reports from the Performance Management Committee?



## PEOPLE & ORGANISATIONAL DEVELOPMENT COMMITTEE

### Terms of Reference

#### **1. CONSTITUTION**

- 1.1 The Board hereby resolves to establish a Committee of the Board to be known as the People & Organisational Development Committee (The Committee). The Committee has no executive powers, other than those specifically delegated in these Terms of Reference. Its terms of reference are set out below and can only be amended with the approval of the Trust Board.

#### **2. AUTHORITY**

- 2.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 2.2 The Committee is authorised by the Board to instruct professional advisors and request the attendance of individuals and authorities from outside of the Trust with relevant experience and expertise if it considers this necessary or expedient to carrying out its functions.
- 2.3 The Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.

#### **3. PURPOSE**

- 3.1 The purpose of the Committee is to provide the Board with assurance concerning the delivery of the work programme and plans for implementing the Trust's people & OD strategies (including strategic workforce planning, human resources management, learning and development and leadership development, to include the delivery of Trust's long terms workforce model. *NOTE: Proposals to establish any material new*

*performance objectives or milestones will be considered by members at Clinical Leadership Executive (CLE) and resolution agreed by the Chair and lead director.*

## **4 MEMBERSHIP**

4.1 Membership of the Committee shall comprise:

- Three Non-Executive Directors (one as Chair)
- Chief People Officer (Lead Exec)
- Chief Operating Officer
- Medical Director
- Chief Nurse
- Director of Partnerships and Innovation

4.2 Regular Attendees:

- Deputy Director of Workforce
- Associate Director of Corporate Governance/Company Secretary

## **5 MEETINGS, ATTENDANCE AND QUORUM**

5.1 The Committee may invite non-members to attend all or part of its meetings as it considers necessary and appropriate, at the discretion of the Committee Chair. If not already members, the Chair, Chief Executive or other Board director may be invited to attend any meeting of the Committee, particularly when the Committee is discussing areas of the Trust's operation that are the responsibility of that director.

5.2 The Committee may ask any or all of those who normally attend Committee meetings but who are not members to withdraw to facilitate discussion of any particular matters at the discretion of the Chair.

5.3 In exceptional circumstances when an executive member cannot attend Committee meetings, they must arrange for a fully briefed deputy of sufficient seniority to attend on their behalf.

5.4 Meetings of the Committee shall be Chaired by one of the Non-executive Director members, with another acting as deputy in his/her absence.

5.5 Responsibility for calling meetings of the Committee shall rest with the Committee Chair.

5.6 To be quorate at least 3 members of the Committee must be present including at least one non-executive director. Attendance at the meeting may be by teleconference or video conferencing at the discretion of the Committee Chair. A duly convened meeting of the Committee at which a quorum is present shall be competent to

exercise all or any of the authorities, powers and discretions invested in, or exercised by the Committee.

- 5.7 In accordance with Standing Orders, if it is necessary to resolve an issue at a meeting of the Committee by way of a vote, this shall be determined by a majority of the votes of the Members present and voting and, in the case of any equality of votes, the person presiding shall have a second or casting vote.

## **6 FREQUENCY OF MEETINGS AND SUPPORT ARRANGEMENTS**

- 6.1 Meetings will be held monthly, with additional meetings where necessary.
- 6.2 The Associate Director of Corporate Governance/Company Secretary will be responsible for providing secretarial support to the Committee.
- 6.3 The Committee shall operate as follows:
- The Committee will routinely meet monthly unless agreed otherwise;
  - The Committee will establish an annual Work Programme, summarising those items that it expects to consider at forthcoming meetings;
  - Agendas for forthcoming meetings will be based on the Work Programme, reviewed by the Committee and agreed with the Committee Chair;
  - Unless otherwise agreed, papers for the meeting should be submitted to the Associate Director of Corporate Governance/Company Secretary a minimum of 5 working days prior to the meeting. Papers on other matters will be put on the agenda only at the request of or with the prior agreement of the Chair;
  - Papers will be sent out by the Committee secretary at least 4 days before each meeting unless otherwise agreed;
  - To facilitate oversight by the Board of Directors of matters relating to finance, investments and performance, papers for meetings of the Committee will be circulated for information to those members of the Board who are not members of the Committee;
  - Minutes will be prepared after each meeting of this Committee within 14 days and circulated to members of the Committee and others as necessary once confirmed by the Chair of the Committee. A record of action points arising from meetings of the
  - Committee shall be made and circulated to its members with the minutes;
  - Following each meeting of the Committee, the Chair of the Committee shall make a report to the next meeting of the Board of Directors highlighting any issues that require its particular attention, or require it to take action;
  - The Terms of Reference of the Committee will be reviewed annually and will only be changed with the approval of the Trust Board;

