

East Sussex Healthcare NHS Trust Governing Documents, incorporating: Standing Orders, Standing Financial Instructions, Scheme of Delegation

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Version Control Table

Version number and issue number	Date	Author	Reason for Change	Description of Changes Made
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Consultation Table

This document has been developed in consultation with the groups and/or individuals in this table:

Name of Individual or group	Title	Date
ESHT Trust Board		13 February 2024
Audit Committee		25 January 2024

This information may be made available in alternative languages and formats, such as large print, upon request. Please contact the document author to discuss.

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Foreword to Standing Orders

1. The Code of Accountability requires the Boards of NHS Trusts adopt:
 - Standing Orders (SOs);
 - Reservation of Powers to the Board and Delegation of Powers;
 - Standing Financial Instructions (SFIs)
2. These documents provide a framework for the regulation of proceedings and the business of the Trust. They fulfil the dual role of protecting the Trust's interests and protecting staff from any possible accusation that they have acted less than properly. All executive and non-executive directors, and all members of staff, should be aware of the existence of these documents and, where necessary, be familiar with the detailed provisions.
3. The Standing Orders incorporate provisions of the National Health Service Trusts (Membership and Procedure) Regulations.
4. These Standing Orders have been adopted by the Board and are therefore mandatory for all directors and employees of the organisation.
5. Where reference is made to other documents, these are available from the Chief of Staff

1. Introduction

Statutory Framework

The East Sussex Healthcare NHS Trust (the Trust) is a statutory body which came into existence on 1 April 2011 under The East Sussex Healthcare NHS Trust (Establishment) Order 2011 No. 1185 (the Establishment Order).

The Trust provides NHS acute and community services throughout East Sussex at two district general hospitals, Conquest Hospital and Eastbourne District General Hospital, community hospitals in Bexhill, Rye and Uckfield and a number of clinics and health centres, GP surgeries and in people's homes.

NHS Trusts are governed by Acts of Parliament, mainly 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, the Health Act 1999, the Health and Social Care Act 2001, the NHS Act 2006, Health Act 2009 and Health and Social Care Act 2012. The functions of the Trust are conferred by this legislation.

As a statutory body, the Trust has specified powers to contract in its own name and to act as a corporate trustee.

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.

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.

The Trust takes into account the rights and pledges set out in the NHS Constitution which has the force of law

NHS Framework

In addition to the statutory requirements, the Secretary of State through the Department of Health and Social Care issues further directions and guidance. These are normally issued under cover of a circular or letter.

The NHS Codes of Conduct and Accountability requires that, inter alia, 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 to senior executives (a scheme of delegation). The Code also requires the establishment of audit and remuneration committees with formally agreed terms of reference. The Code of Conduct outlines requirements concerning possible conflicts of interest of Board members.

The Freedom of Information Act (2000) sets out the requirements for public access to information on the NHS.

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 'Schedule of Matters reserved to the Board and Scheme of Delegation' and have effect as if incorporated into the Standing Orders and Standing Financial Instructions.

2. Interpretation

Save as otherwise permitted by law, at any meeting the Chairman of the Trust shall be the final authority on the interpretation of Standing Orders (on which he/she should be advised by the Chief Executive or Associate Director of Corporate Governance in consultation with the Chief of Staff).

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 this interpretation and in addition:

'Accountable Officer' means the NHS Officer responsible and accountable for funds entrusted to the Trust. He/She shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.

'Associate Member' 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.

'Board' means the Chairman, Officer and non-officer members of the Trust collectively as a body.

'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.

'Budget Holder' means the director or employee with delegated authority to manage finances (income and expenditure) for a specific area of the organisation.

'Chairman 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 Chairman of the Trust' shall be deemed to include the Vice-Chairman of the Trust if the Chairman is absent from the meeting or is otherwise unavailable.

'Chief Executive' means the chief officer of the Trust.

'Chief Financial Officer' means the chief financial officer of the Trust.

'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.

'Committee' means a committee or sub-committee created and appointed by the Trust.

'Committee members' means persons formally appointed by the Board to sit on or to chair specific committees.

'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.

'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.

'Member' means executive or non-executive director of the Board, as the context permits. 'Member' in relation to the Board does not include its Chairman.

‘Membership, Procedure and Administration Arrangements Regulations’ means NHS Membership and Procedure Regulations (SI 1990/2024) and subsequent amendments.

‘Nominated officer’ means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.

‘Non-officer Member’ means a member of the Trust who is not an officer of the Trust and is not to be treated as an officer by virtue of regulation 1(3) of the Membership, Procedure and Administration Arrangements Regulations.

‘Officer’ means employee of the Trust or any other person holding a paid appointment or office with the Trust.

‘Officer Member’ 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 Chairman of the Trust or any person nominated by such a committee for appointment as a Trust member).

‘Associate Director of Corporate Governance in consultation with the Chief of Staff’ means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chairman and monitor the Trust’s compliance with the law, Standing Orders, and Department of Health guidance.

‘SFIs’ means Standing Financial Instructions.

‘SOs’ means Standing Orders.

‘Trust’ means the East Sussex Healthcare NHS Trust.

‘Vice-Chairman’ means the non-officer member appointed by the Chairman to take on the Chairman’s duties if the Chairman is absent for any reason.

‘Senior Independent Director’ means the non-officer member appointed by the Chairman to be available to members of the Board if they have concerns which contact through the normal channels of Chairman, Chief Executive or Chief Financial Officer has failed to resolve or for which such contact is inappropriate.

The ‘Regulator’ means NHS England or successor body.

Standing Orders for the regulation of the proceedings of East Sussex Healthcare NHS Trust

Part 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 Chairman of the Trust (Appointed by the Regulator);
- (2) Up to 5 non-officer members (Appointed by the Regulator);
- (3) Up to 5 officer members (but not exceeding the number of non-officer members) including:
 - The Chief Executive
 - The Chief Financial Officer
 - The Chief Medical Officer
 - The Chief Nurse

The Board shall have not more than 11 and not less than 8 voting 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 the Chair and directors

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

2.3 Terms of Office of the Chairman and Members

2.3.1 The regulations setting out the period of term of office of the Chairman and members and for the termination or suspension of office of the Chairman and members are contained in Section 2 to 4 of the Membership, Procedures and Administration Arrangements Regulations.

2.4 Appointment and powers of Vice-Chairman

2.4.1 Subject to SO 2.4.2 below, the Chairman may appoint any Member of the Board, who is also a Non-Executive Director, to be Vice-Chairman, for such period, not exceeding the remainder of his/her term as a member of the Trust, as they may specify on appointing him/her. If, in exceptional circumstances due to illness or any other cause, the Chairman is unable to appoint a Vice-Chairman, then another non-executive director will assume the office of Vice-Chairman.

2.4.2 Any member so appointed may at any time resign from the office of Vice-Chairman by giving notice in writing to the Chairman. The Chairman and members may thereupon appoint another member as Vice-Chairman in accordance with the provisions of Standing Order 2.4(1).

2.4.3 Where the Chairman of the Trust has died or has ceased to hold office, or where they have been unable to perform their duties as Chairman owing to illness or any other cause, the Vice-Chairman shall act as Chairman until a new Chairman is appointed or the existing Chairman resumes their duties, as the case may be; and references to the Chairman in these Standing Orders shall, so long as there is no Chairman able to perform his/her duties.

2.5 Appointment and powers of Senior Independent Director

2.5.1 Subject to SO 2.5.2 below, the Chairman may appoint any Member of the Board, who is also a Non-Executive Director, to be the Senior Independent Director, for such period, not exceeding the remainder of his term as a Member of the Board, as they may specify on appointing him. The Senior Independent Director shall perform the role set out in the Trust's "Senior Independent Director Job Description", as amended from time to time by resolution of the Board.

2.5.2 Any Non-Executive Member of the Board so appointed may at any time resign from the office of Senior Independent Director by giving notice in writing to the Chairman. The Board of Directors may thereupon appoint another Non-Executive Member of the Board as Senior Independent Director in accordance with the provisions of Standing Order 2.5.1.

2.6 Appointment and powers of Associate Non-Executive Directors

The Board may appoint Associate Non-Executive Directors on terms and conditions to be specified by the Board to provide additional advice and expertise to the Board. Associate Non-Executive Directors will be non-voting appointees without executive or delegated executive functions but will be accountable to the Board for the responsibilities detailed in their terms and conditions of employment, which shall never exceed 4 years but may be renewed by the Board.

2.7 Joint Members

2.7.1 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.

2.7.2 Where the office of a member of the Board is shared jointly by more than one person;

- i. either or both of those persons may attend or take part in meetings of the Board;
- ii. if both are present at a meeting they should cast one vote if they agree,
- iii. in the case of disagreements no vote should be cast.
- iv. the presence of either or both of those persons should count as the presence of one person for the purposes of Standing Order 3.10 Quorum.

2.8 Role of Members

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

2.8.1 Executive Members

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

2.8.2 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.

2.8.3 Chief Financial Officer

The Chief Financial 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.

2.8.4 Non-Executive Members

The Non-Executive Members 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.

2.8.5 Chairman

The Chairman shall be responsible for the operation of the Board and chair all Board meetings when present. The Chairman has certain delegated executive powers. The

Chairman must comply with the terms of appointment and with the Trust's Standing Orders.

The Chairman shall liaise with the Regulator 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 Chairman 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.

The Board shall define and regularly review the functions it exercises on behalf of the Secretary of State.

2.9 Corporate Role of Board

- 2.9.1 All business shall be conducted in the name of the Trust.
- 2.9.2 All funds received in trust (charitable funds) shall be held in the name of the Trust as corporate trustee.
- 2.9.3 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 3.
- 2.9.4 The Board shall define and regularly review the functions it exercises on behalf of the Secretary of State.

2.10 Schedule of Matters reserved to the Board and Scheme of Delegation

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

2.11 Lead Roles for Board Members

The Chairman shall 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

3.1 Calling Meetings

- 3.1.1 Ordinary meetings of the Board shall be held at such times and places as the Board may determine and may be held using an online platform
- 3.1.2 The Chairman of the Trust may call a meeting of the Board at any time.
- 3.1.3 One third or more members of the Board may requisition a meeting in writing. If the Chairman 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.
- 3.1.4 A member desiring a matter to be included on an agenda shall make his/her request in writing to the Chairman at least 15 clear days before the meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than 15 days before a meeting may be included on the agenda at the discretion of the Chairman.
- 3.1.5 Agendas will be sent to members 6 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. Failure to serve such a notice on more than three members will invalidate the meeting. A notice shall be presumed to have been served one day after posting
- 3.1.6 Before each public meeting of the Board a public notice of the time and place of the meeting, or details of the online meeting, and the public part of the agenda, shall be displayed either at the Trust's principal office or to be published electronically at least three clear days before the meeting. If the meeting is convened at shorter notice, then as soon as reasonably practicable. (Required by the Public Bodies (Admission to Meetings) Act 1960 S.I. (4)(a)).

3.2 Notice of Meetings and the Business to be transacted

- 3.2.1 Before each meeting of the Board a notice specifying the business proposed to be transacted shall be delivered to every member, or sent by post to the usual place of residence of each member, so as to be available to him/her at least three clear days before the meeting. The notice shall be signed by the Chairman, or by an officer authorised by the Chairman to sign on their behalf. Want of service of the notice on any member shall not affect the validity of a meeting.
- 3.2.2 In the case of a meeting called by members in default of the Chairman calling the meeting, the notice shall be signed by those members.
- 3.2.3 No business shall be transacted at the meeting other than that specified on the agenda, or emergency motions allowed under Standing Order 3.6

3.3 Agenda and Supporting Papers

The Agenda will be sent to members 6 days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be dispatched no later than 3 clear days before the meeting, save in emergency.

3.4 Petitions

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

3.5 Notices of Motion

- 3.5.1 Subject to the provision of Standing Orders 3.7 and 3.8, a member of the Board wishing to move a motion shall send a written notice to the Chief of Staff who will ensure that it is brought to the immediate attention of the Chairman.
- 3.5.2 The notice shall be delivered at least 5 clear days before the meeting. The Chief of Staff shall include in the agenda for the meeting all notices received that are in order and permissible under governing regulations. This Standing Order shall not present any motion being withdrawn or moved without notice on any business mentions on the agenda for the meeting.

3.6 Emergency Motions

Subject to the agreement of the Chairman, 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 Chairman's decision to include the item shall be final.

3.7 Motions: Procedure at and during a meeting

3.7.1 Who may propose?

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

3.7.2 Contents of motions

The Chairman 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 reception 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.

3.7.3 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.

3.7.4 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.

3.7.5 Withdrawing a motion

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

3.7.6 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/director be not further heard;
- a motion under Section I (2) or Section I (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 Chairman 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

3.8.1 Notice of motion to rescind any resolution (or the general substance of any resolution) which has been passed within the preceding six calendar months shall bear the signature of the 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.

3.8.2 An officer in attendance for an executive director (officer member) but without having been formally appointed on an acting up basis may not count towards the quorum.

3.9 Chairman's Ruling

The decision of the Chairman 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.

3.10 Quorum

- 310.1 No business shall be transacted at a meeting unless at least one-third of the whole number of the Chairman and members (including at least one member who is an officer member and one who is not is present).
- 3.10.2 An officer in attendance for an executive director (officer member) but without formal acting up status may not count towards the quorum.
- 3.10.3 If the Chairman 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 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.

3.11 Voting

- 3.11.1 Save as provided in Standing Orders 3.12 – Suspension of Standing Orders and 3.13 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, (i.e. Chairman of the meeting) shall have a second and casting vote.
- 3.11.2 At the discretion of the Chairman, all questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chairman directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.
- 3.11.3 If at least one third of the members present so request, the voting on any question may be recorded to show how each member present voted or did not vote (except when conducted by paper ballot).
- 3.11.4 If a member so requests, their vote shall be recorded by name.
- 3.11.5 In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.
- 3.11.6 A manager who has been formally appointed to act up for an officer member during a period of incapacity or temporarily to fill an executive director vacancy, shall be entitled to exercise the voting rights of the officer.

A manager attending the Board to represent an officer member during a period of incapacity or temporary absence without formal acting up status may not exercise the voting rights of the officer member. An officer's status when attending a meeting shall be recorded in the minutes.

3.12 Suspension of Standing Orders

- 3.12.1 Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to the Quorum (SO 3.10), 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 officer member 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.

3.12.2 A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chairman and members of the Board.

3.12.3 No formal business may be transacted while Standing Orders are suspended.

3.12.4 The Audit Committee shall review every decision to suspend Standing Orders.

3.13 Variation and Amendment of Standing Orders

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

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

3.14 Record of Attendance

The names of the Chairman and members present at the meeting shall be recorded in the minutes.

3.15 Minutes

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

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

3.16 Admission

3.16.1 The public and representatives of the press may attend all public meetings of the Trust (Board) but shall be required to withdraw upon the Trust (Board) resolving 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).

3.16.2 General Disturbances

The Chairman (or Vice Chairman, if one has been appointed) or the person presiding over the meeting shall give such directions as he/she thinks fit in 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 Board resolving as follows:

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

3.16.3 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 and Officers or any employee of the Trust in attendance shall not reveal or disclose the contents of papers marked 'In Confidence' or minutes headed 'Items Taken in Private' outside of the Trust, without the express permission of the Trust. This prohibition shall apply equally to the content of any discussion during the Board meeting which may take place on such reports or papers.

3.16.4 Use of Mechanical or Electrical Equipment for Recording or Transmission of Meetings

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

3.17 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 at it deems fit.

4. Part 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, the Board may appoint committees of the Trust.

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

4.2 Suspension of Standing Orders

4.2.1 Joint committees may be appointed by the Trust by joining together with one or more other Commissioners, or other Trusts consisting of, wholly or partly of the Chairman 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.

4.2.2 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 “Chairman” is to be read as a reference to the Chairman of other committee as the context permits, and the term “member” is to be read as a reference to a member of a 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 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 Chairman shall make the appointments to each of the committees that the Board has formally constituted. Where the Chairman 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 within the terms of reference of the committee 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, sub committees, and joint committees established by the Board are:-

4.8.1 Audit Committee

In line with the requirements of the NHS Audit Committee Handbook, NHS Codes of Conduct and Accountability, an audit committee will be established and constituted to provide the Trust Board with an independent and objective review of its financial systems, financial information, system of internal control and compliance with laws, guidance, and regulations governing the NHS. The terms of reference will be approved by the Trust Board and reviewed on at least an annual basis.

The Committee shall be appointed by the Chairman of the Trust Board from amongst the non-executive directors of the Trust and shall consist of not less than three members. One member should also be a member of the Quality and Safety Committee and one member a member of the Finance and Investment Committee. At least one member of the Committee should have recent and relevant financial experience.

The Chairman of the Trust shall not be a member or act as substitute for a member of the Committee. Other non-executive directors of the Trust, including any designate non-executive directors, may substitute for members of the Audit Committee in their absence and will form part of the quorum.

4.8.2 Remuneration and Appointments Committee

In line with the requirements of the NHS Codes of Conduct and Accountability, a Remuneration and Appointments Committee will be established and constituted.

The overall purpose of the committee is to ensure that the process of appointing, and if necessary, dismissing, the executive directors are robust, fit for purpose and have been followed. The committee shall oversee the system for all executive director appointments and agree the parameters for the senior appointments process. The process of all senior executive appointments will be reported back to the committee in order that the committee can provide the Board with assurance. Additionally, the committee will agree and review the Trust's policies on the reward, performance, retention and pension matters for the executive directors of the Trust. The terms of reference will be approved by the Trust Board and reviewed on an annual basis.

4.8.3 Quality and Safety Committee

The Trust Board will establish a Quality and Safety Committee to provide assurance to the Trust Board that the Trust is providing safe and high-quality services to patients, supported, and informed by effective arrangements for monitoring and continually improving the safety and quality of care. It will review whether local and national targets are met and that lessons learned from incidents, complaints, and claims. The terms of reference will be approved by the Trust Board and reviewed on at least an annual basis.

The Committee and Committee Chairman shall be appointed by the Chairman of the Board and should comprise of at least two non-executive directors.

4.8.4 Finance and Productivity Committee

The Trust Board will establish a Finance and Productivity Committee to assure itself that responsibilities in regard to fiscal issues, value for money, financial risk and

investment decisions are being discharged. It will review in more detail the financial performance of the Trust and the investment systems, options for future investment and investment performance. The Terms of Reference will be approved by the Trust Board and reviewed on at least an annual basis.

The Committee and Committee Chairman shall be appointed by the Chairman of the Board and should comprise of at least two non-executive directors, one of whom should be a member of the Audit Committee.

4.8.4.1 Capital Sub Committee

The Finance and Productivity Committee may establish a capital subcommittee to provide a forum for detailed review of the Trust's capital programme, underlying capital processes and longer term capital planning, ensuring that capital plans are delivered in a timely manner and in line with Trust governance processes.

The committee and committee Chairman shall be appointed by the Chairman of the Board and should comprise of at least two non-executive directors, one of whom should be a member of the Finance and Productivity Committee.

4.8.5 People and Organisational Development Committee

The Trust Board will establish a People and Organisational Development Committee to assure itself that the Trust has the necessary strategies, policies and procedures in place to ensure a high performing and motivated workforce that is supporting the Trust objectives and organisational success. The Terms of Reference will be approved by the Trust Board and reviewed on at least an annual basis.

