

## Trust Standing Orders, including Standing Financial Instructions, Schedule of Reservations of Powers

Specific staff groups to whom this policy <b>directly</b> applies	Likely frequency of use	Other staff who may need to be familiar with policy
All individuals employed or engaged by the Trust who have been given resource management and decision making authorities need to have a reasonable understanding of the extended SOs.		All should be aware that the SOs exist and what they contain

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This version of the Standing Orders can only be guaranteed to be the current adopted version, if it is opened directly from the Trust's intranet library of policies and procedures.

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## Foreword to Standing Orders

NHS Trusts are required by law to make Standing Orders (SOs), which regulate the way in which the proceedings and business of the Trust will be conducted. Regulation 19 of the NHS Trusts (Membership and Procedure) Regulations, 1990 (as amended) requires the meetings and proceedings of an NHS trust to be conducted in accordance with the rules set out in the Schedule to those Regulations and with Standing Orders made under Regulation 19(2).

These Standing Orders and associated documents are extremely important. High standards of corporate and personal conduct are essential in the NHS. As the NHS is publicly funded, it is accountable to Parliament for the services it provides and for the effective and economical use of taxpayers' money. The Standing Orders, Standing Financial Instructions, procedures and the rules and instructions made under them provide a framework and support for the public service values which are essential to the work of the NHS of:

- Accountability – the ability to stand the test of Parliamentary scrutiny, public judgements on propriety and professional codes of conduct.
- Probity – an absolute standard of honesty in dealing with the assets of the Trust; integrity in decisions affecting patients, staff and suppliers, and in the use of information acquired in the course of NHS duties.
- Openness – transparency about NHS activities to promote confidence between the organisation and its staff, patients and the public.

Additional documents, which form part of these “extended” Standing Orders are:

- Standing Financial Instructions, which detail the financial responsibilities, policies and procedures to be maintained by the Trust.
- Schedule of Decisions Reserved to the Board of the Trust
- Scheme of Delegated Authorities, which sets out delegated levels of authority and responsibility

These extended Standing Orders set out the ground rules within which Board directors and staff must operate in conducting the business of the Trust. Observance of them is mandatory. Such observance will mean that the business of the Trust will be carried out in accordance with the law, Government policy, the Trust's statutory duties and public service values. As well as protecting the Trust's interests, they will also protect staff from any possible accusation of having acted less than properly.

All executive and Non-Executive Directors and senior staff are expected to be aware of the existence of these documents, understand when they should be referred to and, where necessary and appropriate to their role, make themselves familiar with the detailed provisions.

## Introduction

- I. The North Bristol NHS Trust (the Trust) is a body corporate which was established under The North Bristol National Health Service Trust (Establishment) Order (the Establishment Order), Statutory Instrument number 625, 1999, made on 8<sup>th</sup> March 1999.
- II. The principal place of business of the Trust is Trust Headquarters, Southmead Hospital, BS10 5NB.
- III. NHS Trusts are governed by statute, mainly the National Health Service Act 2006 and the Health and Social Care Act, 2012.
- IV. The statutory functions conferred on the Trust are set out in the NHS Act 2006 (Chapter 3 and Schedule 4) and in the Establishment Order.
- V. As a body corporate 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 the Secretary of State for Health. The Trust also has a common law duty as a bailee for property held by the Trust on behalf of patients.
- VI. The Membership and Procurement Regulations required the Trust to adopt Standing Orders for the regulation of its proceedings and business. The Trust must also adopt Standing Financial Instructions as an integral part of Standing Orders setting out the responsibilities of individual officers of the Trust, and must establish audit and remuneration committees with formally agreed terms of reference.
- VII. The Freedom of Information Act, 2000 and the Environmental Information Regulations, 2004 sets out the requirements for public access to information on the NHS.
- VIII. Through these Standing Orders, the Board exercises 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 the Standing Orders; or by an officer of the Trust, in each case subject to such restrictions and conditions as the Board thinks fit or as the Secretary of State for Health may direct.

### *Interpretation*

- IX. The Chair of the Trust is the final authority in the interpretation of Standing Orders on which the Chief Executive, guided by the Trust Secretary, shall advise her and in the case of Standing Financial Instructions by the Director of Finance.
- X. The following definitions apply for this document.

Legislation definitions:

- the **2006 Act** is the National Health Service Act, 2006
- the **2012 Act** is the Health and Social Care Act, 2012

- **Membership and Procedure Regulations** are the National Health Service Trust (Membership and Procedure) Regulations 1990 (SI(1990)2024), as amended.