## **7 DECLARATION OF INTERESTS**

- 7.1 All members must declare any actual or potential conflicts of interest relevant to the work of the Committee, which shall be recorded in the Minutes accordingly. Members should exclude themselves from any part of a meeting in which they have a material conflict of interest. The Chair will decide whether a declared interest represents a material conflict.

## **8 DUTIES**

- 9.1 The Committee shall draw on the standing data set within the integrated performance report that relates to long term goals, Trust objectives, the annual corporate & financial plans and national requirements to seek assurance through:
- 9.1.1 The receipt of reports at each meeting outlining progress with the long term delivery plan appropriate to the domain in which the Committee is providing assurance, paying attention to the depth and breadth of delivery in the Trust, principally through Group level performance within its domain.
  - 9.1.2 The receipt of reports on compliance with key national and local targets relevant to the remit of the Committee
  - 9.1.3 The receipt of reports which focus on improvement or recovery to address areas of material deviation from the long term delivery plan or areas where poor performance against national or local targets is identified
- 9.3 To receive all external reports on the Trust that are deemed to fall within the remit of the Committee, seeking assurance that actions are being taken to address recommendations and other issues identified and that learning is promulgated and acted upon
- 9.4 To seek assurance that the Trust is complying with relevant policies and statutory guidance that falls within the remit of the Committee
- 9.5 To receive reports on key risks to the Trust which fall within the remit of the Committee and seek assurance that sufficiently robust mitigating actions are in place to manage these
- 9.6 To seek assurance on the adequacy of the Trust's performance against operational workforce metrics
- 9.7 To seek assurance on the progress with the delivery of the Trust's long term workforce models

- 9.8 To seek assurance on the progress with the delivery against the Trust-wide priorities for learning and development activity (including leadership development)
- 9.9 To seek assurance on the adequacy of the plans to ensure that there is effective staff communication and to maintain and increase levels of staff engagement
- 9.10 To seek assurance on the robustness of workforce and employment policies and procedures, ensuring that they support the delivery of the Trust's strategic objectives and are in line with relevant legislation and best practice;
- 9.11 To seek assurance that links are fostered with RCRH Partners, Sandwell and West Birmingham CCG, West Midlands Local Education and Training Board (LETB) and the Black Country Local Education Training Council (LETC), trade unions and other stakeholders as appropriate.
- 9.12 To seek assurance on the robustness of the annual work programme and plans for implementing the Trust's Workforce and OD Strategies (including strategic workforce planning, human resources management, learning and development and leadership development) ensuring consistency with the delivery of the Trust's strategic objectives;
- 9.13 To seek assurance on any additional matter referred to the Committee from the Board.

## **10 RELATIONSHIP WITH OTHER BOARD COMMITTEES**

In practice, issues of finance, quality, safety and performance are inextricably linked. Through alignment of the relevant Work Programmes for each of the Board Committees overlap or gaps in their collective assurance function will be avoided.

## **11 PROCESS FOR MONITORING COMMITTEE EFFECTIVENESS**

The Committee shall submit an Annual Report to the Trust Board, reporting on the work of the Committee, member attendance and the results of its annual review of performance and function.

The Committee will carry out an annual review of its performance and function in satisfaction of these Terms of Reference and report to the Board on any consequent recommendations for change.