The Committee and Committee Chairman shall be appointed by the Chairman of the Board and should comprise of at least two non-executive directors.

4.8.6 Strategy and Transformation Committee

The Trust Board will establish a Strategy and Transformation Committee to oversee and scrutinise the formulation, direction and delivery of strategy and related performance matters at the Trust, thus giving assurance to the board on the delivery of its strategy.

The Committee and Committee Chairman shall be appointed by the Chairman of the Board and should comprise of at least two non-executive directors.

4.8.7 Inequalities Committee

The Trust Board will establish an Inequalities Committee to provide a Board level focus on the Trust's broad approach to equality, both in staffing and service delivery.

The Committee and Committee Chairman shall be appointed by the Chairman of the Board and should comprise of at least three non-executive directors, one of whom will be the Chair of the People and Organisational Development Committee.

4.8.8 Executive Committee

The Trust Board delegates power to the Executive Team to oversee the management of an effective system of governance, risk management and internal control across the whole organisation's activities (both clinical and non-clinical), which also supports the achievement of the organisation's objectives. They exercise this function in collaboration with senior operational colleagues through the Executive Committee.

4.8.9 Other Committees

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

- 4.9 The arrangements made by the Board** as set out in the Reservation of Powers to the Board and Delegation of Powers document shall have effect as if incorporated in these Standing Orders.

5. Part 5 – Arrangements for the exercise of Trust functions by delegation

5.1 Delegation of Functions to Committees and Officers

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 officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit.

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 Chairman after having consulted at least two non-Executive members. The exercise of such powers by the Chief Executive and Chairman 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 retain accountability to the Trust.
- 5.4.2 The Chief Executive shall prepare a Scheme of 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 Delegation which shall be considered and approved by the Board.
- 5.4.2 Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Chief Financial Officer to provide information and advise the Board in accordance with the requirements of statute and guidance from the Department of Health and the Regulator. Outside of these requirements the role of the Chief Financial Officer shall be accountable to the Chief Executive for operational matters.

5.5 Schedule of Matters Reserved to the Trust and Scheme of Delegation of powers

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

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

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

6. Part 6 – Overlap with other Trust policy statements, regulations and the Standing Financial Instructions

6.1 Policy Statements General Principals

The Trust Board will from time to time agree and approve Policy statements/procedures which will apply to all or specific groups of staff employed by East Sussex Healthcare NHS Trust. The decisions to approve such policies and procedures 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 Legislation, Policy and Guidance

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 and any amendment thereto:

- the Standards of Business Conduct for NHS staff (HSG(93)5) and the Trust's Interests, Gifts, Hospitality and Sponsorship Policy
- the Trust's Counter Fraud and Bribery Policy
- the Disciplinary Procedure, both of which shall have effect as if incorporated in these Standing Orders.
- Caldicott Guardian 1997;
- Human Rights Act 1998;
- Freedom of Information Act 2000;
- NHS Constitution Health Act 2009;
- Bribery Act 2010
- Fit and Proper persons regulations

And any other legislation, policy or guidance that impacts the regulation of proceedings and the business of the Trust

7. Part 7 – Duties and obligations of Board members/directors and senior managers under these standing orders

7.1 Declaration of Interests

7.1.1 Requirements for Declaring Interests and applicability to Board Members

- (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 on an annual basis. Any Board members appointed subsequently should do so on appointment and thereafter on an annual basis.

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

- i) Directorships, including Non-Executive directorships held in private companies or public limited companies (with the exception of those of dormant companies).
- ii) Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS.
- iii) Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS.
- iv) A position of authority in a charity or voluntary organisation in the field of health and social care.
- v) Any connection with a voluntary or other organisation contracting for NHS services.
- vi) Research funding/grants that may be received by an individual or their department:
- vii) Interests in pooled funds that are under separate management.

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 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 6.3)

7.2 Register of Interests

The Associate Director of Corporate Governance in consultation with the Chief of Staff will ensure that a Register of Interests is established to formally record 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 6.1.2) which have been declared by both executive and non-executive Board members, as defined in Standing Order 5.5.

7.2.1 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.

7.2.2 The Register will be available to the public and the Associate Director of Corporate Governance in consultation with the Chief of Staff will take reasonable steps to bring the existence of the Register to the attention of the local population and to publicise arrangements for viewing it.

7.3 Exclusion of Chairman 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 Chairman 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 Chairman 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 Chairman 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 chairman 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 'Chairman' for the purpose of interpreting this waiver

For the purposes of paragraph 7.3.3.(3) (below), the "relevant chairman" is –

- (a) at a meeting of the Trust, the Chairman of that Trust;
- (b) at a meeting of a Committee –
 - (i) in a case where the member in question is the Chairman of that Committee, the Chairman of the Trust;
 - (ii) in the case of any other member, the Chairman 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 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 chairman 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 chairman 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 policy

7.4.1 Trust Policy & National Guidance

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 retain accountability to the Trust.

7.4.2 Interest of Officers in Contracts

- i. Any officer or employee of the Trust who comes to know that the Trust has entered into or proposes to enter into a contract in which he/she or any person connected with him/her (as defined in SO 6.5/7.5) has any pecuniary interest, direct or indirect, the Officer shall declare their interest by giving notice in writing of such fact to the Chief Executive or Trust's Associate Director of Corporate Governance as soon as practicable.
- ii. An officer should also declare to the Chief Executive any other employment or business or other relationship of his/hers, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.
- iii. The Trust requires interests, employment or relationships declared, to be entered in the register of interests.

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. A member of the Board 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 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/her liable to instant dismissal.
- ii. The Chairman 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 ensure that the appointing officer/panel are informed of the relationship prior to appointment being made and report to the Trust Board any such disclosure made.

8. Part 8 – Custody of Trust Seal, sealing and signature of documents

8.1 Custody of Seal

The common seal of the Trust shall be kept by the Associate Director of Corporate Governance 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. Also refer to 7.8 of the standing financial instructions.

8.3 Register of Sealing

The Associate Director of Corporate Governance shall keep a register in which he/she, or another manager of the Authority authorised by him/her, shall enter a record of the sealing of every document.

8.4 Custody of Seal

Where any document will be a necessary step in legal proceedings on behalf of the Trust, it shall, unless any enactment otherwise requires or authorises, be signed by the Chief Executive or any Executive Director. The Associate Director of Corporate Governance may act as a counter signatory if required.

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

9. Part 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.

Document Monitoring Table

Element to be Monitored	Lead	Tool for Monitoring	Frequency	Responsible Individual/Group/ Committee for review of results/report	Responsible individual/ group/ committee for acting on recommendations/action plan	Responsible individual/group/ committee for ensuring action plan/lessons learnt are Implemented
Entire document, to ensure that it remains in line with best practice	Richard Milner / Damian Reid	Annual review by finance, procurement and governance teams	Annual	Trust Board	Audit Committee	Audit Committee

In addition to the delegated matters detailed above the executive team is accountable to the Chief Executive for key functions and for ensuring effective governance arrangements are in place in their individual areas of responsibility and in those key functions, supported by consistent evidence.

Collectively, the team is responsible for providing the systems, processes and evidence of governance and ensuring that these are reviewed, maintained and any gaps closed and that this is reflected in their regular updating of the assurance framework, coordinated by the director of corporate services.

The team are responsible for ensuring that the Board, as a whole, are kept appraised of progress, changes and any other issues affecting the assurance framework.

The team are responsible for monitoring the risk register at corporate level.

The responsibilities of individual posts are set out in the post holders' job descriptions.

Appendix A: Schedule of decisions reserved to the Trust Board

Introduction

Standing Order 1.5 provides that “the Trust has resolved that certain powers and decisions may only be exercised or made by the Trust Board in formal session, , which may include members participating by video or telephone.” These powers and decisions are set out in this Schedule.

1. Structure and governance of the Trust, including regulation, control and approval of Standing Orders and documents incorporated into the Standing Orders

- 1.1. Approve, including variations to:
 - 1.1.1. Standing Orders for the regulation of its proceedings and business.
 - 1.1.2. this Schedule of matters reserved to the Trust Board.
 - 1.1.3. Standing Financial Instructions
 - 1.1.4. Scheme of Delegation, including financial limits in delegations, from the Trust Board to officers of the Trust.
 - 1.1.5. suspension of Standing Orders
- 1.2. Determine the frequency and function of Trust Board meetings, including:
 - 1.2.1. administration of public and private agendas of Board meetings
 - 1.2.2. calling extra-ordinary meetings of the Board
- 1.3. Ratify the exercise of emergency powers by the Chair and Chief Executive
- 1.4. Establish Board committees including those which the Trust is required to establish by the Secretary of State for Health or other regulation ; and:
 - 1.4.1. delegate functions from the Board to the committees
 - 1.4.2. delegate functions from the Board to a director or officer of the Trust
 - 1.4.3. approve the appointment of members of any committee of the Trust Board or the appointment of representatives on outside bodies
 - 1.4.4. receive reports from Board committees and take appropriate action in response to those reports
 - 1.4.5. confirm the recommendations of the committees which do not have executive decision making powers
 - 1.4.6. approve terms of reference and reporting arrangements of committees
 - 1.4.7. approve delegation of powers from Board committees to sub- committees
- 1.5. Approve and adopt the organisational structures, processes and procedures to facilitate the discharge of business by the Trust; and modifications thereto.
 - 1.5.1. Appoint the Chief Executive
 - 1.5.2. Appoint the Executive Directors
- 1.6. Require, from directors and officers, the declaration of any interests which might conflict with those of the Trust; and consider the potential impact of the declared interests
- 1.7. Agree and oversee the approach to disciplining directors who are in breach of statutory requirements or the Trust's Standing Orders.
- 1.8. Approve the disciplinary procedure for officers of the Trust.
- 1.9. Approve arrangements for dealing with and responding to complaints.
- 1.10. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for charitable funds held on Trust
- 1.11. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailee for patients' property.

2. Determination of strategy and policy

- 2.1. Approve those Trust policies that require consideration by the Trust Board. These will be determined by the individual directors responsible for adopting and maintaining the policies.
- 2.2. Approve the Trust's strategic direction:
 - 2.2.1. annual budget, strategy and business plans
 - 2.2.2. definition of the strategic aims and objectives of the Trust.
 - 2.2.3. clinical and service development strategy
 - 2.2.4. overall, programmes of investment to guide the letting of contracts for the supply of clinical services.
- 2.3. Approve and monitor the Trust's policies and procedures for the management of governance and risk.

3. Direct operational decisions

- 3.1. Approve capital investment plans:
 - 3.1.1. the annual capital programme
 - 3.1.2. all variations to approved capital plans over £1 million
 - 3.1.3. to acquire, dispose of, or change of use of land and/or buildings
 - 3.1.4. capital investment over £2.5 million in value, supported by a business case and in line with the approval guidance issued by NHS England & Improvement.
 - 3.1.5. contracts for building works, which exceed the pre-tender estimate by over 10% (minimum £100k).
- 3.2. Introduce or discontinue any significant activity or operation which is regarded as significant (if it has a gross annual income or expenditure, before any set off, in excess of £1 million).
- 3.3. Approve individual contracts and commitments to pay, other than Commissioning Contracts, of a revenue nature amounting to, or likely to amount to over £2.5 million:
 - 3.3.1. Tenders and quotations over the lifetime of the contract
 - 3.3.2. Revenue funded service developments, in line with the approval guidance issued by the NHS England & Improvement
 - 3.3.3. Orders processed through approved supply arrangements
 - 3.3.4. Orders processed through non-approved supply arrangements
 - 3.3.5. Receipt of loans and trials equipment and materials
 - 3.3.6. Prepayment agreements for services received
- 3.4. Decide the need to subject services to market testing

4. Quality, financial and performance reporting

- 4.1. Appraise continuously the affairs of the Trust through receipt of reports, as it sees fit, from directors, committees and officers of the Trust.
- 4.2. Monitor returns required by external agencies; and significant performance reviews carried out by, including, but not exclusively limited to:
 - 4.2.1. The Care Quality Commission
 - 4.2.2. NHS Improvement
- 4.3. Consider and approve of the Trust's Annual Report including the annual accounts.
- 4.4. Approve the Annual report(s) and accounts for funds held on trust.
- 4.5. Approve the Quality Account

5. *Audit arrangements*

- 5.1. Approve audit arrangements recommended by the Audit & Risk Committee (including arrangements for the separate audit of funds held on trust).
- 5.2. Receive reports of the Audit & Risk Committee meetings and take appropriate action.
- 5.3. Receive and approve the annual audit reports from the external auditor in respect of the Financial Accounts and the Quality Account.
- 5.4. Receive the annual management letter from the external auditor and agree action on recommendations of the Audit & Risk Committee, where appropriate.
- 5.5. Endorse the Annual Governance Statement for inclusion in the Annual Report

ENDS

Appendix B: Standing Financial Instructions

1. Introduction

1.1 *General*

- 1.1.1 The Code of Accountability requires that each NHS Trust shall give, and may vary or revoke, 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. These Standing Financial Instructions (SFIs) are issued in accordance with the Code. They shall have effect as if incorporated in the Standing Orders (SOs). There will be a training and communication programme administered by the Chief Financial Officer to affect these SFIs.
- 1.1.2 These SFIs detail the financial responsibilities, policies and procedures to be adopted by the Trust. They are designed to ensure that its financial transactions are carried out in accordance with the law and Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Matters Reserved to the Board and Scheme of Delegation adopted by the Trust.
- 1.1.3 These SFIs identify the financial responsibilities that 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 Chief Financial Officer .
- 1.1.4 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Chief Financial Officer **MUST BE SOUGHT BEFORE ACTING**. The user of these SFIs should also be familiar with and comply with the provisions of the Trust's SOs.
- 1.1.5 **FAILURE TO COMPLY WITH SFIs and SOs IS A DISCIPLINARY MATTER WHICH COULD RESULT IN DISMISSAL.**
- 1.1.6 **Overriding Standing Financial Instructions**
If for any reason these SFIs are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit Committee for referring action or ratification. All members of the Trust's Board and staff have a duty to disclose any non-compliance with these SFIs to the Chief Financial Officer as soon as possible.

1.2 *Terminology*

- 1.2.1 Any expression to which a meaning is given in Health Service Acts, or in Directions made under the Acts, shall have the same meaning in these instructions; and
- a) '**Accountable Officer**' means the NHS Officer responsible and accountable for funds entrusted to the Trust. He/She shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive;
 - b) '**Board**' means the Board of the Trust;
 - c) '**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;

- d) **'Budget Holder'** means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation; and
- e) **'Chief Executive'** means the chief officer of the Trust;
- f) **'Chief Financial Officer'** means the chief financial officer of the Trust;
- g) **'Executive Director'** means a member of the Trust who is an officer;
- h) **'Funds held on trust'** shall mean those funds which the Trust holds on the date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under the National Health Service Act 2006 and the Health and Social Care Act 2012. Such funds may or may not be charitable;
- i) **'Legal Adviser'** means the properly qualified person appointed by the Trust to provide legal advice;
- j) **'Officer'** means employee of the Trust or any other person holding a paid appointment or office with the Trust;
- k) **'Non-Executive Director'** means a member of the Trust who is not an officer of the Trust and is not to be treated as an officer by virtue of the Membership and Procedure Regulations;
- l) **'Trust'** means the East Sussex Healthcare NHS Trust;
- m) Any reference to an act should be taken to include any subsequent legislation.

1.2.2 Wherever the title Chief Executive, Chief Financial Officer, or other nominated officer is used in these instructions, it shall be deemed to include such other director or employees who have been duly authorised to represent them.

1.2.3 Wherever the term 'employee' is used and where the context permits it shall be deemed to include employees of third parties contracted to the Trust when acting on behalf of the Trust.

1.2.4 Any employee of the Trust who solicits or accepts any gift or consideration of any kind from contractors or their agents or from any organisation, firms or individual, as an inducement or reward for doing or refraining from doing anything in his official capacity, or for showing favour or disfavour to any person in his official capacity shall be liable to dismissal and to prosecution. All dealings shall be in accordance with "Standards of Business Conduct for NHS Staff."

1.2.5 Powers not defined by Standing Orders or these SFIs shall be exercised on behalf of the Trust by such officers as the Chief Executive designates, within such limits and subject to such conditions as the Chief Executive shall prescribe.

1.3 *Responsibilities and Delegation*

1.3.1 The Board exercises financial supervision and control by:

- a) formulating the financial strategy;
- b) requiring the submission and approval of budgets within overall income;
- c) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money); and

- d) defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Delegation document.
- 1.3.2 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 'Schedule of Matters Reserved to the Board' document.
- 1.3.3 The Board will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation document adopted by the Trust.
- 1.3.4 Within the SFIs, it is acknowledged that the Chief Executive is ultimately accountable to the Board and as Accountable Officer to the Secretary of State for Health, 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 Board for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.
- 1.3.5 The Chief Executive and Chief Financial Officer will, as far as possible, delegate their detailed responsibilities but they remain accountable for financial control.
- 1.3.6 It is a duty of the Chief Executive to ensure that existing members of the Board and employees and all new appointees are notified of and understand their responsibilities within these instructions.
- 1.3.7 The Chief Financial 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 Financial Officer include:
- d) the provision of financial advice to other members of the Board and the wider organisation;
 - e) the design, implementation and supervision of systems of internal financial control; and
 - 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.
- 1.3.8 All members of the Board and employees, severally and collectively, are responsible for:
- a) the security of the property of the Trust;
 - b) avoiding unplanned financial losses;
 - c) exercising economy and efficiency in the use of resources; and
 - d) conforming to the requirements of Standing Orders, Standing Financial

- Instructions, Financial Procedures and the Scheme of Delegation.
- 1.3.9 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.
- 1.3.10 For any and all members of the Board and 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 Chief Financial Officer .

2. Audit

2.1 Audit Committee

- 2.1.1 In accordance with Standing Orders the Trust's Board shall establish an Audit Committee which will provide an independent and objective view of internal control by:
- (a) concluding upon the adequacy and effective operation of the organisation's overall internal control system. In particular it is responsible for providing assurance to the Board in relation to the financial systems and controls of the Trust;
 - (b) reviewing the establishment and maintenance of effective systems of integrated governance across the whole of the Trust's activities (both financial and non-financial), that supports the achievement of the Trust's objectives;
 - (c) ensuring that there is an effective internal audit function, including the Counter Fraud function, establishment by management that meets mandatory NHS internal audit standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board;
 - (d) reviewing the work and findings of the external auditor and consider the implications of management's responses to their work.
 - (e) receive a report on tenders and waivers and framework direct awards that exceed £250k (cumulative if a supplier is awarded more than one contract for the same project);
- 2.1.2 Where the Audit 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 chairman of the Audit 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 and Social Care. (via the Chief Financial Officer in the first instance.)
- 2.1.3 It is the responsibility of the Chief Financial Officer to ensure an adequate internal audit service is provided and the Audit Committee shall be involved in the selection process when/if an internal audit service provider is changed.