Other definitions:

- **Accountable Officer** is the officer responsible and accountable for funds entrusted to the Trust; and is responsible for ensuring the proper stewardship of public funds and assets. The Chief Executive, or their appointed replacement, is the Accountable Officer for this Trust.
- **Budget** is the plan, 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.
- **Chair of the Trust** is the person appointed by the Secretary of State for Health to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression “the Chair of the Trust” shall, if the Chair is absent from the meeting or otherwise unavailable, be deemed to include the Vice-Chair of the Trust, or other Non-Executive Director as is appointed in accordance with Standing Order 12.
- **Chief Executive** is the chief officer of the Trust.
- **Committee** is committee appointed by the Trust Board.
- **Committee Members** are formally appointed by the Trust Board to sit on, or to chair specific committees.
- **Clinical Directors** are specialty leads reporting to and accountable to the Chief Operating Officer, with professional oversight from the Medical Director. They are **excluded** from the term “Director” for the purposes of this document, unless specifically stated otherwise.
- **Directors** are the Non-Executive Directors and the Executive Directors
- **Director of Facilities** is the Director of Estates Facilities and Capital Planning
- **Director of Finance** is the Director of Finance; and is the chief finance officer of the Trust.
- **Establishment Order** is the North Bristol National Health Service Trust (Establishment) Order 1999, Statutory Instrument number 625.
- **Executive Director** is an officer of the Trust. Up to five will be voting members of the Trust Board, appointed in accordance with the Membership and Procedure Regulations, 1990. The remainder will not be eligible to vote on the Trust Board.
- **Funds Held on Trust** are those funds which the Trust holds at its date of incorporation, receives on distribution by statutory instrument, or chooses subsequently to accept under powers derived under Part 11 (eleven) of the NHS Act 2006. Such funds may or may not be charitable.
- **Motion** is a formal proposition to be discussed and voted on during the course of a Trust Board or Committee meeting.
- **NHS Improvement (NHSI)** is responsible for the oversight of NHS trusts and has delegated authority from the Secretary of State for Health for the

appointment of the Non-Executive Directors, including the Chair of the Trust

- **Nominated Officer** is the officer charged with the responsibility for discharging specific tasks within the Standing Orders and Standing Financial Instructions.
  - **Non-Executive Director** is a person appointed by the Secretary of State for Health, to help the Trust Board to deliver its functions.
  - **Officer** (or **staff**) means an employee of the Trust or any other person holding a paid appointment or office with the Trust. (This includes all employees or agents of the Trust, including medical and nursing staff and consultants practising upon the Trust's premises and shall be deemed to include employees of third parties contracted to the Trust when acting on behalf of the Trust)..
  - **SFIs** are the Standing Financial Instructions.
  - **SOs** are the Standing Orders.
  - **Standards of Business Conduct** is the Trust's "Policy Standards of Business Conduct, incorporating anti-bribery policy; and the recognition and treatment of conflicting interests, gifts and hospitality" or as amended
  - **Trust** is the North Bristol NHS Trust.
  - **Trust Board** (or the **Board**) is the Chair and Non-Executive Directors and Executive Directors
  - **Trust Secretary** is the officer appointed to provide advice on corporate governance issues to the Board and the Chair; and monitor the Trust's compliance with the law, Standing Orders, and Department of Health guidance.
  - **Vice Chair** means the Non-Executive Director appointed by the Trust to take on the Chair's duties if the Chair is absent for any reason.
  - **Working day** means any day, other than a Saturday, Sunday or legal holiday
- XI. Any reference to an Act of Parliament, Statutory Instrument, Direction or Code of Practice shall be construed as a reference to any modification, replacement or re-enactment for the time being in force.
- XII. All reference to the masculine gender shall be read as equally applicable to the feminine gender and vice-versa.



# Standing Orders for the regulation of the proceedings of North Bristol National Health Service Trust

## Part I – Membership

### *1. Name and business of the Trust*

- 1.1. All business shall be conducted in the name of North Bristol NHS Trust (“the Trust”).
- 1.2. All funds received in trust shall be in the name of the Trust as corporate trustee. The powers exercised by the Trust as corporate trustee, in relation to funds held on trust, shall be exercised separately and distinctly from those powers exercised as a Trust.
- 1.3. The Trust has the functions conferred on it by Schedule 4 of the 2006 Act.
- 1.4. 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 the Secretary of State for Health. Accountability for non-charitable funds held on trust is only to the Secretary of State for Health.
- 1.5. The Trust has resolved that certain powers and decisions may only be exercised or made by the Trust Board in formal session, which may include members participating by video or telephone. These powers and decisions are set out in the Schedule of Decisions Reserved for the Trust Board in Appendix 1 to these Standing Orders and have effect as if incorporated into the Standing Orders.

### *2. Composition of the Trust Board*

- 2.1. The voting membership of the Trust Board shall comprise the Chair and six Non-Executive Directors, together with up to five Executive Directors. At least half of the voting membership of the Trust Board, excluding the Chair, shall be independent Non- Executive Directors.
- 2.2. In addition to the Chair, the Non-Executive Directors shall normally include:
  - 2.2.1. one appointee nominated to be the Vice-Chair
  - 2.2.2. one appointee nominated to be the (shadow) Senior Independent Director.
  - 2.2.3. in accordance with the Establishment Order, one appointee from the University of Bristol, in recognition of the Trust’s status as a teaching hospital
  - 2.2.4. one or more appointees who have recent relevant financial experience.