## **12 REPORTING COMMITTEES**

In order to obtain assurance with regard to the area of People and OD, the committee shall receive reports and escalations from the standing sub-committees.

January 2022



## INTEGRATION COMMITTEE

### Terms of Reference

#### 1. CONSTITUTION

- 1.1 The Board hereby resolves to establish a Committee of the Board to be known as the Integration Committee (The Committee). The Committee has no executive powers, other than those specifically delegated in these Terms of Reference. Its terms of reference are set out below and can only be amended with the approval of the Trust Board.

#### 2. AUTHORITY

- 2.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 2.2 The Committee is authorised by the Board to instruct professional advisors and request the attendance of individuals and authorities from outside of the Trust with relevant experience and expertise if it considers this necessary or expedient to carrying out its functions.
- 2.3 The Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.

#### 3. PURPOSE

- 3.1 The purpose of the Committee is to provide the Board with assurance concerning the strategy and delivery plans for the Trusts Population Strategic Objective.
- 3.2 As the Host provider for the Sandwell Place Based Partnership, the Integration Committee will be the assurance group connecting the Place governance to the Trust Board. (See the governance cascade in appendix 1). The committee will oversee the progress from the Place Based Partnership board in the two areas outline below and act as a critical friend as required.
- 3.2.1 The committee will ensure that the place-based partnership has a local strategy that is built on consensus and has the means for delivery
- 3.2.2 The committee will ensure assurance oversight of the services in scope for the Sandwell Place Based Partnership
- 3.3 As a key stake holder in the Ladywood and Perry Barr Place Based partnership, the committee will seek assurance of delivery plans that align with the Trust strategic direction.



- 3.4 The committee will seek assurance and oversight on the wider work in the population strategic objective relating to the following areas.
- 3.4.1 Socio Economic development
  - 3.4.2 Sustainability and the Green Strategic plan
  - 3.4.3 Widening participation
  - 3.4.4 Regeneration plans with partners
  - 3.4.5 Anchor institution
- 3.5 The committee will work with the other board committees to ensure that full oversight of the areas of responsibility are covered.

#### **4 MEMBERSHIP**

- 4.1 The Committee will comprise of not less than three Non-Executive Directors, three Trust Executive Directors and will include the following members.

Non-Executive Directors x 3 (one nominated as chair)

Executive Director of Integration (Exec lead)

Executive Director of System Transformation

Executive Director of Partnerships and Innovation

Group Director of Primary Care, Community and Therapies

The following partner members will be invited to join the committee at frequent intervals when business of the committee requires additional assurance.

Managing Director of Clinical Commissioning Group

Director of Adult Social Care – Sandwell Metropolitan Borough Council

Director of Public Health - Sandwell Metropolitan Borough Council

- 4.2 The Chair of the Committee will be a Non-Executive Director and will be appointed by the Trust Chair. If the Chair is absent from the meeting then another Non-Executive Director shall preside. The lead Executive Director will be the Director of Integration.
- 4.3 A quorum will be 3 members, of which there must be at least one Non-Executive Director and one Executive Director.
- 4.4 Members should make every effort to attend all meetings of the Committee and are mandated to attend 80% as a minimum annually.

#### **5 ATTENDANCE**

- 5.1 All other Non-Executive Directors shall be welcome to attend, and all members of the Trust Board will receive papers to be considered by the Committee.
- 5.2 The Chairman and Chief Executive will be given a standing invitation to the meetings.

- 5.3 Other Executive Directors or any other individuals deemed appropriate by the Committee may be invited to attend for specific items for which they have responsibility.
- 5.4 The Company Secretary shall be secretary to the Committee and will provide administrative support and advice. The duties of the Trust Secretary in this regard are:

- Agreement of the agenda with the Chair of the Committee and attendees with the collation of connected papers
- Taking the minutes and keeping a record of matters arising and issues to be carried forward

## **6 FREQUENCY OF MEETINGS**

- 6.1 Meetings will be held monthly, with additional meetings where necessary.