2.2 Chief Financial Officer

2.2.1

The Chief Financial Officer is responsible for:

- a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective internal audit function;
- b) ensuring that the internal audit is adequate and meets the NHS mandatory audit standards;
- c) deciding at what stage to involve the police in cases of misappropriation, and other irregularities not involving fraud or corruption (for cases involving suspected fraud or corruption see paragraph 15.2.3);
- d) ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee and the Board. The report must cover:
 - i. a clear opinion on the effectiveness of internal control;
 - ii. major internal (financial) control weaknesses discovered; progress on the implementation of internal audit recommendations;
 - iii. progress against plan over the previous year;
 - iv. strategic audit plan covering the coming three years;
 - v. a detailed plan for the coming year.

2.2.2

The Chief Financial Officer and designated auditors are entitled without necessarily giving prior notice to require and receive;

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

2.3

Role of Internal Audit

2.3.1

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 Framework in

accordance with guidance from the Department of Health.

- 2.3.2 Whenever any matter arises which involves, or is thought to involve, irregularities concerning; cash, stores, other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Chief Financial Officer must be notified immediately.
- 2.3.3 The Audit Manager/Director of Audit will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chairman and Chief Executive of the Trust.
- 2.3.4 The Head of Internal Audit shall be accountable to the Chief Financial Officer. The reporting system for internal audit shall be agreed between the Chief Financial Officer, the Audit Committee and the Audit Manager/Director of Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Public Sector Internal Audit Standards. The reporting system shall be reviewed at least every 3 years.
- 2.3.5 The Audit Manager shall report direct to the Chief Financial Officer who shall refer audit reports, under agreed reporting arrangements, to the appropriate designated officers. Recipients of an audit report shall send a written response within two weeks stating the action to be taken in response to the audit recommendations. Failure to take any necessary action within a reasonable period shall be reported to the relevant Executive Director.

2.4 *External Audit*

- 2.4.1 The external auditor is appointed and paid for by the Trust. The Audit Committee must ensure that the Trust receives a cost efficient service. Should there be a problem which cannot be resolved by the Audit Committee, then this should be discussed with the external auditor and if appropriate referred to the Board for resolution. In exceptional circumstances the issue may be referred to NHSI if it cannot be resolved.
- 2.4.2 The Trust will not purchase any non-audit services from its appointed external auditor unless required to do so by NHS England or the Department of Health.

2.5 *Fraud and Bribery*

- 2.5.1 In line with their responsibilities, the Chief Executive and Chief Financial Officer shall monitor and ensure compliance with the Secretary of State's Directions on fraud and bribery.
- 2.5.2 In line with their responsibilities, the Board shall monitor and ensure compliance with the provisions of the Bribery Act 2010. Senior officers (including non-board level managers) can be individually held criminally liable for the Trust's bribery offences.
- 2.5.3 All suspicions of bribery should be reported to the Trust's Local Counter Fraud Specialist. Detailed guidance can be found in the Trust's Counter Fraud & Bribery Policy.
- 2.5.4 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.

2.5.5 The Local Counter Fraud Specialist shall report to the Chief Financial Officer and shall work with staff in the Directorate of Counter Fraud Services and the Counter Fraud Operational Service in accordance with the Department of Health Fraud and Corruption Manual.

2.5.6 The Local Counter Fraud Specialist will provide a written report, at least annually to the Audit Committee, on counter fraud work within the Trust.

2.6 *Security Management*

2.6.1 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.

2.6.2 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.

2.6.3 The Trust shall nominate a Non-Executive Director to be responsible to the Board for NHS security management.

2.6.4 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).

3. Business planning, budgets, budgetary control and monitoring

3.1 *Preparation and Approval of Business Plans and Budgets*

3.1.1 The Chief Executive will compile and submit to the Board an annual business plan which takes into account financial targets and forecast limits of available resources and is in accordance with the guidance issued by NHSI.

The annual plan content and the number of submissions are defined by NHSI. The plans usually 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.
- c) detailed financial templates, accompanying finance narrative and operational/strategic narrative.

3.1.2 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 the delivery of a balanced budget.

3.1.3 Prior to the start of the financial year, the Chief Financial 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 business plan;
- b) accord with workload and manpower plans;
- c) be produced following discussion with appropriate budget holders;

- d) be prepared as far as is reasonably practicable within the limits of available funds; and
- e) identify potential risks and the means of mitigating such risks.

- 3.1.4 The Chief Financial Officer shall monitor financial performance against budget and business plan, periodically review them, and report to the Board. As a consequence the Chief Financial Officer shall have the right of access to all budget holders on budgetary related matters.
- 3.1.5 All budget holders must provide information as required by the Chief Financial Officer to enable budgets and annual plans to be compiled.
- 3.1.6 All budget holders will sign up to their allocated budgets at the commencement of each financial year.
- 3.1.7 The Chief Financial Officer has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

3.2 *Budgetary Delegation*

- 3.2.1 The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities:

- 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; and
- f) the provision of regular reports.

- 3.2.2 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board. Expenditure for which no provision has been made in an approved budget shall only be incurred after authorisation by Executives.
- 3.2.3 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.
- 3.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive.

3.3 *Budgetary Control and Reporting*

- 3.3.1 The Chief Financial Officer 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 (Income Statement);
 - (ii) movements in working capital (Statement of Financial Position);

- (iii) movements in cash and capital;
 - (iv) capital project spend and projected outturn against plan;
 - (v) explanations of any material variances from plan;
 - (vi) Cost Improvement Programme Report;
 - (vii) details of any corrective action where necessary and the Chief Executive's and/or Chief Financial Officer'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, activity and workforce budgets;
 - d) monitoring of management action to correct variances; and
 - e) arrangements for the authorisation of budget transfers.

3.3.2 Each Budget Holder is responsible for ensuring that:

- a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Chief Financial Officer ;
- 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; and
- 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.

3.3.3 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.

3.4 *Contract Income*

3.4.1 The Chief Financial Officer of the Trust will:

- a) periodically review the bases and assumptions used for compiling budgets and ensure that these are reasonable and realistic;
- b) periodically review contract income and all other sources of income to ensure the Trust is obtaining all the funds due;
- c) prior to the start of each financial year submit to the Trust's Board of Directors for approval a report showing the total expected contract income received and the proposed allocation including any sums to be held in reserve; and
- d) regularly update the Trust's Board of Directors on significant changes to contract income and the uses of such funds.

3.5 *Capital Expenditure*

3.5.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in Chapter 13)

3.6 *Monitoring Returns*

- 3.6.1 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to NHSI within agreed timescales.

3.7 *Business cases and service changes*

- 3.7.1 For any service change which requires an increase to the cost base of the Trust even if there is offsetting income, it is the responsibility of the Executive lead for the respective area to ensure the following process is followed:

- a) A service change proposal should be developed and submitted to the relevant Integrated Performance Review (IPR) for approval;
- b) For cases over £50,000 per annum increase in costs a business case should be submitted to Business Development Group (BDG) for recommendation to Executive Directors which is required to approve the case
- c) For cases over £500,000 per annum approval is also required from Finance and Productivity Committee.
- d) For cases over £2,500,000 per annum approval is also required from the Board

- 3.7.2 A case may require approval from a more senior committee than the financial values alone may dictate due to the nature of the change being proposed, this is beyond the scope of this document but the relevant committee will advise on an ad hoc basis and accountability for seeking appropriate approval will sit with the Executive Director lead.

4. Annual Accounts and Reports

- 4.1 The Chief Financial 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 Secretary of State certified in accordance with current guidelines; and
- c) submit financial returns to the Secretary of State for each financial year in accordance with the timetable prescribed by the Department of Health and Social Care (DHSC).

- 4.2 The Trust's annual accounts must be audited by the appointed auditor. The Trust's audited annual accounts must be presented to a public meeting and made available to the public.

- 4.3 The Trust will publish an annual report, in accordance with guidelines on local accountability, and present it at a public meeting, (see 1.3.2). The document will comply with the DHSC group accounting manual (GAM) .

5. Bank and Office of Paymaster general accounts

5.1 General

- 5.1.1 The Chief Financial 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 DHSC guidance/directions. In line with 'Cash Management in the NHS', Trusts should minimize the use of commercial bank accounts and consider using Government Banking Service (GBS) accounts for all banking services.
- 5.1.2 The Board shall approve the banking arrangements.

5.2 Bank and Government Banking Service (GBS) Accounts

- 5.2.1 The Chief Financial Officer is responsible for:
- a) GBS and bank accounts;
 - b) establishing separate bank accounts for the Trust's non exchequer funds;
 - c) ensuring payments made from GBS or bank accounts do not exceed the amount credited to the account except where arrangements have been made;
 - d) reporting to the Board all instances where bank accounts may become or have become overdrawn (together with remedial action taken); and
 - e) monitoring compliance with DHSC guidance on the level of cleared funds.

5.3 Banking Procedures

- 5.3.1 The Chief Financial Officer will prepare detailed instructions on the operation of GBS and bank accounts which must include:
- a) the conditions under which each GBS and other bank account is to be operated;
 - b) those authorised to sign cheques or other orders drawn on the Trust's accounts.
- 5.3.2 The Chief Financial Officer must advise the Trust's bankers in writing of the conditions under which each account will be operated.
- 5.3.3 No bank account may be opened for official monies without the approval of the Chief Financial Officer.

5.4 Tendering and Review

- 5.4.1 The Chief Financial Officer 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.
- 5.4.2 Competitive tenders should be sought at least every 5 years. The results of the tendering exercise should be reported to the Board. This review is not necessary for GBS accounts.

6. Income, fees and charges and security of cash, cheques and other negotiable instruments

6.1 *Income Systems*

6.1.1 The Chief Financial Officer is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, and collection and coding of all monies due.

6.1.2 The Chief Financial Officer is also responsible for ensuring that systems are in place for the prompt banking of all monies received.

6.2 *Fees and Charges*

6.2.1 The Trust shall follow NHSI's and the Department of Health's guidance in setting prices for NHS contracts e.g. "National Tariff Payments System."

6.2.2 The Chief Financial Officer is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the DHSC 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 DHSC Commercial Sponsorship – Ethical standards in the NHS shall be followed.

6.2.3 All employees must inform the Chief Financial Officer promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

6.3 *Debt Recovery*

6.3.1 The Chief Financial Officer is responsible for the appropriate recovery action on all outstanding debts.

6.3.2 Income not received should be dealt with in accordance with losses procedures (See Section 15).

6.3.3 Overpayments should be detected (or preferably prevented) and recovery initiated.

6.4 *Security of Cash, Cheques and other Negotiable Instruments*

6.4.1 The Chief Financial Officer is responsible for:

- a) approving the form of all receipting books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
- b) ordering and securely controlling any such records;
- 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; and

- d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.

6.4.2 Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.

6.4.3 All cheques, postal orders, cash etc., shall be banked intact. Cash income may be exchanged for Payable Orders for Petty Cash and Patients Money. Disbursements shall not be made from cash received, except under arrangements approved by the Chief Financial Officer.

6.4.4 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.

7. Tendering and contracting procedure

7.1 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 3.12 Suspension of Standing Orders is applied).

7.2 The Public Contracts Regulations 2015 Legislation Governing Public Procurement

The Public Contracts Regulations 2015 Legislation promulgated by the DHSC prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in Standing Orders and Standing Financial Instructions.

7.3 Reverse eAuctions

The Trust should have policies and procedures in place for the control of all tendering activity carried out through Reserve eAuctions.

7.4 Other Department of Health Guidance

The Trust shall comply as far as is practicable with the requirements of the NHSI 'Capital Regime, Investment and Property Business Case Guidance' and 'Estatecode' 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 relevant Department of Health guidance

7.5 *Formal Competitive Tendering*

7.5.1 General Applicability

All competitive tendering must be undertaken in conjunction with the Procurement team.

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 DHSC);
- for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); for disposals.

7.5.2 Health Care Services

Where the Trust elects to invite tenders for the supply of healthcare services, Standing Orders and Standing Financial Instructions shall apply as far as they are applicable to tendering procedures.

7.5.3 Exceptions and Instances where Formal Tendering need not be applied

Formal tendering procedures need not be applied where:

- a) the estimated expenditure or income is, or is reasonably expected to be, less than £70,000 (excluding VAT) over the life of the contract;
- b) where the supply is proposed under special arrangements negotiated by the Department of Health and Social Care, in which event the said special arrangements must be complied with;
- c) regarding disposals as set out in SFI 15;
- d) where the requirement is covered by an existing valid contract;
- e) where supply of goods or services is through NHS Supply Chain unless the Chief Executive or nominated officers deem it inappropriate for reasons of cost or availability. The decision to use alternative sources must be documented;
- f) where the Trust can utilise framework agreements through a direct award or further competition to achieve Value for Money. These may include but not be limited to Crown Commercial Services, NHS Commercial Solutions and the other NHS Hubs, NHS Shared Business Services, Health Trust Europe, Pro5;
- g) for construction works under the provision of the DoH ProCure21+/P22/P23 framework;
- h) where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium

members where the Head of Procurement and Chief Financial Officer is satisfied that the consortium procurement arrangements conform to current statute and deliver value for money;

- i) where a statutory payment can only be made to a specific statutory body (eg rates), authorisation of the bodies considered in this category will be determined by the Chief Financial Officer and Head of Procurement.
- j) where payment is to another NHS body and the Head of Procurement and Chief Financial Officer is satisfied that the procurement arrangements conform to current statute and deliver value for money;
- k) where payment is less than the current Public Procurement Threshold for Goods & Services and is for the renewal of maintenance services under an original supplier contract to provide equipment or IT and the Chief Financial Officer and Head of Procurement is satisfied that the procurement arrangements conform to current statute and deliver value for money;
- l) where payment is less than the current Public Procurement Threshold for Goods & Services and is for the renewal of software license agreements under an original supplier contract to provide software licenses and the Chief Financial Officer and Head of Procurement are satisfied that the procurement arrangements conform to current statute and deliver value for money;
- m) where payment is less than the current Public Procurement Threshold for Goods & Services and is for the purchase of replacement equipment parts under an original supplier contract to provide medical equipment and the Chief Finance Officer and Head of Procurement are satisfied that the procurement arrangements conform to current statute and deliver value for money

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

- a) in very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Trust record;
- b) where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
- c) where specialist expertise is required and is available from only one source;
- d) 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;
- e) there is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering; and evidence of the decision making process and cost / benefit analysis documented;

- f) 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 of England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned;

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

- g) where allowed and provided for in the Capital Regime, Investment and Property Business Case Approval Guidance.

The waiving of competitive tendering procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure (except in circumstances outlined in 7.5.3 (d) above)

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

7.5.5 Fair and Adequate Competition

Where the exceptions set out in SFI Nos. 7.1, 7.5.3 and 7.5.4 don't 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 **three** firms/individuals (unless demonstrated to be a restricted market), having regard to their capacity to supply the goods or materials or to undertake the services or works required.

7.5.6 Building and Engineering Construction Works

Competitive Tendering should not be waived for building and engineering construction works and maintenance (other than in accordance with relevant guidance) without DHSC approval.

7.5.7 Items which Subsequently Breach Thresholds after Original Approval

Items estimated to be below the limits set in Standing Financial Instructions for which formal tendering procedures are not used and 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.

7.6 *Contracting/Tendering Procedure*

7.6.1 Invitation to Tender

- i) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- ii) All invitations to tender shall state that no tender will be accepted unless:

- a) accompanied by a statement from the prospective supplier / contractor that provides assurance that they are compliant with the Bribery Act 2010.
- iii) Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable.
- iv) Every tender for building or engineering works (except for maintenance work, when the Estatecode guidance shall be followed) shall embody or be in the terms of the current edition of one of the Joint Contracts Tribunal (JCT) or NEC 3 form of contract amended to comply with the Estatecode guidance. When the content of the work is primarily engineering, tenders shall embody or be in the terms of the General Conditions of Contract recommended by the Institution of Mechanical Engineers and the Association of Consulting Engineers, (Form A), or (in the case of civil engineering work) the General Conditions of Contract recommended by the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. The standard documents shall be modified and/or amplified to accord with Department of Health and Social Care guidance and, in minor respects, to cover special features of individual projects.
- v) All individuals involved in the evaluation of tenders will make a formal declaration of any interests they have along with any gift or hospitality received regardless of the provider.

7.6.2 Receipt, Safe Custody and Record of Formal Tenders

- (i) Formal competitive tenders shall be returned electronically via the Trust's nominated e-portal provider;
- (ii) When tenders are received in electronic format the e-portal will automatically record the date and time of receipt of each tender. This record is available for review in real-time by all staff with appropriate access rights and cannot be edited. Tenders cannot be 'opened' or supplier information viewed until the pre-defined time and date for opening has passed.

7.6.3 Opening Formal tenders (Electronic Format)

- (i) The e-tendering portal will automatically close at the date and time stated as being the latest time for the receipt of tenders, the e-tendering portal shall be closed to further tender submissions, and the project will be locked for evaluation.
- (ii) The 'originating' Department will be taken to mean the Department sponsoring or commissioning the tender.
- (iii) A designated procurement officer shall electronically open the submitted tenders through the e-tendering portal.
- (iv) The e-tendering portal will record the date and time the tender submissions are opened.
- (v) A tendering register shall be maintained on the e-tendering portal, to show for

each set of competitive tender invitations dispatched:

- a) The name of all firms' individuals invited;
 - b) The names of firms individuals from which tenders have been received;
 - c) The date the tenders were opened;
 - d) The person opening the tender;
- (vi) 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, should be dealt with in the same way as late tenders (paragraph 7.6.5 below).

7.6.4 Admissibility

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

7.6.5 Late Tenders

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

7.6.6 Acceptance of Formal Tenders (See Overlap with SFI No. 7.7)

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

It is accepted that for professional services such as management consultancy, the lowest price does not always represent the best value for money. Other factors affecting the success of a project include:

- a) experience and qualifications of team members;
- b) understanding of client's needs;

- c) feasibility and credibility of proposed approach;
- d) ability to complete the project on time;
- e) result of the “quality” aspect of any mini-competition in conjunction with the tender price

Where other factors are taken into account in selecting a tenderer, these must be clearly recorded and documented in the contract file, and the reason(s) for not accepting the lowest tender clearly stated.

- iii) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive
- iv) The use of these procedures must demonstrate that the award contract was:
 - a) not in excess of the going market rate/price current at the time the contract was awarded;
 - b) the best value for money was achieved; and
- v) All tenders should be treated as confidential and should be retained for inspection.