Appointees can fulfil more than one of the roles identified.

- 2.3. The Executive Directors shall include:
  - 2.3.1. Chief Executive
  - 2.3.2. Director of Finance, or equivalent
  - 2.3.3. Medical Director
  - 2.3.4. Director of Nursing, or equivalent
  - 2.3.5. Chief Operating Officer
- 2.4. The Board may appoint additional Executive Directors, in crucial roles in the Trust, to be non-voting members of the Trust Board.

### *3. Appointment of the Chair and directors*

- 3.1. The Chair and Non-Executive Directors of the Trust are appointed by the NHSI, on behalf of the Secretary of State for Health.
- 3.2. The Chief Executive shall be appointed by the Chair and the Non-Executive Directors.
- 3.3. Executive Directors shall be appointed by a committee comprising the Chair, the Non-Executive Directors and the Chief Executive.
- 3.4. Where more than one person is appointed jointly to an Executive Director post in the Trust, those persons shall become appointed as an Executive Director, jointly. Where the post has voting rights attached, the joint appointees will have the power of one vote; and shall count for the purpose of Standing Order 2 as one person.

### *4. Vice-Chair*

- 4.1. To enable the proceedings of the Trust to be conducted in the absence of the Chair, the Trust Board may elect one of the Non-Executive Directors to be Vice- Chair, for a period that does not exceed the remainder of their appointed term as a Non-Executive Director of the Trust.
- 4.2. Any Non-Executive Director so elected may at any time resign from the office of Vice-Chair by giving notice in writing to the Chair. The appointment as Vice- Chair will end with the termination for any reason of that Non-Executive Director's period of office as a director. On such resignation or termination the Trust Board may then appoint another Non-Executive Director as Vice-Chair, in accordance with the provision of this Standing Order.
- 4.3. When the Chair is unable to perform his duties due to illness or absence for any reason, her duties will be undertaken by the Vice-Chair.

### *5. Tenure of office*

- 5.1. The regulations governing the period of tenure of office of the Chair and Non-Executive Directors and the termination or suspension of office of the Chair and Non-Executive Directors are contained in the Membership and Procedure Regulations

and as directed by NHSI, under its delegated authority from Secretary of State for Health.

## *6. Code of Conduct and Accountability and the Trust's commitment to openness*

- 6.1. All directors shall subscribe and adhere at all times to the principles contained in the Trust's "Policy Standards of Business Conduct" (the Policy Standards of Business Conduct) and any other relevant Trust policies.

## *7. Functions and roles of Chair and directors*

- 7.1. The function and role of the Chair and members of the Trust Board is described within these Standing Orders and within those documents that are incorporated into these Standing Orders.

## **Part II – Meetings**

### *8. Ordinary meetings of the Trust Board*

- 8.1. All ordinary meetings of the Trust Board shall be held in public and shall be conducted in accordance with relevant legislation, including the Public Bodies (Admission to Meetings) Act 1960, as amended and guidance issued by the Secretary for State for Health. Members of the public and representatives of the press shall be afforded facilities to attend.
- 8.2. Ordinary meetings of the Trust Board shall be held at regular intervals at such times and places as the Trust Board may from time to time determine. A minimum of six meetings shall be held each year.
- 8.3. The Chair shall give such directions as she thinks fit in regard to the arrangements for meetings and accommodation of the public and representatives of the press; to ensure that the Trust Board's business may be conducted without interruption and disruption.
- 8.4. Without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public and representatives of the press will be required to withdraw upon the Trust Board resolving as follows: "That in the interests of public order the meeting adjourn for (the period to be specified) to enable the Board to complete business without the presence of the public"
- 8.5. Business proposed to be transacted when the press and public have been excluded from a meeting as provided in Standing Order 8.4, shall be confidential to members of the Board.
- 8.6. Members and Officers or any employee or representative of the Trust in attendance at a private meeting or private part of a meeting, shall not reveal or disclose the contents of papers, discussions or minutes of the items taken in private, outside of the Trust Board meetings without the express permission of the Trust Board.
- 8.7. Nothing in these Standing Orders shall require the Trust Board to allow members of

the public or representatives of the press to record proceedings in any manner whatsoever, other than writing, or to make any oral report of proceedings as they take place without the prior agreement of the Trust Board.

- 8.8. The Chair may invite any member of staff of North Bristol NHS Trust, any other NHS organisation, an officer of the local council(s), or any other individual acting in an advisory capacity to attend meetings. These invitees shall not count as part of the quorum or have any right to vote at the meeting.
- 8.9. An annual public meeting shall be held on or before 30<sup>th</sup> September in each year for the purpose of presenting audited accounts, annual reports and any report on the accounts.
- 8.10. The Trust Board may, by resolution, exclude the public from a part or the whole of a meeting whenever publicity would be prejudicial to public interest by reason of the confidential nature of the business to be transacted
- 8.11. The provisions of these Standing Orders relating to meetings of the Trust Board shall refer only to formal Trust Board meetings, whether ordinary or extraordinary meetings. The provisions shall not apply to seminars or workshops or other meetings attended by members of the Trust Board.