## **7 REPORTING AND ESCALATION**

- 7.1 Following each committee meeting, the minutes shall be drawn up and submitted to the Chair of the committee in draft format. The draft minutes will then be presented at the next Committee meeting where the person presiding at it will sign them. A highlight report on committee business will be presented by the chair to the next Trust Board meeting
- 7.2 The Chair of the Committee shall draw to the attention of the Trust Board and issues that require disclosure to the full Board or require Executive action.
- 7.3 The Committee will provide an annual report to the Trust Board on the effectiveness of its work and its findings, which is to include an indication of its success with delivery of its work plan and key duties.
- 7.4 In the event that the Committee is not assured about the delivery of the work plan within its domain, it may choose to escalate or seek further assurance in one of five ways:
- (i) insisting on an additional special meeting;
  - (ii) escalating a matter directly to the full Board;
  - (iii) requesting a chair's meeting with the Chief Executive, Lead Executive Director and Chair of the Trust Board;
  - (v) asking the Audit Committee to direct internal, clinical or external audit to review the position

## **8 REVIEW**

- 8.1 The terms of reference should be reviewed by the Committee and approved by the Trust Board annually.

## **9 DUTIES**

- 9.1 The committee should seek assurance from both Place Based Partnership Boards on delivery of the Trust and Place Strategies. The committee should recognise that not all Place activities are exclusively under the direct management of the Trust and therefore differing levels of assurance will be required together with mitigation.
- 9.2 The Committee shall draw on the standing data set within the integrated place performance report that relates to long term strategic goals, addressing the wider determinants of health and health in equalities in the populations we serve.

- 9.3 To receive the transformation plans for the continued development of Place based partnerships over time supporting both Place and Trust strategies
- 9.6 To seek assurance on the robustness and delivery of plans to increase the range and scope of the Place Based Partnerships, Anchor Partner work and the Trusts role within them.
- 9.7 To seek assurance on the adequacy of the work with partners to integrate operational services with those that the Trust runs to improve quality, effectiveness and sustainability.
- 9.8 To seek assurance on the adequacy of plans to realise the Trust's ambition of addressing the wider determinants of health and health inequalities through the population strategic objective including the Green Strategic Plan and wider master planning and associated regeneration projects.
- 9.9 To seek assurance on the adequacy of plans to develop the Place Based partnership to work as a virtual organisation in Sandwell under the Trusts hosting arrangements, remove the barriers between organisations and developing a single operating framework
- 9.10 To seek assurance on the adequacy of plans to develop each Place Based partnerships ambition to host both provider and commissioner decisions in line with the Integrating Care White Paper
- 9.13 To seek assurance on any additional matter referred to the Committee from the Board



## MMUH OPENING COMMITTEE

### TERMS OF REFERENCE

#### Authority/Constitution

1. The MMUH Opening Committee is constituted as a standing committee of the Trust's Board of Directors. Its constitution and terms of reference are as set out below, subject to amendment at future Board of Directors' meetings.
2. The MMUH Opening Committee is authorised by the Board to act within its terms of reference. All members of staff are directed to co-operate with any request made by the Committee. The Committee is established to provide oversight and scrutiny to the MMUH programme.
3. The MMUH Opening Committee is authorised by the Board of Directors to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary or expedient to the carrying out of its functions.
4. The MMUH Opening Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.

#### Purpose

5. The MMUH Opening Committee will provide assurance to the Trust Board on the construction, practical completion, operational commissioning and opening of the hospital, specifically including the safe transfer of clinical services. The Committee will provide assurance to the Trust Board, that the MMUH is safe to receive patients into the new building alongside other necessary clinical configuration in the Treatment Centre's and community services.
6. The MMUH Opening Committee will provide assurance to the Trust Board on the safe operationalisation of MMUH and the first 18 months of benefits delivery post the hospital opening.

