

**Meeting of the Council of Governors
On
Thursday 25 July 2019 at 5.30pm
In the
Education Centre, Doncaster Royal Infirmary**

AGENDA

		LEAD	ACTION	TIME / ENC
A	COUNCIL BUSINESS			17:30
A1	Welcome and Apologies for absence	SBE	Note	Verbal
A2	Declaration of Governors' Interests <i>Members of the Council of Governors and others present are reminded that they are required to declare any pecuniary or other interests which they have in relation to any business under consideration at the meeting and to withdraw at the appropriate time. Such a declaration may be made under this item or at such time when the interest becomes known.</i>	JR	Note	A2
A3	Actions from previous meetings	JR	Review	A3
B	PRESENTATIONS			17:35
B1	External Audit Letter and External Audit Report on the Trust's Quality Report Dan Spiller, Manager, Ernst and Young	DS	Note	B1
B2	CQC Preparations David Purdue – Deputy Chief Executive Fiona Dunn – Acting Deputy Director of Quality and Governance	DP / FD	Note	Present

C	REPORTS ON ACTIVITY, PERFORMANCE AND ASSURANCE				18:05
C1	Presentation				Present
	C1.1	Hazel Brand – Lead Governor Update	HB	Note	
	C1.2	Neil Rhodes – Finance and Performance	NR	Note	
	C1.3	Kath Smart – Audit and Risk	KS	Note	
	C1.4	Pat Drake – Quality and Effectiveness	PD	Note	
	C1.5	Suzy Brain England – Chair’s Report	SBE	Note	
	C1.6	Richard Parker – Chief Executive’s Report	RP	Note	
	C1.7	Governor Questions	Govs	Q&A	Verbal
D	MANAGEMENT REPORTS				19:05
D1	Standing Orders, SFIs, Reservation of Powers to the Board and Delegation of Powers		JR	Note	D1
E	GOVERNOR UPDATES				19:10
E1	Feedback from NHS Providers Governors’ Advisory Panel (GAC)		PA	Note	Verbal
E2	Feedback from Governor Events (to be agreed with the Chair before the meeting)		Govs	Note	Verbal
F	MINUTES				19:15
F1	Minutes of Council of Governors held on 11 April 2019		JR	Approve	F1
F2	Board of Directors – March 2019 to May 2019 See link to electronic version of minutes at: https://www.dbth.nhs.uk/about-us/how-we-are-run/board-of-directors/board-directors-meetings/		JR	Note	Per Link

G	QUESTIONS FROM MEMBERS OF THE PUBLIC			19:20
G1	To take any questions from members or the public on the business of the meeting	SBE	Q&A	Verbal
H	INFORMATION ITEMS			19:25
H1	Any Other Business (to be agreed with the Chair before the meeting)	Govs	Note	Verbal
H2	Items for escalation to the Board of Directors	NR	Approve	Verbal
H3	Date and time of next meeting: Date: 20 September 2019 Time: 5.30pm Venue: Education Centre, Doncaster Royal Infirmary	NR	Note	Verbal
MEETING CLOSE				19:30

Register of Governors' Interests as at 22 July 2019

The current details of Governors' Interests held by the Trust are as set out below.

Governors are requested to note the contents of the register – for confirmation at each Council Meeting, and to declare any amendments as appropriate in order to keep the register up to date.

Peter Abell, Public Governor

Member, Labour Party
The Community Union

Mike Addenbrooke, Public Governor

Parish Councillor, Braithwell with Micklebring Parish Council

Philip Beavers, Public Governor

Judge, The Single Family Court
Magistrate (and previously Chairman), Doncaster Bench
Independent Person under the Localism Act, Doncaster MBC; Rotherham MBC; & North Yorkshire Fire and Rescue Service

Hazel Brand, Public Governor

Member, Bassetlaw DC
Parish Councillor, Misterton
School Governor, Misterton Primary School
Member, Citizens' Panel, South Yorkshire & Bassetlaw ICS

Professor Robert Coleman, Partner Governor

St Luke's Hospice, Sheffield – Trustee and Deputy Chair of Board
Weston Park Cancer Charity – Trustee
Breast Cancer Now – Trustee

David Cuckson, Public Governor

Justice of the Peace, Scunthorpe

Kathryn Dixon, Partner Governor

Husband owns Dixon Timber

Linda Espey, Public Governor

Daughter is a General Manager within the Trust

Geoffrey Johnson, Public Governor

Patient Participation Network

Doncaster Metropolitan Borough Council – Carers Strategic Oversight Group

Healthwatch – Doncaster Representative

Bev Marshall, Public Governor

Member, Labour Party

Governor, Hall Cross Academy

Member, Yorkshire Ambulance Service NHS Trust

Susan McCreadie, Public Governor

Community Representative on Fred and Anne Green Legacy Advisory Committee

Director of Captain Cooks Haven Ltd

Dr Victoria McGregor-Riley, Partner Governor

Husband is Orthopaedic Consultant at Sheffield Teaching Hospitals

Susan Shaw, Partner Governor

Health and Wellbeing Board (Nottinghamshire County Council)

Rupert Suckling, Partner Governor

Council appointed Board member Doncaster Children's Services Trust

Trustee Club Doncaster Community Sports Foundation and Education Foundation

Trustee Impact Doncaster CIC

Trustee darts (Doncaster Community Arts)

Trustee Active Fusion

Director Well North Enterprises CIC

Director Association of Directors of Public Health (ADPH) UK

Member NIHR Dissemination Advisory Committee

Director of Public Health, DMBC

Clive Tattley, Partner Governor

Member, Worksop Rotary Club

Sheila Walsh, Public Governor

Parish Councillor, Carlton-in-Lindrick Parish Council

The following Governors have stated that they have no relevant interests to declare:

Ann-Louise Bailey, Public Governor
Karl Bower, Staff Governor
Kay Brown, Staff Governor
Mark Bright, Public Governor
Duncan Carratt, Staff Governor
Anthony Fitzgerald, Partner Governor
David Goodhead, Public Governor
Lynn Goy, Staff Governor
Jackie Hammerton, Partner Governor
Dave Harcombe, Public Governor
Griff Jones, Partner Governor
Lynne Logan, Public Governor
Steve Marsh, Public Governor
Ainsley McDonnell, Partner Governor
David Northwood, Public Governor
Lorraine Robinson, Staff Governor
Liz Staveley-Churton, Public Governor

Interests are yet to be confirmed by:

Steve Wells, Public Governor
Doug Wright, Public Governor
Vivek Pannekar, Staff Governor

Jeannette Reay
Head of Corporate Assurance / Company Secretary

22 July 2019

Action Notes

Meeting: Council of Governors PUBLIC
Date of meeting: 11 April 2019
Location: Education Centre, DRI

No.	Minute No	Action	Responsibility	Target Date	Update
1.	19/1/16	Use of Mobile phones in the hospital – Clarify with patients and relatives that using mobile phones do not interfere with medical equipment and that it's okay to call patients on their mobile phones. – Consider including in Bedside Companion.	MH/CS	April 2019	COMPLETED - In terms of reducing the level of calls to ward areas staff assure patients that it is safe to use mobile phones. The Trust has also included a section in the Bedside Companion about telephoning the ward in which it recommends that patients ask just one designated family member or friend to ring the ward so our staff have more time to dedicate to patient care.

No.	Minute No	Action	Responsibility	Target Date	Update
2.	19/1/32	Cancelled Appointments / RTT – Include more granular information (including number of patients and trend graphs) on cancelled appointments and RTT in future performance reports to CoG.	DP	April 2019	COMPLETED – Detail included in Committee and Board Performance Reports.
3.	19/01/42	NHS Long term Plan – Consider update to future CoG or Timeout sessions.	DP/CE	April 2019	COMPLETED - David Purdue presented to Governors at the Timeout Session on 7 March 2019.
4.	19/1/48	Communication with Lead Governors by NHSP – Peter Abell to take back to GAC concern raised by GW about NHSPs assertion regarding the role of Lead Governors.	PA	April 2019	PA to provide update to the July meeting.
5.	19/04/6	True North Objectives Presentation to be made available to Governors following the meeting.	KS	April 2019	COMPLETE?
6.	19/04/18	Posters or signs be put on the Trust's Park and Ride service informing patients and visitors of the change and ensuring signage at all key entrances to the Trust's sites.	KEJ	April 2019	Update requested from KEJ.
7.	19/04/33	Papers of the GAC to be circulated to Governors.	PA	May 2019	COMPLETE?



External Assurance on the Quality Report

Doncaster and Bassetlaw Teaching Hospitals
NHS Foundation Trust

May 2019



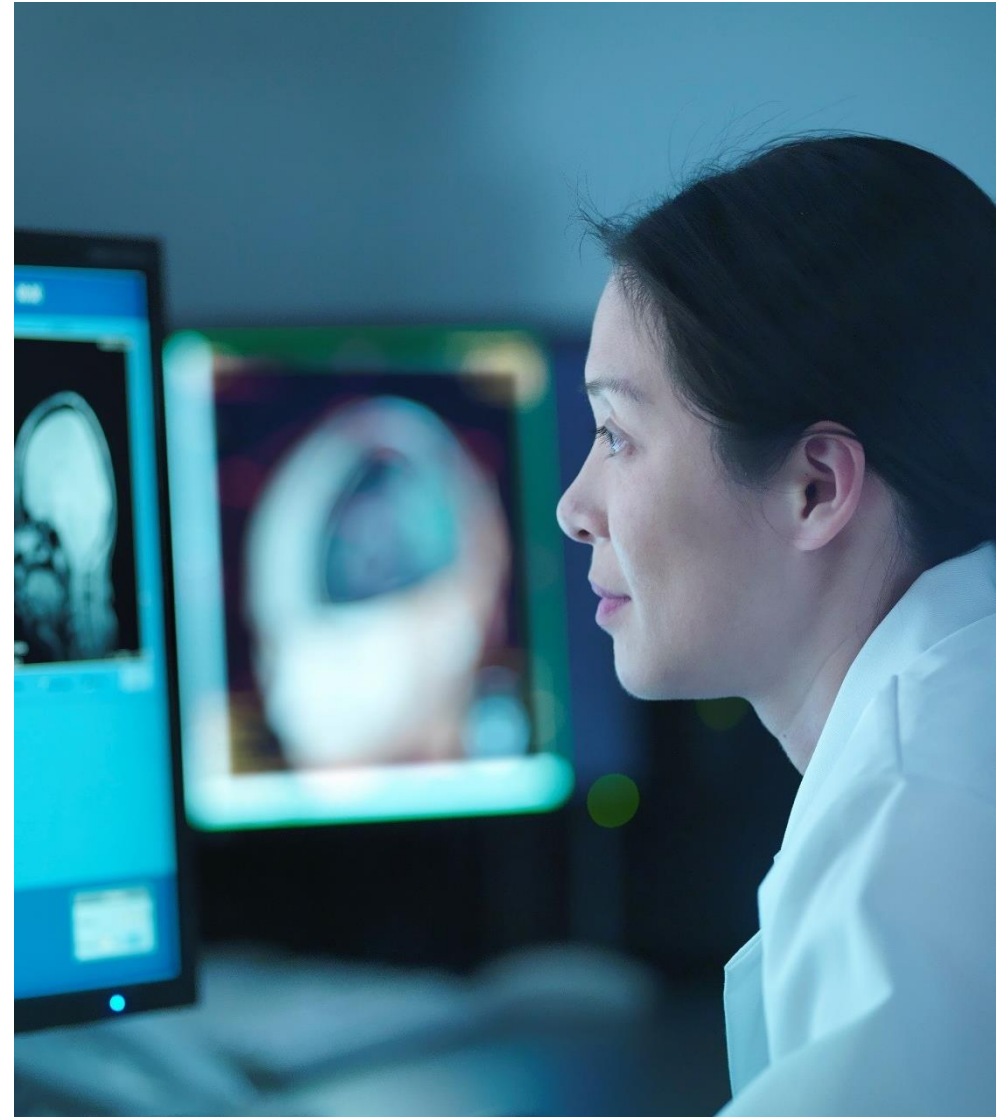
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The contents of this report are subject to the terms and conditions of our appointment as set out in our engagement letter dated 3 May 2019. This report is made solely to the Audit Committee, Board of Directors, Council of Governors and management of Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust in accordance with our engagement letter. Our work has been undertaken so that we might state to the Audit Committee, Board of Directors, Council of Governors and management of the Trust those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Committee, Board of Directors, Council of Governors and management of the Trust for this report or for the judgements we have formed. It should not be provided to any third-party without our prior written consent.





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23 May 2019

Council of Governors

Doncaster and Bassetlaw Teaching Hospitals NHS
Foundation Trust
Doncaster Royal Infirmary
Armthorpe Road
Doncaster
DN2 5LT

Dear Governors,

External Assurance on the Trust's Quality Report

We are pleased to present our findings following our review of the Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust ('the Trust's') Quality Report for the year ended 31 March 2019.

The purpose of this report to the Council of Governors is to set out the work that we have performed, our findings and conclusions and any recommendations for improvement concerning the content of the Trust's Quality Report and our testing on mandated and local indicators as required by NHS Improvement.

We would like to take this opportunity to thank the employees of the Trust for their assistance during the course of our work.

Yours faithfully

Stephen Clark
Associate Partner
For and on behalf of Ernst & Young LLP
United Kingdom

Section 1

Executive Summary



Executive Summary

1.1 Responsibilities

We have been engaged by the Trust to perform an independent assurance engagement in respect of the Trust's Quality Report for the year ended 31 March 2019 and certain performance indicators contained within the report. Our review is undertaken in accordance with the 'Detailed Requirements for Quality Reports 2018/19' issued by NHS Improvement on 17 December 2018 ('the Detailed Guidance').

NHS Improvement's 'Detailed Requirements for External Assurance for Quality Reports for Foundation Trusts 2018/19' ('the Assurance Requirements') sets out the work that we are required to complete on the Trust's Quality Report for the year ended 31 March 2019, which is published as part of its Annual Report.

As auditors we are required to:

- ▶ Review the content of the Quality Report against the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19 ('FT ARM'), which is supported by the Quality Reports requirements in the Detailed Guidance;
- ▶ Review the content of the Quality Report for consistency against the other information sources detailed in Section 2.1 of the Detailed Guidance;
- ▶ Undertake substantive testing on two mandated performance indicators and at least one locally selected indicator (to include, but not necessarily be limited to, an evaluation of the key processes and controls for managing and reporting the indicators and sample testing of the data used to calculate the indicator back to supporting documentation);
- ▶ Provide a signed limited assurance report in the Quality Report on whether anything has come to our attention that leads us to believe that the Quality Report has not been prepared in line with the requirements set out in the FT ARM and Detailed Guidance and/or is not consistent with the other information sources detailed in Section 2.1 of the Assurance Requirements and whether there is evidence to suggest that the two mandated indicators have not been reasonably stated in all material respects in accordance with the FT ARM and Detailed Guidance; and
- ▶ Provide a report to Trust's Council of Governors ('the Governors' Report') of our findings and recommendations for improvements on the content of the Quality Report, the mandated indicators and the locally selected indicator.

Executive Summary (cont'd)

1.2 Key findings

We have reviewed the Trust's Quality Report and found that;

- ▶ Its content is in line with NHS Improvement's requirements; and
- ▶ It is consistent with other information published by/about the Trust.

In our detailed findings section of this report (section 2) we have included comments about the content and consistency of the Quality Report

We have also undertaken testing on two mandated indicators and one local indicator. The two mandated indicators tested are:

- ▶ **Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.**
- ▶ **Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.**

In both instances we found no evidence to suggest that the two mandated indicators have not been reasonably stated in all material respects. Further details of our findings are in Section 2.3.

The local indicator tested was:

- ▶ **Summary Hospital-level Mortality Indicator (SHMI)**

We found no evidence to suggest that the local indicator has not been reasonably stated in all material respects. Further details of our findings are in Section 2.4.

As a result of our findings from the work we have performed, we will issue an unqualified limited assurance report to the Trust. This will conclude that nothing has come to our attention which leads us to believe that:

- ▶ The Quality Report is not prepared in all material respects in line with the criteria set out in the FT ARM and Detailed Guidance;
- ▶ The Quality Report is not consistent in all material respects with the sources specified in the Assurance Requirements; and
- ▶ The indicators identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the FT ARM and supporting guidance and the six dimensions of data quality set out in the Detailed Guidance.

A copy of this report is provided in Appendix A.

Section 2

Detailed Findings



Detailed findings

2.1 Content of the Quality Report

Compliance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2018/19

We have reviewed the content of the Quality Report against the requirements set out by NHS Improvement in the FT ARM.

In all regards we found that the Trust met these requirements.

We noted that the Trust did not include performance against mandatory indicators in the initial drafts. This has been included for the final version.

Consistency with other specified documents

The Quality Report is also reviewed for consistency with the following documents:

- ▶ Council of Governors / Board minutes for the period April 2018 to May 2019;
- ▶ Papers relating to quality, reported to the Council of Governors / Board for the period April 2018 to May 2019;
- ▶ Feedback from Commissioners dated May 2019;
- ▶ Feedback from Governors dated May 2019;
- ▶ Feedback from local Healthwatch organisations dated May 2019;
- ▶ Feedback from the Overview and Scrutiny Committee dated May 2019;
- ▶ The Trust's complaints report published under regulation 18 of the Local Authority, Social Services and NHS Complaints (England) Regulations 2009 published May 2019;
- ▶ Care Quality Commission inspection dated 10/07/2018;
- ▶ The latest national and local patient survey dated January 2019; ;
- ▶ The latest national and local staff survey dated January 2019; and
- ▶ The Head of Internal Audit's annual opinion over the Trust's control environment dated May 2019.

Our review concluded that the contents of the Quality Report published by the Trust are consistent with these documents.

Detailed findings (cont'd)

2.2 Testing of mandated performance indicators

In 2018/19, we have performed testing on the following two mandated indicators:

- ▶ **Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.**
- ▶ **Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.**

The results of our testing of these two indicators are detailed below.

Indicator	Findings
Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers. The Trust reported 85.8% performance for the year (2017/18: 85%)	<p>We tested the system and controls via walkthrough, and tested 25 pathways..</p> <p>In all 25 cases of the final sample we found that the data was:</p> <ul style="list-style-type: none">• Recorded correctly, in line with methodology for calculation;• Produced in compliance with requirements;• Collected using a stable process in a consistent manner over a period of time;• Captured in a timely manner where possible;• Meets the eligibility requirements of the indicator guidance; and• Complete, as specified by the guidance
Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge. The Trust reported 92.6% performance for the year (2017-18: 91.5%)	<p>We tested the system and controls via walkthrough, and tested 25 A&E attendances</p> <p>In all 25 cases of the final sample we found that the data was:</p> <ul style="list-style-type: none">• Recorded correctly, in line with methodology for calculation;• Produced in compliance with requirements;• Collected using a stable process in a consistent manner over a period of time;• Captured in a timely manner where possible;• Meets the eligibility requirements of the indicator guidance; and• Complete, as specified by the guidance <p>We found no errors or adjustments in the sample items tested.</p> <p>We identified 92 cases requiring further investigation where an error in manual entry had led to some cases not being recorded accurately. On further investigation 51 of these cases were deemed to be breaches that hadn't previously been classified as such with a further 16 cases unable to be classified as either a breach or non-breach due to no supporting data being available at the time of the audit. The collective impact of all of these cases would not materially impact the reported performance of the Trust.</p>

Detailed findings (cont'd)

2.3 Locally selected indicator

In 2018/19, NHS Improvement's guidance also requires the testing of a locally selected indicator. The assurance work on this indicator does not contribute to our limited assurance report in Appendix A.

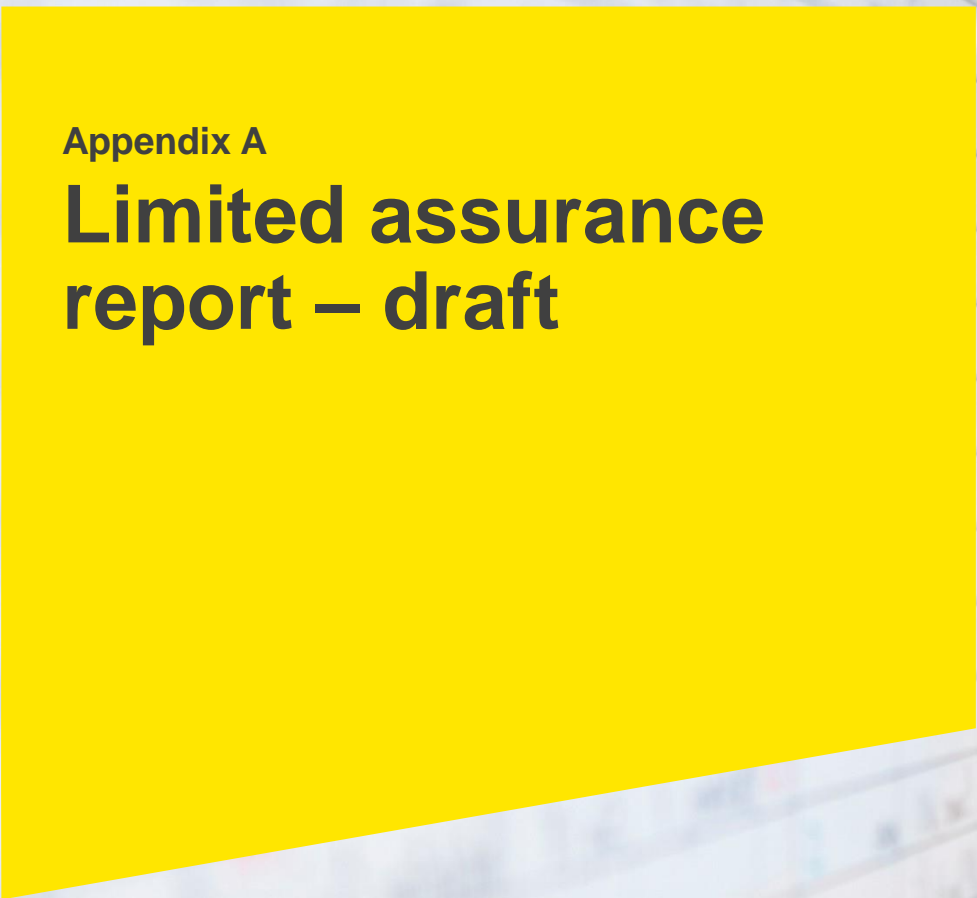
Governors selected Summary Hospital-level Mortality Indicator (SHMI)

The result of our testing of this indicator is detailed below.

Indicator	Findings
<p>Summary Hospital-level Mortality Indicator (SHMI)</p> <p>The Trust reported 101 deaths which may have been preventable which is the same performance as in 2017/18.</p>	<p>We tested the system and controls via walkthrough, and tested 25 reported pressure ulcers. For completeness, this included testing of unavoidable pressure ulcers and tested across all categorisations..</p> <p>In all 25 cases of the final sample we found that the data was:</p> <ul style="list-style-type: none">• Recorded correctly, in line with methodology for calculation;• Produced in compliance with requirements;• Collected using a stable process in a consistent manner over a period of time;• Captured in a timely manner where possible;• Meets the eligibility requirements of the indicator guidance; and• Complete, as specified by the guidance <p>The Trust report SHMI performance on a period that is not co-terminous with the annual reporting period for the Quality Report. The Trust have done this each year for which they have reported their performance, thus are being consistent and have drawn attention to this fact within the Quality Report.</p>

Appendix A

Limited assurance report – draft



Limited assurance report – draft

Independent auditor's report to the council of governors of Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust on the quality report

We have been engaged by the council of governors of Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust ("the Trust") to perform an independent assurance engagement in respect of Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust's quality report for the year ended 31 March 2019 (the 'Quality Report') and certain performance indicators contained therein.

This report is made solely to the Trust's Council of Governors, as a body, in accordance with our engagement letter dated 03/05/2019. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2019 to enable the Council of Governors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Council of Governors as a body, for our examination, for this report, or for the conclusions we have formed.

Our work has been undertaken so that we might report to the Council of Governors those matters that we have agreed to state to them in this report and for no other purpose. Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission. This engagement is separate to, and distinct from, our appointment as the auditors to the Trust.

Scope and subject matter

The indicators for the year ended 31 March 2019 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- ▶ Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers..
- ▶ Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and Ernst & Young LLP

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual 2018/19' issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual 2018/19', which is supported by NHS Improvement's Detailed Requirements for quality reports 2018/19;
- the quality report is not consistent in all material respects with the sources specified in Section 2.1 of the 'Detailed guidance for external assurance on quality reports 2018/19' and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the 'NHS Foundation Trust Annual Reporting Manual 2018/19' and supporting guidance and the six dimensions of data quality set out in the 'Detailed Guidance for External Assurance on Quality Reports 2018/19'

Limited assurance report – draft

We read the Quality Report and consider whether it addresses the content requirements of the 'NHS Foundation Trust Annual Reporting Manual 2018/19' and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with the other information sources detailed in Section 2.1 of the 'Detailed guidance for external assurance on quality reports 2018/19'. These are:

- Council of Governors / Board minutes for the period April 2018 to May 2019;
- Papers relating to quality, reported to the Council of Governors / Board for the period April 2018 to May 2019;
- Feedback from Commissioners dated May 2019;
- Feedback from Governors dated May 2019;
- Feedback from local Healthwatch organisations dated May 2019;
- Feedback from the Overview and Scrutiny Committee dated May 2019;
- The Trust's complaints report published under regulation 18 of the Local Authority, Social Services and NHS Complaints (England) Regulations 2009 published May 2019;
- Care Quality Commission inspection dated 10/07/2018;
- The latest national and local patient survey dated January 2019;
- The latest national and local staff survey dated January 2019; and
- The Head of Internal Audit's annual opinion over the Trust's control environment dated May 2019.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales

(ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust as a body, to assist the Council of Governors in reporting Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2019, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included, but were not limited to:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators
- making enquiries of management
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation
- comparing the content requirements of the 'NHS Foundation Trust Annual Reporting Manual 2018/19' to the categories reported in the Quality Report.
- reading the documents.

Limited assurance report – draft

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on the Quality Report. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual 2018/19' and supporting guidance. The scope of our assurance work has not included governance over quality or non-mandated indicators, which have been determined locally by Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2019:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual 2018/19 and the Detailed requirements for quality reports 2018/19, published in December 2018, issued by NHS Improvement
- the Quality Report is not consistent in all material respects with the sources specified, and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with NHS Foundation Trust Annual Reporting Manual 2018/19 and the Detailed requirements for quality reports 2018/19 published in December 2018, issued by NHS Improvement.