## *9. Extraordinary meetings of the Trust Board*

- 9.1. The Chair may call a meeting of the Trust Board at any time. Directors may ask the Chair to call a meeting of the Trust Board at any time.
- 9.2. A meeting may be called forthwith, by the directors who are eligible to vote, if the Chair refuses to call a meeting after such a request has been presented to her, signed by at least one third of the whole number of directors who are eligible to vote (including at least one executive and one Non-Executive Director); and has been presented to her at the Trust's principal place of business. The directors who are eligible to vote may also call a meeting forthwith, if, without refusing, the Chair does not call a meeting within seven days after receipt of such request.

## *10. Notice of meetings*

- 10.1. The Trust shall set dates and times of regular Trust Board meetings for the forthcoming calendar year by the end of November of each year.
- 10.2. A notice of the meeting, specifying the business proposed to be transacted, shall be posted before each meeting of the Trust Board. This notice shall be signed by the Chair, or by a director or officer of the Trust authorised by the Chair to sign on his behalf. The notice shall be delivered to every director, by the most effective route, including being sent by post to the usual place of residence of the director, sent electronically to the usual e-mail address of the director, or circulated via an agreed online board paper portal. The notice shall be delivered to each director at least three working days before the meeting. Notice shall be presumed to have been served two days after posting and one day after being sent out via email or portal.
- 10.3. Lack of service of such notice on any individual director shall not affect the validity of a meeting. However, failure to serve such a notice on at least three directors who are eligible to vote will invalidate the meeting.
- 10.4. In the case of a meeting called by directors in default of the Chair, see Standing Order 9, the notice shall be signed by those directors and no business shall be transacted at the meeting other than that specified in the notice.

- 10.5. Where a part or the whole of a meeting is to be open to the public, official notice of the time, place and agenda of the meeting shall be announced in public. Notice will be given by one or more of: an announcement in the local press, on the Trust's internet website, displaying the notice in a conspicuous place in the Trust's hospitals or other facilities, or displaying the notice in other public places. The Trust Board may decide to limit publication to details of the items on the meeting agenda that will be considered in the part of the meeting to be held in public. A copy of the notice including the agenda may also be sent to local organisations that will have an interest in the decisions of the Trust Board. These organisations include bodies responsible for commissioning acute NHS services locally, patient and public representative groups and local councils.
- 10.6. Notice will be given at least three working days before the meeting. Failure to do so will render the meeting invalid.

## *11. The agenda and Supporting Papers*

- 11.1. The Trust Board may determine that certain matters will appear on every agenda for an ordinary meeting of the Trust Board; and that these will be addressed prior to any other business being conducted at the discretion of the Chair. On agreement by the Trust Board, these matters may change from time to time.
- 11.2. A director may request that a matter is included on an agenda. This request should be made in writing, including by electronic means, to the Chair, Chief Executive, or the Trust Secretary at least seven working days before the meeting, subject to Standing Order 10. Requests made less than seven working days before the meeting may be included on the agenda at the discretion of the Chair, or to the extent that this discretion is delegated to the Chief Executive and the Trust Secretary.
- 11.3. Notwithstanding Standing Order 17 a director may with the consent of the Chair of the meeting, add to the agenda of any meetings any item of business relevant to the responsibilities of the Trust, under "Any Other Business".
- 11.4. The Agenda will be sent to Directors five working days before the meeting and supporting papers, whenever possible, shall accompany the Agenda but will certainly be despatched no later than three clear working days before the meeting, save in an emergency.

## *12. Chair of meetings*

- 12.1. The Chair shall preside at any meeting of the Trust Board, if present. In her absence, the Vice Chair shall preside.
- 12.2. If the Chair and Vice-Chair are absent, the directors present, who are eligible to vote shall choose a Non-Executive Director who shall preside. An Executive Director may not take the chair.
- 12.3. The decision of the Chair of the meeting on questions of order, relevancy and regularity (including procedure on handling motions) and her interpretation of the Standing Orders shall be final. In this interpretation she shall be advised by the Chief Executive and the Trust Secretary and in the case of Standing Financial Instructions she shall be advised by the Director of Finance.

