

Board of Directors Meeting in Public

Subject:	Standing Financial Instructions and Scheme of Delegation Updates		Date:	5 th December 2024	
Prepared By:	Michael Powell, Head of Financial Services				
Approved By:	Michael Powell, Head of Financial Services				
Presented By:	Richard Mills, Chief Financial Officer				
Purpose					
On a two-yearly basis the Standing Financial Instructions and Scheme of Delegation are subject to a full review in response to changes in responsibility and other changes of circumstances.			Approval	X	
			Assurance		
			Update		
			Consider		
Strategic Objectives					
Provide outstanding care in the best place at the right time	Empower and support our people to be the best they can be	Improve health and wellbeing within our communities	Continuously learn and improve	Sustainable use of resources and estates	Work collaboratively with partners in the community
X					
Principal Risk					
PR1	Significant deterioration in standards of safety and care				
PR2	Demand that overwhelms capacity				
PR3	Critical shortage of workforce capacity and capability				
PR4	Insufficient financial resources available to support the delivery of services				
PR5	Inability to initiate and implement evidence-based Improvement and innovation				
PR6	Working more closely with local health and care partners does not fully deliver the required benefits				
PR7	Major disruptive incident				
PR8	Failure to deliver sustainable reductions in the Trust's impact on climate change				
Committees/groups where this item has been presented before					
Audit and Assurance Committee					
Acronyms					
<ul style="list-style-type: none"> Standing Financial instructions (SFIs) Scheme of Delegation (SoD) 			<ul style="list-style-type: none"> NHSE – NHS England ICB – Integrated Care Board 		
Executive Summary					
<p>A full review of the Standing Financial Instructions (SFIs) and Scheme of Delegation (SoD) has been undertaken in line with the two-yearly review cycle. This follows an update with minor amendments that were made to both documents and reported to the Audit and Assurance committee in March 2024. The review was completed by a working group with representation from Finance, Human Resources, Procurement, Risk and Assurance, Divisional Management, and the Director of Corporate Affairs.</p> <p>In relation to the document's examples from other Trusts and non-NHS organisations were downloaded from the Intranet, to see if there were better examples of the documents and format available. As a consequence, the Scheme of Delegation has been reformatted, however, no 'significantly better' formatted Standing Financial Instructions was identified, so the format remains consistent with previous updates.</p>					
<u>Scheme of Delegation</u>					
Once reformatted, a significant number of changes have been made, with the changes relating to:					

- Changes of title and responsibility.
- Table A Section 34 relating to Quotations and tendering.
- Table B Section 4.1. Petty cash value increased from £100 to £150.
- Table B Section 6.1 and 6.2 relating to Quotations and tendering.
- Table B Section 7.1 where it has been **made explicit** that revenue expenditure relates to the term of the contract not a 'calendar year'.
- **Table B Section 7.1 and 8. Where delegated limits have been increased from £1.0m to £1.25m.**

Value increases are reflective of inflation, with no changes to these values applied over several years.

Standing Financial Instructions

Changes have been made relating to:

- Changes of title and responsibility.
- Updating of references to NHSE/ICB.
- Section 9.3.3 rewritten with input from Strategic Head of Procurement and Head of Procurement to reflect current practice and changes due to movements in technology.
- Section 9.3.5 rewritten with input from Strategic Head of Procurement and Head of Procurement to reflect current practice and changes due to movements in technology.
- Section 17 updated to reflect that the policy on 'Gifts and Hospitality' should reflect the recently issued guidance by the Department of Health on Managing Conflicts of Interest in the NHS.

The documents, including a version with tracked changes, were presented to the Audit and Assurance Committee meeting of 21st November 2024. The Committee recommended approval to the Board of Directors, supported by a request for the Head of Financial Services to undertake a benchmarking review against delegated approval limits with other NHS organisations.

Subject to approval by the Board of Directors the updated documents will be published on the Trust's website and communicated to relevant officers. The working group has been asked to develop a more 'operational' user friendly piece of guidance, which would be made available to colleagues to support them in fulfilling their duties in accordance with these key financial documents. An updated version of supporting documents, including the purchase order exceptions list, will be communicated alongside this.

The Board of Directors are requested to review the proposed changes, in particular the revenue and capital thresholds for the Finance Committee and Board, and to approve the Standing Financial Instructions and Scheme of Delegation Updates.