

## Board of Directors

**Subject:** Scheme of Delegation Update  
**Date:** 28<sup>th</sup> January 2016  
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**Lead Director:** Paul Robinson, Chief Financial Officer

### Executive Summary:

The Scheme of Delegation has been reviewed and amendments are proposed to reflect the 2-yearly change to thresholds for procurement published by the European Commission, and a number of items relating to Trust operational processes.

The thresholds for procurement relating to the Official Journal of the European Union (OJEU) from 1<sup>st</sup> January 2016 to 31<sup>st</sup> December 2017 are:

Supplies and Services	£106,047
Works	£4,104,394

A review of the governance and committee structure also highlighted the need to refresh some other areas, and the need to ensure accountability is held and discharged at appropriate levels. The proposed changes are:

1) Changes to financial limits and authority:

- Board of Directors – over £1m (from ‘over £250k’)
- Finance Committee – up to £1m (from £250k)  
This is consistent with the Monitor requirement for approval of discretionary expenditure
- Executive Team – up to £250k  
Previously no financial authority as this was held by the Trust Management Board and Commercial Development Group
- Executive Board members – up to £100k  
New authority level recognising executive members of the Board
- Prime Budget Holders – up to £50k  
Previously named ‘Aggregate’ Budget Holders
- Capital Planning Group – up to £100k (capital expenditure and business cases)  
Replaces the Commercial Development Group, which is no longer in existence

2) The title of ‘Aggregate’ Budget Holder has been replaced with ‘Prime’ Budget Holder as it better describes the role.

3) Delegate budgets to budget holders – addition of Prime Budget Holders as authorised to delegate budget holder responsibility for their respective divisions/departments.

4) Tenders for Services Provided – added to the Business Cases section.

There is currently no reference to ‘services provided’ in the Scheme of Delegation, and the scrutiny process is the same as for business cases and capital expenditure, so it is appropriate to treat tenders for services provided as business case proposals.

This change requires the clarification that 'Quotation, Tendering & Contract Procedures' (section 34) relate to purchases (of goods and services), not services provided.

This also necessitates a change to Section 7 (Contracts) of the Standing Financial Instructions to add the relevant requirements for 'Other contracts for services provided'.

- 5) Authorisation of Clinical Trials & Research Projects and Medical Research – addition of the Research and Innovation Manager as authoriser.

This is a new senior position and this addition should ensure that unnecessary process delays are minimised whilst maintaining effective scrutiny of expenditure.

- 6) Post titles updated as appropriate throughout the Scheme of Delegation to reflect current titles, and clarification of the roles and responsibilities of the Director of Governance and the Company Secretary.

The revised Scheme of Delegation and the extract from the Standing Financial Instructions are attached for reference, with the proposed changes highlighted.

At their meeting on 14<sup>th</sup> January, the Audit and Assurance Committee approved the amendments for submission to the Board of Directors.

**Next Steps:**

Following ratification, updated Scheme of Delegation and Standing Financial Instructions will be issued.

**Recommendations**

Members are requested to ratify the proposed changes.

Relevant Strategic Objectives (please mark in bold)	
<b>To consistently deliver a high quality patient experience safely and effectively</b>	To develop extended clinical networks that benefit the patients we serve
To eliminate the variability of access to and outcomes from our acute services	<b>To provide efficient and cost-effective services and deliver better value healthcare</b>
To reduce demand on hospital services and deliver care closer to home	

<b>How has organisational learning been disseminated</b>	Not applicable
<b>Links to the BAF and Corporate Risk Register</b>	Not applicable
<b>Details of additional risks associated with this paper</b> (may include CQC Essential Standards, NHSLA, NHS Constitution)	Not applicable
<b>Links to NHS Constitution</b>	Not applicable

<b>Financial Implications/Impact</b>	Not applicable
<b>Legal Implications/Impact</b>	Not applicable
<b>Partnership working &amp; Public Engagement Implications/Impact</b>	Not applicable
<b>Committees/groups where this item has been presented before</b>	Not applicable
<b>Monitoring and Review</b>	Not applicable
<b>Is a QIA required/been completed? If yes provide brief details</b>	Not applicable