### 13. *Voting*

- 13.1. It is not a requirement for decisions to be subject to a vote. The necessity of a vote shall be indicated by the agreement of at least one third of those attending and eligible to vote. The Chair shall be responsible for deciding whether a vote is required and what form this will take.
- 13.2. Where it is necessary to take a vote to determine an issue, the decision shall be determined by a majority of the votes of the directors present and eligible to vote. If the result of the vote is equal, the Chair of the meeting shall have a second or casting vote.
- 13.3. 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 be held, if a majority of the directors present and eligible to vote so request. Unless specifically agreed beforehand, the voting record of each individual director in a paper ballot will not be made public, or recorded.
- 13.4. The voting record, other than by paper ballot, of any question will be recorded to show how each director present voted or did not vote, if at least one-third of the directors present and eligible to vote so request.
- 13.5. If a director so requests, his vote will be recorded by name. Such a request will not be accepted if doing so would reveal the votes of other directors that do not wish to have their vote recorded.
- 13.6. In no circumstances may an absent director vote by proxy.
- 13.7. An officer who has been appointed formally by the Trust to act up for an Executive Director during a period of incapacity or temporary absence, or temporarily to fill an Executive Director vacancy, shall be entitled to exercise the voting rights of that Executive Director. An officer attending the Trust Board to represent an Executive Director during a period of incapacity or temporary absence, but without formal acting up status, may not exercise the voting rights of that Executive Director. An officer's status when attending a meeting shall be recorded in the minutes.
- 13.8. Where the office of a director who is eligible to vote is shared jointly by more than one person:
  - 13.8.1. either or both of those persons may attend and take part in the meetings of the Trust Board.
  - 13.8.2. if both are present at a meeting they will cast one vote if they agree.
  - 13.8.3. in the case of disagreement no vote will be cast.
  - 13.8.4. the presence of either or both of those persons will count as the presence of one person for the purpose of establishing a quorum.
- 13.9. Where necessary, a director may be counted as present when available constantly for discussions through an audio or video link and may take part in voting on an open basis.

#### 14. *Quorum*

- 14.1. No business shall be transacted at a meeting unless at least six of the directors who are eligible to vote (including at least three Executive Director with voting powers and three Non-Executive Director) are present
- 14.2. An officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.
- 14.3. A director will not count towards the quorum on a matter where he is ruled to be ineligible to participate in the discussion, or vote, due to the declaration of a conflict of interest, see Standing Order 21 and 22. If a quorum is not available for the passing of a resolution on any matter, that matter may be discussed further at the meeting, but no resolution can be made. That position shall be recorded in the minutes of the meeting. The meeting shall then proceed to the next business.

#### 15. *Record of attendance*

- 15.1. The names of the directors and others invited by the Chair, in accordance with Standing Order 8, present at the meeting, shall be recorded in the minutes.
- 15.2. If a director is not present for the entirety of the meeting, the minutes shall record the items that were considered whilst they were present.

#### 16. *Minutes*

- 16.1. The minutes of the proceedings of a meeting shall be drawn up, entered in a record kept for that purpose and submitted for agreement at the next meeting.
- 16.2. There should be no discussion on the minutes, other than as regards their accuracy, unless the Chair considers discussion appropriate.
- 16.3. Any amendment to the minutes as to their accuracy shall be agreed and recorded at the next meeting and the amended minutes shall be regarded as the formal record of the meeting.

#### 17. *Notice of motion*

- 17.1. Subject to the provision of Standing Order 20, a director of the Trust desiring to move a motion shall give notice of this, to the Chair, at least seven working days before the meeting. The Chair shall insert all such notices that are properly made in the agenda for the meeting. This Standing Order shall not prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.

#### 18. *Motions*

- 18.1. When a motion is under discussion or immediately prior to the discussion it shall be open to a director to move:
  - 18.1.1. an amendment to the motion.
  - 18.1.2. the adjournment of the discussion or the meeting.

- 18.1.3. that the meeting proceed to the next business.
  - 18.1.4. the appointment of an ad hoc committee to deal with a specific item of business.
  - 18.1.5. that the motion be now put
  - 18.1.6. a motion resolving to exclude the public (including the press).
- 18.2. The proposer may withdraw a motion or amendment once moved and seconded with the concurrence of the seconder and the consent of the Trust Board.

## 19. *Right of reply*

- 19.1. The mover of a motion shall have a right of reply at the close of any discussion on the motion or any amendment to it.

## 20. *Motion to rescind a decision of the Trust Board*

- 20.1. Notice of a motion to rescind any decision of the Trust Board (or general substance of any decision) 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 who are eligible to vote.
- 20.2. When the Trust Board has debated any such motion, it shall not be permissible for any director, other than the Chair to propose a motion to the same effect within a further period of six calendar months.

## 21. *Declaration of Interests and Register of Interests*

### *Declaration of Interests*

- 21.1. In addition to the statutory requirements relating to pecuniary interests dealt with in Standing Order 22, the Trust's Policy Standards of Business Conduct requires directors to declare interests which are relevant and material to the Trust Board. All existing directors and any senior officers who may act up into an Executive Director post should declare such interests on an annual basis, or as otherwise recommended in the Policy. Any directors and senior officers appointed subsequently should declare these interests on appointment.
- 21.2. Interests, which would be regarded as "relevant and material", are:
- 21.2.1. directorships, including Non-Executive Directorships held in private companies or PLCs (with the exception of those of dormant companies).
  - 21.2.2. ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS.
  - 21.2.3. majority or controlling share-holdings in organisations likely or possibly seeking to do business with the NHS.
  - 21.2.4. a position of authority in a charity or voluntary organisation in the field of health and social care.