7.6.7 Tender Reports to the Trust Board

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

7.6.8 List of Approved Firms

a) Responsibility for Maintaining List

Tender lists for building and engineering works will be compiled by the Director of Estates & Facilities from “Constructionline” the Trust’s approved list of Contractors.

b) Building and Engineering Construction Works

- i) Invitations to tender shall be made only to firms included on the approved list of tenderers compiled in accordance with this Instruction or on the separate maintenance lists compiled in accordance with Estmancode guidance (Health Notice HN(78)147).
- ii) Tender documentation will require confirmation that companies on the tender list confirm that when engaging, training, promoting or dismissing employees or in any conditions of employment, shall not unlawfully discriminate, harass or victimise any person because of colour, nationality, ethnic or national origins, religion or belief, sex, gender reassignment, age, disability, sexual orientation, pregnancy or maternity, civil partnership or marital status and will comply with the provisions of the Equality Act 2010 and the Gender Recognition Act 2004 and any amending and/or related legislation.
- iii) Firms shall conform at least with the requirements of the Health and Safety at Work Act and any amending and/or other related legislation concerned with health, safety and welfare of workers and other persons, and to any relevant British Standard Code of Practice

issued by the British Standard Institution. Firms must provide to the appropriate manager a copy of its safety policy and evidence of the safety of plant and equipment, when requested.

c) Financial Standing and Technical Competence of Contractors

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

7.6.9 Exceptions to Using Approved Contractors

- a) If in the opinion of the Chief Executive and Chief Financial Officer or the Director with lead responsibility for clinical governance it is impractical to use a potential contractor from the “constructionline” list of approved firms/individuals (for example where specialist services or skills are required and there are insufficient suitable potential contractors on “constructionline”), the Chief Executive should ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote. The Trust should also seek written confirmation from the potential contractor that they are compliant with the Bribery Act 2010.
- b) An appropriate record in the contract file should be made of the reasons for inviting a tender or quote other than from an approved list.

7.6.10 Should a tender be stopped due to supplier objection, injunction or other valid reason and then a new tendering process commenced, the reinvolvement of any staff member involved in the original process should be reviewed before any involvement in the new process.

7.7 *Quotations: Competitive and Non-Competitive*

7.7.1 General Position on Quotations

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income is reasonably expected to exceed £25,000 but not exceed £70,000, excluding VAT.

7.7.2 Competitive Quotes

- (i) Where possible requests for Quotations over £25,000 excluding VAT shall be logged using an e-tendering portal
- (ii) Quotations should be invited from at least three firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the Trust.
- (iii) Where possible, quotations should be in writing unless the Chief Executive or his nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.
- (iv) All quotations should be treated as confidential and should be retained for inspection.
- (v) The Chief Executive or his nominated officer should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the Trust, or the highest if payment is to be received by the Trust, then the choice made and the

reasons why should be recorded in a permanent record.

7.7.3 Non-Competitive Quotations

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

- (i) Where the goods or services are purchased through charitable funds /donations from Leagues of Friends, provided that they are below the UK Public Procurement Threshold and a value for money evaluation has been undertaken.

7.7.4 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 Chief Financial Officer.

7.8 *Authorisation of Tenders and Competitive Quotations*

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

(Please note that the UK Public Procurement Threshold (for supplies and services – £139,688 inc VAT)

Within Current Budget (within the budget approved by the Board for the appropriate financial year)

Value of the Public Procurement Threshold	<ul style="list-style-type: none">• Individual responsible for the Budget as per scheme of delegation
From The Public Procurement Threshold to £500,000 excluding VAT	<ul style="list-style-type: none">• Individual responsible for the Budget as per scheme of delegation
From £500,000 to £2,500,000 excluding VAT	<ul style="list-style-type: none">• Individual responsible for the Budget as per scheme of delegation• Chief Financial Officer and Chief Executive
Value of £2,500,000 or above excluding VAT	<ul style="list-style-type: none">• Business Development Group (Revenue) and/or Capital Resource Group (Capital);• Individual responsible for the Budget as per scheme of delegation• Chief Financial Officer and Chief Executive

New Spend (not included within a budget approved by the Board for the appropriate financial year)

Value of the Public Procurement Threshold	<ul style="list-style-type: none">• Individual responsible for the Budget as per scheme of delegation
From the Public Procurement Threshold to £500,000 excluding VAT	<ul style="list-style-type: none">• Individual responsible for the Budget as per scheme of delegation• Executive Directors and Director responsible for the Budget

From £500,000 to £2,500,000 excluding VAT	<ul style="list-style-type: none"> • Business Development Group (Revenue) and/or Capital Resource Group (Capital); • Individual responsible for the Budget as per scheme of delegation; and • Chief Financial Officer and Chief Executive; and • Finance & Productivity Committee
Value of £2,500,000 or above excluding VAT	<ul style="list-style-type: none"> • Business Development Group (Revenue) and/or Capital Resource Group (Capital); • Individual responsible for the Budget as per scheme of delegation; and • Chief Financial Officer and Chief Executive; and Finance & Productivity Committee; and • Trust Board and Common Seal of the Trust

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

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

If there is any doubt about whether proposed expenditure falls outside of the £139,688 inc VAT then please seek advice from the Procurement team.

The Executive Team is authorised to respond to short notice national capital bids. For any elements over £5m the Chief Executive will have consulted the Chair of the Board before preparing a bid. For the avoidance of doubt the Finance & Productivity Committee and the Board retain control over final authorisation of business cases.

7.9 *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 the NHS Supply Chain 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 the NHS Supply Chain the Trust shall procure goods and services in accordance with procurement procedures approved by the Chief Financial Officer.

7.10 *Private Finance for Capital Procurement (See Overlap with SFI No. 13.2)*

The Trust should normally market-test for PFI (Private Finance Initiative Funding) when considering 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 NHSI 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.

7.11 *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) The Public Contracts Regulations 2015 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 are invited.
- g) In all contracts made by the Trust, the Board shall endeavor 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.

7.12 *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.

7.13 *Healthcare Services Agreements (See Overlap with SFI No. 8)*

Service agreements with NHS providers for the supply of healthcare services shall be drawn up in accordance with the NHS and Community Care Act 2014 and administered by the Trust. Service agreements are not contracts in law and therefore not enforceable by the courts.

However, a contract with a Foundation Trust, being a PBC, is a legal document and is enforceable by 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.

7.14 *Disposals (See Overlap with SFI No 15)*

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/her 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 arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- d) land or buildings concerning which DH guidance has been issued but subject to compliance with such guidance.

7.15 *In-house Services*

- 7.15.1 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.
- 7.15.2 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 purchasing officer and a Chief Financial Officer representative.
- 7.15.3 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.
- 7.15.4 The evaluation team shall make recommendations to the Board.
- 7.15.5 The Chief Executive shall nominate an officer to oversee and manage the contract on behalf of the Trust.
- 7.15.6 Applicability of SFIs on Tendering and Contracting to Charitable Funds
(See also SFI section 8)
- These Instructions shall not only apply to expenditure from Exchequer funds but also to works, services and goods purchased from the Trust's Charitable funds.

8. NHS Service Agreements for provision of services

8.1 The Chief Executive, as the accountable officer, is responsible for ensuring the Trust enters into suitable contracts with service commissioners for the provision of NHS services. All contracts should aim to implement the agreed priorities contained within the Trust Business 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);
- ☐ NHS Standard Contract;
- ☐ the provision of reliable information on cost and volume of services;
- ☐ the NHS Service and Financial Framework (SaFF);
- ☐ the NHS National Performance Assessment Framework;
- ☐ that contracts build where appropriate on existing partnership arrangements;
- ☐ that contracts are based on integrated care pathways; and
- ☐ The NHS Constitution which has the force of law.

8.2 A good contract 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 contract 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.

8.3 The Chief Executive, as the Accountable Officer, will need to ensure that regular reports are provided to the Board detailing actual and forecast contractual income. This will be supplemented by reports on profitability of individual services based on the costing activity in line with latest guidance.

9. Terms of service, allowances and payment of members of the Board and employees

9.1 *Remuneration and Terms of Service*

9.1.1 In accordance with Standing Orders the Board shall establish a Remuneration 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).

9.1.2 The Committee will:

- a) provide assurance to the Board around the process for appointing and dismissing all executive directors of the Board, including the chief executive;
- b) agree the remuneration package, including performance related pay and other terms of service of the Chief Executive, including the scheme for performance related pay and any other benefits;
- c) with the Chief Executive, agree the remuneration packages, including the scheme for performance related pay and other terms of service (including severance terms of applicable) of the executive directors and very senior managers;
- d) review and agree the grading and remuneration package of any Director post that falls vacant, prior to the vacancy being advertised; and
- e) monitor the system to evaluate the performance of the Chief Executive, the Executive Directors and other senior employees.

9.1.3 The Committee shall report in writing to the Board on an annual basis.

9.1.4 The Trust will remunerate and pay allowances to the Chairman and Non-Executive Directors in accordance with instructions issued by the Secretary of State for Health.

9.1.5 All employees are required as part of their conditions of service to comply with the Trust's and national guidance notes on 'Standards of Business Conduct for NHS Staff'.

9.2 *Funded Establishment*

9.2.1 The workforce plans incorporated within the annual budget will form the funded establishment.

9.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive or a nominated officer .

9.3 *Staff Appointments*

- 9.3.1 Employees may only be engaged, re-engage, or regraded, whether on a permanent or temporary basis, and agency staff may only be hired and changes in any aspect of remuneration can only be made:
- a) within agreed policies and procedures; and
 - b) within the limit of approved budgets and the funded establishment.
- 9.3.2 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc, for employees.

9.4 *Processing of Payroll*

- 9.4.1 The Chief Financial Officer 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; and
 - d) agreeing method of payment.
- 9.4.2 The Chief Financial Officer will issue instructions regarding:
- a) verification and documentation of data;
 - b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances;
 - c) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
 - d) security and confidentiality of payroll information;
 - e) checks to be applied to completed payroll before and after payment;
 - f) authority to release payroll data under the provisions of the Data Protection Act;
 - g) methods of payment available to various categories of employee and officers;
 - h) procedures for payment by cheque, bank credit, or cash to employees and officers;
 - i) procedures for the recall of cheques and bank credits;
 - j) pay advances and their recovery;
 - k) maintenance of regular and independent reconciliation of pay control accounts;
 - l) separation of duties of preparing records and handling cash;
 - m) a system to ensure the recovery from leavers of sums of money and property due by them to the Trust; and
 - n) premature retirement proposals.

9.4.3 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 Chief Financial Officer's instructions and in the form prescribed by the Chief Financial Officer ; and
- c) notifying termination of employment 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 fulfil obligations in circumstances that suggest they have left without notice, the Chief Financial Officer must be informed immediately.

9.4.4 Regardless of the arrangements for providing the payroll service, the Chief Financial Officer 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.

9.5 *Contracts of Employment*

9.5.1 The Board shall delegate responsibility to a manager 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; and
- b) dealing with variations to, or termination of, contracts of employment.

10. **Non-pay expenditure**

10.1 *Delegation of Authority*

10.1.1 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. This authority may be delegated to the Chief Financial Officer .

10.1.2 The Chief Executive will set out:

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

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

10.2 *Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services*

10.2.1 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 Chief Financial Officer (and/or the Chief Executive) shall be consulted.

10.2.2 The Chief Financial Officer 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.

10.2.3 The Chief Financial Officer 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 regularly reviewed;
- b) prepare procedural instructions (where not already provided in the Scheme of Delegation or procedure notes for budget holders) 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 Board members/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 Chief Financial Officer 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, (except as below).

- 10.2.4 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 Executive Director 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 Chief Financial Officer will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account The Public Contracts Regulations 2015 rules where the contract is above a stipulated financial threshold); and
 - d) the budget holder is responsible for ensuring that all items due under a prepayment contract are received and he/she must immediately inform the appropriate Director or Chief Executive if problems are encountered.

- 10.2.5 Official Orders must:
- a) be consecutively numbered;
 - b) be in a form approved by the Chief Financial Officer;
 - c) state the Trust's terms and conditions of trade; and
 - d) only be issued to, and used by, those duly authorised by the Chief Financial Officer.

- 10.2.6 Managers and officers must ensure that they comply fully with the guidance and limits specified by the Chief Financial Officer and that:
- a) all contracts (other than for a simple purchase permitted within the Scheme of Delegation or delegated budget), leases, tenancy agreements and other commitments which may result in a liability are notified to the Chief Financial Officer in advance of any commitment being made. All leases must be assessed prior to entry and classified as either operating or finance leases under IFRS. Authority to enter into finance leases requires written approval from the Chief Financial Officer .
 - b) contracts above specified thresholds are advertised and awarded in accordance with The Public Contracts Regulations 2015;
 - c) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the DHSC;
 - 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;
 - iii) any employee receiving any offer or inducement will notify their line manager as soon as practicable, and also notify the details of all such hospitality offered or received, for entry in a register maintained for that purpose by the Chief Executive.

The national guidance contained in HSG 1993/5 'Standards of Business Conduct for NHS Staff' is shown as to Standing Orders 6.2.

- e) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Chief Financial Officer on behalf of the Chief Executive;
- f) all goods, services, or works are ordered on an official order except for those specifically excepted by the Chief Financial Officer in financial procedures, 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 directors/employees and officers authorised to certify invoices are notified to the Chief Financial Officer and;
- k) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Chief Financial Officer ; and
- l) petty cash records are maintained in a form as determined by the Chief Financial Officer.

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

10.3 *Joint Finance Arrangements with Local Authorities and Voluntary Bodies*

Payments to local authorities and voluntary organisations made under the NHS Act 2006 shall comply with procedures laid down by the Chief Financial Officer which shall be in accordance with this Act.

11. External borrowing

- 11.1 The Chief Financial Officer 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 DHSC. The Chief Financial Officer is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.
- 11.2 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 Chief Financial Officer .
- 11.3 The Chief Financial Officer must prepare detail procedural instructions concerning applications for loans and overdrafts.
- 11.4 All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cash flow position, represent good value for money, and comply with the latest guidance from the DHSC.
- 11.5 Any applications for 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 Chief Financial Officer . The Board must be made aware of all short term borrowings at the next Board meeting.
- 11.6 All applications for long-term borrowing must be consistent with the plans outlined in the current Trust business plan and be approved by the Trust Board.

11.7 Investments

- 11.7.1 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.
- 11.7.2 The Chief Financial Officer is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.
- 11.7.3 The Chief Financial Officer will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

12. Planning Framework

- 12.1 The Chief Financial Officer shall ensure that members of the Board are aware of the operational planning and contracting guidance issued by the regulator. The Chief Financial Officer should also ensure that the guidance is followed by the Trust.

13. Capital investment, private financing, fixed asset registers and security of assets

13.1 Capital Investment

13.1.1 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; and
- c) shall ensure that the capital investment is not undertaken without confirmation, where applicable of commissioner support and the availability of resources to finance all revenue consequences, including capital charges.

13.1.2 Capital for the purpose of approval should be differentiated between:

- a) **Replacement assets**; this is where an asset has reached the end of its useful economic life and requires a like for like replacement with no change to the delivery of the service (outside of incremental benefits from a new asset) – for example replacing an x-ray machine that is no longer fit for purpose or has ceased working or refurbishing a clinical area under the same footprint and layout. These should also have no material impact on revenue costs
- b) **Investment assets**; where the asset is not a like for like replacement or results in a non-trivial impact on a service model or material impact on revenue costs – for example re-modelling and expansion of the day surgery unit. This could include increasing the number of assets (e.g. moving from two to three CT scanners).

Capital Review Group will be responsible for final determination of asset type.

13.1.3 For **replacement assets**, as long as the total expenditure falls within the capital allocated to that category (eg Digital or medical equipment) as part of the capital plan approved by the Board, the Chief executive will ensure:

- a) that there is a completed Capital Expenditure Approvals Form (CAPEX) approved by the Capital Resource Group (CRG);
- b) Replacement assets with capital expenditure proposal above £1,000,000 excluding recoverable VAT are approved by Executive Directors and should have a business case;
- c) Replacement assets with capital expenditure proposal above £2,500,000 excluding recoverable VAT are also approved by Finance and Productivity Committee; and
- d) Replacement assets with capital expenditure proposal above £5,000,000 excluding recoverable VAT are also approved the Board.

13.1.4 For every **investment asset** capital expenditure proposal in excess of £250,000 excluding recoverable VAT the Chief Executive shall ensure:

- a) that the scheme Project Director produces a business case and this is submitted, along with a completed Capital Expenditure Approvals Form (CAPEX), to the combined Business Development Group (BDG) and Capital Resource Group (CRG). The submission can be to CRG only if there are no material revenue implications other than depreciation and public dividend capital.
- b) for investment assets every capital expenditure proposal in excess of £250,000 excluding recoverable VAT the business case is also required to be submitted to the Executive Director's meeting for approval.
- c) for all investment asset projects over £500,000 excluding recoverable VAT a risk assessment must be completed to assess the project financial risk. This assessment is to be carried out by the Head of Financial Services (or Deputy Head of Financial Services) in conjunction with the Project Director. The Business case will be submitted to the Finance and Productivity Committee for approval.
- d) for all investment asset projects over £500,000 excluding recoverable VAT the Project Director will be required to co-ordinate and complete a monthly capital monitoring return to Capital Resource Group (CRG) showing performance against budget.
- f) for all investment asset projects over £2,500,000 excluding recoverable VAT the business case will be submitted to the Trust Board for approval

13.1.5 The table below summarises the approval requirements for capital cases:

Asset Type	Documentation		Approval			
	Capex	Business case	CRG	Executive Directors	F&P	Board
Replacement	✓	<£1,000k	All	<£1,000k	<£5,000k	>£5,000k
Investment	✓	<£250k	All	<£500k	<£2,500k	>£2,500k

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

The Director of Estates and Facilities shall assess on an annual basis the requirement for the operation of the construction industry scheme in accordance with Her Majesty's Revenue and Customs guidance.

The Chief Financial Officer shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

- 13.1.7 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:

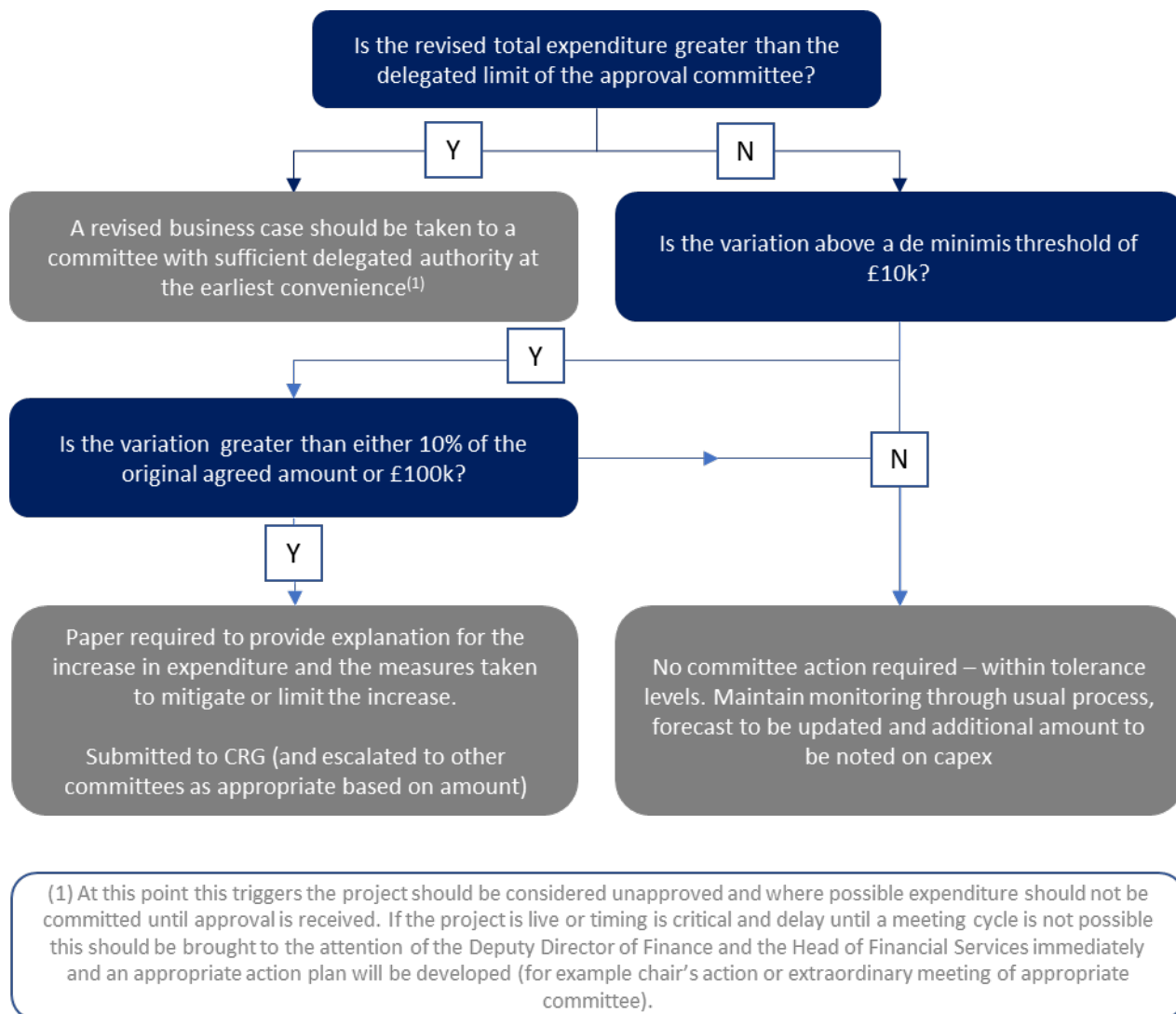
- a) specific authority to commit expenditure;
- b) authority to proceed to tender;
- c) approval to accept a successful tender.