#### Duties

7. The MMUH Opening Committee will receive reports via the Project Management Team on programme delivery. The Committee shall provide assurance to the Trust Board that the MMUH Programme is being effectively managed and controlled and shall be responsible for providing assurance on all key decisions in relation to the programme, prior to their consideration and approval by the Trust Board.

8. The MMUH Opening Committee shall be responsible for providing assurance to the Trust Board that the programme is being managed effectively to support the successful achievement of the programmes investment objectives and the realisation of the stated benefits from the MMUH amended business case. Board level metrics will inform this. The assurance process will include exploratory deep dives in relation to major gateways and risks using experts to inform those reviews.
9. The MMUH Opening Committee will provide assurance to the Trust Board of delivery against key timelines set out in the overall project plan, as well as risks, mitigations and any deviation from plans. Advice on major risks, mitigations and deviation from plans may be subject to the exploratory deep dive process and learning from others new hospital project experiences.
10. The MMUH Opening Committee will ensure that risks relevant to the Committee's purpose are minimised through the application of the Trust's risk management system. This will include, but not be restricted to, the consideration of significant risks to the delivery of the Trust's strategic objectives, through review and scrutiny of the relevant risks from the BAF and the corporate risk registers requiring consideration in accordance with the risk management policy.
11. The MMUH Opening Committee will provide assurance to the Trust Board on compliance with the amended business case approval conditions and scheme of delegation set by the Department of Health and Social Care (DHSC). The Committee will also work closely with the National Hospitals Programme Team a key stakeholder.
12. The MMUH Opening Committee will assure itself that a robust engagement and communication plan is in place and delivered effectively to support a successful move to MMUH.
13. The MMUH Opening Committee will assure the Trust Board on effective commercial management of the programme working with the DHSC's New Hospitals Programme Team.
14. The MMUH Opening Committee will seek assurance and support, challenge and advise on getting ready for MMUH which will include the following gateways across the entire programme of work:
  - Transforming and planning;
  - Testing and getting ready;
  - Orientation and induction;
  - Go / no go decision making;
  - Operationalisation of services over 100 days; and
  - Optimisation.

The Committee will advise the Trust Board on key gateway readiness and make recommendations for decision that require Trust Board approval eg Go/ No Go move decision.

15. With complete programme oversight, the MMUH Opening Committee will oversee the following Trust Board committee's roles in seeking assurance of readiness, risk management and benefits realisation in respect the relevant aspects of MMUH opening preparedness set out below. The MMUH Opening Committee will at times direct items of consideration or work to the following Trust Board Committees:
  - Finance Investment and Performance Committee;

- Quality and Safety Committee;
- People and Organisational Development Committee; and the
- Integration Committee.

The Committee can ask questions or seek assurance from the Committees in relation to the care model, workforce plans and affordability. A committee workplan in relation to the MMUH programme will exist for all committees as well as the Opening Committee, ensuring connectivity and alignment in the collective oversight and assurance.

16. The MMUH Opening Committee will provide the Board with a brief summary of the Committee's work on a monthly basis and an annual report in line with the requirements of the Trusts other committees. The Chair of the MMUH Opening Committee will escalate matters to the Board as deemed appropriate.

## Membership

17. The Committee shall be composed of the following members:

- Chair (who must be an independent Non-Executive Director)
- Non-Executive Directors (x 3)
- Chief Executive
- Director of System Transformation
- Chief Operating Officer
- Chief Nurse
- Chief Medical Advisor for MMUH ( title TBC)
- MMUH Board Advisor

18. The following are required to attend meetings of the Committee in a non-voting capacity:

- Medical Director
- Chief Finance Officer
- Chief People Officer
- Director of Partnerships and Innovation
- Associate Director of Corporate Governance/Company Secretary
- Project Director of the PMO (in attendance)
- Representatives of the New Hospitals Programme (NHP) team and NHE regional team will be invited to attend as required.
- Key contractors supporting the programme will also be invited to attend as required.

19. The Committee will be deemed quorate when three members are present, including at least one Non-Executive.

20. Non-Executive Directors that are not formal members of the Committee may attend meetings at their discretion or where the focus of the agenda falls within the remit of their responsibilities.