- 21.2.5. any connection with a voluntary or other organisation contracting for NHS services.
- 21.3. Subject to the requirements stated in Standing Order 22, the interests of directors' spouses, partners, or other family members must be disclosed where these may be in conflict with the Trust.
- 21.4. If directors have any doubts about the relevance of an interest, this should be discussed with the Chair of the Trust or with the Trust Secretary. Financial Reporting Standard No 8 (issued by the Accounting Standards Board) specifies that the potential level of influence, rather than the immediacy of the relationship is more important in assessing the relevance of an interest.
- 21.5. Annual declarations of interests should be considered by the Trust Board and retained as part of the record of the Trust Board meeting. Any changes in interests should be declared at the next Trust board meeting following the change occurring.
- 21.6. If a conflict of interest is established during the course of a Trust Board meeting, whether arising from a declared interest or otherwise, the director concerned should withdraw from the meeting and play no part in the relevant discussion or decision. The declared conflict of interest should be recorded in the minutes of the meeting. When a Director has declared an interest arising solely from a position with a charity or voluntary body under this Standing Order, the Trust Board may resolve that the director may remain in the meeting and take part in the discussion, but not vote on the relevant item. A record of this decision shall be made in the minutes.
- 21.7. Directors' directorships of companies likely or possibly seeking to do business with the NHS should be published in the Trust's annual report. The information should be kept up to date for inclusion in succeeding annual reports.

### Register of Interests

- 21.8. The Trust Secretary will ensure that a Register of Interests is established and maintained to record formally declarations of interests of directors. The Register of Interests will include details of all directorships and other relevant and material interests which have been declared by both executive and Non-Executive Directors.
- 21.9. These details will be kept up to date by means of an annual review of the Register of Interests in which any changes to interests declared during the preceding twelve months will be incorporated.
- 21.10. The Register of Interests will be available to the public and open to inspection at the Trust's usual place of business at any time during normal business hours (between 09:00am and 17:00pm on any working day).
- 21.11. With the exception of the requirement to report interests in the Annual Report (Standing Order 21.7), this Standing Order also applies in full to any committee or sub-committee or group of the Trust Board; and to any member of such committee or sub-committee or group (whether or not they are a director).

## 22. *Disability of directors in proceedings on account of pecuniary interest*

- 22.1. Subject to Standing Order 21 and the provisions of this Standing Order, if a director has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Trust at which the contract or other matter is the subject of consideration, he 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.
- 22.2. The Secretary of State may, subject to such conditions as he may think fit to impose, remove any disability imposed by this Standing Order, in any case where it appears to him to be in the interests of the NHS that the disability should be removed.
- 22.3. The Trust Board, or any committee or sub-committee may, if it thinks fit, provide for the exclusion of a director from a meeting while any contract, proposed contract or other matter in which that person has a pecuniary interest, direct or indirect, is under consideration.
- 22.4. Any remuneration, compensation or allowances payable to a director by virtue of paragraph 233, Part 11 of the NHS Act 2006 shall not be treated as a pecuniary interest for the purpose of this Standing Order.
- 22.5. For the purpose of this Standing Order a director shall be treated, subject to Standing Order 2 as having an indirect pecuniary interest in a contract, proposed contract or other matter, if:
  - 22.5.1. he, or a nominee of his, 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,
  - 22.5.2. he is 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;
  - 22.5.3. and in the case of persons living together as a couple, whether married or not, the interest of one person shall, if known to the other, be deemed for the purposes of this Standing Order to be also an interest of the other.
- 22.6. A director shall not be treated as having a pecuniary interest in any contract, proposed contract or other matter by reason only:
  - 22.6.1. of his membership of a company or other body, if he has no beneficial interest in any securities of that company or other body;
  - 22.6.2. of an interest in any company, body or person with which he is connected as mentioned in Standing Order 22.5 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.

- 22.7. This Standing Order shall not prohibit a director from taking part in the consideration or discussion of the contract or other matter, or from voting on any question with respect to it, if:
- 22.7.1. he 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**
  - 22.7.2. 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**
  - 22.7.3. 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 the class.

This does not affect his duty to disclose the interest

- 22.8. This Standing Order also applies in full to any committee or sub-committee or group of the Trust Board; and to any member of such committee or sub-committee or group (whether or not they are a director).