Ernst & Young

Birmingham

May 2019

Notes:

1. The maintenance and integrity of the Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust's web site is the responsibility of the directors; the work carried out by Ernst & Young LLP does not involve consideration of these matters and, accordingly, Ernst & Young LLP accept no responsibility for any changes that may have occurred to the Quality Report since it was initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Doncaster and Bassetlaw NHS Foundation Trust

Annual Audit Letter for the year ended
31 March 2019

July 2019



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The contents of this report are subject to the terms and conditions of our appointment as set out in our engagement letter dated 12 October 2016.

This report is made solely to the Audit and Non-Clinical Risk Committee, Governors and management of Doncaster and Bassetlaw NHS Foundation Trust in accordance with our engagement letter. Our work has been undertaken so that we might state to the Audit and Non-Clinical Risk Committee and management of the Trust those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit and Non-Clinical Risk Committee, Governors and management of the Trust for this report or for the opinions we have formed.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



Section 1

Executive Summary



Executive Summary

We are required to issue an annual audit letter to Doncaster and Bassetlaw NHS Foundation Trust (the Trust) following completion of our audit procedures for the year ended 31 March 2019.

The tables below set out the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the CCG/Trust's:	
▶ Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Trust as at 31 March 2019 and of its expenditure and income for the year then ended.
▶ Parts of the remuneration and staff report to be audited	We had no matters to report.
▶ Consistency of the Annual Report and other information published with the financial statements	Financial information in the Annual Report and published with the financial statements was consistent with the Annual Accounts.

Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Annual Governance Statement	The Annual Governance Statement was consistent with our understanding of the Trust.
▶ Referrals to the Secretary of State	We had no matters to report.
▶ Public interest report	We had no matters to report in the public interest.
▶ Value for money conclusion	We have issued an 'except for' VFM opinion on the basis that the Trust continues to operate with a significant underlying deficit and requires ongoing cash support from NHS Improvement

Area of Work	Conclusion
▶ Reporting to the Trust on its consolidation schedules	We concluded that the Trust's consolidation schedules agreed, within a £300,000 tolerance, to your audited financial statements
▶ Reporting to the National Audit Office (NAO) in line with group instructions	We had no matters to report

Executive Summary (cont'd)

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Trust communicating significant findings resulting from our audit.	Our Audit results report was issued on 28 May 2019.
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 24 May 2019.

We would like to take this opportunity to thank Trust staff for their assistance during the course of our work.

Stephen Clark

Partner

For and on behalf of Ernst & Young LLP

Section 2

Purpose



Purpose

The Purpose of this Letter

The purpose of this Annual Audit Letter is to communicate to the Board of Directors, Governors and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Trust.

We have already reported the detailed findings from our audit work in our 2018/19 Audit Results report to the Audit & Non-clinical Risk Committee on 23 May 2019, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Trust.

Section 3

Responsibilities



Responsibilities

Responsibilities of the External Auditor

Our 2018/19 audit work has been undertaken in accordance with the Audit Plan that we issued in March 2019 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

Expressing an opinion:

- ▶ On the 2018/19 financial statements;
- ▶ On the parts of the remuneration and staff report to be audited;
- ▶ On the consistency of other information published with the financial statements, including the annual report; and
- ▶ On whether the consolidation schedules are consistent with the Trust's financial statements for the relevant reporting period.

Reporting by exception:

- ▶ If the governance statement does not comply with relevant guidance or is not consistent with our understanding of the Trust;
- ▶ To the Secretary of State for Health if we have concerns about the legality of transactions or decisions taken by the Trust;
- ▶ Forming a conclusion on the arrangements the Trust has in place to secure economy, efficiency and effectiveness in its use of resources; and
- ▶ Any significant matters that are in the public interest.

Reporting on an exception basis any significant issues or outstanding matters arising from our work which are relevant to the NAO as group auditor.

Responsibilities of the Trust

The Trust is responsible for preparing and publishing its financial statements, annual report and annual governance statement.

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Section 4

Financial Statement Audit



Financial Statement Audit

Key Issues

The Annual Report and Accounts is an important tool for the Trust to show how it has used public money and how it can demonstrate its financial management and financial health.

We audited the Trust's financial statements in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office and issued an unqualified audit report on 28 May 2019.

Our detailed findings were reported to the Audit and Non-Clinical Risk Committee on 23 May 2019.

The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
<p>Misstatements due to fraud or error</p> <p>The financial statements as a whole are not free of material misstatements whether caused by fraud or error.</p> <p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.</p>	<p>To address this risk we carried out a range of procedures including:</p> <ul style="list-style-type: none"> ▶ Testing the appropriateness of journal entries recorded in the general ledger (using our data analytics tool to search on specific phrases in the journal narrative, or other criteria such as days of the week posted); ▶ Reviewing significant accounting estimates (eg year-end accruals and provisions) for evidence of management bias. This includes reviewing the calculation methodology; ▶ Evaluating the business rationale for any significant unusual transactions; and ▶ Ensuring financial performance targets are not materially misstated. <p>We did not identify any material weaknesses in controls or evidence of material management override.</p> <p>We did not identify any instances of inappropriate judgements being applied.</p> <p>We did not identify any transactions during our audit which appeared unusual or outside the Trust's normal course of business.</p>
<p>Revenue and expenditure recognition</p> <p>Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition.</p> <p>In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.</p> <p>We consider the significant risk does not apply to payroll.</p> <p>In respect of income and expenditure we consider the risk is most focussed around those items that are non-routine and involve more management estimation and judgement such as year-end accruals and activity-based/non contract revenue.</p> <p>The risks in these areas relate to improper application of revenue cut-off, overstatement of debtors/accrued income and potential understatement of liabilities in the balance sheet at the year-end.</p>	<p>To address this risk we carried out a range of procedures including:</p> <ul style="list-style-type: none"> ▶ Reviewing significant accounting estimates (e.g. year-end accruals and provisions) for evidence of management bias. This included reviewing the calculation methodology; ▶ Testing a sample of accruals, based on our testing threshold, for reasonableness; ▶ Performing cut-off testing of transactions both before and after year-end to ensure they were accounted for in the correct year; and ▶ Reviewing the Department of Health and Social Care agreement of balances data and investigated significant differences (outside of DHSC tolerances). <p>Our testing has not revealed any material misstatements with respect to revenue and expenditure recognition.</p> <p>Overall our audit work did not identify any issues or unusual transactions which indicated that there had been any misreporting of the Trust's financial position</p>

Financial Statement Audit

Key Issues continued

Significant Risk	Conclusion
<p>Going Concern</p> <p>International Auditing Standard (ISA (UK&I) 570, requires auditors to “obtain sufficient appropriate audit evidence about the appropriateness of management’s use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity’s ability to continue as a going concern. The 2017-18 audit opinion on the Trust financial statements included reference to a material uncertainty regarding the Trust’s ability to continue as a going concern for the foreseeable future.</p> <p>During 2018-19 the Trust has continued to rely on ongoing cash funding from NHS Improvement to support cash flow and to meet financial obligations. At month 9, the Trust was forecasting a £10.3m deficit, which could rise to £16m if Q4 Provider Support Funding was not realised.</p>	<p>To address this risk we carried out a range of procedures including:</p> <ul style="list-style-type: none"> ▶ Obtained and considered management’s written justification supporting why the financial statements of the Trust are prepared on a going concern basis; ▶ Obtained the future financial plans of the Trust, including cash flow forecasts for a period of at least 12 months from the anticipated date of signing the financial statements and considered the assumptions underlying these; ▶ Monitored the financial position of the Trust, considering the factors set out in practice note 10 in relation to going concern and our reporting responsibilities; and ▶ Reviewed disclosures on material uncertainties in the financial statements for completeness and accuracy. <p>The Trust has an underlying deficit of around £28m. Whilst carrying this deficit, the Trust has successfully met annual control totals set by NHSI and has benefitted from additional non-recurrent PSF monies to support the financial position. For 2018-19, the surplus of £5.2m reported in the draft financial statement has been achieved through the receipt of £27m of PSF monies, including an additional £10.7m incentive amount at the year-end.</p> <p>During the year the Trust has deferred the re-payment of £7.2m of loans due to its financial position. This amount plus an additional £45m are due for re-payment in 2019-20. The Trust will not have the resources to fund these re-payments and is therefore considering options for re-financing. These matters give rise to a material uncertainty relating to the Trust’s ability to continue as a going concern.</p> <p>The Trust has recognised this in note 1 to the financial statements, referencing that:</p> <ul style="list-style-type: none"> ▶ The Trust has contracts in place with Commissioners to March 2020 ▶ Financial plans for 2019-20 have been agreed with NHS Improvement ▶ The Trust is part of the local Integrated Care System through which additional investment is expected and there is an implied support for the continued operation of the Trust ▶ The NHS Improvement Board have lifted all licence conditions on the Trust. <p>Taking these factors into consideration along with guidance in practice note 10, we concurred with management’s view that the financial statements should be prepared on a going concern basis. We did however, include this as a key audit matter in the Audit Report and made reference to the disclosed material uncertainty.</p>

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	We determined materiality to be £8.1m (2017/18: £7.9m), which is 2% of revenue expenditure reported in the financial statements. We consider revenue expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Trust.
Reporting threshold	We agreed with the Audit and Non-Clinical Risk Committee that we would report to the Committee all audit differences in excess of £0.3m (2017/18: £0.25 m)

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.

Section 5

Value for Money



Value for Money

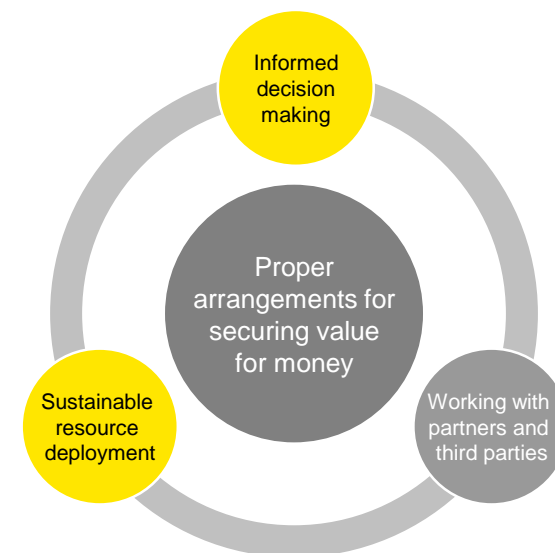
We are required to consider whether the Trust has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- ▶ Take informed decisions;
- ▶ Deploy resources in a sustainable manner; and
- ▶ Work with partners and other third parties.

We identified one significant risk in relation to these arrangements. The table below presents the findings of our work in response to the risks identified and any other significant weaknesses or issues to bring to your attention.

We therefore had no matters to report about your arrangements to secure economy, efficiency and effectiveness in your use of resources.



Significant Risk	Conclusion
<p>Arrangements for managing financial resources</p> <p>Our initial audit planning procedures identified that achievement of the control total was reliant on achievement of a challenging cost improvement plan for 2018/19.</p> <p>During the year the Trust has continued to drawdown cash funding from NHS Improvement to support ongoing liabilities reflective of its deficit position.</p> <p>There is therefore a risk that the Trust has not put in place appropriate arrangements for managing financial resources.</p>	<p>The Trust successfully achieved its control total for 2018/19. The Trust has achieved CIP of £12.1 against a target of £17m for 18-19 - 71%</p> <p>The Trust does not currently have robust plans beyond 19-20 as the existing 5 year plan is 2 years old. The Trust is however, working collaboratively as part of the Integrated Care System and it is within this forum that future financial plans and development of a sustainable health economy for South Yorkshire and Bassetlaw will be driven. The existing financial plan with a significant underlying deficit however, contributes to a proposed 'except for' conclusion.</p> <p>The Trust has continued to rely on liquidity funding during the year and has drawn down additional funding of £5.6m during the year, resulting in outstanding loan balances of £95m at the year-end.</p> <p>Review of the Trust 19-20 budget NHSI identifies that the Trust will continue to rely on this funding during the year with a plan to draw down a further £3m. We also note that the Trust was due to repay £7.2m of loans in 18-19 but this has been deferred and the Trust also assumes that a further £42m due in 19-20 can be re-financed. In discussion with management it has been identified that the continued cash drawdowns have not been formally approved by NHSI other than implicitly through approval of the financial plan. This gives rise in our view to a material uncertainty and we are proposing to report such in the audit report. It is also an indicator that the Trust is not delivering sustainable resource deployment and therefore a key factor in a proposed 'except for' VFM conclusion.</p>
<p>We expect to issue an except for VFM conclusion in respect of delivering sustainable resource deployment.</p>	

A photograph of a business meeting in progress. Several people are gathered around a large wooden conference table, looking at documents. A woman with blonde hair is leaning forward, resting her chin on her hand, appearing thoughtful. A man in a blue shirt and red tie is standing in the background. The scene is brightly lit, suggesting a modern office environment.

Section 6

Other Reporting Issues

Other Reporting Issues

Department of Health and Social Care Group Instructions

We are only required to report to the NAO on an exception basis if there were significant issues or outstanding matters arising from our work. There were no such issues identified as part of this work.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Trust's Annual Governance Statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it complies with relevant guidance.

We completed this work and did not identify any areas of concern .

Referral to Secretary of State

We must report to the Secretary of State any matter where we believe a decision has led to, or would lead to, unlawful expenditure, or some action has been, or would be, unlawful and likely to cause a loss or deficiency. We had no exceptions to report.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Trust or brought to the attention of the public.

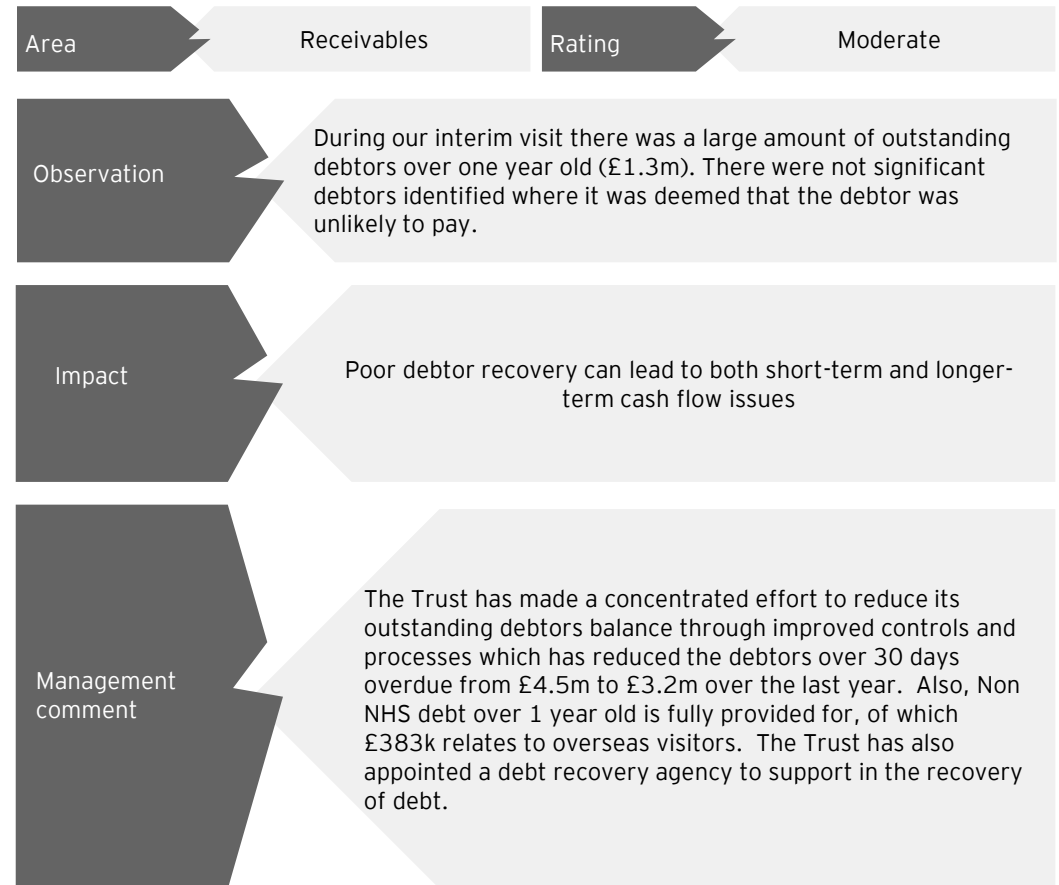
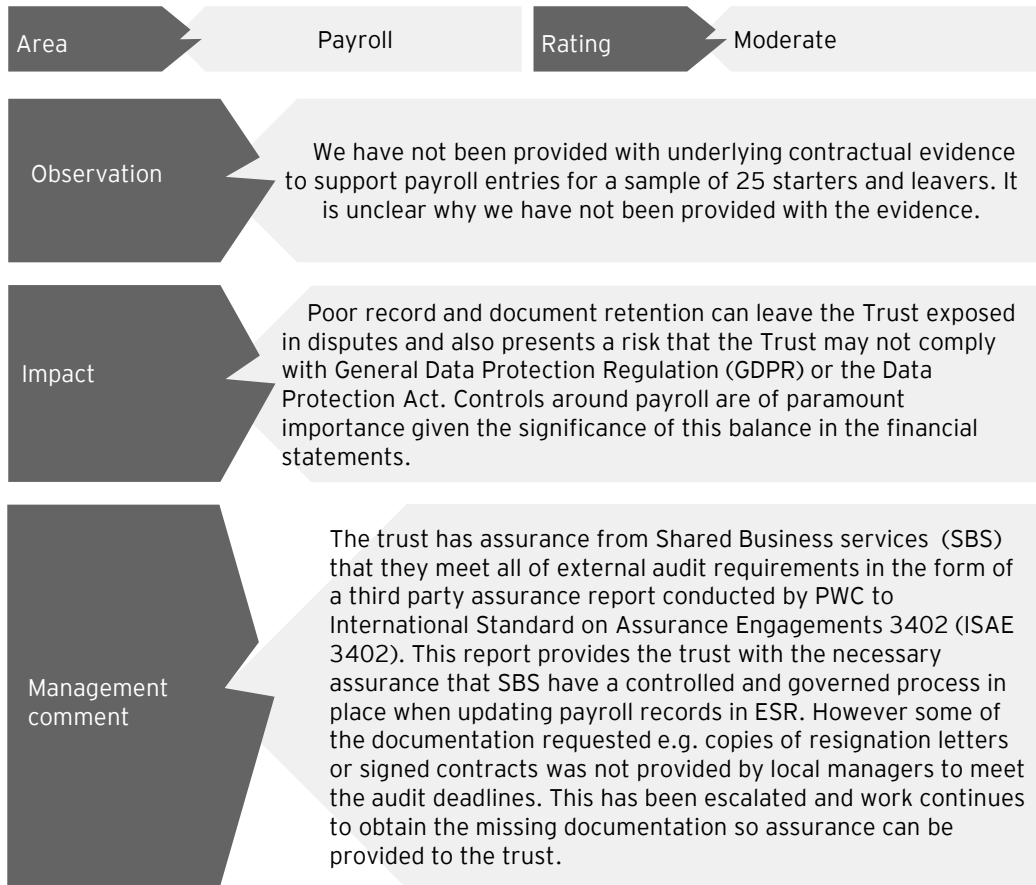
We did not identify any issues which required us to issue a report in the public interest.

Other Reporting Issues (cont'd)

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We adopted a fully substantive approach and have therefore not tested the operation of controls; however we did identify the following matter to bring to the attention of the Audit and Non-Clinical Risk Committee:



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**Doncaster and Bassetlaw
Teaching Hospitals**
NHS Foundation Trust

D1

Title	Board Standing Orders, SFI's, Reservation of Powers to the Board and Delegation of Powers		
Report to	Council of Governors	Date	25 July 2019
Author	Jeannette Reay, Head of Corporate Assurance / Company Secretary		
Purpose		Tick one as appropriate	
	Decision		
	Assurance		
	Information	X	

Executive summary containing key messages and issues
<p>The Board:</p> <ul style="list-style-type: none">- Standing Orders- Standing Financial Instructions (SFIs)- Reservation of Powers to the Board and Delegation of Powers <p>were refreshed in line with their due dates, and approved by the Board of Directors at its meeting on 26 July 2019.</p> <p>The documents were published on 23 July 2019.</p> <p>Copies are provided to the Council of Governors for information.</p>
Recommendation(s) and next steps
<p>The Council is asked to NOTE the documents.</p>



Doncaster and Bassetlaw
Teaching Hospitals
NHS Foundation Trust

Standing Orders

Board of Directors

March 2019

NHS Foundation Trusts must agree Standing Orders (SOs) for the regulation of their proceedings and business. The Board of Directors are also required to adopt schedules of reservation of powers and delegation of powers. These documents, together with Standing Financial Instructions, provide a regulatory framework for the business conduct 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.

The Standing Orders, Scheme of Delegation and Standing Financial Instructions provide a comprehensive business framework. 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.

Provisions within the Standing Orders which are not subject to suspension under SO 5.40 are indicated in italics.



Did you print this document yourself?

The Trust discourages the retention of hard copies of policies and can only guarantee that the policy on the Trust website is the most up-to-date version. **If, for exceptional reasons, you need to print a policy off, it is only valid for 24 hours.**

Name and title of author/reviewer:	Jon Sargeant and Matthew Bancroft
Date written/revised:	March 2019
Approved by (Committee/Group):	Board of Directors
Date of approval:	26 March 2019
Date issued:	March 2019 (published 23 July 2019)
Next review date:	March 2020
Target audience:	Trust-wide

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1 INTRODUCTION

- 1.1 Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust is a Public Benefit Corporation that was established by the granting of Authorisation by Monitor (now NHS Improvement).
- 1.2 The principal purpose of the Trust is set out in the 2012 Act, and the Trust Constitution.
- 1.3 The Trust is required to adopt Standing Orders (SOs) for the regulation of its proceedings and business.
- 1.4 The powers of the Trust are set out in section 4 of the Constitution.
- 1.5 The Trust has specific powers to contract in its own name and to act as a corporate trustee. In the latter role it is accountable to the Charity Commission for those funds deemed to be charitable as well as to NHS Improvement. The Trust also has a common law duty as a bailee for patients' property held by the Trust on behalf of patients.
- 1.6 Failure to comply with SFIs and SOs is a disciplinary matter which could result in dismissal.**
- 1.7 Delegation of Powers**
The Trust has resolved that certain powers and decisions may only be exercised or made by the Board of Directors in formal session. These powers and decisions are set out in the Scheme of Delegation.
- 1.8 Under the Standing Orders relating to the Arrangements for the Exercise of Functions (SO 6) the Board of Directors may exercise its powers to make arrangements for the exercise, on behalf of the Trust, of any of its functions by a committee or sub-committee appointed by virtue of SO 7 or by an executive director, in each case subject to such restrictions and conditions as the Board of Directors thinks fit or as NHS Improvement may direct.
- 1.9 Delegated Powers are covered in the Scheme of Delegation, which has effect as if incorporated into the Standing Orders.

2 INTERPRETATION AND DEFINITIONS

- 2.1 Save as permitted by law, at any meeting the Chair of the Trust, advised by the Chief Executive, shall be the final authority on the interpretation of Standing Orders.
- 2.2 These Standing Orders shall only be applied in accordance with the Constitution. Where any provision in these Standing Orders contradicts any provision in the Constitution, the Constitution shall be paramount.
- 2.3 In these Standing Orders:

“the 2006 Act”	means the National Health Service Act 2006 as amended from time to time;
“the 2012 Act”	means the Health and Social Care Act 2012 as amended from time to time;
"Accounting Officer"	means the person who from time to time discharges the functions specified in paragraph 25(5) of Schedule 7 to the 2006 Act;
“Board of Directors”	means the board of directors as constituted in accordance with the Trust Constitution;
“Chair”	means the Chair of the Trust appointed in accordance with the Trust Constitution;
“Chief Executive”	means the Chief Executive Officer of the Trust appointed in accordance with the terms of the Trust Constitution;
“Committee”	means a committee appointed by the Board of Directors;
“Committee members”	means those persons formally appointed by the Board of Directors to sit on or to chair specific committees;
"Constitution"	means the Trust Constitution and all annexes to it;
“Corporate Director”	A non-voting director with executive responsibilities, appointed by the Board of Directors;
“Director”	means a director on the Board of Directors;
“Director of Finance”	means the chief finance officer of the Trust;
“Executive Director”	means an executive director of the Trust appointed in accordance with the Trust Constitution;
“Funds held on Trust”	means those funds which the Trust holds at its date of incorporation, receives on distribution by statutory instrument or chooses to accept under powers derived under S.90 of the 2006 Act;
“Member”	means a member of the Trust;
“NHS Improvement”	means the body corporate known as NHS Improvement.
“Motion”	means a formal proposition to be discussed and voted on during the course of a meeting;
“Nominated Officer”	means an officer charged with the responsibility for

	discharging specific tasks within the SOs and SFIs;
“Non-Executive Director”	means a non-executive director of the Trust appointed in accordance with the Trust Constitution;
“Officer”	means an employee of the Trust;
“Secretary”	means the Trust Board Secretary or any other person appointed to perform the duties of the secretary of the Trust, including a joint, assistant or deputy secretary;
“SFIs”	means Standing Financial Instructions;
“SOs”	means Standing Orders;
“the Trust”	means Doncaster & Bassetlaw Teaching Hospitals NHS Foundation Trust.

3 THE BOARD OF DIRECTORS

3.1 All business of the Board of Directors shall be conducted in the name of the Trust.

3.2 All funds received in trust shall be in the name of the Trust as corporate trustee. In relation to funds held on trust, powers exercised by the Trust as corporate trustee shall be exercised separately and distinctly from those powers exercised as a Trust.

3.3 Directors acting on behalf of the Trust as a corporate trustee are acting as quasi-trustees. Accountability for charitable funds held on trust is to the Charity Commission and to NHS Improvement. Accountability for non-charitable funds held on trust is only to NHS Improvement.