21. Other management or clinical staff may be co-opted or requested to attend for specific agenda items as necessary.

## Requirements of Membership

22. Members of the Committee must attend at least 75% of all meetings each financial year but should aim to attend all scheduled meetings. Attendance at the Committee will be recorded and monitored.

## Equality Diversity & Inclusion

23. In conducting its business, the Committee will at all times seek to promote its commitment to equality and diversity by the creation of an environment that is inclusive for both our workforce, patients and service users including those who have protected characteristics and vulnerable members of our community

## Reporting

24. The minutes of all meetings of the Committee shall be formally recorded and submitted to the following meeting for approval.
25. The Committee will report to the Board of Directors after each meeting via an assurance report which will provide an overview of the discussions at the meeting, details of any matters in respect of which actions or improvements are needed and decisions taken.
26. The Committee will report annually to the Board of Directors in respect of the fulfilment of its functions in connection with these terms of reference. This will include an evaluation of its performance according to a standardised framework and process.
27. The Committee shall receive regular reports from the MMUH Executive Programme Board.

## Administration of Meetings

28. Meetings shall be held monthly with additional meetings held on an exceptional basis at the request of the Chair or any three members of the Committee.
29. The Director of Corporate Affairs/Company Secretary will make arrangements to ensure that the Committee is supported administratively. Duties in this respect will include taking minutes of the meeting and providing appropriate support to the Chair and Committee members.
30. Agendas and papers will be circulated least 5 working days (or 4 working days plus a weekend) in advance of the meeting.
31. Minutes will be circulated to Committee members as soon as is reasonably practicable.

## Review

The Terms of Reference of the MMUH Opening Committee shall be reviewed by the Committee and submitted to the Trusts Board of Directors for review and approval at least annually.

## REMUNERATION & TERMS OF SERVICE COMMITTEE

### Terms of Reference

#### **4. CONSTITUTION**

- 4.1 The Board hereby resolves to establish a Committee of the Board to be known as the Remuneration & Terms of Service Committee (The Committee). The Committee has no executive powers, other than those specifically delegated in these Terms of Reference. Its terms of reference are set out below and can only be amended with the approval of the Trust Board.

#### **5. AUTHORITY**

- 5.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 5.2 The Committee is authorised by the Board to instruct professional advisors and request the attendance of individuals and authorities from outside of the Trust with relevant experience and expertise if it considers this necessary or expedient to carrying out its functions.
- 5.3 The Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.

#### **6. PURPOSE**

- 6.1 The purpose of the Committee is to provide the Board with advice concerning the terms and conditions of employment, including the remuneration packages for the Chief executive and the Executive Directors. The Committee will also seek assurance on the robustness of the plans for the delivery of Trust's reward and recognition strategy for the Chief Executive & Executive Directors *NOTE: Proposals to establish any material new performance objectives or milestones will be considered by members at Clinical Leadership Executive (CLE) and resolution agreed by the Chair and lead director.*

#### **4 MEMBERSHIP**

- 4.1 The Committee will comprise of all Non-Executive Directors.
- 4.2 The Chair of the Committee will be the Trust Chairman and will be appointed by the Trust Chair. If the Chair is absent from the meeting then another Non-Executive Director shall preside.



4.3 A quorum will be 3 members.

4.4 Members should make every effort to attend all meetings of the Committee and are mandated to attend 80% as a minimum annually.

## **5 ATTENDANCE**

5.1 The Chief Executive will attend the meetings by invitation.

5.2 All other Non-Executive Directors shall be welcome to attend and all members of the Trust Board will receive papers to be considered by the Committee.

5.3 The Chairman and Chief Executive will be given a standing invitation to the meetings.

5.4 Other Executive Directors or any other individuals deemed appropriate by the Committee may be invited to attend for specific items for which they have responsibility.

5.5 The Head of Corporate Governance shall be secretary to the Committee and will provide administrative support and advice.