### **23. *Standards of Business Conduct***

- 23.1. All staff must comply with the Trust's current adopted Policy Standards of Business Conduct, which reflects national guidance, including the seven principles set out by the Committee on Standards in Public Life, published by the Professional Standards Authority, November 2012. The following provisions should be read in conjunction with the Trust Policy.
- 23.2. All staff shall declare any relevant and material interest, such as those described in Standing Order 21. The declaration should be made on appointment or, if the interest is acquired, or recognised subsequently, at that time to the Executive Director, clinical director, or senior manager to whom they are accountable. Such director or senior manager shall ensure that such interests are entered in a Register of Interests, kept for that purpose.
- 23.3. Officers who are involved in, have responsibility for, or are able by virtue of their role or functions to influence the expenditure of taxpayer monies, may be required by the Trust to give statements from time to time, or in connection with particular contracts, confirming that they have no relevant or material interest to declare.
- 23.4. If an officer becomes aware of a potential or actual contract in which he has an interest of the nature described in Standing Orders 21 and 22 and this Standing Order, he shall immediately advise the Director of Finance formally in writing. This requirement applies whether or not the officer is likely to be involved in administering the proposed, or awarded contract to which he has an interest.
- 23.5. Gifts and hospitality shall only be accepted in accordance with the Trust's Policy Standards of Business Conduct. Officers of the Trust shall not ask for any rewards or gifts; nor shall they accept any rewards or gifts of significant value.
- 23.6. All gifts and hospitality, other than those that are of clearly minimal value (as determined in the Trust Policy Standards of Business Conduct), should be declared in

a Register of Gifts and Hospitality kept by the Chief Executive and Trust Secretary for that purpose. Acceptance of gifts by way of inducements or rewards is a criminal offence under the Fraud Act, 2006 and the Bribery Act 2010.

- 23.7. In addition to Standing Orders 21 and 22 and this Standing Order, an officer must also declare to the Chief Executive or Trust Secretary any other employment, business or other relationship of his, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with interests of the Trust, unless specifically allowed under that officer's contract of employment.

## Part III – Arrangements for the exercise of functions by delegation and committees

### 24. *Exercise of functions*

- 24.1. Subject to Standing Order 3 and any such directions as may be given by the Secretary of State for Health, the Trust Board may delegate any of its functions to a committee or sub-committee appointed by virtue of Standing Order 25, or to a director or an officer of the Trust. In each case, these arrangements shall be subject to such restrictions and conditions as the board thinks fit.

#### Emergency powers

- 24.2. The powers which the Trust Board has retained to itself within these Standing Orders may in emergency be exercised by the Chief Executive and the Chair acting jointly and, if possible, after having consulted with at least two Non-Executive Directors. The exercise of such powers by the Chief Executive and the Chair shall be reported to the next formal meeting of the Trust Board for ratification.

#### Delegation to committees

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

#### Delegation to officers

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

### Schedule of Decisions Reserved for the Trust Board

- 24.5. The Trust Board shall adopt a Schedule of Decisions Reserved for the Trust Board setting out the matters for which approval is required by the Trust Board. The Schedule that is current at the date of adoption of these Standing Orders is contained in Appendix 1 and shall be regarded as forming part of these Standing Orders.
- 24.6. Subject to Standing Order 44, the Trust Board shall review such Schedule at such times as it considers appropriate; and shall update such Schedule in Appendix 1 after each review.
- 24.7. The Schedule of Decisions Reserved for the Trust Board shall take precedence over any terms of reference or description of functions of any committee or sub-committee established by the Trust Board. The powers and functions of any committee or sub-committee shall be subject to and qualified by the reserved matters contained in that Schedule.

### Scheme of Delegated Authorities

- 24.8. The Trust Board shall adopt a Scheme of Delegated Authorities setting out details of the directors and officers of the Trust to whom responsibility has been delegated for deciding particular matters; and in a director's or officer's absence, the director or officer who may act for them. The Schedule that is current at the date of adoption of these Standing Orders is contained in Appendix 3 and shall be regarded as forming part of these Standing Orders
- 24.9. Subject to Standing Order 44, the Trust Board shall review such Schedule at such times as it considers appropriate; and shall update such Schedule in Appendix 3 after each review.
- 24.10. The direct accountability, to the Trust Board, of the Director of Finance and other Executive Directors to provide information and advise the Trust Board in accordance with any statutory requirements shall not be impaired, in any way, by the delegations set out in the Scheme of Delegated Authorities.

### 25. *Appointment of committees*

- 25.1. Subject to Standing Order 3 and such directions as may be given by, or on behalf of, the Secretary of State for Health, the Trust may, and if directed by him, shall appoint committees of the Trust, consisting wholly or partly of directors of the Trust or wholly of persons who are not directors of the Trust. Committees will be subject to review by the Trust Board from time to time.
- 25.2. A committee appointed under Standing Order 25 may, subject to such directions as may be given by, or on behalf of, the Secretary of State for Health or the Trust Board, 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 committee (whether or not they include directors of the Trust).
- 25.3. The Standing Orders of the Trust, as far as they are applicable, shall apply with appropriate alteration, to meetings of any committee or sub-committee.