3.4 Composition of the Board of Directors

In accordance with the 2006 Act, the 2012 Act, and the Constitution, the composition of the Board of Directors of the Trust shall be:

- (a) The Chair of the Trust
- (b) 6 non-executive directors
- (c) 6 executive directors including:
 - the Chief Executive (the Accounting Officer)
 - the Director of Finance (the Chief Finance Officer)
 - the Medical Director
 - the Director of Nursing

3.5 The Board of Directors may appoint corporate directors in addition to the six executive directors described above. Non-voting Corporate directors shall attend meetings of the Board of Directors but shall not have a vote (see SO 5.19).

3.6 **Non-executive Directors**

Non-executive Directors are appointed by the Council of Governors. The appointment shall be in accordance with the Constitution.

3.7 The regulations governing the tenure of office of the Non-executive Directors shall be in accordance with the Constitution.

3.8 **Joint Directors**

Where more than one person is appointed jointly to a post in the Trust which qualifies the holder for executive directorship or in relation to which an executive director is to be appointed, those persons shall become appointed as an executive director jointly, and shall count for the purpose of Standing Order 3.4 as one person.

4 CHAIR OF THE BOARD OF DIRECTORS

4.1 The Chair of the Trust is the Chair of the Board of Directors.

4.2 The Chair is appointed by the Council of Governors. The appointment shall be in accordance with the Constitution.

4.3 The regulations governing the tenure of office of the Chair shall be in accordance with the Constitution.

4.4 At any meeting of the Board of Directors, the Chair, if present, shall preside. If the Chair is absent from the meeting, the Deputy Chair shall preside.

4.5 If the Chair is absent from a meeting temporarily on the grounds of a declared conflict of interest the Deputy Chair, if present, shall preside.

4.6 **Deputy Chair**

Where the Chair of the Trust has died or has otherwise ceased to hold office or where they have been unable to perform their duties as Chair owing to illness, absence from England and Wales or any other cause, references to the Chair in the Schedule to these Regulations shall, so long as there is no Chair able to perform their duties, be taken to include references to the Deputy Chair. In such cases the Deputy Chair shall act as Chair of the Board of Directors.

4.7 The appointment of the Deputy Chair shall be as prescribed in the Constitution.

- 4.8 The regulations governing the tenure of office of the Deputy Chair shall be in accordance with the Constitution.

5 PRACTICE AND PROCEDURE OF MEETINGS

- 5.1 All business at meetings of the Board of Directors shall be conducted in the name of the Trust.

5.2 Annual Members Meeting

The Trust will publicise and hold an annual meeting of its members in accordance with the constitution and the 2012 Act.

5.3 Admission of the Public and Press

The public and representatives of the press shall be afforded facilities to attend all formal meetings of the Board of Directors but shall be required to withdraw upon the Board of Directors 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”.

- 5.4 The Chair (or Deputy Chair when acting as Chair) shall give such directions as they think fit in regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Board of Directors business shall be conducted without interruption and disruption and, without prejudice to the power to exclude on the grounds of the confidential nature of the business to be transacted, the public will be required to withdraw upon the Board of Directors resolving as follows:

“That in the interests of public order the meeting adjourns for (the period to be specified) to enable the Board of Directors to complete business without the presence of the public.”

- 5.5 Members of the public or representatives of the press are not permitted to record proceedings in any manner unless with the express prior agreement of the Chair (or Deputy Chair when acting as Chair). Where permission has been granted, the Chair (or Deputy Chair) retains the right to give directions to halt recording of proceedings at any point during the meeting. For the avoidance of doubt, “recording” refers to any audio or visual recording, including still photography.

5.6 Calling Meetings

Ordinary meetings of the Board of Directors shall be held at such times and places as the Board of Directors may determine.

- 5.7 The Chair may call a meeting of the Board of Directors at any time. If the Chair refuses to call a meeting after a requisition for that purpose, signed by at least one-third of the whole number of directors, has been presented to them, or if, without so refusing, the Chair does not call a meeting within seven days after such requisition has been presented to them such one third or more directors may forthwith call a meeting. In such cases meetings shall be held at the Trust's designated headquarters.
- 5.8 **Notice of Meetings**
Save in the case of emergencies or the need to conduct urgent business, the Secretary shall give at least fourteen days written notice of the date and place of every meeting of the Board of Directors to all Directors.
- 5.9 The notice of the meeting, specifying the business proposed to be transacted at it, and signed by the Chair or by an officer of the Trust authorised by the Chair to sign on their behalf shall be delivered to every director, or sent by post to the usual place of residence of such director, so as to be available at least three clear days before the meeting.
- 5.10 Lack of service of the notice on any director shall not affect the validity of a meeting.
- 5.11 In the case of a meeting called by directors in default of the Chair, the notice shall be signed by those directors and no business shall be transacted at the meeting other than that specified in the notice.
- 5.12 Failure to serve such a notice on more than three directors will invalidate the meeting. A notice shall be presumed to have been served at the time at which the notice would be delivered in the ordinary course of the post.
- 5.13 **Chair of Meeting**
At any meeting of the Board of Directors, the Chair, if present, shall preside. If the Chair is absent from the meeting the Deputy Chair, if there is one and is present, shall preside. If the Chair and Deputy Chair are absent such non-executive director as the directors present shall choose shall preside.
- 5.14 If the Chair is absent from a meeting temporarily on the grounds of a declared conflict of interest the Deputy Chair, if present, shall preside. If the Chair and Deputy Chair are absent, or are disqualified from participating, such non-executive director as the directors present shall choose shall preside.
- 5.15 **Quorum**
No business shall be transacted at a meeting of the Board of Directors unless at least one-third of the whole number of the directors are present including at least one executive director and one non-executive director.

Directors can participate in meetings by telephone or through the use of video conferencing facilities, where such facilities are available. Participation in a meeting through any of these methods shall be deemed to constitute presence in person at the meeting.

- 5.16 An officer in attendance for an executive director but without formal acting up status may not count towards the quorum.
- 5.17 If a director has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of the declaration of a conflict of interest, he 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 i.e. lack of a quorum for specific items will not invalidate the whole meeting.
- 5.18 The requirement for at least one executive director to form part of the quorum shall not apply where the executive directors are excluded from a meeting.
- 5.19 **Voting**
Each executive and non-executive director shall be entitled to exercise one vote. Corporate directors who are not executive directors (as described in SOs 3.4 and 3.5) shall not have a vote.
- 5.20 Every question at a meeting shall be determined by a majority of the votes of the directors present and voting on the question and, in the case of any equality of votes, the person presiding shall have a second or casting vote.
- 5.21 All questions put to the vote shall, at the discretion of the Chair of the meeting, be determined by oral expression or by a show of hands. A paper ballot may also be used if a majority of the directors present so request.
- 5.22 If at least one-third of the directors present so request, the voting (other than by paper ballot) on any question may be recorded to show how each director present voted or abstained.
- 5.23 If a director so requests, their vote shall be recorded by name upon any vote (other than by paper ballot).
- 5.24 In no circumstances may an absent director vote by proxy. Absence is defined as being absent at the time of the vote.

- 5.25 An officer who has been appointed formally by the Board of Directors to act up for an executive director during a period of incapacity or temporarily to fill an executive director vacancy, shall be entitled to exercise the voting rights of the executive director. An officer attending the Board of Directors to represent an executive director during a period of incapacity or temporary absence without formal acting up status may not exercise the voting rights of the executive director. An officer's status when attending a meeting shall be recorded in the minutes.
- 5.26 **Setting the Agenda**
The Board of Directors may determine that certain matters shall appear on every agenda for a meeting of the Board of Directors and shall be addressed prior to any other business being conducted.
- 5.27 A director desiring a matter to be included on an agenda shall make their request in writing to the Chair at least ten clear days before the meeting. Requests made less than ten days before a meeting may be included on the agenda at the discretion of the Chair.
- 5.28 **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.
- 5.29 No discussion shall take place upon the minutes except upon their accuracy or where the Chair considers discussion appropriate. Any amendment to the minutes shall be agreed and recorded at the next meeting.
- 5.30 Minutes shall be circulated in accordance with directors' wishes. Where providing a record of a public meeting the minutes shall be made available to the public.
- 5.31 **Record of Attendance**
The names of the directors present at the meeting shall be recorded in the minutes.
- 5.32 **Notices of Motion**
A director of the Trust desiring to move or amend a motion shall send a written notice thereof at least ten clear days before the meeting to the Chair, who shall insert in the agenda for the meeting all notices so received subject to the notice being permissible under the appropriate regulations. This paragraph shall not prevent any motion being moved during the meeting, without notice on any business mentioned on the agenda subject to SO 5.11.
- 5.33 **Withdrawal of Motion or Amendments**
A motion or amendment once moved and seconded may be withdrawn by the proposer with the concurrence of the seconder and the consent of the Chair.

5.34 Motion to Rescind a Resolution

Notice of motion to amend or 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 director who gives it and also the signature of four other directors. When any such motion has been disposed of by the Board of Directors, it shall not be competent for any director other than the Chair to propose a motion to the same effect within six months; however the Chair may do so if he considers it appropriate.

5.35 Motions

The mover of a motion shall have a right of reply at the close of any discussion on the motion or any amendment thereto.

5.36 When a motion is under discussion or immediately prior to discussion it shall be open to a Director to move:

- (i) An amendment to the motion.
- (ii) The adjournment of the discussion or the meeting.
- (iii) The appointment of an ad hoc committee to deal with a specific item of business.
- (iv) That the meeting proceed to the next business.*
- (v) The appointment of an ad hoc committee to deal with a specific item of business.
- (vi) That the motion be now put to a vote.*

In the case of sub-paragraphs denoted by * above, to ensure objectivity motions may only be put by a Director who has not previously taken part in the debate.

5.37 No amendment to the motion shall be admitted if, in the opinion of the Chair of the meeting, the amendment negates the substance of the motion.

5.38 Chair's Ruling

Statements of directors made at meetings of the Board of Directors shall be relevant to the matter under discussion at the material time and the decision of the Chair of the meeting on questions of order, relevancy, regularity and any other matters shall be observed at the meeting.

5.39 Joint Directors

Where a post of executive director is shared by more than one person:

- (a) both persons shall be entitled to attend meetings of the Trust:

- (b) either of those persons shall be eligible to vote in the case of agreement between them;
- (c) in the case of disagreement between them no vote should be cast;
- (d) the presence of either or both of those persons shall count as one person for the purposes of SO 5.15 (Quorum).

5.40 Suspension of Standing Orders

Any one or more of the Standing Orders may be suspended at any duly constituted meeting, provided that:

- (i) at least two-thirds of the Board of Directors are present, including one executive director and one non-executive director;
- (ii) a majority of those present vote in favour of suspension; and
- (iii) the variation proposed does not contravene any statutory provision or direction made by NHS Improvement.

5.41 A decision to suspend SOs shall be recorded in the minutes of the meeting.

5.42 A separate record of matters discussed during the suspension of SOs shall be made and shall be available to the directors.

5.43 No formal business may be transacted while SOs are suspended.

5.44 The Audit Committee shall review every decision to suspend SOs.

6 ARRANGEMENTS FOR THE EXERCISE OF FUNCTIONS BY DELEGATION

6.1 Subject to SO 1.5 and such directions as may be given by NHS Improvement, the Board of Directors may make arrangements for the exercise, on behalf of the Trust, of any of its functions by a committee or sub-committee, appointed by virtue of SO 1.5 or 6.3 or by an executive director of the Trust in each case subject to such restrictions and conditions as the Board of Directors thinks fit.

6.2 Emergency Powers

Those powers of the Trust which the Board of Directors has retained to itself may in urgent circumstances be exercised by the Chief Executive after having consulted the Chair. A decision is urgent where any delay would seriously prejudice the Trust's or the public's interests. The exercise of such powers by the Chief Executive shall be reported to the next formal meeting of the Board of Directors for ratification.

6.3 Delegation to Committees

The Board of Directors shall agree from time to time to the delegation of executive powers to be exercised by committees or sub-committees, which it has formally constituted. The constitution and terms of reference of these committees, or sub-committees, and their specific executive powers shall be approved by the Board of Directors.

6.4 Delegation to Officers

Those functions of the Trust which have not been retained as reserved by the Board of Directors or delegated to an executive committee or sub-committee shall be exercised on behalf of the Board of Directors by the Chief Executive. The Chief Executive shall determine which functions he will perform personally and shall nominate officers to undertake the remaining functions for which he will still retain an accountability to the Board of Directors.

6.5 The Chief Executive shall prepare a Scheme of Delegation identifying their proposals, which shall be considered and approved by the Board of Directors, subject to any amendment, agreed during the discussion. The Chief Executive may periodically propose amendment to the Scheme of Delegation, which shall be considered and approved by the Board of Directors as indicated above.

6.6 Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of Directors of the Director of Finance or other executive director to provide information and advise the Board of Directors in accordance with any statutory requirements.

6.7 The arrangements made by the Board of Directors as set out in the Scheme of Delegation shall have effect as if incorporated in these Standing Orders.

7 COMMITTEES**7.1 Appointment of Committees**

Subject to SO 1.5 and such directions as may be given by NHS Improvement, the Board of Directors may and, if directed to, shall appoint committees of the Board of Directors, consisting wholly or partly of directors of the Trust or wholly of persons who are not directors of the Trust.

7.2 *A committee appointed under SO 7.1 may, subject to such directions as may be given by NHS Improvement or the Board of Directors appoint sub-committees consisting wholly or partly of members of the committee (whether or not they include directors of the Trust or wholly of persons who are not members of the Trust committee).*

7.3 The Standing Orders of the Board of Directors, as far as they are applicable, shall apply with appropriate alteration to meetings of any committees or sub-committee established by the Board of Directors.

- 7.4 Each such committee or sub-committee shall have such terms of reference and powers and be subject to such conditions (as to reporting back to the Board of Directors), as the Board of Directors shall decide. Such terms of reference shall have effect as if incorporated into the Standing Orders.
- 7.5 Committees may not delegate their executive powers to a sub-committee unless expressly authorised by the Board of Directors.
- 7.6 The Board of Directors shall approve the appointments to each of the committees, which it has formally constituted. Where the Board of Directors determines that persons, who are neither directors nor officers, shall be appointed to a committee, the terms of such appointment shall be determined by the Board of Directors subject to the payment of travelling and other allowances being in accordance with such sum as may be determined.
- 7.7 Where the Board of Directors is required to appoint persons to a committee and/or to undertake statutory functions as required by NHS Improvement, and where such appointments are to operate independently of the Board of Directors such appointment shall be made in accordance with the regulations laid down by NHS Improvement.
- 7.8 The committees and sub-committees established by the Board of Directors are:
- (a) Audit and Risk
 - (b) Quality and Effectiveness
 - (c) Nominations and Remuneration
 - (d) Charitable Funds
 - (e) Finance and Performance
 - (f) Working Together Partnership Committee in Common
- 7.9 **Confidentiality**
A member of a committee shall not disclose a matter dealt with by, or brought before, the committee without its permission until the committee shall have reported to the Board of Directors or shall otherwise have concluded on that matter.
- 7.10 A Director of the Trust or a member of a committee shall not disclose any matter reported to the Board of Directors or otherwise dealt with by the committee, notwithstanding that the matter has been reported or action has been concluded, if the Board of Directors or committee shall resolve that it is confidential.

8 DECLARATION OF INTERESTS AND REGISTER OF INTERESTS

8.1 Pursuant to Section 20 of Schedule 7 of the 2006 Act, a register of Directors' interests must be kept by the Trust.

8.2 Pursuant to Section 152 of the 2012 Act, Directors have a duty:

- a) to avoid a situation in which the director has (or can have) a direct or indirect interest that conflicts (or possibly may conflict) with the interests of the Trust.
- b) not to accept a benefit from a third party by reason of being a director or doing (or not doing) anything in that capacity.

8.3 Declaration of Interests

Directors are required to declare interests, which are relevant and material. All existing Directors should declare relevant and material interests. Any Directors appointed subsequently should do so on appointment.

8.4 Interests which should be regarded as "relevant and material" and which, for the guidance of doubt, should be included in the register, are:

- a) Directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies).
- b) Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS.
- c) Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS.
- d) A position of authority in any organisation, including charity or voluntary organisations, in the field of health and social care.
- e) Any connection with a voluntary or other organisation contracting for NHS services.
- f) Any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the NHS Foundation Trust, including but not limited to, lenders or banks.

8.5 If directors have any doubt about the relevance of an interest, this should be discussed with the Chair.

8.6 At the time the interests are declared, they should be recorded as appropriate. Any changes in interests should be declared at the next Board of Directors meeting as appropriate following the change occurring. It is the obligation of the Director to inform the Trust Board Secretary in writing within 7 days of becoming aware of the existence of a relevant or material interest. The Secretary will amend the Register upon receipt within 3 working days.

8.7 During the course of a Board of Directors meeting, if a conflict of interest is established, the director concerned should withdraw from the meeting and play no part in the relevant discussion or decision. For the avoidance of doubt, this includes voting on such an issue where a conflict is established. If there is a dispute as to whether a conflict of interest does exist, majority will resolve the issue with the Chair having the casting vote.

8.8 There is no requirement for the interests of directors' spouses or partners to be declared.

8.9 **Authorisation of Conflict of Interest**

Where a director has a direct or indirect interest that conflicts (or possibly may conflict) with the interests of the Trust (in contravention of the duty outlined at SO 8.2), this may be authorised if a majority of directors vote in favour of authorisation. If there is a dispute as to whether a conflict or potential conflict of interest exists, majority will resolve the issue with the Chair having the casting vote.

8.10 If a director has a direct or indirect interest that conflicts (or possibly may conflict) with the interests of the Trust that is not authorised by the Board of Directors, the director in question will be deemed to be in breach of the statutory duty outlined at SO 8.2.

8.11 **Register of Interests**

The details of directors' interests recorded in the Register will be kept up to date by means of a monthly review of the Register by the Secretary, during which any changes of interests declared during the preceding month will be incorporated.

8.12 Subject to contrary regulations being passed, the Register will be available for inspection by the public free of charge. The Chair 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. Copies or extracts of the Register must be provided to members of the Trust free of charge and within a reasonable time period of the request. A reasonable charge may be imposed on non-members for copies or extracts of the Register.

9 **DISABILITY OF DIRECTORS IN PROCEEDINGS ON ACCOUNT OF PECUNIARY INTEREST**

9.1 *If a director of the Trust has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Board of Directors 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.

9.2 *The Trust shall exclude a director from a meeting of the Board of Directors while any contract, proposed contract or other matter in which they have a pecuniary interest, is under consideration.*

9.3 *For the purpose of this Standing Order directors shall be treated as having indirectly a pecuniary interest in a contract, proposed contract or other matter, if:*

(a) *they, or a nominee of theirs, is a director of a company or other body, not being a public body, with which the contract was made or is proposed to be made or which has a direct pecuniary interest in the other matter under consideration;*

or

(b) *they are a partner of, or is in the employment of a person with whom the contract was made or is proposed to be made or who has a direct pecuniary interest in the other matter under consideration;*

and in the case of married persons, persons in a civil partnership, or unmarried persons living together as partners, the interest of one spouse or partner shall, if known to the other, be deemed for the purposes of this Standing Order to be also an interest of the other.

9.4 *A director shall not be treated as having a pecuniary interest in any contract, proposed contract or other matter by reason only:*

(a) *of their membership of a company or other body, if they have no beneficial interest in any securities of that company or other body;*

(b) *of an interest in any company, body or person with which they are connected as mentioned in SO 9.3 above which is so remote or insignificant that it cannot reasonably be regarded as likely to influence a director in the consideration or discussion of or in voting on, any question with respect to that contract or matter.*

9.5 *Where a director:*

(a) *has an indirect pecuniary interest in a contract, proposed contract or other matter by reason only of a beneficial interest in securities of a company or other body, and*

(b) *the total nominal value of those securities does not exceed £5,000 or one-hundredth of the total nominal value of the issued share capital of the company or body, whichever is the less, and*

- (c) *if the share capital is of more than one class, the total nominal value of shares of any one class in which he has a beneficial interest does not exceed one-hundredth of the total issued share capital of that class,*

this Standing Order shall not prohibit them from taking part in the consideration or discussion of the contract or other matter or from voting on any question with respect to it without prejudice however to their duty to disclose their interest.

- 9.6 *SO 9 applies to a committee or sub-committee of the Board of Directors as it applies to the Board of Directors and applies to any member of any such committee or sub-committee (whether or not they are also a director of the Trust) as it applies to a director of the Trust.*

10 STANDARDS OF BUSINESS CONDUCT

10.1 Policy

Directors shall act in accordance with the Nolan Principles Governing Conduct of Public Office Holders at all times.

- 10.2 The Trust has adopted as good practice the national guidance contained in HSG(93)5 'Standards of Business Conduct for NHS staff' and staff must comply with this guidance. The following provisions should be read in conjunction with this document.

10.3 Interest of Officers in Contracts

If it comes to the knowledge of a director or an officer of the Trust that a contract in which they have any pecuniary interest not being a contract to which they is themselves a party, has been, or is proposed to be, entered into by the Trust they shall, at once, give notice in writing to the Chief Executive of the fact that they are interested therein. In the case of married persons, or persons living together as partners, the interest of one partner shall, if known to the other, be deemed to be also the interest of that partner.

- 10.4 An officer must also declare to the Chief Executive any other employment or business or other relationship of theirs, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.

- 10.5 The Trust shall require interests, employment or relationships so declared by staff to be entered in a register of interests of staff.

10.6 Canvassing of, and Recommendations by, Directors in Relation to Appointments

Canvassing of directors of the Trust or members 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.

- 10.7 A director of the Trust shall not solicit for any person any appointment under the Trust or recommend any person for such appointment: but this paragraph of this Standing Order shall not preclude a director from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.
- 10.8 Informal discussions outside appointments panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.
- 10.9 **Relatives of Directors or Officers**
Candidates for any staff appointment shall when making application disclose in writing whether they are related to any director or the holder of any office under the Trust. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render them liable to instant dismissal.
- 10.10 The directors and every officer of the Trust shall disclose to the Chief Executive any relationship with a candidate of whose candidature that director or officer is aware. It shall be the duty of the Chief Executive to report to the Board of Directors any such disclosure made.
- 10.11 On appointment, directors (and prior to acceptance of an appointment in the case of executive directors) should disclose to the Trust whether they are related to any other director or holder of any office under the Trust.
- 10.12 Where the relationship of an officer or another director to a director of the Trust is disclosed, the Standing Order headed 'Disability of directors in proceedings on account of pecuniary interest' (SO 9) shall apply.
- 10.13 In accordance with paragraph 1.1.2 of the Trust's Standards of Business Conduct and Employees Declarations of Interest Policy, any Board member or member of staff who receives or is offered and declines hospitality in excess of £50.00 is required to enter the details of the hospitality in the Trust's Hospitality Register.

11 TENDERING AND CONTRACT PROCEDURES

11.1 Duty to comply with Standing Orders

The procedure for making all contracts by or on behalf of the Trust shall comply with these Standing Orders (except where SO 5.40 (Suspension of SOs) is applied).

11.2 EU Directives Governing Public Procurement

Directives by the Council of the European Union promulgated by the Department of Health (DoH) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders.

11.3 The Trust shall comply as far as is practicable with the requirements of the Capital Investment Manual and with guidance contained in "The Procurement and Management of Consultants within the NHS".

11.4 Financial Thresholds

The Trust shall set financial thresholds above which competitive quotations and tenders are to be invited. The value to be compared to the threshold is the estimated full amount of the goods and/or services to be paid during the life of the contract exclusive of vat.

11.5 The estimated value of the requirement is calculated with reference to the following:

- a) all possible options under the contract need are included;
- b) where volumes and prices are known in advance, then the value of the contract is the full amount which will be paid during the life of the contract;
- c) where the contract is for an indefinite period, or for a period of time which is uncertain when the contract is entered into, or the volumes are uncertain, then the estimated amount to be paid is the estimated monthly value multiplied by 24;
- d) where it is proposed to enter into two or more contracts for goods or services of a particular type, then the estimated value of each of the contracts must be added together. This aggregate value is the one which must be applied and assessed against the threshold. Where the aggregate value is above the threshold, each contract has to be put to competition, even if the estimated value of each individual contract is below the threshold;
- e) for building or engineering works this is the estimated value of the whole works project, irrespective of whether or not it comprises a number of separate contracts for different activities. For example if the construction of a new building is divided into three phases, site clearance, construction and fitting out, the threshold must be applied to the value of all three phases, even though the activities are different and different contractors may be used.

11.6 If the estimate proves to have been flawed, for example, because bids or the eventual contract value are significantly higher than estimated, there may be a breach of the Regulations and the competition may have to be stopped and started again. There may, for example, be unfairness to contractors who relied upon a flawed estimate in reaching a decision not to bid for a particular contract.

11.7 The current thresholds (exclusive of vat) are 3 written quotes up to £25,000, formal quotes up to £50,000; local tenders £50,000 to EU Threshold and measured term contract for works £250,000.

11.8 Formal Competitive Tendering and Quotations

The Trust shall ensure that competitive tenders are invited for the supply of goods, materials and manufactured articles and for the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DoH); for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); where the value is expected to exceed the financial threshold (11.7) and for disposals.

11.9 Formal tendering procedures may be waived by officers to whom powers have been delegated by the Chief Executive without reference to the Chief Executive where:

- (a) the estimated expenditure or income does not, or is not reasonably expected to, exceed the financial threshold (11.7); or
- (b) where the supply is proposed under special arrangements negotiated by the DoH in which event the said special arrangements must be complied with.

11.10 Formal tendering procedures are not required where:

- (a) the requirement is covered by an existing contract;
- (b) the requirement is covered by an existing framework

11.11 Formal tendering procedures may be waived by the Chief Executive where:

- (a) 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;
- (d) the timescale genuinely precludes competitive tendering. Failure to plan the work properly is not a justification for single tender; or
- (e) specialist expertise is required and is available from only one source; or
- (f) 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; or
- (g) 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; or
- (h) where provided for in the Capital Investment Manual.

Where it is decided that competitive tendering is not applicable and should be waived by virtue of (d) to (g) above the fact of the waiver and the reasons should be documented and reported by the Chief Executive to the Audit and Risk Committee in the next formal meeting.