The duties of the Head of Corporate Governance in this regard are:

- ✓ Agreement of the agenda with the Chair of the Committee and attendees with the collation of connected papers
- ✓ Taking the minutes and keeping a record of matters arising and issues to be carried forward
- ✓ Advising the Committee as appropriate

## **6 FREQUENCY OF MEETINGS**

6.1 Meetings will be held quarterly, with additional meetings where necessary.

## **7 REPORTING AND ESCALATION**

7.1 Following each committee meeting, the minutes shall be drawn up and submitted to the Chair of the committee in draft format. The draft minutes will then be presented at the next Committee meeting where the person presiding at it will sign them. The approved minutes will be presented to the next immediate public Trust Board meeting for information.

7.2 The Chair of the Committee will provide an oral report to the next Trust Board after each Committee meeting, highlighting the matters on which future focus will be directed.

7.3 The Chair of the Committee shall draw to the attention of the Trust Board and issues that require disclosure to the full Board or require Executive action.

7.4 The Committee will provide an annual report to the Trust Board on the effectiveness of its work and its findings, which is to include an indication of its success with delivery of its work plan and key duties.

- 7.5 In the event that the Committee is not assured about the delivery of the work plan within its domain, it may choose to escalate or seek further assurance in one of five ways:
- (i) insisting on an additional special meeting;
  - (ii) escalating a matter directly to the full Board;
  - (iii) requesting a chair's meeting with the Chief Executive and Chairman;
  - (iv) attending the relevant Executive committee to challenge progress directly; and
  - (v) asking the Audit Committee to direct internal, clinical or external audit to review the position

## **8 REVIEW**

- 8.1 The terms of reference should be reviewed by the Committee and approved by the Trust Board annually.

## **9 DUTIES**

- 9.1 To recommend the remuneration and terms of conditions of employment for the Chief Executive and the Executive Directors
- 9.2 To recommend the remuneration and terms and conditions of employment for any employees who are not subject to national terms and conditions of service.
- 9.3 To scrutinise and agree any termination payments made to the Chief Executive and Executive Directors
- 9.4 To ensure the consistent application of the Trust policy on remuneration and terms and conditions of employment for the Chief Executive and the Executive Directors.
- 9.5 To seek assurance on the robustness of the plans for the delivery of Trust's reward and recognition strategy for the Chief Executive & Executive Directors
- 9.6 To seek assurance on any additional matter referred to the Committee from the Board

## CHARITABLE FUNDS COMMITTEE

### Terms of Reference

#### **7. CONSTITUTION**

- 7.1 The Board hereby resolves to establish a Committee of the Board to be known as the Charitable Funds Committee (The Committee). The Committee has no executive powers, other than those specifically delegated in these Terms of Reference. Its terms of reference are set out below and can only be amended with the approval of the Trust Board.

#### **8. AUTHORITY**

- 8.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 8.2 The Committee is authorised by the Board to instruct professional advisors and request the attendance of individuals and authorities from outside of the Trust with relevant experience and expertise if it considers this necessary or expedient to carrying out its functions.
- 8.3 The Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.

#### **9. PURPOSE**

- 9.1 The purpose of the Committee is to provide the Board with assurance concerning adherence to the wishes of donors by monitoring the use of funds and the benefits gained. The Committee will also seek assurance on the robustness and progress with the delivery of the Trust's fundraising strategy. *NOTE: Proposals to establish any material new performance objectives or milestones will be considered by members at Clinical Leadership Executive (CLE) and resolution agreed by the Chair and lead director.*

#### **4 MEMBERSHIP**

- 4.1 The Committee will comprise of not less than three Trustees, including the Director of Finance & Performance Management, Chief Executive and Chief Nurse.
- 4.2 The Chair of the Committee will be a Non-Executive Director and will be appointed by the Trust Chair. If the Chair is absent from the meeting then another Non-Executive Director shall preside.
- 4.3 A quorum will be 3 members, of which there must be at least one Non-Executive Director and one Executive Director.