The Chief Executive will issue a Scheme of Delegation for capital investment management in accordance with 'Estatecode' guidance and the Trust Standing Orders.

- 13.1.8 The Chief Financial Officer 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 issued by the Regulator.

- 13.1.9 Capital schemes will be monitored through local and Committee review processes. Variances to capital schemes should be discussed and approved at the CRG and the Finance & Productivity Committee as appropriate at the earliest opportunity following awareness that it is likely that a scheme will overspend.

The flowchart below sets out the process that should be followed for any expected overspend of capital schemes:



13.2 *Private Finance*

13.2.1 When the Trust proposes to use finance which is to be provided other than through its EFL, the following procedures shall apply:

- a) The Chief Financial Officer shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
- b) The proposal must be specifically agreed by the Board.
- c) Where the sum involved exceeds delegated limits, the business case must be referred to the appropriate DHSC body and/or treated as per current guidelines.

13.3 *Asset Registers*

13.3.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Chief Financial Officer 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.

13.3.2 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 Regime, Investment and Property Business Case Approval Guidance as issued by the DHSC.

- 13.3.3 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; and
 - c) lease agreements in respect of assets held under a finance lease and capitalised.
- 13.3.4 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).
- 13.3.5 The Chief Financial Officer shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 13.3.6 The value of land and buildings will be at "fair value" on the balance sheet date. Under the requirements of IFRS, the Modern Equivalent Asset valuation method will be adopted.
- 13.3.7 The value of each asset shall be depreciated according to the useful economic life of the asset. The Trust will use commonly available and appropriate indices for the revaluation of assets or take advice from independent experts. The Chief Financial Officer will ensure that a review of all asset lives will be undertaken annually.

13.4 *Security of Assets*

- 13.4.1 The overall control of fixed assets is the responsibility of the Chief Executive.
- 13.4.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Chief Financial Officer. 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; and
 - g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.
- 13.4.3 All discrepancies revealed by verification of physical assets to fixed asset

register shall be notified to the Chief Financial Officer.

- 13.4.4 Whilst each employee 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 instructions.
- 13.4.5 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.
- 13.4.6 Where practical, assets should be clearly and securely marked as Trust property.
- 13.4.7 Trust assets and facilities are to be used for official Trust purposes only, unless approval for private use has been given by the Chief Executive.

14. Stores

- 14.1 Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:
 - a) kept to a minimum;
 - b) subjected to annual stocktake; and
 - c) valued at the lower of cost and net realisable value.
- 14.2 Subject to the responsibility of the Chief Financial Officer for the systems of control, overall responsibility for the control of stores shall be delegated to the Head of Procurement 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 Chief Financial Officer. The control of Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of estates stock, fuel oil and coal of a designated Estates Manager.
- 14.3 The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the Director of Estates and Facilities. Wherever practicable, stocks should be marked as health service property.
- 14.4 The Chief Financial Officer shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
- 14.5 Stocktaking arrangements shall be agreed with the Chief Financial Officer and there shall be a physical check covering all items in store at least once a year.
- 14.6 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Chief Financial Officer
- 14.7 The Head of Procurement/Pharmaceutical Officer shall be responsible for a system approved by the Chief Financial Officer for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The Head of Procurement shall report to the Chief Financial Officer any evidence of significant overstocking and of any negligence

or malpractice (see also 15 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.

- 14.8 For goods supplied via the NHS Supply Chain, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt of the goods against the delivery note.

15. Disposals and condemnations, losses and special payments

15.1 Disposals and Condemnations

- 15.1.1 The Chief Financial Officer must prepare detailed procedures for the disposal of assets including condemnations (Disposal of Surplus Goods/Equipment Procedure) and ensure that these are notified to managers.

- 15.1.2 When it is decided to dispose of a Trust asset, the head of department or authorised deputy will determine and advise the Chief Financial Officer of the estimated market value of the item, taking account of professional advice where appropriate.

- 15.1.3 All unserviceable articles shall be:
- a) condemned or otherwise disposed of by an employee authorised for that purpose by the Chief Financial Officer ;
 - b) recorded by the Condemning Officer in a form approved by the Chief Financial Officer that 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 Chief Financial Officer.

- 15.1.4 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 Chief Financial Officer who will take the appropriate action.

- 15.1.5 Land and buildings formally planned for closure and/or disposal shall be valued and referred to the Chief Financial Officer prior to any offer for sale.

15.2 Losses and Special Payments

- 15.2.1 The Chief Financial Officer must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.

- 15.2.2 The Chief Financial Officer shall prepare a report at least annually to the Audit Committee detailing all losses reported by number and amount with detail for those over £1,000

- 15.2.3 Any employee 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 Chief Financial Officer or inform an officer charged with responsibility for responding to concerns involving loss confidentially. This officer will then appropriately inform the Chief Financial Officer and/or Chief Executive.

Where a criminal offence is suspected, the Executive Directors must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies that may indicate fraud or corruption, the Executive Directors must inform the DHSC Counter Fraud Services in accordance with the Secretary of State's directions and the Local Counter Fraud Service.

- 15.2.4 The Chief Financial Officer must notify the External Auditor of all frauds and suspected frauds.
- 15.2.5 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, at an estimated value in excess of £10,000, the Chief Financial Officer must immediately notify:
 - a) the Board, and
 - b) the External Auditor.
- 15.2.6 The Audit Committee shall approve the writing-off of losses.
- 15.2.7 The Chief Financial Officer shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 15.2.8 For any loss, the Chief Financial Officer should consider whether any insurance claim can be made.
- 15.2.9 The Chief Financial Officer shall maintain a Losses and Special Payments Register in which write-off action is recorded.

16. Information technology

- 16.1 The Chief Financial Officer, 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 he/she is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard to Data Protection and Computer Mis-use legislation.
 - 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 he/she may consider necessary are being carried out.
- 16.2 The Chief Financial Officer shall satisfy himself/herself 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.

- 16.3 The Chief of Staff 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.
- 16.4 In the case of computer systems which are proposed General Applications (i.e. including those applications which the majority of Trusts in the Region wish to sponsor jointly) all responsible directors and employees will send to the Chief Financial Officer:
- 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.
- 16.5 The Chief Financial Officer 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.
- 16.6 Where another health organisation or any other agency provides a computer service for financial applications, the Chief Financial Officer shall periodically seek assurances that adequate controls are in operation.
- 16.7 Where computer systems have an impact on corporate financial systems the Chief Financial Officer shall satisfy himself/herself that:
- a) systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;
 - b) data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;
 - c) authorised staff have access to such data; and
 - d) such computer audit reviews are being carried out as are considered necessary.
- 16.8 The Chief Financial Officer 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.
- 17. Patients' property**
- 17.1 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.

17.2 The Chief Nurse 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.

17.3 The Chief Financial Officer 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.

17.4 Where DHSC instructions require the opening of separate accounts for patients' monies, these shall be opened and operated under arrangements agreed by the Chief Financial Officer.

17.5 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.

17.6 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.

17.7 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.

18. Charitable funds

18.1 The Chief Financial Officer and Chief of Staff shall ensure that each charitable fund which the Trust is responsible for managing is managed appropriately with regard to its purpose and to its requirement.

18.2 Accountability to Secretary of State for Health and other bodies

- 1) The trustee responsibilities must be accountable to the Secretary of State for all charitable funds.
- 2) The Schedule of Matters Reserved to the Board and the Scheme of Delegation make clear where decisions regarding the exercise of discretion regarding the disposal and use of the funds are to be taken and by whom. All Trust Board members and Trust officers must take account of that guidance before taking action.

18.3 **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 the Standing Financial Instructions will apply to the management of charitable funds. (see also SFI paragraph 7.15.6)
- 2) The over-riding principle is that the integrity of each charitable fund must be maintained and statutory and Trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

19. Acceptance of gifts and hospitality by staff

- 19.1 The Chief of Staff shall ensure that all staff are made aware of the Trust policy on acceptance of gifts, hospitality and other benefits in kind by staff. This policy should follow the guidance contained in the Department of Health and Social Care Standards of Business Conduct for NHS Staff (See Standing Orders 6.2).

20 Retention of records

- 20.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with DHSC guidelines.
- 20.2 The records held in archives shall be capable of retrieval by authorised persons.
- 20.3 Records held in accordance with the Health Service Circular (1999) 053 shall only be destroyed at the express instigation of the Chief Executive; records shall be maintained of records so destroyed.

21. Risk management and insurance

- 21.1 The Chief Nurse shall ensure that the Trust has a programme of risk management, in accordance with current DHSC controls assurance requirements, which must be approved and monitored by the Board.
- 21.2 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) decision on which risks shall be insured;
 - g) arrangements to review the risk management programme.

The existence, integration and evaluation of the above elements will provide a basis to make a statement on the effectiveness of Internal Financial Control within the Annual Report and Accounts as required by current DHSC guidance.

- 21.3 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 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.
- 21.4 With three exceptions Trusts may not enter into insurance arrangements with commercial insurers. The exceptions are:
- i) Trust may enter commercial arrangements for insuring motor vehicles owned or leased by the Trust including insuring third party liability arising from their use;
 - ii) 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
 - iii) 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.
- 21.5 Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the Chief Financial Officer shall ensure that the arrangements entered into are appropriate and complimentary to the risk management programme. The Chief Financial Officer shall ensure that documented procedures cover these arrangements.
- 21.6 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 Chief Financial Officer 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 Chief Financial Officer 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.
- 21.7 All the risk-pooling schemes require members to make some contribution to the settlement of claims (the 'deductible'). The Chief Financial Officer should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

22. ANNEX – Tenders and contracting – Financial limits

22.1 *Financial Limits – Competitive Tendering*

22.1.1 Competitive Tenders will be invited for:

- i) the supply of goods, materials and manufactured articles;
- ii) the rendering of services;
- iii) building and engineering works (including construction and maintenance of grounds) and;
- iv) disposals;

where the estimated income/expenditure is expected to exceed **£70,000 excluding VAT**.

22.2 *Invitation to Tender*

22.2.1 The number of invitations to tender and tenders required to be received will be as follows:

VALUE	TENDERS
Tenders above £70,000 excluding VAT to The Public Procurement Threshold	Minimum of 3 invitations to tender
Tenders above The Public Procurement Threshold	Minimum of 4 invitations to tender

22.2.2 The Audit Committee will be updated on a quarterly basis where three suppliers are invited to tender, but less than three tenders are received.

22.2.3 If the required number of tenders is not received, it will be at the discretion, as to whether to proceed with the contract, of:

- ☐ the Chief Executive **or** the Chief Financial Officer above **£70,000 excluding VAT** to The Public Procurement Threshold; and
- ☐ the Chief Executive **and** the Chief Financial Officer from The Public Procurement Threshold to £1,000,000.

22.2.3 For the purpose of determining the above limitations of **£70,000 excluding VAT, The Public Procurement Threshold** and **£1,000,000 excluding VAT** in circumstances where tenders are invited at any one time for a number of works, which are to be carried out simultaneously or sequentially by one contractor, the total cost may not exceed the appropriate financial limit.

22.3 *Financial Limits – Competitive Quotations*

22.3.1 The number of quotations required will be as follows:

VALUE	TENDERS
Up to £25,000 excluding VAT	Minimum of 1 written quotation (where this may be impractical, 1 verbal quotation may be obtained and the reasons for this documented)
Above £25,000 to £70,000 excluding VAT	Minimum of 2 suppliers invited to submit written quotations

22.4 *Waivers to Standing Orders*

22.4.1 Standing Orders on Competitive Tendering may be waived under certain circumstances and will require the completion and authorisation of a waiver form.

22.4.2 The waiver authorisation limits are:

- i) For tenders **£1 - £70,000 excluding VAT**, the Head of Procurement
- ii) For tenders above **£70,000 excluding VAT** to **The Public Procurement Threshold**, the Head of Procurement and the Chief Financial Officer or the Chief Executive.
- iii) For tenders from **The Public Procurement Threshold up to £500,000 excluding VAT** Head of Procurement and the Chief Financial Officer and the Chief Executive.
- iv) For tenders from **£500,000 to £2,500,000 excluding VAT** the Audit Committee
- v) For tenders above **£2,500,000 excluding VAT** the Trust Board

22.4.3 Any waiver request must be submitted on the requisite form and, after authorisation, must accompany the requisition sent to the Head of Procurement.

22.4.4 The Chief Financial Officer will establish and maintain a register of Waivers to Standing Orders.

22.5 *Expenditure Authorisation*

22.5.1 All requisitions that result in an order for goods and services must be approved in accordance with the scheme of delegation.

22.5.2 In the case of contracts which have a life in excess of one year, the approval value applies to the total value of the contract.

22.6 *Capital Expenditure*

22.6.1 There are specific requirements for every capital expenditure proposal in excess of £100,000 see section 13.1.2.

22.7 *Monetary Values*

- 22.7.1 All values, thresholds and limits contained within this document must refer to VAT exclusive prices except where specifically mentioned.
- 22.7.2 The Public Procurement Threshold are available from <https://www.legislation.gov.uk/uksi/2021/1221/regulation/3/made>

CAPITAL AND REVENUE PROCESS

This document sets out the processes for spending:

1. revenue within budget
2. capital within budget, within the Capital Resource Limit (CRL) and included in the annual capital plan

If any procurement with suppliers is required, then it is essential that any contracts are agreed within authorised limits and following appropriate processes.

If spend is not in budget then it shall be escalated to Executive Directors. Any spend must be included within annual plans.

Key contacts if you require further advice

Finance & Business Development:
Matt Backler, Deputy Finance Director

Procurement:
Angela Alletson, Head of Procurement

Capital:
Lydia Crouch, Head of Financial Services

For detailed information on processes, please refer to the following overarching ESHT corporate governance documents:

- [Standing Financial Instructions \(SFIs\)](#)
- [Standing Orders](#)
- [Schedule of Matters Reserved to the Board and Scheme of Delegation](#)

Process for up to £50k (if within total budget):

1. Division has idea for a business case
2. Log plan with **Capital Team** (capital) **Business Development Team** (revenue) who will assign a reference number, and signpost any additional requirements (CAPEX, liaison with procurement etc.). Cases that are both capital and revenue will need to be logged with both teams.
3. Complete Service Change Proposal
4. Complete Quality / Privacy / Equality Impact Assessment (QIA/PIA/EIA) if required
5. If the plan impacts on a **single division only**, present Service Change Proposal (with reference number) to Integrated Performance Review (IPR) who can approve or reject if funding has been identified
6. If the plan impacts on **more than one division**, present Service Change Proposal (with reference number) to the IPR of the lead division which can approve or reject if funding has been identified then present to Business Development Group (BDG) for logging, noting and socialising with other divisions.

Additional process for between £50k to £500k (please follow steps 1-4 above, then):

5. Business case to be produced with sign off from relevant corporate areas
6. Present Business Case to BDG (revenue) or Capital Resource Group (CRG) (capital) who can recommend a direction of travel. If the business case has both revenue and capital implications it will need to be presented to both groups.
7. Present Business Case to Executive Directors' Meeting for approval

Additional process for between £500k to £15m:

8. Present Business Case to Finance and Productivity Committee for approval if between £500k - £1m
9. Present Business Case to Trust Board for approval if over £2.5m
10. Submit to NHSE/I for approval if over £5m, or over £15m for capital property investments

Waiver of Standing Orders

Reason for Request to Waive Standing Orders:	Please Tick
1 Competitive tenders/quotations were sought insufficient responses returned	<input type="checkbox"/>
2 Only provider of goods/services	<input type="checkbox"/>
3 Genuine reason for continuity or compatibility	<input type="checkbox"/>
4 Risk where timescales/urgency genuinely exceed time required to competitively tender/obtain quotes	<input type="checkbox"/>
5 Director/Deputy Director of Finance	<input type="checkbox"/>
6 Retrospective expenditure - goods/services have already been received	<input type="checkbox"/>
7 Quotes/tenders not obtained due to clinical/technical preference	<input type="checkbox"/>
8 Market tested and most economical providers not selected	<input type="checkbox"/>
9 Agency expenditure exceeding the NHSI allowable price caps	<input type="checkbox"/>

Full written details and justification must be provided in the "Supporting Information" section on the reverse of this form before this waiver request will be considered for approval.

The current limits set by East Sussex Healthcare NHS Trust under which competitive quotations/tenders are required are defined in the Standing Financial Instructions. These are as follows:

Up to £25,000 (ex VAT)	1 Verbal quotation.
£25,001 to £70,000 (ex VAT)	Minimum of 2 invitations to quote.
£70,001 (ex VAT) to The Public Procurement Threshold	Minimum of 3 invitations to tender.
Above the Public Procurement Threshold	Minimum of 4 invitations to tender with at least 2 received.

The waiver authorisation limits are (ex VAT):

For quotations £25,001 to £70,000	Head of Procurement or Chief Financial Officer or Chief Executive.
For tenders £70,001 to Procurement Threshold	Chief Financial Officer or Chief Executive.
For tenders Procurement Threshold to £500,000	Chief Executive and Chief Financial Officer.
For tenders £500,001 to £2,500,000	Audit Committee via Chair/Chief Financial Officer.
For tenders over £2,500,000	Trust Board.