- 11.12 The limited application of the single tender rules (11.9 and 11.10 above) 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.
- 11.13 Quotations are required from at least three suppliers where formal tendering procedures are waived under SO 11.9 (a) and where the intended expenditure or income exceeds, or is reasonably expected to exceed the financial threshold (11.7).
- 11.14 If a framework agreement is to be used, the selection of the best supplier for the particular need is to be made on the basis of either:
- (a) the supplier offering the most economically advantageous offer (using the original award criteria) for the particular need where the terms of the agreement are precise enough; or
 - (b) through mini competition between those suppliers on the framework capable of meeting the particular need using the terms of the original terms, supplemented or refined as necessary.
- 11.15 Works requirements falling below the MTC financial threshold (11.7) can be placed with the measured term contract supplier, following the process set out in that contract.
- 11.16 Except where SOs 11.10 and 11.11, or a requirement under SO 11.2, applies, the Board of Directors shall ensure that invitations to tender are sent to a sufficient number of suppliers to provide fair and adequate competition as appropriate, and in no case less than three written competitive tenders must be obtained, having regard to suppliers capacity to supply the goods or materials or to undertake the services or works required.
- 11.17 The number of suppliers to be invited to tender for building and engineering schemes valued above the financial threshold (11.7) will be a minimum of six, of which four written competitive tenders must be obtained, unless the requirement is waived in writing by the Chief Executive or Director of Finance.
- 11.18 The Board of Directors shall ensure that normally the suppliers invited to tender (and where appropriate, quote) for building and engineering schemes are among those on approved lists (see Annex Section 5). Where in the opinion of the Director of Finance it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the Chief Executive.

- 11.19 Tendering procedures are set out in the Annex.
- 11.20 Quotations should be in writing or via the e-tendering system for quotes above £25,000 unless the Chief Executive or their nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone. Confirmation of telephone quotation should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.
- 11.21 All quotations should be treated as confidential and should be retained for inspection.
- 11.22 The Chief Executive or their nominated officer should evaluate the quotations and select the one that is either the lowest cost or is the most economically advantages to the Trust taking into account quality. If this is not the lowest or economically advantages then this fact and the reasons why should be in a permanent record.
- 11.23 **Where tendering or competitive quotation is not required**
Where tenders or quotations are not required, because expenditure is below the financial threshold (11.7), the Trust shall procure goods and services in accordance with procurement procedures approved by the Board of Directors.
- 11.24 The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided under contract or in-house. The Board of Directors may also determine from time to time that in-house services should be market tested by competitive tendering (SO 11.8).
- 11.25 **Private Finance**
When the Board of Directors 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) The proposal must be specifically agreed by the Board of Directors in the light of such professional advice as should reasonably be sought in particular with regard to vires.
 - (c) The selection of a private sector partner must be on the basis of competitive tendering or quotations.
- 11.26 **Contracts**
The Trust may only enter into contracts within its statutory powers and shall comply with:
- (a) these Standing Orders;

- (b) the Trust's SFIs;
- (c) EU Directives and other statutory provisions.
- (d) any relevant directions including the Capital Investment Manual and guidance on the Procurement and Management of Consultants;

Where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited.

11.27 In all contracts made by the Trust, the Board of Directors shall endeavour to obtain best value for money. The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.

11.28 Personnel and Temporary Staff Contracts

The Chief Executive shall nominate officers with delegated authority to enter into contracts for the employment of other officers, to authorise regrading of staff, and enter into contracts for the employment of temporary staff.

11.29 Healthcare Services Contracts

Healthcare Services Contracts made between two NHS organisations are subject to the provisions of the 2006 Act.

11.30 The Chief Executive shall nominate officers with power to negotiate for the provision of healthcare services with commissioners of healthcare.

11.31 Contracts Involving Funds Held on Trust

Contracts Involving Funds Held on Trust shall do so individually to a specific named fund. Such contracts involving charitable funds shall comply with the requirements of the Charities Acts.

11.32 Legality of Payments

It is the responsibility of the Director of Finance to ensure that all payments made by the Trust fall within its powers.

12 DISPOSALS

12.1 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 their nominated officer;

- (b) obsolete or condemned articles and stores, which may be disposed of in accordance with the Trust's condemnation policy;
- (c) items to be disposed of with an estimated sale value of less than £5,000;
- (d) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- (e) land or buildings concerning which DoH guidance has been issued but subject to compliance with such guidance.

13 IN HOUSE SERVICES

13.1 In all cases where the Board of Directors 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(s).
- (b) In-house tender group, comprising representatives of the in-house team, a nominee of the Chief Executive and technical support.
- (c) Evaluation group, comprising normally a specialist officer, a supplies officer and a Director of Finance representative. For services having a likely annual expenditure exceeding £250,000, a non-executive director should be a member of the evaluation team.

13.2 All groups should work independently of each other but individual officers may be a member of more than one group. No member of the in-house tender group may, however, participate in the evaluation of tenders.

13.3 The evaluation group shall make recommendations to the Board of Directors.

13.4 The Chief Executive shall nominate an officer to oversee and manage the contract.

14 CUSTODY OF SEAL AND SEALING OF DOCUMENTS

14.1 Custody of Seal

The Common Seal of the Trust shall be kept by the Secretary in a secure place.

14.2 Sealing of Documents

The Seal of the Trust shall not be fixed to any documents unless the sealing has been authorised by a resolution of the Board of Directors or of a committee, thereof or where the Board of Directors has delegated its powers.

14.3 The legal requirement to "seal" documents executed as a deed has been removed. The Board of Directors' may however, choose to continue to use the seal.

14.4 Before any building, engineering, property or capital document is sealed it must be approved and signed by the Director of Finance (or an officer nominated) and authorised and countersigned by the Chief Executive (or an officer nominated). Officers nominated to approve the use of the seal on behalf of either the Director of Finance or Chief Executive shall not be within the originating directorate.

14.5 Register of Sealing

An entry of every sealing shall be made and numbered consecutively in a book provided for that purpose, and shall be signed by the persons who shall have approved and authorised the document and those who attested the seal. A report of all sealing shall be made to the Board of Directors at least quarterly. (The report shall contain details of the seal number, description of the document, date of sealing, and the directors authorising the use of the seal).

15 SIGNATURE OF DOCUMENTS

15.1 Where the signature of any document will be a necessary step in legal proceedings involving the Trust, it shall be signed by the Chief Executive, unless any enactment otherwise requires or authorises, or the Board of Directors shall have given the necessary authority to some other person for the purpose of such proceedings.

15.2 The Chief Executive or nominated officers shall be authorised, by resolution of the Board of Directors, to sign on behalf of the Trust any agreement or other document (not required to be executed as a deed) the subject matter of which has been approved by the Board of Directors or committee or sub-committee to which the Board of Directors has delegated appropriate authority.

16 MISCELLANEOUS

16.1 Standing Orders to be given to Directors and Officers

It is the duty of the Chair to ensure that existing Governors and all new Directors are notified of and understand their responsibilities within SOs and SFIs. Updated copies shall be issued to Directors designated by the Chair. New Directors shall be informed in writing and shall receive copies where appropriate of SOs.

16.2 Documents having the standing of Standing Orders

Standing Financial Instructions shall have effect as if incorporated into SOs.

16.3 Review of Standing Orders

Standing Orders shall be reviewed annually by the Board of Directors. The requirement for review extends to all documents having the effect as if incorporated in SOs.

17 VARIATION AND AMENDMENT OF STANDING ORDERS

17.1 These Standing Orders shall be amended only if:

- (i) at least two-thirds of the Board of Directors are present; and
- (ii) a majority of those present, including no fewer than half the total of the Trust's non-executive directors, vote in favour of amendment; and
- (iii) the variation proposed does not contravene any statutory provision or direction made by NHS Improvement.

Annex - TENDERING PROCEDURE

1 INVITATION TO TENDER

- 1.1 All invitations to submit a tender on a formal competitive basis by utilising the E-Tender Portal and shall include:
- (a) clear instructions of documentation to complete, including pricing information, technical specifications and business continuity plans
 - (b) details of the closing date, time and place of receipt of submission with a named lead of who to contact should there be submission problems.
- 1.2 Extensions of time for the period allowed for receipt of tenders shall only be considered where no tenders have been received or, if tenders have been received, on the basis that all parties are notified and all agreed to the proposed extension . Suppliers may re-submit if they wish by the new deadline.
- 1.3 Each invitation shall include as a minimum (where appropriate) the following:
- (a) Instructions to Offer
 - (b) Terms of offer including Evaluation Criteria
 - (c) Specification of goods/service
 - (d) Terms and conditions of contract as appropriate.
 - (e) Offer schedule(s)
 - (f) Form of offer
- 1.4 Other than in exceptional circumstances, all preparation in relation to the specification and the evaluation of product should be conducted prior to invitation to tender.
- 1.5 Other than in exceptional circumstances, all preparation in relation to the specification and the evaluation of product should be conducted prior to invitation to tender.
- 1.6 There shall normally be no contact between Officers of the Trust and the candidates invited to tender in relation to the tender or the proposed contract between the issue of the tender documentation and the award of the contract other than via the use of the Electronic Portal to:-
- (a) clarify questions relating to the specification, or
 - (b) clarify questions relating to the completion of the tender documents, or
 - (c) offer all parties invited to tender a briefing on the Trust's requirements with the opportunity for the Officers of the Trust and such persons as deemed appropriate and parties invited to tender representatives to ask questions of each other at a meeting arranged by the Trust specifically for this purpose:

where this happens an electronic record should be made and retained for future inspection, or

- (d) arrange trials of supplies and/or equipment.

No clarification by Officers of the Trust shall be sought with candidates in relation to financial matters including pricing until after tenders have been opened.

2 RECEIPT, SAFE CUSTODY AND RECORD OF FORMAL TENDERS

2.1 All communicating with candidates between invitation to tender and receipt of tender by the Trust shall be channelled through the e-tendering portal.

2.1.1 Unsuccessful tenderers will be notified via the e-tendering portal.

2.1.3 All tenders received and associated documents (or copies of) will be retained by those seeking the tender and stored on the E-Tendering Portal against the unique Contract reference number for future reference, inspection and audit where required along with the evaluation scoring and details of the evaluation team.

2.1.4 By utilising the E-Tendering Portal procedures shall be adopted to ensure that all tenders received are retained in the secure electronic Portal and remain unopened until such time as they are officially opened which shall be as soon as is reasonably practicable following the latest date and time set for receipt of tenders.

2.2 The tenders will be opened and recorded electronically in the e-tendering portal by two Procurement officers.

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

2.4 Where the lowest tender submitted is so much below the estimate it prompts doubts as to whether an error has been made in tendering, especially where it differs substantially from the other tenders, confirmation of price may be sought from the tenderer via the e-tendering portal without disclosing that it is the lowest tenderer, and an assurance that the contractual arrangements and technical documentation have been fully understood. If the tenderer has made an error, they may withdraw their tender. If they stand by their original price, it must be decided whether acceptance would carry too great a risk of subsequent failure before establishing an order of preference.

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

- 2.6 Wherever the invitation to tender does not demonstrate sufficient competition by reason of an inadequate response to the invitation, the supervising officer/project manager concerned shall set up a fresh competition, and all tenderers submitting a tender from the original invitation shall be invited to re-tender.

3 WORKS TENDERS

- 3.1 Every tender for building and engineering works, except for maintenance work only where Estmancode guidance should be followed, shall embody or be in the terms of the current edition of either the appropriate Joint Contracts Tribunal (JCT) or Department of the Environment (GC/Wks) standard forms of contract or NEC3 form of contract amended to comply with Concode. When the content of the works is primarily engineering, tenders shall embody or be in the terms of the General Conditions of Contract recommended by the Institutions of Mechanical Engineers, Electrical 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 Institution of Civil Engineers. The standard documents should be amended to comply with Concode and, in minor respects, to cover special features of individual projects. Tendering based on other forms of contract may be used only after prior consultation with the DoH.
- 3.2 Works to a maximum value of £250,000 may alternatively be procured through an agreed Measured Term Contract, based on the provisions of the Joint Contracts Tribunal (JCT) contract form. The current Measured Term Contract award should be renewed in February 2017.
- 3.3 Works of value greater than £1m may be procured under an EU Public Procurement compliant Procure 21+ process. This process will be reviewed in April 2016 (as P22_ and is likely to be of similar form to P21+ and will be a route available for procurement of works greater than £1m.

4 LISTS OF APPROVED FIRMS

- 4.1 A manager nominated by the Chief Executive shall on behalf of the Trust maintain lists of approved firms from whom tenders and quotations may be invited. These shall be kept under frequent review. The lists shall include all firms who have applied for permission to tender and as to whose technical and financial competence the Trust is satisfied. All suppliers must be made aware of the Trust's terms and conditions of contract and their selection for invitation to tender or quote, must be effectively rotated.

(a) **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) Firms included on the approved list of tenderers shall ensure that when engaging, training, promoting or dismissing employees or in any conditions of employment, shall not discriminate against any person because of colour, race, ethnic or national origins, religion or sex, and will comply with the provisions of current legislation and regulations.
 - (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 the health, safety and welfare of workers and other persons, and to any relevant British Standard Code of Practice issued by the British Standard Institution and CDM2007. Firms must provide to the appropriate manager a copy of its safety policy and evidence of the safety of plant and equipment, when requested.
- (b) **Financial Standing and Technical Competence of Contractors**
The Director of Finance may make or institute any enquiries he deems appropriate concerning the financial standing and financial suitability of approved contractors. The Director of Facilities and Commercial Development will similarly make such enquiries as is felt appropriate to be satisfied as to their technical competence.
- 4.2 The Trust shall arrange for advertisements to be issued as may be necessary, and not less frequently than every third year, in trade journals and national newspapers inviting applications from firms for inclusion in the prescribed lists.
- 4.3 If in the opinion of the Chief Executive or the Director of Finance it is impractical to use a list of approved suppliers (for example where specialist services or skills are required and there are insufficient suitable potential contractors on the list), the Chief Executive should ensure that appropriate checks are carried out as to the technical and financial capability of firms invited to tender or quote.
- 4.4 A permanent record should be made of the reasons for inviting a tender or quote other than from an approved list.

5 NEGOTIATED TENDERS

- 5.1 The use of a negotiated tender leading to a 'continuation' or 'run-on' contract may be appropriate where the need arises for additional work which, if authorised as variation on the existing contract or let to another contractor would be undesirable or unduly

disruptive and expensive. This situation can arise in two circumstances:

- (a) when the need is for further work of a similar nature to that already being executed and normally on the same or a closely adjoining site; and
- (b) when the need is for alteration to the works executed in the original contract which it is important should be carried out by the same contractor in order to safeguard the Trust's rights with regard to defects in the works.

5.2 The following criteria must be observed when considering the use of negotiated tender procedure:

- (a) The initial contract must have been awarded as a result of competitive tendering.
- (b) The new work must not be of a disproportionately high value (i.e. as a general rule not more than 50%) in relation to the value of the initial contract.
- (c) For further work of a similar nature a high proportion (at least 60%) of the value of the new work must be covered by rates included in the initial contract that can be used as basis of negotiation of new rates.
- (d) For alteration works, the rates must be based as far as practicable on the same fundamental costing data used for rates in the initial contract.
- (e) The aggregate value of contracts awarded for additional works may not exceed 50% of the value of the original contract.
- (f) During the negotiations the contractor's agreement must be obtained that the addition of further work will not later be raised by them as a ground for a claim for disruption of the initial contract. (The costs of any necessary reorganisation of the initial contract so as to accommodate the further work must be raised during the negotiations and, if agreed, included in the negotiated amount).
- (g) At the conclusion of the negotiations the Trust must have reasonable evidence to show that the negotiated amount is no less favourable than a freshly obtained competitive tender would be.
- (h) The procedure must not be used simply to recover time lost during the initial contract or as a means of bringing forward a later scheme, or as a substitute for good planning.
- (i) The details of the further work should be fully prepared and meet the normal requirements of readiness to proceed to tender.

- (j) The timetable for the negotiations should be linked with the planning of capital expenditure so that this does not place any additional constraint on the Trust's freedom of action.

6 TENDERS NOT STRICTLY IN ACCORDANCE WITH SPECIFICATION

- 6.1 Tenders not strictly in accordance with the specification may be considered if a marked financial advantage to the Trust would otherwise be lost. A marked financial advantage is a saving in excess of £1000 or 1% of the tender price, whichever is the greater.
- 6.2 Provided there is no reason to doubt the bona fides of the tenderer, the lowest tenderer to specification may be asked to revise their tender to conform to the revised specification.
- 6.3 If they are willing to do so but refuses to abide by their original price, their tender must be rejected.
- 6.4 If they decline to revise their tender to conform with the specification then, in the case of professional Services Contracts or Supplies Contracts, post tender negotiations may be undertaken in accordance with the procedures below. Otherwise the tender should be rejected and the second lowest (or second highest in the case of a sale) should be considered.
- 6.5 If so many of the tenderers fail to conform with the specification that the whole basis of the competition is invalidated or post tender negotiations do not take place then consideration should be given to re-commencing competition and inviting further tenders.

7 POST TENDER NEGOTIATION

- 7.1 At any time prior to acceptance of a tender by the Trust the Chief Executive or any officer authorised, may authorise post tender negotiations if it appears that a marked financial advantage as defined above may accrue to the Trust, or, if subsequently there has been a bona fide change in specification which is not so significant as to warrant abandonment of the procedure and the invitation of further tenders.
- 7.2 Where the negotiation is carried out by officers of the Trust each tenderer shall be notified that the Trust wishes to enter into post tender negotiations, and at least each of the three lowest (or highest in the case of a sale) tenderers, or all the tenderers if less than three submitted valid tenders, shall be invited to attend a separate meeting at the Trust's offices (unless an adverse financial report has been received from the Director of Finance in respect of any tenderer, in which case that tenderer shall be excluded from the invitation). At each such meeting the Trust shall be represented by at least two

officers, one of whom shall write a minute of the meeting, which, as soon as practicable thereafter, shall be confirmed as correct by the other officer and each tenderer shall be given equal opportunity on an equal footing insofar as it is reasonably practicable to negotiate the tender, whether as to price, quality or in any other respect. Negotiations with each tenderer may continue over a series of meetings and any amendment finally negotiated shall be confirmed by the tenderer in writing to the Trust.

- 7.3 The time during which all negotiations shall be completed by receipt of written confirmation of any amendments shall be specified in the invitation referred to in 8.2 above and may be extended by notice in writing from the Trust to all tenderers at any time.
- 7.4 Post tender negotiation in relation to Estates contracts shall only take place in accordance with the guidance given in the current edition of the Code of Procedure Single Stage Selective Tendering issued by the National Joint Consultative Committee for Building.
- 7.5 Upon the expiration of the time for negotiation, or any extended period, any amended tender shall be considered in accordance Section 4 on the Acceptance of Tenders.

8 PRESERVATION AND DESTRUCTION OF DOCUMENTS

8.1 Estates' Tenders

Documents relating to the successful tender shall not be destroyed. Documents relating to unsuccessful tenders will be destroyed after six successive financial years following the financial year of origin.

8.2 Supply of Goods and Services

Documents relating to the successful tender shall not be destroyed. Documents relating to unsuccessful tenders will be destroyed six years after the end of the financial year of origin.

9 FORMS OF CONTRACT

- 9.1 Supplies contracts may be executed under hand.
- 9.2 An Official Order or Letter of Acceptance will be sent to the successful tenderer in respect of contracts for estates services up to and including £250,000 in value. In the case of estates services which exceed £250,000 in value but do not exceed £500,000, contracts may be executed underhand.
- 9.3 Those exceeding £500,000 in value will be executed under the Common Seal of the Trust.

- 9.4 Every contract for building and engineering works (except contracts for maintenance work only, where Estmancode guidance should be followed) shall embody or be in the same terms and conditions of contract as those on the basis of which tenders were invited.
- 9.5 In the case of Consultants' commissioning agreements relating to building and engineering works, to which a professional service contract for consultant design services relates, the contract shall be evidenced in writing, so far as is possible having regard to the custom and practice of the profession concerned.

APPENDIX 1 - EQUALITY IMPACT ASSESSMENT PART 1 INITIAL SCREENING

Service/Function/Policy/Project/ Strategy	CSU/Executive Directorate and Department	Assessor (s)	New or Existing Service or Policy?	Date of Assessment
Standing Orders Board of Directors 2016 – CORP/FIN 1 (A) v.9	CE/Finance	Jon Sargeant/Matthew Bancroft	Existing Policy	March 2019
1) Who is responsible for this policy? Name of CSU/Directorate – Finance Department				
2) Describe the purpose of the service / function / policy / project/ strategy? Who is it intended to benefit? What are the intended outcomes? To provide standing orders for the Board and a framework for the delegation of powers from the Board.				
3) Are there any associated objectives? Legislation, targets national expectation, standards No				
4) What factors contribute or detract from achieving intended outcomes? – Compliance with the policy				
5) Does the policy have an impact in terms of age, race, disability, gender, gender reassignment, sexual orientation, marriage/civil partnership, maternity/pregnancy and religion/belief? Details: [see Equality Impact Assessment Guidance] - No				
<ul style="list-style-type: none"> • If yes, please describe current or planned activities to address the impact [e.g. Monitoring, consultation] – N/A 				
6) Is there any scope for new measures which would promote equality? [any actions to be taken] N/A				
7) Are any of the following groups adversely affected by the policy? No				
Protected Characteristics	Affected?	Impact		
a) Age	No			
b) Disability	No			
c) Gender	No			
d) Gender Reassignment	No			
e) Marriage/Civil Partnership	No			
f) Maternity/Pregnancy	No			
g) Race	No			
h) Religion/Belief	No			
i) Sexual Orientation	No			
8) Provide the Equality Rating of the service / function /policy / project / strategy – tick (✓) outcome box				
Outcome 1 ✓	Outcome 2	Outcome 3	Outcome 4	
<i>*If you have rated the policy as having an outcome of 2, 3 or 4, it is necessary to carry out a detailed assessment and complete a Detailed Equality Analysis form in Appendix 4</i>				
Date for next review: March 2020				
Checked by: Jon Sargeant/Matthew Bancroft			Date: March 2019	



Doncaster and Bassetlaw
Teaching Hospitals
NHS Foundation Trust

Standing Financial Instructions

March 2019

This procedural document supersedes: CORP/FIN 1 (B) v.6 – Standing Financial Instructions – January 2018



Did you print this document yourself?

The Trust discourages the retention of hard copies of policies and can only guarantee that the policy on the Trust website is the most up-to-date version. **If, for exceptional reasons, you need to print a policy off, it is only valid for 24 hours.**

Name and title of author/reviewer:	Jon Sargeant – Director of Finance
Date written/revised:	December 2018
Approved by (Committee/Group):	Board of Directors
Date of approval:	26 March 2019
Date issued:	March 2019 (published 23 July 2019)
Next review date:	March 2020
Target audience:	Trust-wide

Standing Financial Instructions**Amendment Form**

Please record brief details of the changes made alongside the next version number. If the procedural document has been reviewed **without change**, this information will still need to be recorded although the version number will remain the same.

Version	Date Issued	Brief Summary of Changes	Author
Version 7	March 2019	<ul style="list-style-type: none"> • Updated names of structures/meetings • Updated sections relating to PBL, Data Protection, Health & Safety and budget virements. 	Jon Sargeant
Version 6	30 January 2018	<ul style="list-style-type: none"> • Updated sections on Audit, Budgets, funded/ budgeted establishment, Banking, Payment of Directors and Employees, Non Pay Expenditure, Funds Held on Trust • Procurement and Tendering Appendix added 	Winston Weir

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FOREWORD

NHS Foundation Trusts need to agree Standing Orders (SOs) for the regulation of their proceedings and business. The Board of Directors are also required to adopt schedules of reservation of powers and delegation of powers.

The documents, together with Standing Financial Instructions, provide a regulatory framework for the business conduct 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.

The Standing Orders, Delegated Powers and Standing Financial Instructions provide a comprehensive business framework. 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.

1. INTRODUCTION

1.1. General

- 1.1.1. These Standing Financial Instructions (SFIs) detail the financial responsibilities, policies and procedures 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 Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust. They shall have effect as if incorporated in the Standing Orders (SOs) of the Trust.
- 1.1.2. These SFIs identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations including Trading Units. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Director of Finance subject to review by the Financial Oversight Committee.
- 1.1.3. Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Director of Finance **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.
- 1.1.4. **Failure to comply with SFIs and SOs is a disciplinary matter which could result in dismissal.**

1.2. Terminology

- 1.2.1. Any expression to which a meaning is given in Health Service Acts, or in the Financial Directions made under the Acts, shall have the same meaning in these instructions; and
- | | |
|-------------------|---|
| "the Board" | means the board of directors as constituted in accordance with the Trust Constitution; |
| "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" | means the chairman of the Trust appointed in accordance with the Trust Constitution; |
| "Chief Executive" | means the Chief Executive Officer of the Trust appointed in accordance with the terms of the Trust Constitution; |
| "Constitution" | means the Trust Constitution and all annexes to it; |

“Director”	means a director on the Board of Directors;
“Director of Finance”	means the chief finance officer of the Trust;
“Executive Director”	means an executive director of the Trust appointed in accordance with the Trust Constitution;
“Funds held on Trust”	means those funds which the Trust holds at its date of incorporation, receives on distribution by statutory instrument or chooses to accept under powers derived under S.90 of the 2006 Act;
“Legal Adviser”	means the properly qualified person appointed by the Trust to provide legal advice;
“NHS Improvement”	means the body corporate known as NHS Improvement;
“Nominated Officer”	means an officer charged with the responsibility for discharging specific tasks within the SOs and SFIs;
“Officer”	means an employee of the Trust;
“SOs”	means Standing Orders;
“the Trust”	means Doncaster & Bassetlaw Teaching Hospitals NHS Foundation Trust.

1.2.2. Wherever the title Chief Executive, Director of Finance, 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.

1.3. 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 approved 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 directors 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 'Reservation of Powers 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 NHS Improvement, 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 Director of Finance 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 directors and employees and all new appointees are notified of and understand their responsibilities within these Instructions.
- 1.3.7. The Director of Finance is responsible for:
- (a) implementing the Trust's financial policies and for co-ordinating 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 directors and employees to the Trust, the duties of the Director of Finance include:

- (d) the provision of financial advice to the Trust and its directors and employees;
- (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 directors and employees, severally and collectively, are responsible for:
- (a) the security of the property of the Trust;
 - (b) avoiding loss;
 - (c) exercising economy and efficiency in the use of resources; and
 - (d) conforming with 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 directors and employees who carry out a financial function, the form in which financial records are kept and the manner in which directors and employees discharge their duties must be to the satisfaction of the Director of Finance.