- 4.4 Members should make every effort to attend all meetings of the Committee and are mandated to attend 80% as a minimum annually.

## **5 ATTENDANCE**

- 5.1 The Head of Fundraising and Head of Communications & Engagement will be invited to attend. The Trust's investment adviser will be invited to attend the meetings twice yearly.
- 5.2 All other Trustees shall be welcome to attend and all members of the Trust Board will receive papers to be considered by the Committee.
- 5.3 Any other individuals deemed appropriate by the Committee may be invited to attend for specific items for which they have responsibility.
- 5.4 The Head of Corporate Governance shall be secretary to the Committee and will provide administrative support and advice.

The duties of the Head of Corporate Governance in this regard are:

- ✓ Agreement of the agenda with the Chair of the Committee and attendees with the collation of connected papers
- ✓ Taking the minutes and keeping a record of matters arising and issues to be carried forward
- ✓ Advising the Committee as appropriate

## **6 FREQUENCY OF MEETINGS**

- 6.1 Meetings will be held quarterly, with additional meetings where necessary.

## **7 REPORTING AND ESCALATION**

- 7.1 Following each committee meeting, the minutes shall be drawn up and submitted to the Chair of the committee in draft format. The draft minutes will then be presented at the next Committee meeting where the person presiding at it will sign them. The approved minutes will be presented to the next immediate public Trust Board meeting for information.
- 7.2 The Chair of the Committee will provide an oral report to the next Trust Board after each Committee meeting, highlighting the matters on which future focus will be directed.
- 7.3 The Chair of the Committee shall draw to the attention of the Trust Board and issues that require disclosure to the full Board or require Executive action.
- 7.4 The Committee will provide an annual report to the Trust Board on the effectiveness of its work and its findings, which is to include an indication of its success with delivery of its work plan and key duties.
- 7.5 In the event that the Committee is not assured about the delivery of the work plan within its domain, it may choose to escalate or seek further assurance in one of five ways:

- (i) insisting on an additional special meeting;
- (ii) escalating a matter directly to the full Board;
- (iii) requesting a chair's meeting with the Chief Executive and Chairman;
- (iv) attending the relevant Executive committee to challenge progress directly; and
- (v) asking the Audit Committee to direct internal, clinical or external audit to review the position

## **8 REVIEW**

- 8.1 The terms of reference should be reviewed by the Committee and approved by the Trust Board annually.

## **9 DUTIES**

On behalf of all members of the Trust Board (being the Trustees in law under the terms of the Charities Acts) the Committee will:

- 9.1 Seek assurance on the adequacy of the arrangements for the safeguarding of those assets donated or bequeathed, in cash or other form, to the Trust's Charitable Funds.
- 9.2 Seeks assurance that as far as is practicable, that the expressed or intended wishes of donors or benefactors are met in the deployment of funds.
- 9.3 Seek assurance on the robustness of the banking, accounting and audit arrangements in respect of charitable funds.
- 9.4 Seek assurance on the appropriateness of the appointment of Investment Brokers to provide professional advice on the investment of charitable funds.
- 9.5 Seek assurance on the adequacy of the investment strategy for the Charitable funds.
- 9.6 Seek assurance on the robustness of the management of funds through the consideration of regular reports on income to and expenditure from the Trust's Charitable Funds, prior to submission and to review the regular investment reports supplied by the Trust's brokers.
- 9.7 To seeks assurance that the Trust is complying with Standing Orders, Standing Financial Instructions and operating procedures in so far as these cover the use of charitable funds within the Trust
- 9.8 To seeks assurance that the Trust is complying with the relevant legislation and formal Department of Health guidance on charitable funds
- 9.9 To seeks assurance on the adequacy of the charitable fundraising strategy for the new hospital
- 9.10 In accordance with the Scheme of Delegated Authority and authorisation limits, (see Standing Orders and Standing Financial Instructions) to consider all business cases involving the use of Charitable Funds prior to any required consideration by the Trust Board.
- 9.11 To seek assurance on any additional matter referred to the Committee from the Board.