In accordance with East Sussex Healthcare NHS Trust's Standing Order number 9.5, I request a waiver of the requirement to obtain competitive quotations/tenders in respect of Requisition Number:

Name of Supplier:
Description of goods/services:
Total value of goods/services: Exc. VAT Inc. VAT
Department for which goods are required:
Conflicts of interest/subsequent measures taken:

CERTIFICATION BY SENIOR BUSINESS MANAGER		HEAD OF PROCUREMENT VERIFICATION <u>PRIOR</u> TO APPROVAL BY A DIRECTOR	
Signature:	Date:	Signature:	Date:
Title:	Department:		

APPROVAL OF WAIVER

I/We hereby approve this waiver

Signatures authorising the waiver of Standing Orders.

Signature:	Signature:	Signature:
Designation:	Designation:	Designation:
Chief Executive	Director of Finance	Head of Procurement
Date:	Date:	Date:

Procurement & Supplies use only Waiver Register Number:	Waiver Register Entry By:	Date:
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DETAILED SUPPORTING INFORMATION

This section **must** be completed in all instances. Insufficient information may result in the waiver being returned unauthorised.

a) Brief description of goods/services:

b) Justification:

Has lowest quotation been accepted?	Yes / No (Delete as appropriate)	If "No" – reason for accepting higher quotation:
Will this be the subject of a future, formal procurement competition?	Yes / No (Delete as appropriate)	If yes, please state when - if "No", please state reason below:
If previously procured, last price paid (if known):	£	If previously procured, please state when (if known):
List alternative providers (if any) and reason for not considering:		
Consequences of non-approval of this waiver:		

Please note:

- **All Trust expenditure is subject to Public Sector Procurement Regulations and transparency rules. The information detailed on this form is subject to audit and challenge.**
- **All breaches to Trust Financial policies will be investigated and reported to the Audit Committee.**

ENDS

Appendix C: Scheme of Delegation

Section 1

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

SCHEME OF DECISIONS RESERVED TO THE BOARD

Section 1

Reference	The Board	Decisions Reserved to the Board
N/A	The Board	<ol style="list-style-type: none"> 15. Authorise use of the seal. 16. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 5.6 17. Discipline members of the Board or employees who are in breach of statutory requirements or SOs.
N/A	The Board	Appointments/Dismissal <ol style="list-style-type: none"> 1. Ratify proposals of the Remuneration Committee regarding the appointment and remuneration of the Chief Executive and with the latter the remuneration of executive directors and very senior managers.
	The Board	Strategy Plans and Budgets <ol style="list-style-type: none"> 1. Define the strategic aims and objectives of the Trust. 2. Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State. 3. Approve the Trust's policies and procedures for the management of risk. 4. Approve Final Business Cases for Capital Investment over £1,000,000 5. Approve budgets. 6. Approve annually Trust's proposed organisational development proposals. 7. Ratify proposals for acquisition, disposal or change of use of land and/or buildings. 8. Approve PFI proposals. 9. Approve the opening of bank accounts. 10. 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. 11. 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 Financial Officer for losses and special payments. 12. Approve proposals for action on litigation on behalf of the Trust. 13. Review use of NHS risk pooling schemes (CNST/RPST).

SCHEME OF DECISIONS RESERVED TO THE BOARD

Section 1

Reference	The Board	Decisions Reserved to the Board
	The Board	Policy Determination <ol style="list-style-type: none"> 1. Approve management policies including personnel policies incorporating the arrangements for the appointment, removal and remuneration of staff.
	The Board	Audit: <ol style="list-style-type: none"> 1. 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 Committee. 2. Receive an annual report of the Audit Committee.
	The Board	Annual Reports and Accounts: <ol style="list-style-type: none"> 1. Receipt and approval the Trust's Annual Report and Annual Accounts. 2. Receipt and approval of the Annual Report and Accounts for charitable funds.
	The Board	Monitoring <ol style="list-style-type: none"> 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 directors, committees, and officers of the Trust as set out in management policy statements. All monitoring returns required by the Department of Health and the Charity Commission shall be reported, at least in summary to the Board. 3. Receive reports from Chief Financial Officer on financial performance against budget and business plan and other Directors on activity, workforce, quality and safety. 4. Receive reports from the Chief Financial Officer on actual and forecast income from SLA's 5. Receive assurance on compliance with the appropriate regulations within the Health and Social Care Act 2008 and the related Care Quality Commission outcomes

DECISIONS/DUTIES DELEGATED BY THE BOARD TO THE CHAIRMAN, CHIEF EXECUTIVE AND COMMITTEES

Section 1

Reference		Decision/Duties Reserved to the Chairman and Chief Executive
	Chairman	<ol style="list-style-type: none"> 1. Appoint the Vice Chairman 2. Appoint the Senior Independent Director 3. Appointment and dismiss committees (and individual members) that are directly accountable to the Board. 4. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.
	Chief Executive	<ol style="list-style-type: none"> 1. Appoint, appraise, discipline and dismiss Executive Directors (subject to SO 2.2)
Reference	Committee	Decision/Duties Delegated by the Board to Committees
	Audit Committee	The current terms of reference, including powers delegated by the Board, are available from the Chief of Staff.
	Remuneration and Appointments Committee	The current terms of reference, including powers delegated by the Board, are available from the Chief of Staff.

SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM

Section 1

Reference from Accountable Officer Memorandum	Delegated To	Accountable Officer Memorandum – Duties Delegated
7	Chief Executive	Accountable through NHS Accounting Officer to Parliament for stewardship of Trust resources.
9	Chief Executive and Chief Financial Officer	Ensure the accounts of the Trust are prepared under principles and in a format directed by the Secretary of State. 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	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	Ensure effective management systems that safeguard public funds and the Chairman to implement requirements of corporate governance including ensuring managers: <ul style="list-style-type: none"> • 'have a clear view of their objectives and the means to assess achievements in relation to those objectives; • be assigned well defined responsibilities for making best use of resources; • have the information, training and access to the expert advice they need to exercise their responsibilities effectively'.
12	Chairman	Implement requirements of corporate governance.
13	Chief Executive	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 National Audit Office (NAO).
15	Chief Financial Officer	Operational responsibility for effective and sound financial management and information.
15	Chief Executive	Primary duty to see that Chief Financial Officer discharges this function.
16	Chief Executive	Ensuring that expenditure by the Trust complies with Parliamentary requirements.

SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM

Section 1

Reference	Delegated To	Accountable Officer Memorandum – Duties Delegated
17	Chief Executive	Promote the observance of all staff of the Codes of Conduct and Accountability incorporated in the Corporate Governance Framework issued to NHS Boards by the Secretary of State.
18	Chief Executive and Chief Financial Officer Chief Medical Officer Chief Nurse and Chief of Staff	Chief Executive, supported by Chief Financial Officer, Chief Medical Officer, Chief Nurse and Chief of Staff to ensure appropriate advice is given to the Board and Executive Committee on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.

SCHEME OF DELEGATION DERIVED FROM THE CODES OF CONDUCT AND ACCOUNTABILITY

Section 1

Reference	Delegated To	The Codes of Conduct and Accountability – Authorities/Duties Delegated
1.3.1.7	Audit Committee	Approve procedure for declaration of hospitality and sponsorship.
1.3.1.8	Board	Ensure proper and widely publicised procedures for voicing complaints, concerns about maladministration, breaches of the Code of Conduct and Accountability, and other ethical concerns.
1.3.1.9 & 1.3.2.2	All Board members	Subscribe to the Code of Conduct and Accountability.
1.3.2.4	Board	Board members share corporate responsibility for all decisions of the Board.
1.3.2.4	Chairman and Non-Executive Directors	Chairman and Non-Executive Directors are responsible for monitoring the executive management of the organisation and are responsible to the Secretary of State 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"> 1. to ensure effective financial stewardship through value for money, financial control and financial planning and strategy; 2. to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation; 3. to appoint, appraise and remunerate senior executives; 4. to ratify the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer term objectives and agree plans to achieve them; 5. to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary; 6. to ensure effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs.

SCHEME OF DELEGATION DERIVED FROM THE CODES OF CONDUCT AND ACCOUNTABILITY

Section 1

Reference	Delegated To	The Codes of Conduct and Accountability – Authorities/Duties Delegated
1.3.2.4	Board	<p>It is the Board's duty to:</p> <ol style="list-style-type: none"> 1. act within statutory financial and other constraints; 2. be clear what decisions and information are appropriate to the board and draw up standing orders, a schedule of decisions reserved to the board and standing financial instructions to reflect these; 3. ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives for the main programmes of action and for performance against programmes to be monitored and senior executives held to account; 4. establish performance and quality targets that maintain the effective use of resources and provide value for money; 5. specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the board can fully undertake its responsibilities; 6. establish Audit and Remuneration Committees on the basis of formally agreed terms of reference that set out the membership of the sub-committee, the limit to their powers, and the arrangements for reporting back to the main board.
1.3.2.5	Chairman	<p>It is the Chairman's role to:</p> <ol style="list-style-type: none"> 1. provide leadership to the Board; 2. enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team; 3. ensure that key and appropriate issues are discussed by the Board in a timely manner; 4. ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions; 5. lead Non-Executive Board members through a formally-appointed Remuneration Committee of the main Board on the appointment, appraisal and remuneration of the Chief Executive and (with the latter) other Executive Board members; 6. appoint Non-Executive Board members to an Audit Committee and any other sub-Committees of the main Board; and 7. advise the Secretary of State on the performance of Non-Executive Board members.

SCHEME OF DELEGATION DERIVED FROM THE CODES OF CONDUCT AND ACCOUNTABILITY

Section 1

Reference	Delegated To	The Codes of Conduct and Accountability – Authorities/Duties Delegated
1.3.2.5	Chief Executive	<p>The Chief Executive is accountable to the Chairman and Non-Executive members of the Board for ensuring that its decisions are implemented, that the organisation works effectively, in accordance with Government policy and public service values and for the maintenance of proper financial stewardship.</p> <p>The Chief Executive should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Board.</p> <p>The other duties of the Chief Executive as Accountable Officer are laid out in the Accountable Officer Memorandum.</p>
1.3.2.6	Non-Executive Directors	Non-Executive Directors are appointed by NHS England to bring independent judgment to bear on issues of strategy, performance, key appointments and accountability through the Department of Health to Ministers and to the local community.
1.3.2.8	Chairman	All members of the Board are required to make annual declarations of conflict of interests and fit and proper persons.
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 on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money.

SCHEME OF DELEGATION FROM STANDING ORDERS

Section 1

Standing Order Ref	Delegated To	Standing Orders – Authorities/Duties Delegated
1.1	Chairman	Final authority in interpretation of Standing Orders.
2.4	Chairman	Appointment of Vice Chairman and Senior Independent Director.
3.1	Chairman	Call Board meetings.
3.7	Chairman	Chair all Board meetings and associated responsibilities.
3.9	Chairman	Give final ruling in questions of order, relevancy and regularity of meetings.
3.11	Chairman	Having a second or casting vote.
3.12	Board	Suspension of Standing Orders.
3.12	Audit Committee	Audit Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board).
3.13	Board	Variation or amendment of Standing Orders.
4.1	Board	Formal delegation of powers to 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	Chairman & Chief Executive	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chairman and Chief Executive after having consulted at least two Non-Executive Directors.
5.3	Chief Executive	The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals which shall be considered and <u>approved by the Board</u> , 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.

SCHEME OF DELEGATION FROM STANDING ORDERS

Section 1

Standing Order Reference	Delegated To	Standing Orders – Authorities/Duties Delegated
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7.2	Chief of Staff	Maintain Register(s) of Interests.
7.4	All staff	Comply with national guidance contained in NHS England's 'Standards of Business Conduct Policy' for NHS staff
7.4	All	Disclose relationship between self and candidate for staff appointment.
8.1/8.3	Chief of Staff	Keep seal in safe place and maintain a register of sealing.
8.4	Chief Executive	Approve and sign all documents which will be necessary in legal proceedings.

Standing Financial Instructions Reference	Delegated To	Standing Financial Instructions – Authorities/Duties Delegated
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1.1.1	Chief Financial Officer	Training and communication programme for staff on SFIs.
1.1.3	Chief Financial Officer	Approval of all financial procedures.
1.1.4	Chief Financial Officer	Advice on interpretation or application of SFIs.
1.1.6	All Members of the Board and all Staff	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Chief Financial Officer as soon as possible
1.3.4	Chief Executive	Responsible as the Accountable Officer to ensure financial targets and obligations are met and has overall responsibility for the system of internal control.

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

Section 1

Standing Financial Instructions Reference	Delegated To	Standing Financial Instructions – Authorities/Duties Delegated
1.3.5	Chief Executive & Chief Financial Officer	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
1.3.6	Chief Executive	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
1.3.7	Chief Financial Officer	Responsible for: a) Implementing the Trust's financial policies and co-ordinating 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 the wider organisation; e) Design, implementation and supervision of systems of internal financial control; and f) Maintaining such accounts, certificates etc as are required for the Trust to carry out its statutory duties.
1.3.8	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 SOs, SFIs and financial procedures.
1.3.9	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 is made aware of these instructions and their requirement to comply.
2.1.1	Audit Committee	Provide independent and objective view on internal control and probity.
2.1.2	Chair of Audit Committee	Raise the matter at the Board meeting where Audit Committee considers there is evidence of ultra vires transactions or improper acts.
2.1.3	Chief Financial Officer	Ensure an adequate internal audit service, for which he/she is accountable, is provided (and involve the Audit Committee in the selection process when/if an internal audit service provider is changed).
2.2.1 c)	Chief Financial Officer	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption.

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

Section 1

Standing Financial Instructions Reference	Delegated To	Standing Financial Instructions – Authorities/Duties Delegated
2.3.4	Head of Internal Audit	Provide reports as agreed with the Chief Financial Officer and in accordance with NHS Internal Audit Manual and best practice.
2.4.1	Audit Committee	Ensure cost-effective external audit.
2.5.1 2.5.2	Chief Executive & Chief Financial Officer	Monitor and ensure compliance with Secretary of State's Directions on fraud, bribery and corruption including the appointment of the Local Counter Fraud Specialist.
2.6.1	Chief Executive	Monitor and ensure compliance with Directions issued by the Secretary of State for Health on HNS security management including appointment of the Local Security Management Specialist.
3.1.1	Chief Executive	<p>Compile and submit to the Board an annual business plan which takes into account financial targets and forecast limits of available resources. The annual business plan will contain:</p> <ul style="list-style-type: none"> ▪ 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. ▪ detailed financial templates, accompanying finance narrative and operational/strategic narrative
3.1.3 & 3.1.4	Chief Financial Officer	<p>Submit budgets to the Board for approval.</p> <p>Monitor performance against budget; submit to the Board financial estimates and forecasts.</p>
3.1.7	Chief Financial Officer	Ensure adequate financial training is delivered on an on-going basis to budget holders.
3.2.1	Chief Executive	Delegate budgets to budget holders
3.2.2	Chief Executive & Budget Holders	Must not exceed the budgetary total or virement limits set by the Board.
3.3.1	Chief Financial Officer	Devise and maintain systems of budgetary control.

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

Section 1

Standing Financial Instructions Reference	Delegated To	Standing Financial Instructions – Authorities/Duties Delegated
3.3.2	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 Chief Executive other than those provided for within available resources and manpower establishment.
3.3.3	Chief Executive	Identify and implement cost improvements and income generation activities in line with the Business Plan.
3.6.1	Chief Executive	Submit all statutory and other monitoring returns required of the organisation.
4.1	Chief Financial Officer	Preparation of annual accounts
4.3	Chief of Staff	Preparation of annual report
5.1.1	Chief Financial Officer	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories. (Board approves arrangements).
6	Chief Financial 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.
6.2.3	All employees	Duty to inform Chief Financial Officer of money due from transactions which they initiate/deal with.

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

Section 1

Standing Financial Instructions Reference	Delegated To	Standing Financial Instructions – Authorities/Duties Delegated
7.5.3	Chief Financial Officer	Report waivers of tendering procedures to the Audit Committee.
7.6.2	Chief Financial Officer	Responsible for the receipt, endorsement and safe custody of tenders received.
7.6.4	Chief Executive & Chief Financial Officer	Where one tender is received will assess for value for money and fair price.

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

Section 1

Standing Financial Instructions Reference	Delegated To	Standing Financial Instructions – Authorities/Duties Delegated
7.6.6	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.
7.7.4	Chief Executive & Chief Financial 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 or Chief Financial Officer .
7.15	Chief Financial Officer	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.
8.1	Chief Financial Officer	Responsible for ensuring the Trust enters into suitable contracts with service commissioners for the provision of NHS services
8.3	Chief Financial Officer	Ensure that regular reports are provided to the Board detailing actual and forecast contractual income
9.1.1	Board	Establish a Remuneration Committee.
9.1.2	Remuneration Committee	<p>Take decisions under delegated authority on the remuneration and terms of service of the Chief Executive, other officer members and very senior managers 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 very senior managers.</p> <p>Oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.</p>
9.1.3	Remuneration Committee	Produce an annual report for the Board.

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

Section 1

Standing Financial Instructions Reference	Delegated To	Standing Financial Instructions – Authorities/Duties Delegated
9.2.2	Chief Executive	Approval of variation to funded establishment of any department.
9.4.1 & 9.4.2	Chief Financial Officer	Payroll: a) specifying timetables for submission of properly authorised time records and other notifications; b) final determination of pay and allowances; c) making payments on agreed dates; d) agreeing method of payment; e) issuing instructions (as listed in SFI 9.4.2).
10.1.1	The Board	Approve the level of non-pay expenditure on an annual basis and the Chief Executive will determine the level of delegation to budget managers. This authority may be delegated to the Chief Financial Officer
10.1.2	Chief Financial Officer	Set out the list of managers who are authorised to place requisitions for the supply of goods and services; and the maximum level of each requisition and the system for authorisation above that level.
10.2.3	Chief Financial Officer	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 SOs and regularly reviewed; a) Prepare procedural instructions (where not already provided in the Scheme of Delegation or procedure notes for budget holders) on the obtaining of goods, works and services incorporating the thresholds; b) Be responsible for the prompt payment of all properly authorised accounts and claims; c) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable; d) A timetable and system for submission to the Chief Financial Officer of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment; e) Instructions to employees regarding the handling and payment of accounts within the Finance Department; f) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received.
10.2.4	Appropriate Executive Director	Make a written case to support the need for a prepayment.

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

Section 1

Standing Financial Instructions Reference	Delegated To	Standing Financial Instructions – Authorities/Duties Delegated
10.2.4	Chief Financial Officer	Approve proposed prepayment arrangements.
10.2.4	Budget holder	Ensure that all items due under a prepayment contract are received (and immediately inform Chief Financial Officer if problems are encountered).
10.2.5	Chief Financial Officer	Authorise who may use and be issued with official orders.
10.2.6	Managers and Officers	Ensure that they comply fully with the guidance and limits specified by the Chief Financial Officer .
10.2.7	Chief Executive Chief Financial Officer	<p>Ensure that Standing Financial Instructions are compatible with Department of Health requirements re building and engineering contracts.</p> <p>Ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.</p>
11.1	Chief Financial Officer	The Chief Financial Officer will advise the Board on the Trust's ability to pay dividend on Public Dividend Capital (PDC) and report, periodically, concerning any PDC debt and all loans and overdrafts.