2. AUDIT

2.1 Audit and Risk Committee

- 2.1.1 In accordance with Standing Orders and the Audit Code for Foundation Trusts, the Board shall formally establish an Audit Committee, with clearly defined terms of reference and following guidance from the NHS Audit Committee Handbook.

The Board has established the Audit and Risk Committee to perform the role of the Audit Committee along with additional responsibilities in relation to risk management and assurance. The sub-committee will provide an independent and objective view of internal controls and risk management by:

- (a) overseeing Internal and External Audit services;
- (b) reviewing all internal audit reports;
- (c) reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;
- (d) monitoring compliance with Standing Orders and Standing Financial Instructions;
- (e) ensuring that there are adequate arrangements in place for countering fraud and reviewing the outcomes of counter fraud work;
- (f) assessing and providing assurance to the Board on the validity of the control environment within the Trust

- (g) reviewing schedules of losses and compensations and making recommendations to the Board;
- (h) reviewing controls assurance systems, including information to governors; and
- (i) reviewing risk management arrangements.

The Board shall satisfy itself that at least one member of the committee has recent and relevant financial experience.

- 2.1.2 Where the committee feel there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the committee wish to raise, the chairman of the committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to NHS Improvement. (To the Director of Finance in the first instance.)
- 2.1.3 It is the responsibility of the Director of Finance to ensure an adequate internal audit service is provided and the committee shall be involved in the selection process when an internal audit service provider is changed.

2.2 Fraud and Corruption

- 2.2.1 In line with their responsibilities, the Chief Executive and Director of Finance shall monitor and ensure compliance with directions on fraud and corruption.
- 2.2.2 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist (LCFS).
- 2.2.3 The LCFS shall report to the Director of Finance and shall work with staff in the NHS Counter Fraud Authority.
- 2.2.4 The Local Counter Fraud Specialist will provide a written report to the Audit and Risk Committee, at least annually, on counter fraud work within the Trust and national context.

2.3 Security Management

- 2.3.1 The Chief Executive will monitor and ensure compliance with directions on NHS security management.
- 2.3.2 The Board 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.
- 2.3.3 The Chief Executive has overall responsibility for controlling and coordinating security. However, key tasks are delegated by the Chief Executive to the Director responsible for Security Management (SMD) and the appointed Local Security Management Specialist (LSMS).

- 2.3.4 The LSMS shall work with the staff in NHS Counter Fraud Authority.
- 2.3.5 The LSMS will provide a written report, at least annually, to the Audit and Risk Committee on security management work within the Trust.

2.4 Director of Finance

- 2.4.1 The Director of Finance 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 mandatory audit standards;
 - (c) deciding at what stage to involve the police in cases of fraud, misappropriation, and other irregularities;
 - (d) ensuring that an annual internal audit report is prepared for the consideration of the Audit and Risk Committee and the Board. The report must cover:
 - (i) a clear statement on the effectiveness of internal control,
 - (ii) major internal financial control weaknesses discovered,
 - (iii) progress on the implementation of internal audit recommendations,
 - (iv) progress against plan over the previous year,
 - (v) strategic audit plan covering the coming three years,
 - (vi) a detailed plan for the coming year.
- 2.4.2 The Director of Finance or 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;
 - (b) access at all reasonable times to any land, premises or employee of the Trust;
 - (c) the production of any cash, stores or other property of the Trust under an employee's control; and
 - (d) explanations concerning any matter under investigation.

2.5 Role of Internal Audit

- 2.5.1 Internal audit will provide an independent and objective opinion on risk management, control and governance arrangements by measuring and evaluating their effectiveness. The Head of Internal Audit will provide an annual opinion on the whole system of internal control.
- 2.5.2 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 integrity, reliability and 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.

2.5.3 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Finance must be notified immediately.

2.5.4 The Head of Internal Audit will normally attend Audit and Risk Committee meetings and has a right of access to all committee members, the Chairman and Chief Executive of the Trust.

2.5.5 The Head of Internal Audit shall be accountable to the Audit and Risk Committee. The reporting system for internal audit shall be agreed between the Director of Finance, the Audit and Risk Sub-Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the best practice guidance on reporting contained in the NHS Internal Audit Manual. The reporting system shall be reviewed at least every 3 years.

2.6 External Audit

2.6.1 The external auditor is appointed by the Council of Governors and paid for by the Trust, in accordance with paragraph 32 of the Constitution. The auditor must be a member of one or more of the bodies referred to in paragraph 12, Annex 7 of the Constitution.

2.6.2 The Council of Governors must ensure that the auditor meets the criteria included by the Code of Audit Practice issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General at the date of appointment and on an ongoing basis throughout the term of their appointment.

3. PRUDENTIAL BORROWING REQUIREMENT CONTROL

No longer required

4. BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING

4.1 Preparation and Approval of Business Plans and Budgets

- 4.1.1 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. The annual business plan will contain:
- (a) a statement of the significant assumptions on which the plan is based;
 - (b) details of major changes in workload, delivery of services or resources required to achieve the plan.
- 4.1.2 In addition the Director of Finance will annually compile, and submit to the Board, such financial plans as required by NHS Improvement
- 4.1.3 Prior to the start of the financial year the Director of Finance 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 staffing plans;
 - (c) be produced following discussion with appropriate budget holders;
- (a) be prepared within the limits of available funds;
 - (b) identify potential risks; and
 - (c) comply with NHS Improvement requirements and other regulations
- 4.1.4 The Director of Finance shall monitor financial performance against budget and business plan monthly and report to the Board and Financial Oversight Committee appropriately.
- 4.1.5 All budget holders must provide information in a timely manner as required by the Director of Finance to enable budgets to be compiled.
- 4.1.6 All Budget Holders will sign up to their allocated Budgets at the commencement of each financial year.
- 4.1.7 The Director of Finance has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

4.2 Budgetary Delegation

- 4.2.1 The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:
- (a) the amount of the budget;
 - (b) the purpose(s) of each budget heading;
 - (c) individual and group responsibilities;

- (d) authority to exercise virement;
- (e) achievement of planned levels of service; and
- (f) the provision of regular reports.

- 4.2.2 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.
- 4.2.3 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.
- 4.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Director of Finance. In defining what is either non-recurring or recurring the Director of Finance will have the final decision.

4.3 Budgetary Control and Reporting

- 4.3.1 The Director of Finance 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, forecast year-end position, and variances against budget;
 - (ii) balance sheet;
 - (iii) cashflow;
 - (iv) movements in working capital;
 - (v) capital project spend and projected outturn against plan;
 - (vi) explanations of any material variances from plan;
 - (vii) movements in reserves;
 - (viii) details of any corrective action where necessary and the Chief Executive's and/or Director of Finance's view of whether such actions are sufficient to correct the situation;
 - (b) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;
 - (c) investigation and reporting of variances from financial, workload and staffing budgets;
 - (d) monitoring of management action to correct variances; and
 - (e) arrangements for the authorisation of budget transfers or virements.
- 4.3.2 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 Board;
 - (b) the amount provided in the approved budget is not used in whole or in part for any

purpose other than that specifically authorised subject to the rules of virement; and

- (c) no permanent employees are appointed without the approval of the Chief Executive other than those provided for in the budgeted establishment as approved by the Board.

4.3.3 Detailed rules relating to budgetary virement are set out in Appendix 3.

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

4.4 Capital Expenditure

4.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in Chapter 12.)

4.5 Monitoring Returns

4.5.1 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to NHS Improvement and other parties as required.

5. ANNUAL ACCOUNTS AND REPORTS

5.1 The Director of Finance, on behalf of the Trust, will:

- (a) prepare financial returns in accordance with the accounting policies and guidance given by NHS Improvement, the Trust's accounting policies, Government Accounting Manual and international financial reporting standards (IFRS);
- (b) prepare and submit annual financial reports in accordance with current guidelines; and
- (c) submit financial returns for each financial year in accordance with the guidance and timetable prescribed by NHS Improvement.

5.2 The Trust's audited annual accounts and auditor's report and Quality Accounts must be presented to the Board of Directors for approval or to Audit and Risk Committee by delegation from the Board and to a general meeting of the Council of Governors.

5.3 The Trust will publish an annual report, in accordance with guidelines on local accountability, and present it at the Annual Members' Meeting. The document will comply with NHS Improvement's Annual Reporting Manual (ARM).

6. BANK AND GOVERNMENT BANKING SERVICE ACCOUNTS

6.1 General

- 6.1.1 The Director of Finance is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance/Directions issued from time to time by NHS Improvement.
- 6.1.2 The Board shall approve the banking arrangements.

6.2 Bank and Government Banking Service Accounts

- 6.2.1 The Director of Finance is responsible for:
- (a) Setting arrangements in place that NHS Shared Business Service complies with its contract with the organisation for bank and banking services
 - (b) Commercial bank accounts and accounts operated through the Government Banking Service (GBS);
 - (b) establishing separate bank accounts for the Trust's non-exchequer funds;
 - (c) ensuring payments made from commercial banks or GBS accounts do not exceed the amount credited to the account except where arrangements have been made; and
 - (d) reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn.

6.3 Banking Procedures

- 6.3.1 The Director of Finance will prepare detailed instructions (agreed with NHS Shared Business Services) on the operation of commercial bank and GBS accounts which must include:
- (a) the conditions under which each commercial bank and GBS account is to be operated;
 - (b) the limit to be applied to any overdraft; and
 - (c) those authorised to sign cheques or other orders drawn on the Trust's accounts.
- 6.3.2 The Director of Finance must advise the Trust's bankers in writing of the conditions under which each account will be operated.
- 6.3.3 Payments over £10,000 shall be supported by more than one authorised signature on the cheque or authority to pay as appropriate.
- 6.3.4 The Director of Finance shall nominate members of his staff who are authorised to act as signatories in respect of commercial bank and GBS accounts.

6.4 Tendering and Review

- 6.4.1 The Director of Finance will review the 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 banking business.
- 6.4.2 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.

7. INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS

7.1 Income Systems

- 7.1.1 The Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.
- 7.1.2 The Director of Finance is also responsible for the prompt banking of all monies received.

7.2 Fees and Charges

- 7.2.1 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health or by Statute. Independent professional advice on matters of valuation shall be taken as necessary.
- 7.2.2 All employees must inform the Director of Finance promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.
- 7.2.3 The Director of Finance shall be responsible for implementing any such guidance issued by NHS Improvement in relation to the costing and pricing of services, and in particular services provided to NHS Commissioning bodies.

7.3 Debt Recovery

- 7.3.1 The Director of Finance is responsible for the appropriate recovery action on all outstanding debts.
- 7.3.2 Income not received should be dealt with in accordance with losses procedures.
- 7.3.3 Overpayments should be detected (or preferably prevented) and recovery initiated.

7.4 Security of Cash, Cheques and Other Negotiable Instruments

- 7.4.1 The Director of Finance is responsible for:
- (a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
 - (b) ordering and securely controlling any such stationery;
 - (c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and
 - (d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.
- 7.4.2 Official money shall not under any circumstances be used for the encashment of private cheques.
- 7.4.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received.
- 7.4.4 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. Where receipt of such indemnities is problematic or unclear no such items shall be held in Trust safes.
- 7.4.5 A cheque and payable order register shall be kept in which all cheque and payable order stocks ordered, received and issued shall be recorded and signed for by nominated officers.

8. CONTRACTING FOR PROVISION OF SERVICES

- 8.1 The Chief Executive is responsible for negotiating contracts for the provision of services to patients in accordance with the Business Plan, and for establishing the arrangements for providing extra-contractual services. In carrying out these functions, the Chief Executive should take into account the advice of the Director of Finance regarding:
- (a) costing and pricing of services;
 - (b) payment terms and conditions; and
 - (c) amendments to contracts and extra-contractual arrangements.
- 8.2 Contracts should be so devised as to minimise risk whilst maximising the Trust's opportunity to generate income.
- 8.3 The Director of Finance shall produce regular reports detailing actual and forecast contract income (linked to contract activity) with a detailed assessment of the impact of the variable elements of income and an assessment of any significant risks faced.

- 8.4 This also includes both partnership and provision of facilities arrangements to private healthcare providers in their provision of health care and diagnostic services to patients.

9. TERMS OF SERVICE AND PAYMENT OF DIRECTORS AND EMPLOYEES

9.1 Remuneration and Terms of Service

- 9.1.1 In accordance with Standing Orders the Board shall establish a Nominations and Remuneration Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.
- 9.1.2 The Committee will:
- (i) Identify and appoint candidates to fill Executive Director positions when they arise.
 - (ii) Identify and nominate a candidate, for approval by the Council of Governors, to fill the position of Chief Executive.
 - (iii) Decide any matter relating to the disciplining or the continuation in office of any Executive Director at any time including the suspension or termination of service of an individual as an employee of the Trust.
 - (iv) Monitor and evaluate the performance of individual Executive Directors on an annual basis.
 - (v) Decide and review the terms and conditions of office of Executive Directors and senior managers on locally-determined pay in accordance with relevant Trust policies, including:
 - a. Salary, including any performance-related pay or bonus;
 - b. Provisions for other benefits, including pensions and cars; and
 - c. Other allowances.
 - (vi) Decide all contractual arrangements for Executive Directors, including, but not limited to, termination payments.
- 9.1.3 The Committee shall report to the Board regarding its recommendations.
- 9.1.4 The Trust will remunerate the Chairman and Non-executive Directors in accordance with instructions issued by the Council of Governors.

9.2 Funded/ Budgeted Establishment

- 9.2.1 The staffing plans incorporated within the annual budget will form the funded / budgeted establishment. The funded/ budgeted establishment will list out the grade, amount, whole time equivalent for the relevant department(s) and must be set out and agreed each

financial year.

- 9.2.2 The funded / budgeted establishment of any department may not be varied without the approval of the Chief Executive and Director of People & OD.
- 9.2.3 The funded/ budgeted establishment of any clinical department will take account of the required safe levels of clinical staff as necessary for the running of those services.

9.3 Staff Appointments

- 9.3.1 No director or employee may engage, re-engage, or regrade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:
- (a) unless authorised to do so by the Chief Executive; and
 - (b) within the limit of his approved budget and 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 Director of People and Organisational Development is responsible for:
- (a) ensuring that arrangements in place so that NHS Shared Business Services provide an effective and efficient payroll service
 - (b) specifying timetables for submission of properly authorised time records and other notifications;
 - (c) the final determination of pay;
 - (c) making payment on agreed dates; and
 - (d) agreeing method of payment.
- 9.4.2 The Director of People and Organisational Development 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;
 - (c) maintenance of subsidiary records for pension, 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;
- (h) procedures for payments to employees;
- (i) procedures for the recall of bank credits
- (j) pay advances and their recovery;
- (k) maintenance of regular and independent reconciliation of pay control accounts;
- (l) system to ensure the recovery from leavers of sums of money and property due by them to the Trust.

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 Director of People and Organisational Development's instructions and in the form prescribed by the Director of People and Organisational Development.
- (c) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's resignation, termination or retirement. Where an employee fails to report for duty in circumstances that suggest they have left without notice, the Director of People and Organisational Development must be informed immediately.

9.4.4 Where the Director of People and Organisational Development has contracted with another body to administer the Trust's payroll service responsibility for compliance with the above requirements remain with the Director of People and Organisational Development.

9.4.5 Regardless of the arrangements for providing the payroll service, the Director of Finance 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.

9.6 Directors and Staff Expenses

9.6.1 Claims for expenses should be submitted in accordance with the Director of People and

Organisational Development's instructions and in the form prescribed by the Director of People and Organisational Development.

- 9.6.2 All claims should be submitted for authorisation, along with any accompanying receipts, as soon as possible after the end of the month concerned. However all claims must be submitted within three months of the month in which the claim arose. Any claim periods in excess of this deadline will not usually be paid.
- 9.6.3 Once authorised, claims will be paid in accordance with current guidelines and regulations.
- 9.6.4 Claimants must not make duplicate claims for expenses from any other body in addition to that from the Trust.

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.
- 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 Procurement Director shall be sought. Wherever appropriate, the supply of goods and services shall be covered by a contract following a competitive exercise.
- 10.2.2 The Trust's Procurement Director shall be responsible for ensuring that the Trust complies with all applicable laws in relation to choice, requisitioning, ordering and receipt for goods and services. The Director of Finance shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with contract terms.
- 10.2.3 The Director of Finance 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 (whole life costs) should be incorporated in standing orders and regularly reviewed (see Appendix 4);
- (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 directors/employees (including specimens of their signatures) authorised to certify invoices.
 - (ii) Certification that:
 - goods have been duly received, examined and are in accordance with specification and the prices are correct;
 - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
 - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
 - where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
 - the account is arithmetically correct;
 - the account is in order for payment.
 - (iii) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
 - (iv) Instructions to employees regarding the handling and payment of accounts within the Finance Department.
- (e) be responsible for ensuring that payment for goods and services is only made once the goods and services are received, (except as below).
- (f) be responsible for ensuring that all payments made by the Trust fall within its powers.

- 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) and the intention is not to circumvent cash limits;
 - (b) the appropriate 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 Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed; 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, even where electronically generated;
 - (b) be in a form approved by the Director of Finance;
 - (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 Executive.
- 10.2.6 Managers must ensure that they comply fully with the guidance and limits specified by the Director of Finance 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 Director of Finance in advance of any commitment being made;
 - (b) contracts above specified thresholds are advertised and awarded in accordance with public procurement regulations);
 - (c) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health and NHS Improvement;
 - (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;
 - (e) no requisition/order is placed for any item or items for which there is no budget

provision unless authorised by the Director of Finance on behalf of the Chief Executive;

- (f) all goods, services, or works are ordered in advance on an official order as outlined in the Procurement Policy. All invoices received where an order is not already in place will be returned;
- (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. All such instances shall be reported to the Director of Finance and followed up with an official purchase order;
- (h) No orders shall be issued retrospectively of the items being received or the service being delivered;
- (i) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- (j) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- (k) changes to the list of directors/employees authorised to certify invoices are notified to the Director of Finance;
- (l) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance; and
- (m) petty cash records are maintained in a form as determined by the Director of Finance.

10.2.7 The Director of Finance shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the good practice guidance. The technical audit of these contracts shall be the responsibility of the relevant Director.

10.3 Legally Binding Agreements (e.g. leases)

- 10.3.1 Any leases or rental agreements must be vetted by the Director of Finance prior to final agreement, to enable insurance issues and technical accounting treatment to be determined. In addition, all leases entered into on behalf of the Trust should represent value for money.
- 10.3.2 All lease agreements must be signed on behalf of the Trust by the Director of Finance (or his deputy) in addition to being accompanied by the usual order and duly authorised in accordance with these SFIs.

10.4 Grants to Local Authorities and Voluntary Bodies

- 10.4.1 Grants to local authorities and voluntary organisations made under the powers of section

28A of the NHS Act 2006 or section 64 of the Health Service and Public Health Act 1968 shall comply with procedures laid down by the Director of Finance which shall be in accordance with these Acts.

10.4.2 The financial limits for officers' approval of grants are set out in the Scheme of Delegation.

11. EXTERNAL BORROWING AND INVESTMENTS

11.1 External Borrowing

11.1.1 The Director of Finance will advise the Board concerning the Trust's ability to pay interest on, and repay, both the originating capital debt and any proposed new borrowing, within the limits set by NHS Improvement for NHS Foundation Trusts. The Director of Finance is also responsible for reporting periodically to the Board concerning Public Dividend Capital debt and all loans and overdrafts.

11.1.2 Any application for PDC, a loan or overdraft will only be made by the Director of Finance or by an employee so delegated by them. Also such applications must however first be authorised by the Board.

11.1.3 The Director of Finance must prepare detailed procedural instructions concerning applications for PDC, loans and overdrafts.

11.1.4 All borrowings should be kept to the minimum period of time possible, consistent with the overall cash flow position. Any short term borrowing requirement in excess of one month must be authorised by the Director of Finance.

11.1.5 All long term borrowing must be consistent with the plans outlined in the current Business Plan. Where there is a need to vary from this principle due to unforeseen in year events a revised business plan will be prepared and provided to the Board to support its deliberations when considering the need to borrow.

11.2 Investments

11.2.1 Temporary cash surpluses must be held only in such public or private sector investments as authorised by the Board and within such government guidance as may be in place from time to time. The need to prudently manage public funds from unnecessary risk will be a key factor in any decision making regarding what bodies to deposit such funds with.

11.2.2 The Director of Finance is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.

11.2.3 The Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

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

12.1 Capital Investment

12.1.1 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 the availability of resources to finance all revenue consequences, including capital charges.
- (d) shall ensure that processes and procedures are in place to monitor, record and report spend against each element of the Capital programme.

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

- (a) that a business case (in line with the guidance contained within the *Capital Investment Manual*) is produced setting out:
 - (i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs; and
 - (ii) appropriate project management and control arrangements; and
- (b) that the Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case.

12.1.3 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management, incorporating the recommendations of "Estatecode" and other official guidance that may become available from time to time.

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

The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

12.1.4 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's Standing Orders.

- 12.1.5 The Director of Finance shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes.

12.2 Private Finance

- 12.2.1 Where appropriate the possibility of attracting private finance will be investigated for capital expenditure proposals.
- 12.2.2 The Chief Executive will consider such proposals along with all other bids received, in line with the Trust's priorities.
- 12.2.3 Where the proposal is approved the private sector will be invited to submit their bids based upon clear, high level, service based objectives.
- 12.2.4 Once the private sector bids have been received the Director of Finance will provide or commission any specialist assistance to allow the bids to be appraised on a like for like basis.
- 12.2.5 The Chief Executive shall be responsible for deciding upon the preferred shape of the proposed contract and inviting the bidders to tender.
- 12.2.6 The Director of Finance shall ensure that all privately financed proposals represent value for money and genuinely transfer risk to the private sector.
- 12.2.7 Proposals which include the lease of equipment and/or buildings will be tested for Value for Money and the Transfer of Risk by the Capital Accountant.
- 12.2.8 To allow this appraisal of the lease to take place the following financial details shall be obtained:
- (a) Capital value of asset(s) supplied;
 - (b) Minimum lease period;
 - (c) Minimum lease payment;
 - (d) Frequency of lease payment, including details as to whether required in arrears or advance;
 - (e) Premium for payment by non-direct debit method if applicable;
 - (f) Interest rate implicit in the lease (if available).

- 12.2.9 Figures shall be requested for a number of different lease periods, to identify the option, which gives the best returns for the Trust, and be exclusive of VAT.
- 12.2.10 For comparative purposes the capital value of the asset supplied will be the value at the start of the contract plus the discounted value of any enhancements during the minimum lease term less the discounted value of any disposal proceeds at the end of the lease term.
- 12.2.11 The fundamental requirements of a PFI proposal with regards risk are that it is allocated to the party which is best able to manage it and that it is genuinely transferred to the private sector.
- 12.2.12 By achieving optimum risk transfer between the parties to the PFI proposal there is a greater likelihood that value for money will also be achieved.
- 12.2.13 The risks associated with a project typically fall under the following headings:
- (a) Design and Construction Risks;
 - (b) Commissioning and Operating Risks;
 - (c) Demand, Volume or Usage Risks;
 - (d) Technology and Obsolescence Risks;
 - (e) Regulation and Other Risks;
 - (f) Project Financing Risks.
- 12.2.14 The Value for Money attributable to a project is tested by comparing the net present value (or cost) of the estimated annual cash flows over an appraisal period equivalent to the PFI contract term.
- 12.2.15 In addition the PFI proposal shall be assessed for its affordability. This will show whether the proposal is affordable to the Trust and that the impact on prices can be afforded by the Trust's main commissioner.
- 12.2.16 The Director of Finance will be notified in advance of all lease and PFI agreements before any commitment is made.
- 12.2.17 The Chief Executive will ensure that all proposed agreements are scrutinised by either in-house experts or the Trust's Solicitors to ensure that the agreements are comprehensive and are not disadvantageous to the Trust.
- 12.2.18 The Board must specifically agree all PFI proposals before any contracts are signed.
- 12.2.19 When comparing the financials of the various options VAT shall be included within the calculation in so far as it is irrecoverable. The Director of Finance shall engage professional

VAT advisers to facilitate this where it is felt necessary.

12.3 Asset Registers

- 12.3.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Finance 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. Where systems are in place to monitor these on an ongoing basis a rolling programme of checks and/or sampling will be acceptable.
- 12.3.2 Each Trust shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be based on good accounting practice.
- 12.3.3 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.
- 12.3.4 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).
- 12.3.5 The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 12.3.6 The value of each asset shall be indexed to current values in accordance with good accounting practice and NHS Improvement guidelines. A periodic revaluation of land and buildings will be undertaken, by an independent professional valuer, as required by accounting guidelines.
- 12.3.7 The value of each asset shall be depreciated using methods and rates as specified in accounting standards.
- 12.3.8 The Director of Finance shall calculate capital charges.

12.4 Security of Assets

- 12.4.1 The overall control of fixed assets is the responsibility of the Chief Executive.
- 12.4.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments,

and also including donated assets) must be approved by the Director of Finance. 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.

12.4.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Director of Finance.

12.4.4 Whilst each employee has a responsibility for the security of property of the Trust, it is the responsibility of directors and senior employees in all disciplines to apply such appropriate routine security practices in relation to property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with instructions.

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

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

13. STORES AND RECEIPT OF GOODS

- 13.1 Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:
- (a) kept to a minimum;
 - (b) subjected to annual stock take;
 - (c) valued at the lower of cost and net realisable value.
- 13.2 Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by him/her to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance. The control of Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of fuel oil and similar items of a designated estates manager.
- 13.3 The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, stocks should be marked as health service property.
- 13.4 The Director of Finance shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
- 13.5 Stocktaking arrangements shall be agreed with the Director of Finance and there shall be a physical check covering all items in store at least once a year. Where stock control systems allow this may be undertaken on a rolling or sample basis as is felt best to ensure the accurate control and recording of stock.
- 13.6 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.
- 13.7 The designated Manager/Pharmaceutical Officer shall be responsible for a system approved by the Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the Director of Finance any evidence of significant overstocking and of any negligence or malpractice (see also Chapter 14, 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.
- 13.8 For goods supplied via the NHS Logistics central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the Director of Finance who shall satisfy themselves that the goods have been received before accepting the recharge.

