

Meeting Title	Board of Directors		
Date	10.3.22	Agenda item	Bo.3.22.23

Proposed changes to Scheme of Delegation/Standing Financial Instructions

Presented by	Matthew Horner (Director of Finance)		
Author	Michael Quinlan (Deputy Director of Finance) Jonny Scholtz (Assistant Director of Finance)		
Lead Director	Matthew Horner (Director of Finance)		
Purpose of the paper	To approve updated versions of the Standing Financial Instructions and Scheme of Delegation		
Key control	Yes		
Action required	For approval		
Previously discussed at/ informed by	Audit and Assurance Committee		
Previously approved at:	Academy/Group	Date	
	Audit and Assurance Committee	1 February 2022	

Key Options, Issues and Risks

The Standing Financial Instructions and Scheme of Delegation are key parts of the Trusts governance and financial control. To ensure they are current and fit for purpose they are subject to an annual review.

Following a review and recommendation for approval from the Audit and Assurance Committee this paper seeks approval for the updated Standing Financial Instructions and Scheme of Delegation.

Analysis

Material changes made to the Standing Financial Instructions include:

- **Staff Appointments** – appointment of new Consultant Medical Staff will now be subject to approval of a business case.
- **Leases** – amended in preparation for IFRS 16 being introduced from 1st April. Management of leases will be subject to a more detailed policy to be introduced. The SFI's have been amended to in preparation of a more detailed policy being introduced.
 - A section has been added giving the Director of Finance the authority to determine which contracts are considered to fully, or partly contain a lease.
 - Requirement for all lease agreements to be signed by Director of Finance or deputy has been removed.
 - Requirement for all lease agreements to be supported by a business case demonstrating why leasing provides value for money has been removed.
- The Public Contracts Regulations procurement threshold has been revised from £189,330 to the new threshold of £122,976.
- **Exceptions to Competitive Tendering Requirements** – the list of allowable exceptions now includes if it is pursuant to and in accordance with the requirements of research grant or award.

Appendix 1 is a copy of the updated Standing Financial Instructions.

Appendix 2 shows the updated Standing Financial Instructions including track changes from the previous version.

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Material changes made to the Reservation of Powers to the Board and Scheme of Delegation include:

Urgent matters in the absence of the Chief Executive

- The Chairment in consultation of at least two non Executive Directors has been replaced with the Deputy Chief Executive.

Delegation of budgets and approval to spend funds

- Approval for the Annual Business plan changed from the Chief Executive to the Board.
- Approval for new staff appointments and re-grading changed from the Chief Executive to the Director of Human Resources.
- CBU General Managers have been included on the authorisation of non-pay expenditure with an approval limit up to £50,000.
- Care Group Director of Operations have been included on the authorisation of non-pay expenditure with an approval limit up to £100,000.
- Approval for pre-payments has been amended. The requirement to provide the Director of Finance with a report describing the need for a pre-payment has been removed and replaced with a hierarchy for approval. This provides Finance Managers with the ability to approve up to £10,000 and is intended to provide for low value arrangements such as maintenance contracts. Approval for prepayments over £100,000 will need approval of the Assistant Director of Finance (up to £100,000), the Deputy Director of Finance (£100,000 to £250,000) or the Director of Finance (above £250,000).

Management of non-exchequer funds

- Approval for the investment of Charitable funds has been changed from the Director of Finance to the Bradford Hospitals Charity Committee.

Tender Acceptance and Contracting

- Approval for tendering and accepting contracts has been reviewed with the following revised hierarchy.

Contracts with an aggregate value of less than £10,000 (excluding VAT).	General Manager or Budget Holder (minimum Band 8a)
Contracts with an aggregate value of between £10,000 and £122,976 (excluding VAT).	Strategic Head of Procurement, Director of Estates and Facilities or Director of Pharmacy
Contracts with an aggregate value of between £122,977 and £250,000 (excluding VAT)	Strategic Head of Procurement and Deputy Director of Finance
Contracts with an aggregate value of between £250,001 and £1,000,000 (excluding VAT)	Deputy Director of Finance and Director of Finance
Contracts with an aggregate value of between £1,000,001 and £2,000,000 (excluding VAT)	Director of Finance and Chief Executive
Contracts with an aggregate value above £2,000,001 (excluding VAT)	The Board

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- The Public Contracts Regulations procurement threshold has been revised from £189,330 to the new threshold of £122,976.

Appointment of Consultant Medical Staff

- Approval of business cases for the appointment of new Consultant Medical Staff is delegated to the Executive Team.

Appendix 3 is a copy of the updated Scheme of Delegation.

Appendix 4 shows the updated Scheme of Delegation including track changes from the previous version.

Both the Standing Financial Instructions and Scheme of Delegation are scheduled to be reviewed again in April 2023.

Recommendation

The Board of Directors are asked to approve the updated Standing Financial Instructions and Scheme of Delegation.

Risk assessment						
Strategic Objective	Appetite (G)					
	Avoid	Minimal	Cautious	Open	Seek	Mature
To provide outstanding care for patients			g			
To deliver our financial plan and key performance targets			g			
To be in the top 20% of NHS employers					g	
To be a continually learning organisation				g		
To collaborate effectively with local and regional partners					g	
The level of risk against each objective should be indicated. Where more than one option is available the level of risk of each option against each element should be indicated by numbering each option and showing numbers in the boxes.	Low		Moderate	High	Significant	
	Risk (*)					
Explanation of variance from Board of Directors Agreed General risk appetite (G)						

Benchmarking implications (see section 4 for details)	Yes	No	N/A
Is there Model Hospital data relevant to the content of this paper?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is there any other national benchmarking data relevant to the content of this paper?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the Trust an outlier (positive or negative) for any benchmarking data relevant to the content of this paper?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Risk Implications (see section 5 for details)	Yes	No
Corporate Risk register and/or Board Assurance Framework Amendments	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Quality implications	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Resource implications	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Legal/regulatory implications	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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Diversity and Inclusion implications	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Performance Implications	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Regulation, Legislation and Compliance relevance
NHS Improvement: (please tick those that are relevant) <input type="checkbox"/> Risk Assessment Framework <input type="checkbox"/> Quality Governance Framework <input type="checkbox"/> Code of Governance <input type="checkbox"/> Annual Reporting Manual
Care Quality Commission Domain: Choose an item.
Care Quality Commission Fundamental Standard: Choose an item.
NHS Improvement Effective Use of Resources: Choose an item.
Other (please state):

Relevance to other Board of Director's academies: (please select all that apply)			
People	Quality	Finance & Performance	Other (please state)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>