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

Section 1

Standing Financial Instructions Reference	Delegated To	Standing Financial Instructions – Authorities/Duties Delegated
11.2	Board	Approve a list of employees authorised to make short term borrowings on behalf of the Trust. (This must include the Chief Executive and Chief Financial Officer).
11.3	Chief Financial Officer	Prepare detailed procedural instructions concerning applications for loans and overdrafts.
11.5	Chief Executive or Chief Financial Officer	Be on an authorising panel comprising one other member for applications for short term borrowing.
11.7.2	Chief Financial Officer	Will advise the Board on investments and report, periodically, on performance of same.
11.7.3	Chief Financial Officer	Prepare detailed procedural instructions on the operation of investments.
12.1	Chief Financial Officer	Ensure that Board members are aware of the Financial Framework and ensure compliance.
13.1.1 & 13.1.2	Chief Financial Officer	<p>Capital investment programme:</p> <ul style="list-style-type: none"> a) ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on business 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.

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

Section 1

Standing Financial Instructions Reference	Delegated To	Standing Financial Instructions – Authorities/Duties Delegated
13.1.2	Chief Financial Officer	<p>For every replacement asset capital, as long as the total expenditure falls within the capital allocated to that category (eg Digital or medical equipment) as part of the capital plan approved by the Board, the Chief Executive will ensure:</p> <ul style="list-style-type: none"> a) that there is a completed Capital Expenditure Approvals Form (CAPEX) approved by the Capital Resource Group (CRG); b) Replacement assets with capital expenditure proposal above £1,000,000 excluding recoverable VAT are approved by Executive Directors and should have a business case; c) Replacement assets with capital expenditure proposal above £2,500,000 excluding recoverable VAT are also approved by Finance and Productivity Committee; and d) Replacement assets with capital expenditure proposal above £5,000,000 excluding recoverable VAT are also approved the Board. <p>For every investment asset capital expenditure proposal over £100,000</p> <ul style="list-style-type: none"> a) that the scheme Project Director produces a business case and this is submitted, along with a completed Capital Expenditure Approvals Form (CAPEX), to the Capital Review Group (CRG). b) for every capital expenditure proposal in excess of £250,000 the business case is also required to be submitted to the Executive Directors' Meeting for approval. c) for all projects over £500,000 a risk assessment must be completed to assess the project financial risk. This assessment is to be carried out by the Head of Financial and TW Services (or Deputy Head of Financial Services) in conjunction with the Project Director. The Business case will be submitted to the Finance and Productivity Committee for approval. d) for all projects over £500,000 the Project Director will be required to co- ordinate and complete a monthly capital monitoring return to CRG showing performance against budget.

		<p>e) for every capital expenditure proposal in excess of £500,000 the business case is also required to be submitted to the Combined Business Development Group (BDG) and Capital Review Group (CRG) for approval before any further expenditure is committed.</p> <p>f) for all projects over £1,000,000 the business case will be submitted to the Trust Board for approval</p> <p>g) where any scheme is forecast to overspend by more than the following amounts the Project Director will be required to report reasons to the CAG for approval before any further expenditure is committed:</p> <p>i. where the scheme value is £250k or less – 10% of the approved scheme value</p> <p>ii. for other schemes up to £1m – the higher of 5% or £25k</p>
13.1.3	Director of Estates and Facilities	Assess the requirement for the operation of the Construction Industry Scheme.
13.1.4	Chief Financial Officer	<p>Issue manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender.</p> <p>Issue a scheme of delegation for capital investment management.</p>
13.1.5	Chief Financial Officer	Issue procedures governing financial management, including variation to contracts, of capital investment projects and valuation for accounting purposes.
13.2.1	Chief Financial Officer	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
13.2.1	Board	Proposal to use Private Finance Initiative (PFI) schemes must be specifically agreed by the Board.
13.3.1	Chief Financial Officer	Maintenance of asset registers.

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

Section 1

Standing Financial Instructions Reference	Delegated To	Standing Financial Instructions – Authorities/Duties Delegated
13.3.5	Chief Financial Officer	Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
13.3.7	Chief Financial Officer	Ensure that a review of asset lives is undertaken annually.
13.4.1	Chief Financial Officer	Overall responsibility for fixed assets.
13.4.2	Chief Financial Officer	Approval of fixed asset control procedures.
13.4.4	All senior staff	Responsibility for security of Trust assets including notifying discrepancies to Chief Financial Officer, and reporting losses in accordance with Trust procedure.
14.2	Chief Financial Officer	Delegate overall responsibility for control of stores. Further delegation for day to day responsibility subject to such delegation being recorded.
14.2	Head of Procurement	Responsible for systems of control over stores and receipt of goods.
14.2	Designated Pharmaceutical officer	Responsible for controls of pharmaceutical stocks.
14.2	Designated Estates Officer	Responsible for control of stocks of fuel.

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

Section 1

Standing Financial Instructions Reference	Delegated To	Standing Financial Instructions – Authorities/Duties Delegated
14.3	Director of Estates and Facilities	Security arrangements and custody of keys
14.4	Chief Financial Officer	Set out procedures and systems to regulate the stores.
14.5	Chief Financial Officer	Agree stocktaking arrangements.
14.6	Chief Financial Officer	Approve alternative arrangements where a complete system of stores control is not justified.
14.7	Head of Procurement/Pharmaceutical Officer	Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items.
14.7	Head of Procurement/Pharmaceutical Officer	Operate system for slow moving and obsolete stock, and report to Chief Financial Officer evidence of significant overstocking.
14.8	Chief Financial Officer	Identify persons authorised to requisition and accept goods from NHS Supplies stores.
15.1.1	Chief Financial Officer	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.
15.2.1	Chief Financial Officer	Prepare procedures for recording and accounting for losses and special payments and informing police in cases of suspected arson or theft.

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

Section 1

Standing Financial Instructions Reference	Delegated To	Standing Financial Instructions – Authorities/Duties Delegated
15.2.3	Executive Directors	Where a criminal offence is suspected Executive Directors must inform the police if theft or arson is involved. In cases of fraud and corruption Executive Directors must inform the relevant Anti-Crime Service and Counter Fraud Operational Service (CFOS) in line with Secretary of State's directions.
15.2.4	Chief Financial Officer	Notify CFOS and External Audit of all frauds.
15.2.5	Chief Financial Officer	Notify Board and External Auditor of losses caused by theft, arson, neglect of duty or gross carelessness (unless trivial).
15.2.6	Audit Committee	Approve write off of losses.
15.2.8	Chief Financial Officer	Consider whether any insurance claim can be made.
15.2.9	Chief Financial Officer	Maintain losses and special payments register.
16.1	Chief Financial Officer	Responsible for accuracy and security of computerised financial data.
16.2	Chief Financial Officer	Satisfy himself/herself 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.
16.3	Chief of Staff	Shall publish and maintain a Freedom of Information Publication Scheme
16.4	Relevant officers	Send proposals for general computer systems to Chief Financial Officer .

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

Section 1

Standing Financial Instructions Reference	Delegated To	Standing Financial Instructions – Authorities/Duties Delegated
16. 5	Chief Financial Officer	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. The contract should also ensure rights of access for audit purposes.
16.7	Chief Financial Officer	Where computer systems have an impact on corporate financial systems satisfy himself/herself that: <ul style="list-style-type: none"> a) systems acquisition, development and maintenance are in line with corporate policies and IM&T Strategy; b) data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management trail exists; c) relevant staff have access to such data; d) Such computer audit reviews are being carried out as are considered necessary.
16.8	Chief Financial Officer	Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place.
17.2	Chief Nurse	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
17.3	Chief Financial 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.
17.6	Departmental managers	Inform staff of their responsibilities and duties for the administration of the property of patients.
18.1.	Chief Financial Officer and Chief of Staff	Ensure each charitable fund is managed appropriately with regard to its purpose and to its requirement.

SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

Section 1

Standing Financial Instructions Reference	Delegated To	Standing Financial Instructions – Authorities/Duties Delegated
18.3	Trustees and Authorised Signatories	Relevant sections of SFIs are applicable to charitable funds.
18.3	Chief of Staff	The Chief of Staff will arrange for the creation of a new charitable fund where this is required.
19.1	Chief of Staff	Ensure all staff are made aware of Trust policy on the acceptance of gifts and other benefits in kind by staff.
20	Chief Executive	Retention of document procedures in accordance with Department of Health guidance.
21.1	Chief Nurse	Ensure the Trust has a risk management programme.
21.1	Board	Approve and monitor risk management programme.
21.3	Board	Decide whether the Trust will use the risk pooling schemes administered by NHS Resolution or self insure for some or all of the risks (where discretion is allowed).
21.5	Chief Financial Officer	Where the Board decides to use risk pooling schemes or commercial insurers the Chief Financial Officer shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Chief Financial Officer shall ensure that documented procedures cover these arrangements.
21.6	Chief Financial Officer	Where the Board decides not to use the risk pooling schemes administered by NHS Resolution for any one or other of the risks covered by the schemes, the Chief Financial Officer 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 Chief Financial Officer will draw up formal documented procedures to cover these arrangements.
21.7	Chief Financial Officer	Ensure documented procedures cover management of claims and payments below the deductible.

EAST SUSSEX HEALTHCARE NHS TRUST – DETAILED SCHEME OF DELEGATION

Section 2

Delegated Matter	Authority Delegated To	Lowest Level to Which Authority May be Delegated
1. To keeping of Declaration of Board Members, Consultants and Senior Staff Interests Register	Chief of Staff	Associate Director of Corporate Governance
2. Receiving Hospitality, Gifts and Sponsorship other than isolated gifts of a trivial nature or conventional hospitality Applies to both individual and collective hospitality receipt items	Declaration required in Trust's Hospitality Register – all Trust Directors and Employees	N/A
3. The keeping of the Interests, Hospitality, Gifts and Sponsorship Register	Chief of Staff	Associate Director of Corporate Governance
4. Quotation, Tendering and Contract Procedures Subject to the requisitioner's responsibility always to obtain best value for money for the Trust, the <u>minimum</u> requirements for goods/services are: For spend within current budget: a) Up to £25,000 – one written quotation. b) £25,001 up to £70,000 excluding VAT– invite 2 written quotations c) £70,001 excluding VAT to the prevailing Public Procurement Threshold – invite 3 written quotations. d) Above the prevailing Public Procurement Threshold up to £500,000 – a minimum of 4 Invitations to Tender with at least 3 received (where such number of suppliers exists). See also SFI 22.2.2 and 22.2.3 e) £500,001 to £2,500,000 f) Over £2,500,000 – a minimum of 4 Invitations to Tender with at least 3 received (where such number of suppliers exists). See also SFI 22.2.2 and 22.2.3	Director for appropriate budget or General Manager Head of Procurement Head of Procurement together with Chief Financial Officer Executive Directors' Meeting Executive Directors' Meeting Executive Directors' Meeting	Authorised Budget Signatory and Purchasing and Supplies Buyer Authorised Budget Signatory and Head of Procurement Authorised Budget Signatory and Head of Procurement Chief Financial Officer or Chief Executive Chief Financial Officer or Chief Executive Chief Financial Officer and Chief Executive

<p>For new spend</p> <p>g) Up to £25,000 – one written quotation.</p> <p>h) £25,001 up to £70,000 excluding VAT– invite 2 written quotations</p> <p>i) £70,001 excluding VAT to the prevailing Public Procurement threshold– invite 3 written quotations.</p> <p>j) Above the prevailing the Public Procurement threshold up to £500,000 – a minimum of 4 Invitations to Tender with at least 3 received (where such number of suppliers exists). See also SFI 22.2.2 and 22.2.3</p> <p>k) £500,001 to £2,500,000 – a minimum of 4 Invitations to Tender with at least 3 received (where such number of suppliers exists). See also SFI 22.2.2 and 22.2.3</p> <p>l) Over £2,500,000 – a minimum of 4 Invitations to Tender with at least 3 received (where such number of suppliers exists). See also SFI 22.2.2 and 22.2.3</p>	<p>Director for appropriate budget or General Manager</p> <p>Head of Procurement</p> <p>Head of Procurement together with Chief Financial Officer</p> <p>Executive Directors' Meeting</p> <p>Finance and Productivity Committee</p> <p>Trust Board</p>	<p>Authorised Budget Signatory and Purchasing and Supplies Buyer</p> <p>Authorised Budget Signatory and Head of Procurement</p> <p>Authorised Budget Signatory and Head of Procurement</p> <p>Chief Financial Officer or Chief Executive</p> <p>Finance and Productivity Committee</p> <p>Trust Board and Common Seal of the Trust</p>
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EAST SUSSEX HEALTHCARE NHS TRUST – DETAILED SCHEME OF DELEGATION

Section 2

Delegated Matter	Authority Delegated To	Lowest Level to Which Authority May be Delegated
<p>The waiver authorisation limits are:</p> <p>a) For quotations</p> <p>b) For tenders £70,001 excluding VAT to the Public Procurement threshold</p> <p>c) For tenders from the Public Procurement threshold up to £500,000</p> <p>d) For tenders from £500,001 to £2,500,000</p> <p>e) For tenders above £2,500,000</p>	<p>Chief Executive.</p> <p>Chief Executive or Chief Financial Officer</p> <p>Chief Executive and Chief Financial Officer</p> <p>Audit Committee</p> <p>Trust Board</p>	<p>Head of Procurement</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>
5. Opening electronic Tenders and Quotations	Procurement Department	N/A
6. Attestation of Sealings in accordance with Standing Orders	Chairman/Chief Executive	Executives
7. The keeping of a register of Sealings	Chief of Staff	Board Secretary
8. Implementation of Internal and External Audit Recommendations	Chief Financial Officer	Manager responsible for service.
<p>9. Management of Budgets - Responsibility of keeping expenditure within budgets</p> <p>a) At individual budget level (Pay and Non Pay)</p> <p>b) At service level</p>	<p>Director for appropriate budget or Divisional Triumvirates or Corporate Leads.</p> <p>Chief Executive</p>	<p>Budget Manager</p> <p>Director for appropriate budget or Divisional Triumvirates or Corporate Leads</p>

EAST SUSSEX HEALTHCARE NHS TRUST – DETAILED SCHEME OF DELEGATION

Section 2

Delegated Matter	Authority Delegated To	Lowest Level to Which Authority May be Delegated
c) For the totality of services covered by a Divisional Triumvirates or Corporate Leaders	Chief Executive	Director for appropriate budget or Divisional Triumvirates or Corporate Leads.
10. Capital Schemes a) Selection of architects, quantity surveyors, consultant engineers and other professional advisors within EU regulations b) Financial monitoring and reporting on all capital scheme expenditure c) Granting and termination of leases	Director for appropriate budget. Chief Financial Officer Director for appropriate budget.	N/A Deputy Chief Financial Officer N/A
11. Authority to open Bank Accounts	Chief Financial Officer	N/A
12. Management of the Investment of Charitable Funds within the approved investment strategy	Chief Financial Officer	Monitored by the Charity Committee
13. Setting of Fees and Charges a) Private Patient, Overseas Visitors, Income Generation and other patient related services b) Price of NHS Contracts – charges for all NHS Contracts, be they block, cost per case, cost and volume, or spare capacity	Chief Financial Officer Chief Financial Officer	Manager responsible for the budget together with the Chief Financial Officer Head of Contract Income
14. Authorisation of Sponsorship deals	Chief of Staff	Director for appropriate budget or Associate Director of Operations
15. Personnel and Pay a) Authority to fill funded post on the establishment with permanent staff	Director for appropriate budget or General Manager	Manager responsible for budget

EAST SUSSEX HEALTHCARE NHS TRUST – DETAILED SCHEME OF DELEGATION

Section 2

Delegated Matter		Authority Delegated To	Lowest Level to Which Authority May be Delegated
b)	Authority to appoint staff to post not on the formal establishment	Chief Executive (approval at Executive Directors' meeting)	N/A
c)	The granting of additional increments to staff within budgets	Chief Executive	Manager responsible for budget with the Chief People Officer
d)	All requests for upgrading/re-grading shall be dealt with in accordance with Trust Procedure	Chief Executive	Payroll Manager
e)	<u>Establishments</u>		
	i) Additional staff to the agreed establishment with specifically allocated finance	Director for appropriate budget or General Manager	Manager responsible for budget
	ii) Additional staff to the agreed establishment without specifically allocated finance	Chief Executive	N/A
f)	<u>Pay</u>		
	i) Authority to complete standing data forms affecting pay, new starters, variations and leavers	Director for appropriate budget or General Manager	Authorised Budget Signatory
	ii) Authority to complete and authorise positive reporting forms	Director for appropriate budget or General Manager	Authorised Budget Signatory
	iii) Authority to authorise overtime	Director for appropriate budget or General Manager	Authorised Budget Signatory
	iv) Authority to authorise travel and subsistence expenses	Director for appropriate budget or General Manager	Authorised Budget Signatory
	v) The approval of merit awards and discretionary points to Consultant and Associate Specialist staff	Remuneration Committee of the Board	N/A

EAST SUSSEX HEALTHCARE NHS TRUST – DETAILED SCHEME OF DELEGATION

Section 2

Delegated Matter		Authority Delegated To	Lowest Level to Which Authority May be Delegated
g) <u>policy</u>	<u>Leave – all arrangements should be made in accordance with Trust</u>		
	i) Approval of annual leave	Manager responsible for the budget	N/A
	ii) Annual leave – approval of carry forward (up to maximum of 5 days or in the case of Ancillary and Maintenance staff as defined in their initial conditions of service)	Manager responsible for the budget	N/A
	iii) Annual leave – approval of carry over in excess of 5 days	Director for appropriate budget or Associate Director of Operations	N/A
	iv) Special leave arrangements <ul style="list-style-type: none"> ▪ adoption leave ▪ bereavement leave ▪ paternity leave ▪ urgent domestic distress/crisis ▪ carers leave 	Director for appropriate budget or Associate Director of Operations	Manager responsible for the budget
	v) Leave without pay	Director for appropriate budget or Associate Director of Operations Chief Medical Officer or Chief Executive	Manager responsible for the budget
	vi) Medical Staff Leave of Absence – paid and unpaid – including study leave <ul style="list-style-type: none"> ▪ Consultants and Career Grades ▪ Other Medical Staff 	Chief Medical Officer or Clinical Unit Lead Clinical Tutor together with Clinical Unit Lead	Clinical Unit Lead Clinical Unit Lead
	vii) Time off in lieu	Director for appropriate budget or Associate Director of Operations	Manager responsible for the budget