- 13.9 All goods received shall be checked as regards quantity and/or weight and inspected as to quality and specification.
- 13.10 The issue of stores shall be supported by an authorised requisition note and a receipt for the stores issued shall be returned to the Procurement Department, Issuing Department, or Director of Finance.
- 13.11 Where a 'topping up' system is used a record shall be maintained as approved by the Director of Finance. Regular comparisons shall be made of the quantities issued to wards/departments etc. and explanations recorded of significant variances.
- 13.12 All transfers and returns shall be recorded on forms provided for the purpose and approved by the Director of Finance.
- 13.13 Breakages and other losses of goods in stores shall be recorded as they occur and a summary shall be presented to the Director of Finance at regular intervals. Tolerance limits shall be established for all stores subject to unavoidable loss, e.g. shrinkage in the case of certain food stuffs and natural deterioration of certain goods.

14. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

14.1 Disposals and Condemnations

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

The Trust may not dispose of any protected property without the approval of NHS Improvement.

- 14.1.2 When it is decided to dispose of a Trust asset, the head of department or authorised deputy will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.
- 14.1.3 All unserviceable articles shall be:
- (a) condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Finance;
 - (b) recorded by the Condemning Officer in a form approved by the Director of Finance which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Director of Finance.
- 14.1.4 The Condemning Officer shall satisfy themselves as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Finance who will take the appropriate action.

14.2 Losses and Special Payments

- 14.2.1 The Director of Finance must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments. The Director of Finance must also prepare a 'fraud response plan' that sets out the action to be taken both by persons detecting a suspected fraud and those persons responsible for investigating it.
- 14.2.2 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 Director of Finance or inform an officer charged with responsibility for responding to concerns involving loss or fraud confidentially. This officer will then appropriately inform the Director of Finance and/or Chief Executive. Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Director of Finance must inform the relevant LCFS, who will then inform NHS Counter Fraud Authority in accordance with Secretary of State for Health's Directions.
- The Director of Finance must ensure that NHS Counter Fraud Authority and the External Auditor are notified of all frauds.
- 14.2.3 For losses apparently caused by theft, fraud, arson, neglect of duty or gross carelessness, except if trivial and where fraud is not suspected, the Director of Finance must immediately notify:
- (a) the Board, and
 - (b) the External Auditor.
- 14.2.4 The Board shall approve the writing-off of losses. The level of delegation to Senior Officers of the Trust are set out in the Reservation of Powers to the Board and Delegation of Powers section 5, paragraph 11.
- 14.2.5 The Director of Finance shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 14.2.6 For any loss, the Director of Finance should consider whether any insurance claim can be made.
- 14.2.7 The Director of Finance shall maintain a Losses and Special Payments Register in which write-off action is recorded.
- 14.2.8 All losses and special payments must be reported to the Audit and Risk Committee at every meeting although the identities of individuals should not be reported unless requested.

15. INFORMATION TECHNOLOGY

- 15.1 The Director of Finance, 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 for the Data Protection Act 1998;
 - (b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
 - (c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
 - (d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as they may consider necessary are being carried out.
- 15.2 The Director of Finance shall satisfy their self 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 will be obtained from them prior to implementation.
- 15.3 In the case of computer systems which are proposed General Applications, all responsible directors and employees will send to the Director of Finance:
- (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.
- 15.4 The Director of Finance 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.
- 15.5 Where another health organisation or any other agency provides a computer service for financial applications, the Director of Finance shall periodically seek assurances that adequate controls are in operation.
- 15.6 Where computer systems have an impact on corporate financial systems the Director of Finance shall satisfy their self that:

- (a) systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;
- (b) data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;
- (c) Director of Finance staff have access to such data; and
- (d) such computer audit reviews as are considered necessary are being carried out.

15.7 The Director of People and Organisational Development 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 the Trust that is made publicly available.

16. PATIENTS' PROPERTY

16.1 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.

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

- notices and information booklets,
- 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.

16.3 The Director of Finance 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.

16.4 Where it is a requirement for the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Director of Finance.

16.5 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) or other statute, 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.

- 16.6 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.
- 16.7 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.

17. FUNDS HELD ON TRUST

17.1 Introduction

- 17.1.1 Standing Orders (SOs) identify the Trust's responsibilities as a corporate trustee for the management of funds it holds on trust and define how those responsibilities are to be discharged. They explain that although the management processes may overlap with those of the organisation of the Trust, the trustee responsibilities must be discharged separately and full recognition given to the dual accountabilities to the Charity Commission for charitable funds held on trust and to NHS Improvement for all funds held on trust.
- 17.1.2 The reserved powers of the Board and the Scheme of Delegation make clear where decisions regarding the exercise of dispositive discretion are to be taken and by whom. Directors and officers must take account of that guidance before taking action. SFIs are intended to provide guidance to persons who have been delegated to act on behalf of the corporate trustee.
- 17.1.3 As management processes overlap most of the sections of these SFIs will apply to the management of funds held on trust. This section covers those instructions which are specific to the management of funds held on trust. Any further guidance is set out in the Charitable Funds Policy (approved by Board of Directors in June 2017).
- 17.1.4 The over-riding principle is that the integrity of each trust must be maintained and statutory and trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.
- 17.1.5 The Director of Finance shall maintain such accounts and records, including an investment register, as may be necessary to record and protect all transactions and funds of the Trust as trustees of funds held on trust.

17.2 Existing Trusts

- 17.2.1 The Director of Finance shall make arrangements for the administration of all existing funds held on trust and shall produce instructions covering every aspect of the financial management of the funds.
- 17.2.2 The Director of Finance shall periodically review the funds in existence and shall make

recommendations to the Board regarding the potential for rationalisation, within statutory guidelines.

17.3 New Trusts

- 17.3.1 The Director of Finance shall arrange for the creation of a new trust where funds and/or other assets are received and cannot be adequately managed as part of an existing trust.
- 17.3.2 When making such an assessment as outlined in 17.3.1 above the needs for simplicity of administration and therefore downward pressure on costs shall also be considered.

17.4 Sources of New Funds

- 17.4.1 In respect of Donations, the Director of Finance shall:
- (a) provide guidelines to officers of this Body as to how to proceed when offered funds. These to include:
 - (i) the identification of the donor's intentions;
 - (ii) where possible, the avoidance of new trusts;
 - (iii) the avoidance of impossible, undesirable or administratively difficult objects;
 - (iv) sources of immediate further advice; and
 - (v) treatment of offers for personal gifts; and
 - (b) provide secure and appropriate receipting arrangements which will indicate that funds have been accepted directly into this Body's trust funds and that the donor's intentions have been noted and accepted.
- 17.4.2 The Director of Finance shall deal with all Legacies and Bequests.
- 17.4.3 In respect of Fund-raising, the Director of Finance shall:
- (a) deal with all arrangements for fund-raising by and/or on behalf of this Body and ensure compliance with all statutes and regulations;
 - (b) be empowered to liaise with other organisations/persons raising funds for this Body and provide them with an adequate discharge. The Director of Finance shall be the only officer empowered to give approval for such fund-raising subject to the overriding direction of the Board;
 - (c) for alerting the Board to any irregularities regarding the use of this Body's name or its registration numbers; and
 - (d) be responsible for the appropriate treatment of all funds received from this source.
- 17.4.4 In respect of Trading Income, the Director of Finance shall:
- (a) be primarily responsible with other designated officers, for any trading undertaken by this Body as corporate trustee; and

(b) be primarily responsible for the appropriate treatment of all funds received from this source.

17.4.5 In respect of Investment Income, the Director of Finance shall be responsible for the appropriate treatment of all dividends, interest and other receipts from this source (see below).

17.5 Investment Management

17.5.1 The Director of Finance shall be responsible for all aspects of the management of the investment of funds held on trust. The issues on which they shall be required to provide advice to the Board shall include:-

- (a) the formulation of investment policy within the powers of this Body under statute and within governing instruments to meet its requirements with regard to income generation and the enhancement of capital value;
- (b) the appointment of advisers, brokers, and, where appropriate, fund managers and:
 - (i) the Director of Finance shall agree the terms of such appointments; and for which
 - (ii) written agreements shall be signed by the Chief Executive;
- (c) pooling of investment resources and the preparation of a submission to the Charity Commission for them to approve;
- (d) the participation by this Body in common investment funds and the agreement of terms of entry and withdrawal from such funds;
- (e) that the use of Trust assets shall be appropriately authorised in writing and charges raised within policy guidelines;
- (f) the review of the performance of brokers and fund managers;
- (g) the reporting of investment performance.

17.6 Disposition Management

17.6.1 The exercise of this Body's dispositive discretion shall be managed by the Director of Finance in conjunction with the Board. In so doing they shall be aware of the following:

- (a) The objects of various funds and the designated objectives;
- (b) the availability of liquid funds within each trust;
- (c) the powers of delegation available to commit resources;
- (d) the avoidance of the use of exchequer funds to discharge trust fund liabilities (except where administratively unavoidable), and to ensure that any indebtedness to the Exchequer shall be discharged by trust funds at the earliest possible time;

- (e) that funds are to be spent rather than preserved, subject to the wishes of the donor and the needs of this Body; and
- (f) the definitions of "charitable purposes" as agreed by the Charity Commission.

17.7 Banking Services

- 17.7.1 The Director of Finance shall advise the Board and, with its approval, shall ensure that appropriate banking services are available to this Body as corporate trustee. These bank accounts should permit the separate identification of liquid funds to each trust where this is deemed necessary by the Charity Commission.

17.8 Asset Management

- 17.8.1 Assets in the ownership of or used by this Body as corporate trustee, shall be maintained along with the general estate and inventory of assets of the Body. The Director of Finance shall ensure:
- (a) that appropriate records of all assets owned by this Body as corporate trustee are maintained, and that all assets, at agreed valuations, are brought to account;
 - (b) that appropriate measures are taken to protect and/or to replace assets. These to include decisions regarding insurance, inventory control, and the reporting of losses;
 - (c) that donated assets received on trust are accounted for appropriately;
 - (d) that all assets acquired from funds held on trust which are intended to be retained within the trust funds are appropriately accounted for;
 - (e) all share and stock certificates and property deeds shall be deposited either with the Trust's bankers or, where this is not practicable, held securely at trust premises.

17.9 Reporting

- 17.9.1 The Director of Finance shall ensure that regular reports are made to the Board with regard to, inter alia, the receipt of funds, investments, and the disposition of resources.
- 17.9.2 The Director of Finance shall prepare annual accounts in the required manner which shall be submitted to the Board within agreed timescales.
- 17.9.3 The Director of Finance shall prepare an annual trustees' report and the required returns to the Charity Commission for adoption by the Board.

17.10 Accounting and Audit

- 17.10.1 The Director of Finance shall maintain all financial records to enable the production of reports as above and to the satisfaction of internal and external audit.

- 17.10.2 The Director of Finance shall ensure that the records, accounts and returns receive adequate scrutiny by internal audit during the year. He will liaise with external audit and provide them with all necessary information.
- 17.10.3 The Board shall be advised by the Director of Finance on the outcome of the annual audit. The Chief Executive shall submit the Management Letter to the Board.

17.11 Administration Costs

- 17.11.1 The Director of Finance shall identify all costs directly incurred in the administration of funds held on trust and, in agreement with the Board, shall charge such costs to the appropriate trust accounts.

17.12 Taxation and Excise Duty

- 17.12.1 The Director of Finance shall ensure that this Body's liability to taxation, duties and other such charges is managed appropriately, taking full advantage of available concessions, through the maintenance of appropriate records, the preparation and submission of the required returns and the recovery of deductions at source.

17.13 Authorisation Levels of Expenditure from Trust Funds

- 17.13.1 The Board has established levels of authorisation necessary for expenditure from the funds held on trust, these are set out in the Reservation of Powers to the Board and Delegation of Powers section 5, paragraph 8.

These will be reviewed on a regular basis to ensure that they remain at an appropriate financial level.

18. RETENTION OF DOCUMENTS

- 18.1 The Chief Executive shall be responsible for maintaining archives for all documents required to be retained following good practice under the direction contained in Department of Health guidelines.
- 18.2 The documents held in archives shall be capable of retrieval by authorised persons.
- 18.3 Documents held in accordance with the latest Department of Health guidance shall only be destroyed at the express instigation of the Chief Executive, records shall be maintained of documents so destroyed.

19. RISK MANAGEMENT & INSURANCE

19.1 Programme Of Risk Management

19.1.1 The Chief Executive shall ensure that the Trust has a programme of risk management which will be approved and monitored by the Board.

19.1.2 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) a clear indication of which risks shall be insured;
- (g) arrangements to review the risk management programme.

The existence, integration and evaluation of the above elements will provide a basis to complete the annual governance statement within the Annual Report and Accounts.

19.1.3 The Director of Finance shall ensure that insurance arrangements exist in accordance with the risk management programme.

19.2 Insurance: Risk Pooling Schemes Administered by Nhsla

19.2.1 The Board shall decide if the Trust will insure through the risk pooling schemes administered by the NHS Litigation Authority or self insure for some or all of the risks covered by the risk pooling schemes. If the Board decides not to use the risk pooling schemes for any of the risk areas (clinical, property and employers/third party liability) covered by the scheme this decision shall be reviewed annually.

19.3 Insurance Arrangements with Commercial Insurers

19.3.1 The Board shall decide if the Trust will insure with commercial insurers to supplement or replace the cover available through the risk pooling schemes. If the Board decides to use commercial insurers this decision shall be reviewed annually.

19.4 Arrangements to be Followed by The Board in Agreeing Insurance Cover

- 19.4.1 Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance shall ensure that documented procedures cover these arrangements.
- 19.4.2 Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for one or other of the risks covered by the schemes, the Director of Finance 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.
- 19.4.3 The Director of Finance will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed.
- 19.4.4 All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'deductible'). The Director of Finance should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

20. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT

- 20.1 The Board Secretary shall ensure that all staff are made aware of the Trust Policy on acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in the department of health standards of business conduct for NHS staff set out in "Code of Conduct for Directors and employees".

APPENDIX 1 - INVESTMENTS

INVESTMENTS

1. The Director of Finance shall ensure that all funds are invested in the name of the Trust. No officer other than the Director of Finance shall open accounts to invest funds on behalf of the Trust.
2. The Director of Finance shall advise bankers and other approved deposit facilities in writing of the conditions under which each account shall be operated.
3. Transfers of funds from bank and GBS accounts to investment accounts must be authorised by two signatories.

APPENDIX 2 – SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS

SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS

1. All cash, cheques postal orders and other forms of payments received by an officer other than a cashier shall be entered immediately on an approved form. All cheques and postal orders shall be crossed immediately "Not negotiable -A/c Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust". The remittances shall be passed to the cashier from whom a signature shall be obtained.
2. The opening of coin operated machines and the counting and recording of the takings shall be undertaken by two officers together, except as may be authorised in writing by the Director of Finance and the coin box keys shall be held by a nominated officer.
3. Where amounts of cash have to be transported, special arrangements shall be made by the Director of Finance with a specialist security firm. Under no circumstances shall cash in excess of (£500) be transported by only one officer and the route travelled and times of collection shall be varied as far as practicable.
4. During the absence (e.g. on holiday) of the holder of a safe or cash box key, the officer who acts in his place shall be subject to the same controls as the normal holder of the key. There shall be written discharge for the safe/or cash box contents on the transfer of responsibilities and the discharge document must be retained for inspection.
5. All unused cheques and other orders shall be subject to the same security precautions as are applied to cash.
6. Staff shall be informed on appointment, by the appropriate departmental or senior officers, of their responsibilities and duties for the collection, handling or disbursement of cash, cheques, etc, in line with appropriate financial procedures. This must be in writing, acknowledged, and acknowledgement retained.
7. Any loss or shortfall of cash, cheques, or other negotiable instruments, however occasioned shall be reported immediately to the Director of Finance

APPENDIX 3 – BUDGETARY VIREMENT

BUDGETARY VIREMENT

1. Virement is the term used to define the movement of funds from one budget heading to another.
2. **Virement within Individual Budgets:**
 - 2.1 Where a budget holder is expected to be under spent at the year-end, the budget holder may be allowed to offset this under spending against overspendings elsewhere in his/her budget, subject to the criteria itemised below.
 - 2.2 Budget holders are not allowed to use non-recurrent savings for recurrent commitments, for example, savings on equipment purchased cannot be used to appoint new permanent staff.
 - 2.3 Subject to the overall financial position of the individual Division and the Trust, virement will be allowed using the following criteria:
 - (a) Efficiency/CIP targets are being achieved;
 - (b) The predicted year end expenditure will be within budget;
 - (c) The predicted year end income will at least achieve the target;
 - (d) The proposed expenditure is within overall policy, i.e. virement cannot be used to initiate a development of a new / existing service, which is not policy;
 - (e) All other targets are being achieved;
 - (f) Approval has been obtained from the Director of Finance.
 - 2.4 **Virement between Divisions:**

Expected underspendings can be transferred to another CSU subject to the agreement of both budget holders and the same constraints as above.
 - 2.5 **Virement between Revenue and Capital:**

This can only be done in exceptional circumstances when approved in advance by the Director of Finance.
 - 2.6 **Budgetary and Virement Limits of the Chief Executive:**

Budgetary or virement limits of the Chief Executive delegated by the Board are outlined in the Scheme of Delegation

APPENDIX 4 - PROCUREMENT AND TENDERING

1.0 INTRODUCTION

- 1.1 The Trust's Standing Financial Instructions (SFI's) set out procedures to be adopted in obtaining goods and services.
- 1.2 This supplementary procedure note deals with the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained and detailed procedures in relation to procurement and tendering.
- 1.3 The Director of Finance (or Deputy in their absence) must personally authorise any order or contract which commits the Trust to expenditure up to £100,000 as determined by the scheme of delegation. The Chief Executive (or Director of Finance in their absence) must authorise all expenditure from £100,000 to £500,000.
- 1.4 Any commitment on behalf of the Trust in respect of all capital projects and financial commitments, including leases, costing between £0.5m and £1.5m, in their entirety if included in the Trust's Annual Plan or Capital Plan must be approved by the Trust's Corporate Investment Group (CIG). Any proposals above £0.5m and below £1.5m which have not already been approved in the Trust's Annual Plan or Capital Plan must be submitted to CIIG for review and recommendation to the Board. The costs are whole life costs. All expenditure in excess of £1.5m requires approval of the Board.
- 1.5 In addition to the Trust delegated tendering limits, attention must be paid to the regulations governing procurement within the European Union. In all cases advice should be sought from Procurement Director to ensure compliance with appropriate thresholds.

2.0 COMPETITIVE TENDERING (Over £50,000)

- 2.1 The Trust must ensure that goods and services are procured in an efficient manner and are purchased at the most competitive price. The standard method of procurement will be by competitive tender for goods or services expected to cost in excess of £50,000; this may be waived under the following circumstances:
 - Where the requirements are ordered under existing contracts or where in the opinion of the Finance Director:
 - there is only one supplier and no reasonably satisfactory alternative product/service;
 - competition would be impractical, impossible or not beneficial;
 - the requirement is to be ordered under existing contracts;

- the work for practical reasons must be of the same manufacture, for instance repairs/spare parts for existing equipment;
- where it is known that a marked financial advantage will accrue to the Trust from making a spot purchase of products subject to quickly changing market conditions.

2.2 In any of these circumstances the detail should be documented and the authorisation counter-signed by the Procurement Director in confirmation of such circumstances.

3.0 COMPETITIVE AND NON-COMPETITIVE QUOTATIONS (£50,000 and under)

3.1 Three competitive quotations must be obtained for all contracts and services where the value is not expected to exceed £50,000 but is above £5,000.

3.2 Non-competitive quotations in writing, or electronically via the e-tendering portal if the value is expected to exceed £25,000, may be obtained for the following purposes:

- (a) where the supply of goods (or related goods) is of a special character and does not exceed £5,000;

or where in the opinion of the Finance Director:

- (b) there being only one supplier and no reasonably satisfactory alternative product/service;
- (c) competition would be impractical, impossible or not beneficial;
- (d) the requirement is to be ordered under existing contracts;
- (e) the work for practical reasons must be of the same manufacture, for instance, repairs/spare parts for existing equipment;
- (f) where it is known that a marked financial advantage will accrue to the Trust from making a spot purchase of products subject to quickly changing market conditions.

In any of these circumstances the detail should be documented and the authorisation counter-signed by the Procurement Director in confirmation of such circumstances.

3.3 Officers should involve the Procurement Director in choice of supplier, price negotiation and in the procurement process for all goods and services.

- 3.4 Where the supplier being used is nationally or regionally approved, and/or they are providing a continuous supply in operational terms, it may be appropriate to use annual orders duly authorised as appropriate. Annual orders must include a clear schedule of the items being ordered, their agreed individual prices, an estimate of the volumes required of each item for the period of the order and hence an agreed total cost which must not be exceeded. The advice of the Procurement Director should be sought when establishing such annual orders to ensure that the correct format is applied and that value for money is obtained.
- 3.5 No single supplier or single annual order should be used for a period in excess of 12 months. The advice of Procurement Director should be sought. Where this advice is not sought or not acted upon the requisitioner must advise the Chief Executive in writing seeking waiver of this rule.

4.0 TENDERING PROCEDURES

4.1 The basic procedures to be followed in relation to competitive tenders are set out below.

4.2 In all cases the tender that provides the best value for money must be accepted using a defined combination of cost and quality. Any proposal to waive this rule would need the approval of:

- goods/services between £50,000 and £100,000 Procurement Director
- goods/services in excess of £100,000 and up to £500,000 Director of Finance
- goods/services in excess of £500,000 and up to £1m Chief Executive
- goods/services in excess of £1m Board

4.3 Officers with any doubts concerning the appropriateness of competitive tendering in particular circumstances must seek formal clarification from the Director of Finance. The Trust will not be responsible for officers committing costs other than in accordance with the above procedures.

4.4 Tenders shall be advertised, issued and submitted on the Trust's e-tendering system.

4.5 Every tender for building and engineering works, except any tender for maintenance work only, where Estmancode guidance should be followed, shall embody or be in the terms of the current Edition of the Standard Form of Building Contract Local Authorities Edition with (or, where appropriate, without) quantities or the Agreement for Minor Building Works issued by the Joint Contract Tribunal as appropriate or (when the contents of the works is

primarily engineering) the General Conditions of Contracts recommended by the Institute of Mechanical and Electrical 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 Institution of Civil Engineers, the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. These base documents should be modified and amplified to accord with current Departmental guidance forms of contract may be used after prior consultation with the Department.

- 4.6 Tenders submitted via e-tendering will be electronically date and time stamped.
- 4.7 Tenders submitted via e-tendering will remain electronically locked to all Trust staff until the end time for receipt of tenders has passed.
- 4.8 Alterations to tenders submitted via e-tendering will be electronically marked.
- 4.9 Tenders received after the due time and date may be considered only if the Chief Executive decides that there are exceptional circumstances, e.g. where marked financial, technical or delivery advantages would accrue, and is satisfied that there is no reason to doubt the bona fides of the tenderers concerned. The Chief Executive shall decide whether such tenders are admissible and where re-tendering is desirable.
- 4.10 Technically late tenders (i.e. those uploaded in good time but delayed through no fault of the tenderer) may be regarded as having arrived in due time.
- 4.11 Incomplete tenders (i.e. those from which information necessary for the adjudication of the tender is missing) and amended tenders (i.e. those amended by the tenderer upon his own initiative either orally or in writing after the due time for receipt) should be dealt with in the same way as late tenders.
- 4.12 Necessary discussion with a tenderer of the contents of their tender, in order to elucidate technical, etc, points before the award of a contract, need not disqualify the tender.
- 4.13 While decisions as to the admissibility of late, incomplete, or amended tenders are under consideration and while re-tenders are being obtained, the tenders will remain electronically unopened.
- 4.14 Where only one tender/quotation is sought and/or received, the Trust shall, as far as is practicable, ensure that the price to be paid is fair and reasonable.
- 4.15 Every contract for building and engineering works, except measured term contracts where Estmancode guidance should be followed, should be embodied in a formal contract document which should conform to these Standing Financial Instructions. These formal contract documents should reflect any change in the terms and conditions of contract agreed following receipt of tenders.

- 4.16 No goods, services or works other than works and services, executed in accordance with a contract and purchases from petty cash shall be ordered except on an official order, which may be in hard copy or electronic media. Contractors shall be notified that they should not accept orders unless in an official format. Verbal orders shall be issued only in specific instances, the first being by an officer designated by the Chief Executive in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order". The second being by the use of official purchasing cards, by those designated to do so by the Chief Executive, and in accordance with the detailed guidance and limitations for the use of such cards as issued by the Director of Finance.

APPENDIX 5 - EQUALITY IMPACT ASSESSMENT PART 1 INITIAL SCREENING

Service/Function/Policy/Project/ Strategy	CSU/Executive Directorate and Department	Assessor (s)	New or Existing Service or Policy?	Date of Assessment
Standing Financial instructions – November 2018 - CORP/FIN 1 (B) v.7	CE/Finance	Jon Sargeant/Matthew Bancroft	Existing Policy	March 2019
1) Who is responsible for this policy? Name of CSU/Directorate – Finance Department				
2) Describe the purpose of the service / function / policy / project/ strategy? Who is it intended to benefit? What are the intended outcomes? To provide a framework within which the Trust can properly conduct its financial affairs and transactions.				
3) Are there any associated objectives? Legislation, targets national expectation, standards No				
4) What factors contribute or detract from achieving intended outcomes? – Compliance with the policy				
5) Does the policy have an impact in terms of age, race, disability, gender, gender reassignment, sexual orientation, marriage/civil partnership, maternity/pregnancy and religion/belief? Details: [see Equality Impact Assessment Guidance] - No				
<ul style="list-style-type: none"> • If yes, please describe current or planned activities to address the impact [e.g. Monitoring, consultation] – N/A 				
6) Is there any scope for new measures which would promote equality? [any actions to be taken] N/A				
7) Are any of the following groups adversely affected by the policy? No				
Protected Characteristics	Affected?	Impact		
a) Age	No			
b) Disability	No			
c) Gender	No			
d) Gender Reassignment	No			
e) Marriage/Civil Partnership	No			
f) Maternity/Pregnancy	No			
g) Race	No			
h) Religion/Belief	No			
i) Sexual Orientation	No			
8) Provide the Equality Rating of the service / function /policy / project / strategy – tick (✓) outcome box				
Outcome 1 ✓	Outcome 2	Outcome 3	Outcome 4	
<i>*If you have rated the policy as having an outcome of 2, 3 or 4, it is necessary to carry out a detailed assessment and complete a Detailed Equality Analysis form in Appendix 4</i>				
Date for next review: March 2020				
Checked by: Jon Sargeant/Matthew Bancroft		Date: March 2019		



Doncaster and Bassetlaw
Teaching Hospitals
NHS Foundation Trust

Reservation of Powers to the Board and Delegation of Powers

March 2019

This procedural document supersedes: CORP/FIN 1 (C) v.7 - Reservation of Powers to the Board and Delegation of Powers – January 2018



Did you print this document yourself?

The Trust discourages the retention of hard copies of policies and can only guarantee that the policy on the Trust website is the most up-to-date version. **If, for exceptional reasons, you need to print a policy off, it is only valid for 24 hours.**

Name and title of author/reviewer:	Jon Sargeant, Director of Finance
Date written/revised:	March 2019
Approved by (Committee/Group):	Board of Directors
Date of approval:	26 March 2019
Date issued:	March 2019 (published 23 July 2019)
Next review date:	March 2020
Target audience:	Trust-wide

Reservation of Powers to the Board and Delegation of Powers

Amendment Form

Please record brief details of the changes made alongside the next version number. If the procedural document has been reviewed **without change**, this information will still need to be recorded although the version number will remain the same.

Version	Date	Brief Summary of Changes	Author
Version 8	November 2018	Renaming names of structures/meetings	Jon Sargeant
Version 7	September 2017	Various	Jon Sargeant and Matthew Kane
Version 6	September 2016	<ul style="list-style-type: none"> • Update to ensure consistency with the SFIs • Update for consistency with new committee structure • Various changes 	Maria Dixon / Andrew Thomas
Version 5	March 2015	<ul style="list-style-type: none"> • Updated to reflect changes to Standing Orders relating to e-tendering and Working Together Group thresholds 	Andrea Smith
Version 4	November 2013	<ul style="list-style-type: none"> • References throughout to Director of Finance, Information and Procurement / DoFIP amended to Director of Finance and Infrastructure / DoFI; • References throughout to Director of Human Resources amended to Director of People and Organisational Development; • Updated references and amendments for consistency to revised Standing Orders section 11 and tendering annex; • Clarification added to the posts included in role of 'Senior Officer'. 	Robert Paskell

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INTRODUCTION

SO 6.1 of the Standing Orders provides that "subject to such directions as may be given by NHS Improvement, the Trust may make arrangements for the exercise, on behalf of the Trust, of any of its functions by a committee or sub-committee of directors or by an executive director of the Trust, in each case subject to such restrictions and conditions as the Board thinks fit." The Code of Accountability also requires that there should be a formal schedule of matters specifically reserved to the Trust.

The purpose of this document is to provide details of those powers reserved to the Board - generally matters for which it is held accountable to the NHS Improvement, while at the same time delegating to the appropriate level the detailed application of Trust policies and procedures. However, the Board remains accountable for all of its functions; even those delegated and would therefore expect to receive information about the exercise of delegated functions to enable it to maintain a monitoring role.

A. Role of the Chief Executive

All powers of the Trust which have not been retained as reserved by the Board or delegated to an executive committee or sub-committee shall be exercised on behalf of the Board by the Chief Executive. The Chief Executive shall prepare a Scheme of Delegation identifying which functions he/she shall perform personally and which functions have been delegated.

All powers delegated by the Chief Executive can be re-assumed by him/her should the need arise. As Accounting Officer the Chief Executive is accountable to NHS Improvement for the funds entrusted to the Trust.

B. Caution over the Use of Delegated Powers

Powers are delegated to directors on the understanding that they would not exercise delegated powers in a matter which in their judgement was likely to be a cause for public concern.

C. Directors' Ability to Delegate their own Delegated Powers

The Scheme of Delegation shows only the "top level" of delegation within the Trust. The Scheme is to be used in conjunction with the system of budgetary control and other established procedures within the Trust.

D. Absence of Directors or Officer to Whom Powers have been Delegated

In the absence of a director to whom powers have been delegated those powers shall be exercised by that director's superior unless alternative arrangements have been approved by the Board. If the Chief Executive is absent powers delegated to him / her may be exercised by the Deputy Chief Executive after taking appropriate advice from the Director of Finance.

The Chief Executive, following consultation with the Chair, may authorise any person to act on his behalf and exercise such delegated powers across the full range of duties carried out by the Chief Executive.

1. RESERVATION OF POWERS TO THE BOARD

1.1 The Code of Accountability which has been adopted by the Trust requires the Board to determine those matters on which decisions are reserved unto itself. These reserved matters are set out in paragraphs 1.2 to 1.9 below:

1.2 General Enabling Provision

The Board may determine any matter it wishes in full session within its statutory powers.

1.3 Regulation and Control

- 1.3.1 Approval of Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business.
- 1.3.2 Approval of a scheme of delegation of powers from the Board to officers.
- 1.3.3 Suspension of Standing Orders.
- 1.3.4 Variation or amendment of Standing Orders.
- 1.3.5 Requiring and receiving the declaration of directors' interests which may conflict with those of the Trust and determining the extent to which that director may remain involved with the matter under consideration.
- 1.3.6 Requiring and receiving the declaration of interests from officers which may conflict with those of the Trust.
- 1.3.7 Disciplining directors who are in breach of statutory requirements or SOs.
- 1.3.8 Approval of the disciplinary procedure for officers of the Trust.
- 1.3.9 Approval of arrangements for dealing with complaints.
- 1.3.10 Adoption of the organisational structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications there to.
- 1.3.11 To receive reports from committees including those which the Trust is required to establish and to take appropriate action thereon.
- 1.3.12 To confirm the recommendations of the Trust's committees where the committees do not have executive powers. To establish terms of reference and reporting arrangements of all board committees (and other committees if required).

1.3.13 Ratification of any urgent decisions taken in accordance with SO 6.2.

1.3.14 Approval of arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust.

1.3.15 Approval of arrangements relating to the discharge of the Trust's responsibilities as a bailee for patients' property.

1.4 **Appointments**

1.4.1 The appointment and disestablishment of committees.

1.4.2 The appointment and dismissal of executive directors (subject to SO 3.4).

1.4.3 The appointment of members of any committee of the Trust.

1.5 **Policy Determination**

1.5.1 To approve management policies including personnel policies incorporating the arrangements for the appointment, removal and remuneration of staff. Policies so received shall be listed.

1.6 **Strategy and Business Plans and Budgets**

1.6.1 Definition of the strategic aims and objectives of the Trust, including approval of underpinning strategies that support its delivery.

1.6.2 Approval annually of plans, including the NHS Improvement's annual plan in respect of:-

- Service delivery strategy.
- The application of available financial resources.

1.6.3 Overall approval of programmes of investment to guide the letting of contracts for the supply of clinical services.

1.6.4 Approval and monitoring of the Trust's policies and procedures for the management of risk, through the Audit and Risk Committee.

1.7 **Direct Operational Decisions**

1.7.1 Acquisition, disposal or change of use of land and/or buildings.

1.7.2 The introduction or discontinuance of any significant activity or operation. An activity or operation shall be regarded as significant if it has a gross annual income or expenditure (that is before any set off) in excess of £250,000.

- 1.7.3 Approval of individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over £500,000 over a 2 year period or the period of the contract if longer.
- 1.7.4 Approval of individual compensation payments over £100,000.
- 1.7.5 To agree action on litigation against or on behalf of the Trust.

1.8 Financial and Performance Reporting Arrangements

- 1.8.1 Continuous appraisal of the affairs of the Trust by means of the receipt of reports as it sees fit from directors, committees, associate directors and officers of the Trust as set out in management policy statements. All monitoring returns required by NHS Improvement and the Charity Commission shall be reported, at least in summary, to the Board of Directors.
- 1.8.2 Approval of the opening or closing of any bank or investment accounts.
- 1.8.3 Receipt and approval of a schedule of NHS contracts signed in accordance with arrangements approved by the Chief Executive.
- 1.8.4 Consideration and approval of the Trust's Annual Report including the annual accounts.
- 1.8.5 Receipt and approval of the Annual Report(s) for funds held on trust.

1.9 Audit Arrangements

- 1.9.1 To approve audit arrangements (including arrangements for the separate audit of funds held on trust) and to receive reports of the Audit and Risk Committee meetings and take appropriate action.
- 1.9.2 The receipt of the annual management letter received from the external auditor and agreement of action on the recommendation where appropriate of the Audit and Risk Committee.
- 1.9.3 The receipt of the annual report received from the internal auditor and the agreement of action on the recommendation where appropriate of the Audit and Risk Committee.

2. DELEGATION OF POWERS

2.1 Delegation to Committees

The Board may determine that certain of its powers shall be exercised by committees. The composition and terms of reference of such committees shall be that determined by the Board from time to time taking into account where necessary the requirements of NHS Improvement and or the Charity Commissioners (including the need to appoint an Audit Committee and a Remuneration and Terms of Service Committee). The Board shall determine the reporting requirements in respect of these committees. In accordance with SO 7.5 committees may not delegate executive powers to sub-committees unless expressly authorised by the Board.

3. SCHEME OF AUTHORISATION TO OFFICERS

3.1 Standing Orders and model Standing Financial Instructions set out in some detail the financial responsibilities of the Chief Executive (CE), the Director of Finance (DoF) and other directors. These responsibilities are summarised below.

[**NOTE** It should be noted that the SFIs generally specify officers responsible for various matters whereas SOs only do this occasionally].

Certain matters needing to be covered in the scheme of delegation are not covered by SFIs or SOs or they do not specify the responsible officer. These are:

Area of responsibility	Overall responsibility
Data Protection Act Requirements	Chief Executive – with operational responsibility delegated to the Chief Information Officer
Health and Safety Arrangements	Chief Executive – with operational responsibility delegated to the Director of Estates & Facilities

This scheme of delegation covers only matters delegated by the Board to directors and certain other specific matters referred to in SFIs. Each director is responsible for the delegation within his area of responsibility. S/he should produce a scheme of authorisation for matters. In particular the scheme of authorisation should include how budget management and procedures for approval of expenditure are delegated.

A more detailed scheme of delegation including financial limits is given in Section 5.

SECTION 4 – SCHEME OF DELEGATION IMPLIED BY STANDING ORDERS

SCHEME OF DELEGATION IMPLIED BY STANDING ORDERS

SO REF	DELEGATED TO	DUTIES DELEGATED
2.1	CHAIR	Final authority in interpretation of SOs.
4.1	CHAIR	Chair all board meetings and associated responsibilities.
5.6	CHAIR	Calling meetings.
8.8	CE	Register(s) of interests.
11.18	CE	Demonstrate that the use of private finance represents best value for money and transfers risk to the private sector.
11.20	CE	Best value for money is demonstrated for all services provided under contract or in-house.
11.20	CE	Nominate an officer to oversee and manage the contract on behalf of the Trust.
11.21	CE	Nominate officers to enter into contracts of employment, regrading staff, agency staff or consultancy service contracts.
11.23	CE	Nominate officers with power to negotiate commissioning contracts with providers of healthcare and other authorities.
12.1(a)	CE OR NOMINATED OFFICER	Determining any items to be sold by sale or negotiation.
14.1	CE	Keep seal in safe place and maintain a register of sealing.
14.4	CE/DoF OR NOMINATED OFFICERS	Approve and sign all building, engineering, property or capital documents.
15.1	CE	Approve and sign all documents which will be necessary in legal proceedings
15.2	CE OR NOMINATED OFFICERS	Sign on behalf of the Trust any agreement or document not requested to be executed as a deed.
16.1	CHAIR	Existing Directors, Governors and employees and all new appointees are notified of and understand their responsibilities within Standing Orders and SFIs.

SCHEME OF DELEGATION IMPLIED BY STANDING ORDERS

SO REF	DELEGATED TO	DUTIES DELEGATED
Annex s2	CE	Designate an officer responsible for receipt and custody of tenders before opening.
Annex s3	TWO SENIOR OFFICERS	Open tenders.
Annex s4	DoF	Decide whether any late tenders should be considered.
Annex s5	CE OR DoF	Keep lists of approved firms for tenders.

SECTION 4 – SCHEME OF DELEGATION IMPLIED BY STANDING FINANCIAL INSTRUCTIONS

SCHEME OF DELEGATION IMPLIED BY STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	DUTIES DELEGATED
1.3.6	CHIEF EXECUTIVE (CE)	To ensure all employees and directors, present and future, are notified of and understand Standing Financial Instructions.
1.3.7	DIRECTOR OF FINANCE (DOF)	Responsible for implementing the Trust's financial policies and coordinating corrective action and ensuring detailed financial procedures and systems are prepared and documented.
1.3.8	DIRECTORS	Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Financial Instructions and financial procedures.
1.3.10	DoF	Form and adequacy of financial records of all departments.
2.1.1	AUDIT AND RISK COMMITTEE	Provide independent and objective view on internal control and probity.
2.2	DoF	Monitor and ensure compliance with directions on fraud and corruption.
2.5	HEAD OF INTERNAL AUDIT	Review, appraise and report in accordance with NHS Internal Audit Manual and best practice.
2.6	COUNCIL OF GOVERNORS	Appoint external auditors.
3	CE	Overall responsibility for Prudential Borrowing Limit.
	DoF	Ensuring compliance with NHS Improvement's requirements, ensure loans drawn are for approved expenditure only at time of need, and ensuring adequate system of monitoring.
4	DoF	Submit budgets.
	DoF	Monitor performance against budget; submit to Board financial estimates and forecasts.
	CE	Delegate budget to budget holders and submit monitoring returns.
4.3	DoF	Devise and maintain systems of budgetary control.
5	DoF	Annual accounts and reports.

SECTION 4 – SCHEME OF DELEGATION IMPLIED BY STANDING FINANCIAL INSTRUCTIONS

SCHEME OF DELEGATION IMPLIED BY STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	DUTIES DELEGATED
6	DoF	Banking arrangements.
7	DoF	Income systems.
8	CE	Negotiating contracts for provision of patient services.
	DoF	Regular reports of actual and forecast contract expenditure.
9.1	NOM. & REMUN. COMMITTEE	Remuneration & Terms of Service Committee
9.2	CE	Variation to funded establishment of any department.
9.3	CE	Staff, including agency staff, appointments.
9.4	DIRECTOR OF PEOPLE AND ORGANISATIONAL DEVELOPMENT	Payroll
10.1	CE / DOF	Determine, and set out, level of delegation of non-pay expenditure to budget managers.
10.2.2	DoF	Prompt payment of accounts.
10.2.5	CE	Authorise the use of official orders.
10.2.7	DoF	Ensure that arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the good practice guidance.
10.3	CE	Grants for provision of patient services.
11	DoF	Advise Board on borrowing and investment needs and prepare procedural instructions.
12	CE	Capital investment programme
12.3	CE	Maintenance of asset registers.

SECTION 4 – SCHEME OF DELEGATION IMPLIED BY STANDING FINANCIAL INSTRUCTIONS

SCHEME OF DELEGATION IMPLIED BY STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	DUTIES DELEGATED
12.3.8	DoF	Calculate and pay capital charges in accordance with NHS Improvement requirements.
12.4.1	CE	Overall responsibility for fixed assets.
12.4.4	DIRECTORS	Responsibility for security of Trust assets including notifying discrepancies to DoF, and reporting losses in accordance with Trust procedure.
13	DoF	Responsible for systems of control over stores and receipt of goods.
13.8	CE	Identify persons authorised to requisition and accept goods from NHS Supply Chain Warehouses.
14.2	DoF	Prepare procedures for recording and accounting for losses and special payments and informing NHS Counter Fraud Authority and the External Auditor of all frauds and informing police in cases of suspected arson or theft.
15	DoF	Responsible for accuracy and security of computerised financial data.
16	CE	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
17	DoF	Shall ensure each fund held on trust is managed appropriately (subject to the discretion and approval of the Charitable Funds Committee if any).
18	CE	Retention of document procedures
19.1	CE DoF	Risk management programme Insurance arrangements

SECTION 5 - DETAILED SCHEME OF DELEGATION & AUTHORISATION

Delegated matters in respect of decisions which may have a far reaching effect must be reported to the Chief Executive. The delegation and authorisation shown below is the lowest level to which authority is given. Delegation and authorisation to lower levels is only permitted with written approval of the Chief Executive who will, before authorising, consult with other Directors as appropriate. All items concerning Finance must be carried out in accordance with Standing Financial Instructions and Standing Orders.

Key: CE - Chief Executive, MD - Medical Director, DoNM&AHP - Director of Nursing, Midwifery & Quality, DoF - Director of Finance, DoPOD – Director of People and Organisational Development, COO - Chief Operating Officer, HoCM Head of Communications and Engagement

Directors for the purpose of SO/SFI and Scheme of Delegation are Executive Directors.

Senior officers are staff employed in the post of Divisional Director, General Manager, Deputy Director or Head of a department.

Delegated Matter	Authority Delegated To	Reference Document
<p>1. Management of Budgets</p> <p>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>c) For the totality of services covered by Functional Director</p> <p>d) For all other areas:</p> <p>Budgetary or virement limits</p> <p>a) Up to £250,000 per request</p> <p>b) Up to £500,000 per request</p> <p>c) Over £500,000 per request</p> <p>Approval for the carry forward of funds into a different budgetary period, after discussion with the DoF</p> <p>Approval of revenue business cases</p> <p>a) Cases up to £250,000</p> <p>b) Cases over £250,000</p>	<p>Budget Holder</p> <p>Divisional Director or Executive Director</p> <p>Executive Director or CE</p> <p>DoF or Appropriate Delegated Manager</p> <p>Executive Director</p> <p>DOF</p> <p>Executive Committee</p> <p>CE</p> <p>Capital Investment Team</p> <p>Board of Directors</p>	<p>SFIs Section 4</p>

Delegated Matter	Authority Delegated To	Reference Document
<u>2. Maintenance / Operation of Bank Accounts</u> Maintenance / Operation of Bank Accounts	DoF	SFIs Section 6
<u>3. Quotation, Tendering & Contract Procedures</u> Authority to obtain at least: <ul style="list-style-type: none"> a) To obtain best Value for goods/services under £5,000 b) 3 written quotations for goods/services from £5,000 to £25,000 c) 3 quotations via e-tendering portal from 25,000 to £50,000 c) 4 Tenders for goods/services (non works) via e-tendering portal from £50,000 e) Competitive tenders via e-tendering portal for works goods/services from £50,000 (after seeking responses from a minimum of 6 suppliers) f) Single quotation approval up to £50,000 subject to SFIs g) Single tender approval over £50,000 subject to SFIs 	Buyers & Senior Officers (Procurement and Estates) Senior Officers (Procurement and Estates) Senior Officer (Procurement) Senior Officer (Procurement) Senior Officers (Estates) or Executive Director Head of Procurement CE or DoF	SFIs Section 10 & SOs Section 11 & Annex
<u>4. Non Pay Expenditure/Requisitioning/Ordering/ Payment of Goods & Services</u> Authorisation of requisitions: <ul style="list-style-type: none"> a) Requisitions to £2,000 b) Requisitions to £25,000 c) Requisitions to £50,000 d) Requisitions to £100,000 e) Requisitions to £250,000 f) Requisitions over £250,000 Authorisation of contracts for goods & services and subsequent variations to contracts <ul style="list-style-type: none"> a) Contracts up to £250,000 b) Contracts over £250,000 to £500,000 c) Contracts over £500,000 to £1,000,000 d) Contracts over £1,000,000 Authorisation of call off contracts for goods and services covered by a pre-tendered Framework <ul style="list-style-type: none"> a) Contracts up to £250,000 	Authorised Signatory for Budget Head of Dept. General Manager or Divisional Director Executive Director Chief Operating Officer CE and DOF CE and DOF, after approval by the Board Senior Officers (Estates, Procurement, Pharmacy) DoF DoF or CE DoF or CE, after approval by the Board Senior Officers (Estates, Procurement,	SFIs Section 10 & SOs Section 11 & Annex

Delegated Matter	Authority Delegated To	Reference Document
<ul style="list-style-type: none"> b) Contracts over £250,000 to £1,000,000 c) Contracts over £1,000,000 to £2,000,000 d) Contracts over £2,000,000 	Pharmacy) DoF DoF or CE DoF or CE, after approval by the board	
<p><u>5. Capital Schemes</u></p> <p>Business Cases</p> <ul style="list-style-type: none"> a) Production of case of need for every capital expenditure proposal b) Certification of costs and revenue consequences c) Approval of business cases to £1,000,000 and not linked to new service development and part of agreed capital plan d) Approval of business cases over £1,000,000 or linked to new service development <p>Capital Programme</p> <ul style="list-style-type: none"> a) Production of draft capital programme b) Confirmation of capital funds available c) Approval of capital programme <p>Capital Expenditure</p> <ul style="list-style-type: none"> a) Issue authority to commit expenditure and proceed to tender up to budget approved in capital programme b) Responsibility of keeping expenditure within scheme budget c) Responsibility of keeping expenditure within total capital budget d) Approval of variations to scheme budgets from plan: <ul style="list-style-type: none"> i) To 10% of original scheme budget, a maximum of £50,000 ii) To 20% of original scheme budget, a maximum of £250,000 iii) Above £250,000 or 20% of original scheme budget e) Selection of architects, quantity surveyors, consultant engineer and other professional advisors within EU regulations f) Financial reporting on all capital scheme expenditure g) Financial monitoring of all capital scheme expenditure h) Granting and termination of leases with annual rent <£100k i) Granting and termination of leases of >£100k 	DoF DoF Capital Investment Group Board of Directors DoF DoF Board of Directors DoF or CE Scheme Manager DoF DoF CE Board of Directors DoF DoF DoF DoF CE	SFIs Section 12 & SOs Section 11
<p><u>6. Setting of Fees and Charges</u></p>		

Delegated Matter	Authority Delegated To	Reference Document
a) Private Patient, Overseas Visitors, Income Generation and other patient related services b) Price of all NHS Contracts	DoF DoF	SFIs Section 7 SFIs Section 8
<u>7. Engagement of Staff Not On the Establishment (Within NHSI price caps)</u> a) Management Consultancy b) Engagement of Trust's Solicitors c) Booking of Bank or Agency Staff i) Medical Locums ii) Nursing iii) Clerical Outside NHSI price caps	Executive Director DoPOD, MD and DoF General Manager or Divisional Director General Manager General / Department Manager or Divisional /Executive Director Executive Director	SFIs Section 9
<u>8. Expenditure on Charitable and Endowment Funds</u> Up to £50,000 per request Over £50,000 per request	DoF or CE CEO or DoF after authorisation from the Charitable Funds Committee.	SFIs Section 17
<u>9. Agreements/Licences</u> a) Preparation and signature of all tenancy agreements/licences for all staff subject to Trust Policy on accommodation for staff b) Extensions to existing leases c) Letting of premises to outside organisations d) Approval of rent based on professional assessment	DoF and DoPOD DoF DoF DoF	
<u>10. Condemning & Disposal</u> a) Items obsolete, obsolescent, redundant, irreparable or cannot be repaired cost effectively b) disposal of x-ray films c) disposal of controlled drugs	General/Department Manager and Condemning Officer Superintendent Radiographer Chief Pharmacist	SFIs Section 14
<u>11. Losses, Write-off & Compensation</u> a) Losses and Cash due to theft, fraud, overpayment & others Up to £50,000 b) Fruitless Payments (including abandoned Capital Schemes) Up to £100,000 c) Bad Debts and Claims Abandoned. Private Patients, Overseas Visitors & Other Up to £50,000	CE or Nominated Director and DoF CE or Nominated Director and DoF CE or Nominated Director and DoF	SFIs Section 14

Delegated Matter	Authority Delegated To	Reference Document
<p>d) Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to: Culpable causes (e.g. fraud, theft, arson) or other Up to £50,000</p> <p>e) Compensation payments made under legal obligation</p> <p>f) Extra Contractual payments to contractors Up to £50,000</p> <p><u>Ex-Gratia Payments</u></p> <p>g) Patients and staff for loss of personal effects Up to £50,000</p> <p>h) For clinical negligence up to £1,000,000 (negotiated settlements)</p> <p>i) Negotiate settlement up to £50,000 ii) £50,000 to £100,000 i) over £100,000 iv) Authorise payment (up to £1,000,000)</p> <p>i) For personal injury claims involving negligence where legal advice has been obtained and guidance applied</p> <p>i) Negotiate settlement up to £25,000 ii) £25,000 to £100,000 iii) over £100,000 iv) Authorise payment (up to £1,000,000)</p> <p>j) Other, except cases of maladministration where there was no financial loss by claimant £50,000</p> <p>Losses, Write-Off & Compensation above delegated limits</p>	<p>CE or Nominated Director and DoF CE or Nominated Director and DoF</p> <p>CE or Nominated Director and DoF</p> <p>CE or Nominated Director and DoF</p> <p>MD CE Board of Directors CE or Nominated Director and DoF</p> <p>DoPOD CE Board of Directors CE or Nominated Director and DoF</p> <p>CE or Nominated Director and DoF</p> <p>Finance & Performance Committee</p>	
<p><u>12. Reporting of Incidents to the Police</u></p> <p>a) Where a criminal offence is suspected (other than theft or fraud)</p> <p>b) Where a theft is involved</p> <p>c) Where a fraud is involved</p>	<p>Director with managerial responsibility for the area DoF or DoPOD DoF</p>	<p>SFIs Sections 2 & 14</p>
<p><u>13. Petty Cash Disbursements (not applicable to central Cashiers Office)</u></p> <p>a) Expenditure up to £25 per item</p>	<p>Petty Cash Holder</p>	<p>SFIs Section 10</p>
<p><u>14. Receiving Hospitality</u></p> <p>Applies to both individual and collective items of hospitality received or offered and declined, in excess of £50.00.</p>	<p>Declaration required in Trust's Hospitality Register</p>	