EAST SUSSEX HEALTHCARE NHS TRUST – DETAILED SCHEME OF DELEGATION

Section 2

Delegated Matter	Authority Delegated To	Lowest Level to Which Authority May be Delegated
<p>h) <u>Sick Leave</u></p> <p>i) Extension of sick leave on half pay up to three months</p> <p>ii) Return to work part-time on full pay to assist recovery</p> <p>iii) Extension of sick leave on full pay</p>	<p>Director for appropriate budget or General Manager together with Chief People Officer</p> <p>Director for appropriate budget or General Manager together with Chief People Officer</p> <p>Chief People Officer together with Chief Executive</p>	<p>N/A</p> <p>Manager responsible for the budget</p> <p>N/A</p>
<p>i) <u>Study Leave</u> (Medical staff included in para 14.g.vi) above</p> <p>i) Any Study leave outside the UK</p> <p>ii) All other study leave (UK)</p>	<p>Chief Executive</p> <p>Chief People Officer, Director for appropriate budget or General Manager</p>	<p>Chief Medical Officer or Chief Nurse</p> <p>Training Officer or Manager responsible for the budget</p>
<p>j) <u>Removal Expenses, Excess Rent and House Purchases</u></p> <p>Authorisation of payment of removal expenses incurred by officers taking up new appointments (providing consideration was promised at interview) within Trust policy limits – currently £10,000.</p>	<p>Chief People Officer or Chief Financial Officer</p>	<p>Payroll Manager or Head of Financial Services</p>
<p>k) <u>Grievance Procedure</u></p> <p>All grievances cases must be dealt with strictly in accordance with the Grievance Procedure</p>	<p>Chief People Officer</p>	<p>Manager responsible for the budget</p>

EAST SUSSEX HEALTHCARE NHS TRUST – DETAILED SCHEME OF DELEGATION

Section 2

Delegated Matter	Authority Delegated To	Lowest Level to Which Authority May be Delegated
l) <u>Renewal of Fixed Term Contract</u>	Manager responsible for the budget	N/A
m) <u>Staff Retirement Policy</u> Authorisation of extensions of contract beyond normal retirement age in exceptional circumstances	Chief People Officer	N/A
n) <u>Redundancy</u>	Chief People Officer together with Chief Financial Officer . Approval is required from the Remuneration Committee.	N/A
o) <u>Ill Health Retirement</u> Decision to pursue retirement on grounds of ill health	Manager responsible for the budget together with Chief People Officer	Manager responsible for the budget together with Personnel Manager
p) <u>Dismissal</u>	Director for appropriate budget with Chief People Officer	N/A
16. Engagement of Agency Staff a) Booking of Bank, Agency or Locum Staff – limited to total delegated staffing budgets b) Where aggregate commitment in any one year (or total commitment) is less than £35,000 excluding VAT c) Where aggregate commitment in any one year is more than £35,000 excluding VAT . (Note: Tender Procedure)	Director for appropriate budget or General Manager Director for appropriate budget or General Manager Chief Executive	Manager responsible for the budget Manager responsible for the budget Director for appropriate budget
17. <u>Engagement of Professional Consultancy Services</u> a) Where aggregate commitment in any one year (or total commitment) is less than £35,000 excluding VAT	Director for appropriate budget or General Manager	Manager responsible for the budget

EAST SUSSEX HEALTHCARE NHS TRUST – DETAILED SCHEME OF DELEGATION

Section 2

Delegated Matter	Authority Delegated To	Lowest Level to Which Authority May be Delegated
b) Where aggregate commitment in any one year is more than £35,000 excluding VAT . (Note: Tender Procedure and approval for any consultancy spend must be cleared with region by the Chief Financial Officer)	Chief Executive	Director for appropriate budget
18. Non-Pay Revenue and Capital Expenditure/Requisitioning/Ordering/ Payment of Goods and Services a) Non-Pay Expenditure for which a specific budget has been set up and which is subject to funding under delegated powers of virement. i) Value to the Public Procurement Threshold ii) From the Public Procurement Threshold to £2,500,000 iii) Value of £2,500,000 or above In the case of contracts which have a life in excess of one year, the above limits apply to the total value of the contracts.	Chief Executive Chief Executive Chief Executive and Director for appropriate budget Common Seal of the Trust	Manager responsible for the budget N/A N/A
b) Non-Pay Expenditure for which specific budget has been set up and which is not subject to funding under delegated powers of virement. (Subject to the limits specified above in (a))	Chief Executive and Chief Financial Officer	N/A
c) Commitments/orders exceeding 12 month period	Chief Financial Officer or Chief Executive	Manager responsible for the budget
d) Variations to contract for goods and services	Director for appropriate budget or General Manager.	Manager responsible for the budget together with Purchasing and Supplies Department Senior Buyer

EAST SUSSEX HEALTHCARE NHS TRUST – DETAILED SCHEME OF DELEGATION

Section 2

Delegated Matter	Authority Delegated To	Lowest Level to Which Authority May be Delegated
<p>e) Approving expenditure > order price up to 10%</p> <p>f) Approving expenditure > order price by more than 10%</p> <p>i) AND the variance is <£1,000</p> <p>ii) AND the variance is >£1,000</p>	<p>Director for appropriate budget or General Manager together with Head of Procurement</p> <p>Director for appropriate budget or General Manager together with Head of Procurement</p> <p>Director for appropriate budget or General Manager together with Head of Procurement</p>	<p>Manager responsible for the budget together with Senior Buyer</p> <p>Manager responsible for the budget together with Category Manager</p> <p>Manager responsible for the budget together with Deputy Head of Procurement or Head of Procurement</p>
<p>19. Petty Cash Disbursements</p> <p>a) Expenditure up to £50 per item</p> <p>b) Reimbursement of patients monies held up to £100</p> <p>c) Pay advances up to £50</p> <p>d) Urgent exceptional payments in excess of the above limits</p>	<p>Director for appropriate budget or General Manager</p> <p>Hospital Cashier</p> <p>Payroll Manager or Payroll Team Leader</p> <p>Head of Financial Services</p>	<p>Authorised Budget Signatory</p> <p>N/A</p> <p>Senior Payroll Clerk</p> <p>N/A</p>
<p>20. Management and Control of Stocks</p> <p>a) Pharmaceutical Stocks</p> <p>b) Theatres</p> <p>c) Estates</p> <p>d) Eastbourne Hospital Services</p> <p>e) General</p>	<p>Chief Financial Officer</p> <p>Chief Financial Officer</p> <p>Chief Financial Officer</p> <p>Chief Financial Officer</p> <p>Chief Financial Officer</p>	<p>Designated Pharmaceutical Manager</p> <p>Theatres Manager</p> <p>Estates Manager</p> <p>Manager responsible for budget</p> <p>Manager responsible for budget</p>

EAST SUSSEX HEALTHCARE NHS TRUST – DETAILED SCHEME OF DELEGATION

Section 2

Delegated Matter	Authority Delegated To	Lowest Level to Which Authority May be Delegated
<p>21. Sale and Disposal of Assets (Excluding land and/or buildings)</p> <p>Items obsolete, obsolescent, redundant, irreparable or cannot be repaired cost effectively</p> <p>a) with current/estimated purchase price < £50,000</p> <p>b) with current purchase new price > £50,000 (Note: Tender Procedure SFI 7.)</p>	<p>Chief Executive</p> <p>Chief Executive</p>	<p>Manager responsible for the budget</p> <p>Manager responsible for the budget together with Head of Procurement</p>
<p>22. Losses, Write-off and Compensation</p> <p>a) Losses and cash and cash equivalents due to theft, fraud overpayment and others</p> <p>b) Fruitless Payments (including abandoned Capital Schemes)</p> <p> i) Up to £100,000</p> <p> ii) Over £100,001</p> <p>c) Bad Debts and Claims Abandoned. Private Patients, Overseas Visitors and Other</p> <p>d) Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use</p> <p>Special Payments</p> <p>e) made under legal obligation</p>	<p>Chief Executive and Chief Financial Officer</p> <p>Chief Executive and Chief Financial Officer</p> <p>Audit Committee</p> <p>Chief Executive and Chief Financial Officer</p> <p>Chief Executive and Chief Financial Officer</p> <p>Chief Executive and Chief Financial Officer</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>

EAST SUSSEX HEALTHCARE NHS TRUST – DETAILED SCHEME OF DELEGATION

Section 2

Delegated Matter	Authority Delegated To	Lowest Level to Which Authority May be Delegated
f) Extra Contractual payments to contractors	Chief Executive and Chief Financial Officer	N/A
g) Ex-Gratia Payments		
i) Patients' dentures repaired or replaced through the Community Dental service	Chief Financial Officer	Trust Solicitor
ii) Dentures and spectacles repaired or replaced < £500	Chief Financial Officer	Trust Solicitor
iii) Dentures and spectacles repaired or replaced > £500	Chief Financial Officer	Trust Solicitor
iv) Other ex gratia claims < £500	Chief Financial Officer	Trust Solicitor
v) Other ex gratia claims > £500	Chief Financial Officer	Director responsible for the budget
h) Payments under the Risk Pooling Scheme for Trusts up to the Policy Excess:		
i) Liabilities to Third Parties Scheme for Public and Employees Liability	Chief Financial Officer	Trust Solicitor
ii) Property Expenses Scheme	Chief Financial Officer	Trust Solicitor
i) Settlements on termination of employment – to a limit of £50,000	Chief Executive and Chief Financial Officer and Chief People Officer. Approval is required from the Remuneration Committee.	N/A
j) Other, except cases of maladministration	Chief Executive and Chief Financial Officer	N/A

EAST SUSSEX HEALTHCARE NHS TRUST – DETAILED SCHEME OF DELEGATION

Section 2

Delegated Matter	Authority Delegated To	Lowest Level to Which Authority May be Delegated
<p>23. Expenditure on Charitable Funds</p> <p>a) All expenditure of between £1,000 and £4,999 per request but excluding training and hospitality requests</p> <p>b) All expenditure over £5,000 per request but excluding training and hospitality requests</p> <p>c) All other expenditure</p>	<p>Director and authorised signatory</p> <p>Director and authorised signatory</p> <p>Director and authorised signatory</p>	<p>Review by Executives, approval from Charity Manager and Authorised Signatory</p> <p>Review by Executives, approval from Charity Committee and Authorised Signatory</p> <p>Charity Manager and Authorised Signatory</p>
<p>24. Management and Control of Computer Systems</p> <p>a) Financial Data</p> <p>b) Other Data</p>	<p>Chief Financial Officer</p> <p>Chief Medical Officer as Caldicott Guardian</p>	<p>Senior Finance Manager Capital Systems Manager</p> <p>Relevant Service Manager</p>
<p>25. Review of Trust's compliance with Data Protection Act 1998</p>	<p>Chief Medical Officer as Caldicott Guardian</p>	<p>Chief Financial Officer</p>
<p>26. Review the Trust's compliance with the Access to Health Records Act</p>	<p>Chief Medical Officer as Caldicott Guardian</p>	<p>Chief Financial Officer</p>
<p>27. Retention of Records</p>	<p>Chief of Staff</p>	<p>Trust Solicitor</p>
<p>28. Insurance Policies</p>	<p>Chief Executive and Chief Financial Officer</p>	<p>Chief Financial Officer</p>
<p>29. Risk Management</p>	<p>Chief Nurse</p>	<p>Risk & Patient Safety Manager</p>
<p>30. Monitor proposals for contractual arrangements between the Trust and NHS commissioners of healthcare</p>	<p>Chief Financial Officer</p>	<p>Head of Contract Income</p>
<p>31. Maintenance and Update on Trust Financial Procedures</p>	<p>Chief Financial Officer</p>	<p>Technical Accountant</p>

EAST SUSSEX HEALTHCARE NHS TRUST – DETAILED SCHEME OF DELEGATION

Section 2

Delegated Matter		Authority Delegated To	Lowest Level to Which Authority May be Delegated
32.	<p>Agreements/Licences</p> <p>a) Preparation and signature of all tenancy agreements/licences for all staff subject to Trust Policy on accommodation for staff</p> <p>b) Extensions to existing agreements/licences</p> <p>c) Letting of premises to outside organisations</p> <p>d) Approval of rent based on professional assessment</p>	<p>Chief Operating Officer</p> <p>}</p> <p>} Chief Executive and/or responsible Director</p> <p>}</p> <p>}</p>	<p>Accommodation Manager</p> <p>}</p> <p>} } N/A</p> <p>}</p>
33.	<p>Reporting of Incidents to the Police or Local Counterfraud service</p> <p>a) Where a criminal offence is suspected</p> <p>b) Where a fraud is involved</p>	<p>Director responsible for the service or department</p> <p>Chief Financial Officer</p>	<p>Each Trust Employee</p> <p>Each Trust Employee</p>
34.	<p>Patients and Relatives</p> <p>a) Overall responsibility for ensuring that all complaints are dealt with Effectively</p> <p>b) Responsibility for ensuring complaints relating to a directorate are investigated thoroughly</p> <p>c) Management of litigation relating to complaints</p>	<p>Chief Nurse</p> <p>Director for appropriate budget or Associate Director of Nursing</p> <p>Chief Financial Officer</p>	<p>Assistant Director of Nursing</p> <p>Relevant Service Manager</p> <p>Trust Solicitor</p>
35.	<p>Relationships with Press</p> <p>a) General Enquiries</p> <p>b) Emergency</p>	<p>Chief of Staff</p> <p>On-call Director</p>	<p>Communications Team</p> <p>On-call Manager</p>

EAST SUSSEX HEALTHCARE NHS TRUST – DETAILED SCHEME OF DELEGATION

Section 2

Delegated Matter	Authority Delegated To	Lowest Level to Which Authority May be Delegated
36. Facilities for staff not employed by the Trust to gain practical experience Professional Recognition, Honorary Contracts, and Insurance of Medical Staff Work experience students	Chief People Officer Chief People Officer	Clinical Tutor, Post-Graduate Medical Education and HR Manager Manager responsible for the budget
37. Review of fire precautions	Director of Estates and Facilities	Nominated Fire Manager
38. Review of all statutory compliance legislation and Health and Safety requirements including Control of Substances Hazardous to Health Regulations	Chief Nurse	Health and Safety Manager
39. Review of compliance with environmental regulations, for example those relating to clean air and waste disposal	Director of Estates and Facilities	Estates Manager and Waste Manager

Delegated Authority for the Expenditure of Charitable Funds

Delegated authority	Approve expenditure from charitable funds
Up to £1,000	One fund signatory + Charity Manager
£1,000 to £5,000	One fund signatory + Charity Manager + Review by Executives
Over £5,000	One fund signatory + Charity Committee + Review by Executives

Spending plans for major projects or investment will require the approval of the Corporate Trustee and the Charity Committee.

Equality Impact Assessment Form

1. Cover Sheet

Please refer to the accompanying guidance document when completing this form.

Strategy, policy or service name	East Sussex Healthcare NHS Trust Governing Documents, incorporating: Standing Orders, Standing Financial Instructions, Scheme of Delegation
Date of completion	8 th January 2024
Name of the person(s) completing this form	Peter Palmer
Brief description of the aims of the Strategy/ Policy/ Service	To set out the high level governance processes in the Trust, including how the Trust Board and its Committees operate, finance and procurement procedures and responsibilities of Trust Executives.
Which Department owns the strategy/ policy/ function	Trust Board
Version number	1.2
Pre Equality analysis considerations	Click here to enter text.
Who will be affected by this work? E.g. staff, patients, service users, partner organisations etc.	All Trust Staff
Review date	January 2025
If negative impacts have been identified that you need support mitigating please escalate to the appropriate leader in your directorate and contact the EDHR team for further discussion.	To whom has this been escalated? Name: Click here to enter text. Date: Click here to enter a date.
Have you sent the final copy to the EDHR Team?	Choose an item.

2. EIA Analysis

	😊 😐 😞	<i>Evidence:</i>																								
<p>Will the proposal impact the safety of patients', carers' visitors and/or staff?</p> <p><i>Safe: Protected from abuse and avoidable harm.</i></p>	<p>Choose: Positive Neutral Negative</p>	Click here to enter text.																								
<p>Equality Consideration Highlight the protected characteristic impact or social economic impact (e.g. homelessness, poverty, income or education)</p>		<table border="1"> <tr> <th>Race</th><th>Gender</th><th>Sexual orientation</th><th>Age</th><th>Disability & carers</th></tr> <tr> <td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr> <th>Gender reassignment</th><th>Marriage & Civil Partnership</th><th>Religion and faith</th><th>Maternity & Pregnancy</th><th>Social economic</th></tr> <tr> <td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> </table>	Race	Gender	Sexual orientation	Age	Disability & carers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Gender reassignment	Marriage & Civil Partnership	Religion and faith	Maternity & Pregnancy	Social economic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
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<p>Is the proposal of change effective?</p> <p>Effective: Peoples care, treatment and support achieves good outcomes, That staff are enabled to work in an inclusive environment. That the changes are made on the best available evidence for all involved with due regards across all 9 protected Characteristics</p>	<p>Choose: Positive Neutral Negative</p>	Click here to enter text.																								
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<p>What impact will this have on people receiving a positive experience of care?</p>	<p>Choose: Positive Neutral Negative</p>	<p>Click here to enter text.</p>																				
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<p>Does the proposal impact on the responsiveness to people's needs?</p>	<p>Choose: Positive Neutral Negative</p>	<p>Click here to enter text.</p>																				
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<p>What considerations have been put in place to consider the organisations approach on improving equality and diversity in the workforce and leadership?</p>	<p>Choose: Positive Neutral Negative</p>	<p>Click here to enter text.</p>																				
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Access

Could the proposal impact positively or negatively on any of the following:

• Patient Choice	Choose: Positive Neutral Negative	
• Access	Choose: Positive Neutral Negative	
• Integration	Choose: Positive Neutral Negative	

Equality Consideration
Highlight the protected characteristic impact or social economic impact (e.g. homelessness, poverty, income or education)

Race	Gender	Sexual orientation	Age	Disability & carers
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	Marriage & Civil Partnership	Religion and faith	Maternity & Pregnancy	Social economic
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Engagement and Involvement

How have you made sure that the views of stakeholders, including people likely to face exclusion have been influential in the development of the strategy / policy / service:

Choose:
Positive
Neutral
Negative

Equality Consideration
Highlight the protected characteristic impact or social economic impact (e.g. homelessness, poverty, income or education)

Race	Gender	Sexual orientation	Age	Disability & carers
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	Marriage & Civil Partnership	Religion and faith	Maternity & Pregnancy	Social economic
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Duty of Equality
Use the space below to provide more detail where you have identified how your proposal of change will impact.

Choose:
Positive
Neutral
Negative

Characteristic	Rating 😊 😐 😞	Description
Race	Choose: Positive Neutral Negative	

Age	Choose: Positive Neutral Negative	
Disability and Carers	Choose: Positive Neutral Negative	
Religion or belief	Choose: Positive Neutral Negative	
Sex	Choose: Positive Neutral Negative	
Sexual orientation	Choose: Positive Neutral Negative	
Gender re-assignment	Choose: Positive Neutral Negative	
Pregnancy and maternity	Choose: Positive Neutral Negative	
Marriage and civil partnership	Choose: Positive Neutral Negative	

Human Rights

Please look at the table below to consider if your proposal of change may potentially conflict with the Human Right Act 1998

Articles		Y/N
A2	Right to life	Y/N
A3	Prohibition of torture, inhuman or degrading treatment	Y/N
A4	Prohibition of slavery and forced labour	Y/N
A5	Right to liberty and security	Y/N
A6 &7	Rights to a fair trial; and no punishment without law	Y/N
A8	Right to respect for private and family life, home and correspondence	Y/N
A9	Freedom of thought, conscience and religion	Y/N
A10	Freedom of expression	Y/N
A11	Freedom of assembly and association	Y/N
A12	Right to marry and found a family	Y/N
Protocols		
P1.A1	Protection of property	Y/N
P1.A2	Right to education	Y/N
P1.A3	Right to free elections	Y/N