Delegated Matter	Authority Delegated To	Reference Document
<u>15. Implementation of Internal and External Audit Recommendations</u>	DoF	SFIs Section 2
<u>16. Maintenance & Update on Trust Financial Procedures</u>	DoF	SFIs Section 1
<u>17. Investment of Funds (including Charitable & Endowment Funds)</u>	DoF	SFIs Section 17
<u>18. Personnel & Pay</u> a) Authority to fill funded post on the establishment with permanent staff. b) Authority to appoint staff to post not on the formal establishment. c) Additional Increments The granting of additional increments to staff within budget d) Upgrading & Regrading All requests for upgrading/regrading shall be dealt with in accordance with Trust procedure e) Establishments i) Additional staff to the agreed establishment with specifically allocated finance ii) Additional staff to the agreed establishment without specifically allocated finance f) Pay i) Authority to complete standing data forms affecting pay, new starters, variations and leavers ii) Authority to authorise overtime iii) Authority to complete and authorise positive reporting forms iv) Authority to authorise travel & subsistence expenses v) Approval of Performance Related Pay Assessment g) Leave i) Approval of annual leave ii) Annual leave - approval of carry forward (up to maximum of 5 days). iii) Annual leave - approval of carry over in excess of 5 days but less than 10 days. iv) Compassionate leave up to 3 days v) Compassionate leave up to 6 days vi) Special leave arrangements paternity leave vii) Leave without pay viii) Medical Staff Leave of Absence paid and unpaid ix) Time off in lieu	Budget holder (after vacancy control approval or Management Board approval for Consultant posts) CE and DoF DoPOD DoPOD Budget holder(after vacancy control approval or Management Board approval for Consultant posts) CE and DoF Senior Officer or Executive Director Senior Officer or Executive Director Senior Officer or Executive Director Senior Officer or Executive Director Remuneration Committee/CE Senior Officer or Executive Director Senior Officer or Executive Director Executive Director Senior Officer or Executive Director Executive Director Executive Director Senior Officer or Executive Director Executive Director MD and CE General Manager or Divisional Director Automatic approval with guidance	

Delegated Matter	Authority Delegated To	Reference Document
<ul style="list-style-type: none"> x) Maternity Leave - paid and unpaid h) Sick Leave <ul style="list-style-type: none"> i) Extension of sick leave on half pay up to three months ii) Return to work part-time on full pay to assist recovery iii) Extension of sick leave on full pay i) Study Leave <ul style="list-style-type: none"> i) Study leave outside the UK ii) Medical staff study leave (UK) iii) All other study leave (UK) j) Removal Expenses, Excess Rent and House Purchases <ul style="list-style-type: none"> Authorisation of payment of removal expenses incurred by Directors taking up new appointments (providing consideration was promised at interview) k) Grievance Procedure <ul style="list-style-type: none"> All grievances cases must be dealt with strictly in accordance with the Grievance Procedure and the advice of a the Director of People and Organisational Development must be sought when the grievance reaches the level of Associate/Dept. Manager l) Authorised Car & Mobile Phone Users <ul style="list-style-type: none"> Requests for new posts to be authorised as car users Requests for new posts to be authorised as mobile telephone users m) Renewal of Fixed Term Contract n) Redundancy o) Ill Health Retirement <ul style="list-style-type: none"> Decision to pursue retirement on the grounds of ill-health p) Dismissal q) Development of personnel, industrial relations & training strategies and procedures r) Authorisation of expenditure on recruitment advertising s) Day to day management of Consultants' contracts t) Excellence Awards to Medical staff. 	<p>Automatic approval with guidance</p> <p>Executive Director in conjunction with DoPOD Executive Director in conjunction with DoPOD DoPOD or CE</p> <p>DoPOD or MD Divisional Director Senior Officer or Executive Director</p> <p>DoPOD</p> <p>DoPOD</p> <p>DoPOD DoPOD Senior Officer or Executive Director DoPOD</p> <p>DoPOD Appointing Officers Executive Directors DoPOD MD Divisional Directors CE</p>	
<p><u>19. Authorisation of New Drugs</u></p> <ul style="list-style-type: none"> Estimated total yearly cost up to £25,000 Estimated total yearly cost above £25,000 	<p>Medicines Management Group CE (Subject to consultation with the above)</p>	<p>SFIs Section 10</p>
<p><u>20. Authorisation of Sponsorship deals</u></p>	<p>CE</p>	
<p><u>21. Authorisation of Research Projects</u></p>	<p>CE or MD or DoNM&AHP</p>	
<p><u>22. Authorisation of Clinical Trials</u></p>	<p>CE and MD</p>	

Delegated Matter	Authority Delegated To	Reference Document
<u>23. Insurance Policies and Risk Management</u>	DoF	SFIs Section 19
<u>24. Patients & Relatives Complaints</u> a) Overall responsibility for ensuring that all complaints are dealt with effectively under regulations. b) Responsibility for ensuring complaints relating to a directorate are investigated thoroughly c) Medico - Legal Complaints Co-ordination of their management.	CE Senior Officer and PALS Rep. MD	
<u>25. Relationships with Press</u> a) Non-Urgent General Enquiries Within Hours Outside Hours b) Urgent Within Hours Outside Hours	HoCM Executive Director on call HoCM Executive Director on call	
<u>26. Infectious Diseases & Notifiable Outbreaks</u>	MD or Consultant Microbiologist or Control of Infection Nurse	
<u>27. Extended Role Activities</u> Approval of any professions to undertake duties / procedures which can properly be described as beyond the normal scope of practice.	Clinical Governance Committee	
<u>28. Patient Services</u> a) Variation of operating and clinic sessions within existing numbers Outpatients Theatres Other b) All proposed changes in bed allocation and use (excluding critical care) Temporary Change Permanent Change Contract monitoring & reporting c) Critical Care	COO with General Manager or Divisional Director COO with General Manager or Divisional Director COO with General Manager or Divisional Director COO with General Manager or Divisional Director COO with General Manager or Divisional Director Bed Manager with advice from COO & DoNM&AHP CE with advice from COO & DoNM&AHP DoF CE or Executive Director on call	

Delegated Matter	Authority Delegated To	Reference Document
<u>29. Facilities for staff not employed by the Trust to gain practical experience</u> Professional Recognition, Honorary Contracts, & Insurance of Medical Staff, Work experience students	DoPOD	
<u>30. Review of fire precautions</u>	CE	
<u>31. Review of all statutory compliance legislation and Health and Safety requirements including control of Substances Hazardous to Health Regulations</u>	CE	
<u>32. Review of Medicines Inspectorate Regulations</u>	Chief Pharmacist	
<u>33. Review of compliance with environmental regulations, for example those relating to clean air and waste disposal</u>	CE	
<u>34. Review of Trust's compliance with the Data Protection Act, including GDPR</u>	CE	
<u>35. Monitor proposals for contractual arrangements between the Trust and outside bodies</u> a) Monitor proposals for contractual arrangements between the Trust and other healthcare bodies b) Monitor proposals for contractual arrangements between the Trust and non-healthcare bodies	DoF DoF	
<u>36. Review the Trust's compliance with the Access to Records Act</u>	MD	
<u>37. Review of the Trust's compliance code of Practice for handling confidential information in the contracting environment and the compliance with "safe haven" per EL 92/60</u>	MD	
<u>38. The keeping of a Declaration of Interests Register</u>	Secretary to the Board	
<u>39. Attestation of sealings in accordance with Standing Orders</u>	CE and DoF	
<u>40. The keeping of a register of Sealings</u>	CE	
<u>41. The keeping of the Hospitality Register</u>	DoF	
<u>42. Retention of Records</u>	COO	
<u>43. Clinical Audit</u>	MD	

Delegated Matter	Authority Delegated To	Reference Document
44. Nominated Fire Director Within Hours Outside Hours	CE Executive Director on call	
45. Agreement of Policies a) To recommend the adoption of new policies to the Board of Directors b) To approve policies where authorised to do so by the Board of Directors	The appropriate sub-committee of the Board e.g. Finance and Performance for finance related policies	
46. Working Together Partnership Committee in Common All functions agreed to be delegated by the Board and listed in the DBTH Committee in Common terms of reference.	Committee in common consisting of CEO and Chair or nominated deputies	DTH CIC TORs
47. Intellectual Property The disposal of intellectual property rights	Executive Committee	

6. ROLES AND RESPONSIBILITIES OF GOVERNORS

The Constitution states that at general meetings, the Council of Governors shall discharge the following responsibilities:

- 6.1 The appointment or removal of the Chair and the other Non-Executive Directors (section 26).
- 6.2 Approve an appointment (made by the Non-Executive Directors) of the Chief Executive (section 28).
- 6.3 The appointment or removal of the Trust's auditors (section 27).
- 6.4 Decide the remuneration and allowances, and the other terms and conditions of office, of the Chair and the other Non-Executive Directors (section 33).
- 6.5 Approve any increase of 5% or more in the proportion of the Trust's total income in any financial year attributable to activities other than the provision of goods and services for the purposes of health service in England (section 40).
- 6.6 Approve any significant transaction, as defined in the constitution (section 44).
- 6.7 Approve any merger, acquisition, separation or dissolution proposed (section 44).

APPENDIX 1 - EQUALITY IMPACT ASSESSMENT PART 1 INITIAL SCREENING

Service/Function/Policy/Project/ Strategy	CSU/Executive Directorate and Department	Assessor (s)	New or Existing Service or Policy?	Date of Assessment
Reservation of Powers to the Board and Delegation of Powers May 2016 – CORP/FIN 1 (C) v.8	CE/Finance	Jon Sargeant /Matthew Bancroft	Existing Policy	March 2019
1) Who is responsible for this policy? Name of CSU/Directorate – Finance Department/Secretariat				
2) Describe the purpose of the service / function / policy / project/ strategy? Who is it intended to benefit? What are the intended outcomes? To provide standing orders for the Board and a framework for the delegation of powers from the Board.				
3) Are there any associated objectives? Legislation, targets national expectation, standards No				
4) What factors contribute or detract from achieving intended outcomes? – Compliance with the policy				
5) Does the policy have an impact in terms of age, race, disability, gender, gender reassignment, sexual orientation, marriage/civil partnership, maternity/pregnancy and religion/belief? Details: [see Equality Impact Assessment Guidance] - No				
• If yes, please describe current or planned activities to address the impact [e.g. Monitoring, consultation] – N/A				
6) Is there any scope for new measures which would promote equality? [any actions to be taken] N/A				
7) Are any of the following groups adversely affected by the policy? No				
Protected Characteristics		Affected?	Impact	
a)	Age	No		
b)	Disability	No		
c)	Gender	No		
d)	Gender Reassignment	No		
e)	Marriage/Civil Partnership	No		
f)	Maternity/Pregnancy	No		
g)	Race	No		
h)	Religion/Belief	No		
i)	Sexual Orientation	No		
8) Provide the Equality Rating of the service / function /policy / project / strategy – tick (✓) outcome box				
Outcome 1 ✓	Outcome 2	Outcome 3	Outcome 4	
<i>*If you have rated the policy as having an outcome of 2, 3 or 4, it is necessary to carry out a detailed assessment and complete a Detailed Equality Analysis form in Appendix 4</i>				
Date for next review: March 2020				
Checked by: Jon Sargeant/ Matthew Bancroft		Date: March 2019		

**Minutes of the meeting of the Council of Governors held on
Wednesday 11 April 2019
In the Education Centre, DRI, Doncaster, DN2 5LT**

Present:

Chair Suzy Brain England OBE

Public Governors Peter Abell
Mike Addenbrooke
Ann-Louise Bayley
Phil Beavers
Hazel Brand
Mark Bright
David Cuckson
Linda Espey
David Goodhead
Dave Harcombe
Geoffrey Johnson
Lynne Logan
Steve Marsh
Bev Marshall
Susan McCreadie
Liz Staveley-Churton
Sheila Walsh

Staff Governors Karl Bower
Kay Brown
Duncan Carratt
Lynn Goy
Vivek Pannikar
Lorrain Robinson

Partner Governors Anthony Fitzgerald
Griff Jones
Ainsley McDonnell
Susan Shaw
Rupert Suckling

In Attendance:	Pat Drake Linn Phipps Karen Barnard Cindy Storer Gareth Jones Richard Parker David Purdue Neil Rhodes Sewa Singh Kath Smart Kate Sullivan Mandy Tyrell Nigel Hall	Non-executive Director Non-executive Director Director of People and Organisational Development Acting Deputy Director of Nursing, Midwifery and Allied Health Professionals Trust Board Secretary Chief Executive Deputy Chief Executive and Chief Operating Officer Non-executive Director Medical Director Non-executive Director Corporate Governance Officer Staff Observer Staff Observer
Apologies:	Prof. Rob Coleman Jackie Hammerton Moira Hardy David Northwood Victoria McGregor-Riley Alan Robinson Jon Sargeant Clive Tattley Steven Wells Doug Wright Sheena McDonnell Alan Chan Kathryn Dixon	Public Governor Partner Governor Director of Nursing, Midwifery and Allied Health Professionals Public Governor Partner Governor Partner Governor Director of Finance Partner Governor Public Governor Public Governor Non-executive Director Non-executive Director Partner Governor

Action

Welcome and apologies

19/04/1 The Chair welcomed those present to the meeting and the apologies recorded above were noted.

In a break with tradition the confidential meeting had taken place before the public meeting; it was hoped this would allow members of the public the opportunity to engage with Governors and Board members after the public meeting, rather than having to leave for the confidential meeting to commence. If this worked well, this format would be used in future.

Declaration of governors' interests

19/04/2 No changes to registers of interest were reported and no matters of conflict of interest were declared.

True North Objectives

- 19/04/3** Governors received a detailed presentation from Richard Parker, Chief Executive and Marie Purdue, Director of Strategy and Transformation on a range of objectives developed to support the delivery of the Trust's vision to be the safest Trust in England. The Vision would be achieved through the delivery of four 'True North Objectives' and the aim was to achieve this within five years. Underneath these sat a corresponding set of 'Breakthrough Objectives' which the Trust aimed to deliver in the first year.
- 19/04/4** The overall aim was for everyone to understand their contribution to achieving the vision. Work was underway to link the breakthrough objectives to Divisional Breakthrough objectives and then to team and departmental objectives through the staff appraisal process and by aligning the improvement programme with the Strategic Direction. This would create a golden thread from ward to board ensuring staff could clearly see how their contribution was making a difference. The Director of Strategy and Transformation described how this would be achieved and she gave examples of some of the work already underway. Executive Director objectives had already been set in this way and, as the appraisal process for Non-executive Directors (NEDs) was about to commence, the Trust would be asking Governors to take the same approach when considering objectives for NEDs.
- 19/04/5** In response to several questions the Chief Executive gave examples of what departmental objectives might look like and how these linked to the True North Objectives and there was a brief discussion about the timescales for rolling this approach out through the approvals process; it was clarified that the 2019 appraisal season was April to June by which time all staff should know how they would contribute towards achieving the strategic aims.
- 19/04/6** Governors welcomed the presentation and supported the direction of travel. The presentation would be made available to Governors after the meeting. **KS**

19/04/7 The True North Objectives Presentation was NOTED.

Clinical Review of Access Standards

- 19/04/8** Governors received an update from David Purdue, Chief Operating Officer and Deputy Chief Executive on proposed changes to the national four hour access target. It was planned to replace the target with a range of new measures, and these would be piloted from April 2020.
- 19/04/9** David Purdue gave a detailed update on the rationale for the changes; key to this was that the current standard measured a single point in what were often complex pathways, it did not measure total waiting times and did not differentiate between the severity of conditions. The new measures were based on clinical rationale, rather than hospital processes and a detailed explanation of each of the proposed measures was provided,

including the implications for patient care. The Trust was currently undertaking a review of Trust performance and processes against the new proposals.

19/04/10 Governors commended the clarity of the presentation and there was discussion about each of the new measures, during which a number of questions were answered. One of the proposed measures was “time to emergency treatment for critically ill / injured patients” with the aim being to ensure that the highest priority patients received quality care with specific time to treatments. This measure included patients with mental health presentations and there was concern that the Trust may need increased levels of support from mental health services, particularly if public awareness of the target resulted in an increase in the number of patients with mental health presentation coming to the emergency department. It was clarified that the Trust would not be piloting all of the standards; they had been distributed across the ICS with RDASH piloting the mental health standard.

19/04/11 The Chair welcomed the presentation; it was key to ensure that when new national standards were introduced Governors were assured that the Trust was doing all it could to achieve and that they understood the changes. She thanked David Purdue for the clear and detailed update.

19/04/12 The Clinical Review of Access Standards Presentation was NOTED.

No Smoking Site

19/04/13 Governors received a detailed presentation from Kirsty Edmondson-Jones, Director of Estates and Facilities, updating them on the Trust’s approach to car parking, security and smoking.

19/04/14 An overview was provided of a recent competitive tender process for the Trusts security services. Bidders were scored against a clear set of award criteria based on both quality and finance. The quality criteria accounted for 40% of the overall score; it was noted that the winning bidder achieved 39% for quality and Governors took assurance from this. The new contract had commenced on 1 April 2019 for eight years, with the option to extend for a further one year plus one year; details of the contract value were provided. The contract had been developed from a NHS Standard Contract with specialist local security management knowledge from Beachcrofts.

19/04/15 Key benefits of the new contract included;

- £522k capital investment
- Robust contract with comprehensive set of 18 Key Performance Indicators (KPI)
- CCTV Central Control Room
- Easier ways to pay for car parking
- On-site contract manager and supervisors
- Increased smoking challenge
- Smoking fines

19/04/16 In terms of smoking challenge this would increase following initial mobilisation and training. Multi-skilled officers would be trained in the use of Sections 119 and 120 of the Criminal Justice and Immigration Act 2008 (Causing Nuisance or Disturbance Behaviour on NHS Property and Power to Remove Persons Causing Nuisance or Disturbance). If smokers failed to cease their activity, these officers would remove them from the Trust site. It was noted that, under the Criminal Justice and Immigration Act 119-120, failure to comply was a criminal offence with a fine of up to £1200 and 3 months imprisonment. Introduction of the living wall at DRI Gate 4 increased the enclosed nature of the area and together with No Smoking Signage, smokers could be issued a fixed penalty fine by the Local Authority of £200.

19/04/17 There was a wide-ranging discussion about the matter of smoking enforcement and a number of questions were raised about the approach to be taken in the case of patients smoking on the Trust sites. The Chief Executive gave assurance that the health of patients was the Trust's key priority. Kirsty Edmondson-Jones gave assurance that enforcement powers would not be implemented in a heavy-handed way, staff would be trained in speaking to patients and the public and would initially encourage them to move to litter zones. Local media would be used to inform the public of the changes. In the case of patients, they should be informed in advance of admission that giving up smoking, even if for a short period, would significantly improve their recovery and there would be refreshed local communications with staff to ensure patients felt able to ask for nicotine replacement. In response to a query from Hazel Brand it was noted that at ICS level it had been agreed that to take a joined-up approach and the ICs was working with Public Health England.

19/04/18 Governors suggested that posters or signs be put on the Trust's Park and Ride service informing patients and visitors of the change and Pat Drake made a similar suggestion in terms of ensuring signage at all key entrances to the Trust's sites. **KEJ**

19/04/19 The No Smoking Site Presentation was NOTED.

Finance Report

19/04/20 Governors considered a detailed report of the Director of Finance (DoF) that set out the Trust's financial position and CIP performance at month 11. In the absence of the DoF, the report was presented Neil Rhodes, NED and Chair of the Finance and Performance Committee, who provided an update on key issues:

19/04/21 In month 11 financial performance was ahead of plan by £855k and the Trust had had met the control total, which had also been aided by Provider Sustainability Funding (PSF). It was noted that for 2019/20 there would be a CIP target of 3%, rather than the 5% which was targeted this year. The Trust now looked to 2019/20 to ensure it was in the best

position to deliver savings. Neil Rhodes gave an overview of his role as Chair of the Finance and Performance Committee (F&P), a Committee of the Board of Directors, and he described how F&P held the Trust to account on matters relating to finance and performance. The Committee, which included Governors observers, looked at a raft of finance and performance metrics, including workforce metrics, in detail each month. As well as comparing against budget and performance against local/national performance targets the Committee also sought to compare, wherever possible, against national and local benchmarks and he gave examples of recent matters F&P had sought assurance on. He noted that in recent months it had been reported to F&P that the Trust would potentially end year behind control total, and he commended the work of Executives and their teams, and the support of local partners, in recent months to turn this around under very challenging circumstances. He noted that the Trust was now forecasting to deliver its control total at year end subject to delivery of the WL position. Governors welcomed the update and commended the hard work of the Trust to achieve the control total.

19/04/22 Governors NOTED:

- The Trust's deficit for month 11 (February 2019) was £224k, which was a favourable variance against plan of £855k before PSF. This was a favourable variance against forecast of £644k in month. The cumulative position to the end of month 11 was an £21.7m deficit before PSF, which was £1,455k favourable to plan (£2,334k adverse to plan including PSF) and £1,452k favourable to forecast.
- The achievement with regards to the Cost Improvement Programme.
- The improved financial position and that the Trust was forecasting to deliver its control total at year end subject to delivery of the WL position.
- The risks set out in this paper.

Performance Report

19/04/23 Governors considered the report of the Chief Operating Officer, Medical Director, Director of Nursing, Midwifery and Allied Health Professions and Director of People and Organisational Development that set out clinical and workforce performance.

19/04/24 A presentation on issues was given and attention was drawn to the following:

- Four Hour Access performance was 93.12% against the national standard of 95%
- 62 Day Cancer performance was 87.4% against the national standard of 85%
- Referral to treatment was 88.5% against the target of 89%
- The rolling HSMR was 93.43%
- C.Diff – The Trust remained below trajectory

- The Trust's staff appraisal rate was 78.85%
- Statutory and Essential to role training compliance rates were at 81.31%
- Sickness Absence was at 4.43%

19/04/25 Staff Survey - It was noted that the report included an update on the recent Staff Survey and action plan. The results from the 2018 staff survey had been shared widely with leadership teams in order that they could develop their own action plans. The results were captured into themes which were equality, diversity and inclusion, health and wellbeing, immediate managers, morale, quality of appraisals, quality of care, safe environment – bullying and harassment, safe environment – violence, safety culture and staff engagement. The paper provided the Trust wide summary with those of each division and directorate. In addition, the staff engagement questions were provided in a separate table. At the last Board of Directors meeting priority areas of focus at Trust level were agreed and these were set out in the paper. The report was discussed, and Mark Bright noted that a number of non-clinical directorates were marked as 'red' and he asked what was being done to improve staff satisfaction in those areas. All divisions and directorates have been asked to look at their data and develop their own plans and these would be measured throughout the year. Staff engagement with the survey was key to addressing key issues for staff and it was important to assure staff that the survey was completely anonymous and that was no way for the Trust to identify the responses of any individuals.

19/04/26 The Performance Report was NOTED.

Chief Executive's Report

19/04/27 Governors considered a report of the Chief Executive which outlined progress against a number of issues.

19/04/28 The Trust had broken ground on the new CT Suite at Doncaster Royal Infirmary; the unit was expected it to be in use by March 2020. In the same month the Trust introduced 'Making Mealtimes Matter', providing more structure and emphasis on patient feeding. The Trust had also launched the 'Sleeping Helps Healing' campaign to ensure patients had a quality night's sleep. Colleagues in finance were named 'Finance Team of the Year' at the Health Financial Management Association's regional awards and also in the finance team Paul Mapley had been appointed as the Trust's Efficiency Director. The Trust's 2018/19 flu campaign had won the Best Team for flu vaccination programme from NHS Employers.

19/04/29 It was noted that the Trust's CQC inspection report was published, with the Trust's overall rating unchanged; The final report was available on the CQC's website. This was discussed and, following a number of questions raised by Mark Bright about the findings of the CQC inspection relating to paediatric nurses in the emergency department and national issues around the recruitment of paediatric nurses, the Chief Executive provided

assurance that full action plans were in place to address all issues raised by the CQC and he described the action already taken. The Trust had spoken to staff in the emergency department to better understand the issues; the Trust had listened to their concerns and action was being taken.

19/04/30 The Chief Executive's report was NOTED.

Chair and Non-executive Director (NED) Reports Process

19/04/31 Governors considered a report which outlined the Chair and NEDs' work between November 2018 and January 2019. It included updates on a number of activities including:

- The official opening of the new Patient Advice and Liaison Service Office
- A meeting of partner Governors
- Doncaster integrated Care partnership Chairs meeting
- As Freedom to Speak Up (FTSU) NED, Pat Drake had undertaken an in-depth internal investigation.
- As Chair of Audit Committee Kath Smart had attended two ICS meetings along with other Audit Committee Chairs to provide input into the developing ICS Governance arrangements.
- Linn Phipps had met with the Trust's Clinical Governance Leads to discuss quality issues.
- Sheena McDonnell had been worked alongside Executive colleagues to explore the opportunities around the apprenticeship levy.
- Neil Rhodes had continued his involvement in the Prisoner Pathway Project.

19/04/32 The Chair and NED reports were NOTED.

Feedback from NHS Providers Governors' Advisory Panel (GAC)

19/04/33 Governors received a report from Peter Abell, Bassetlaw Public Governor and acute Chair of NHS Providers' (NHSP) Governor Advisory Panel (GAC) on the recent GAC meeting which had taken place on 9 April 2019. He provided an update on the key points of discussion at the meeting, which were set out in detail in the paper, these had included:

- CQC engagement with Governors
- Diversity on Boards
- Effective Governing Bodies
- Local System working
- Local Reports
- Lead Governor Association

The papers of the GAC meeting would be circulated in due course

PA

19/04/34 The Feedback from NHS Providers Governors' Advisory Panel (GAC) was NOTED.

Matters arising from the Board of Directors minutes

- 19/04/35** The minutes of the Board of Directors meetings from December 2018 to February 2019 were NOTED.

Minutes of the Governor Committees

- 19/04/36** The Minutes of Agenda Planning Group meetings held on 3 December 2019 and 5 March 2019 were NOTED.

Minutes of the Council of Governors meeting held on 30 January 2019

- 19/04/37** The Minutes of the Council of Governors meeting held on 30 January 2019 were APPROVED as a true record of the meeting.

Matters arising and action notes

- 19/04/38** The action log was reviewed and NOTED.

Any other Business

- 19/04/39** The Chief Executive announced that, following a recruitment process, Rebecca Joyce had been appointed as the new Chief Operating Officer; she would commence in post 3 June 2019.

Any issues from members to be investigated for the next meeting

- 19/04/40** None raised.

Adjournment of Meeting

- 19/04/41** Members RESOLVED that the meeting of the Council of Governors be adjourned to take any informal questions relating to the business of the meeting.

Date and time of the next meeting:

Date: 25 July 2019
Time: 5:30pm
Location: Education Centre, DRI