- 25.4. The Trust Board shall approve the terms of reference of each such committee. Each committee shall approve the terms of reference of each sub-committee reporting to it. The terms of reference shall include details of the powers vested and conditions, including reporting back to the committee, or Trust Board. Such terms of reference shall have effect as if incorporated into the Standing Orders and be subject to review every two years, at least, by that committee; and adoption by the Trust Board.
- 25.5. Committees may not delegate their powers to a sub-committee unless expressly authorised by the Trust Board.
- 25.6. The Board shall approve the appointments to each of the committees and sub-committees that it has formally constituted. Where the Board determines that a committee shall include members who are neither directors nor officers, the Board shall determine the terms of such appointment. The payment of travelling and other allowances shall be in accordance with the rates as may be determined by the Secretary of State for Health, with the approval of the Treasury (see Part 11, paragraph 233 of the 2006 Act).
- 25.7. Minutes, or a representative summary of the issues considered and decisions taken, of any committee appointed under this Standing Order are to be formally recorded and submitted for inclusion onto the agenda of the next possible Trust Board meeting. Minutes, or a representative summary of the issues considered and decisions taken of any sub-committee shall be submitted for inclusion onto the agenda of the next committee meeting to which it reports.
- 25.8. The committees to be established by the Trust will consist of statutory and mandatory; and non-mandatory committees.

## Statutory and Mandatory Committees

### Role of Audit Committee

- 25.9. The Trust Board shall appoint a committee to undertake the role of an audit committee. This role shall include providing the Trust Board with a means of independent and objective review of the financial systems and of general control systems that ensure that the Trust achieves its objectives, the reliability of the financial information used by the Trust and of compliance with law, regulations, guidance and codes of conduct. This Committee will pay due regard to good practice guidance, including, in particular, the NHS Audit Committee Handbook.
- 25.10. The terms of reference of the Audit Committee shall have effect as if incorporated into these Standing Orders and their approval shall be recorded in the appropriate minutes of the Trust Board and may be varied from time to time by resolution of the Trust Board.

### Role of Auditor Panel

- 25.11. The Trust Board shall nominate its Audit Committee to act as its Auditor Panel in line with schedule 4, paragraph 1 of the Local Audit and Accountability Act 2014.
- 25.12. The Auditor panel shall advise the Trust Board on the selection and appointment of the external auditor.
- 25.13. The terms of reference of the Auditor Panel shall have effect as if incorporated into these Standing Orders and their approval shall be recorded in the appropriate minutes of the Trust Board and may be varied from time to time by resolution of the Trust

Board.

### **Role of Remuneration and Nominations Committee**

- 25.14. The Trust Board shall appoint a committee to undertake the role of a remuneration and nominations committee. This role shall include providing advice to the Trust Board about appropriate remuneration and terms of service for the Chief Executive and other Executive Directors (Regulations 17-18, Membership and Procedure Regulations), as well as advising the Trust Board on the terms of service of other senior officers, and ensuring that the policy of the Trust Board on remuneration and terms of service is applied consistently.
- 25.15. The Committee shall advise the Trust Board on the size, structure and membership and succession plans for the Trust Board and maintain oversight of the performance of the Chief Executive and Executive Directors.
- 25.16. The terms of reference of the Remuneration and Nominations Committee shall have effect as if incorporated into these Standing Orders and their approval shall be recorded in the appropriate minutes of the Trust Board and may be varied from time to time by resolution of the Trust Board.

### **Charity Committee**

- 25.17. The Trust Board, acting as Corporate Trustee, shall appoint a Committee to be known as the Southmead Hospital Charity Committee, whose role shall be to advise the Trust on the appropriate receipt, use and security of charitable monies.
- 25.18. The terms of reference of the Southmead Hospital Charity Committee shall have effect as if incorporated into these Standing Orders and shall be recorded in the appropriate minutes of the Trust Board, acting as Corporate Trustee, and may be varied from time to time by resolution of the Trust Board, acting in this capacity.

### **Non mandatory committees**

- 25.19. The Trust Board shall appoint such additional non-mandatory committees as it considers necessary to support the business and inform the decisions of the Trust Board (Regulations 15-16, Membership and Procedure Regulations).
- 25.20. The terms of reference of these committees shall have effect as if incorporated into these Standing Orders. The approval of the terms of reference shall be recorded in the appropriate minutes of the Trust Board and may be varied from time to time by resolution of the Trust Board.
- 25.21. The membership of these committees may comprise Non-Executive Directors or Executive Directors, or a combination of these. The membership and voting rights shall be set out in the terms of reference of the committee and shall be subject to approval by the Board.
- 25.22. The current non-mandatory committees in place are (October 2018):
  - Quality and Risk Management Committee
  - Finance and Performance Committee
  - People and Digital Committee
  - Patient and Carer Experience Committee

These are subject to change at the discretion of the Trust Board. All new or amended non-mandatory committees will have the same standing and will be subject to the same standing orders.

## *26. Proceedings in committee to be confidential*

- 26.1. There is no requirement for meetings of Trust Board committees and sub-committees to be held in public, or for agendas or records of these meetings to be made public. However, the records of any meetings may be required to be disclosed, should a valid request be made under the rights conferred by the Freedom of Information Act, 2000 and there is no legal justification for non-disclosure.
- 26.2. Committee members should normally regard matters dealt with, or brought before the committee as being subject to disclosure, unless stated otherwise by the Chair of the committee. The Chair shall determine whether specific matters should remain confidential until they are reported to the Trust Board.
- 26.3. A director of the Trust or a member of a committee shall not disclose any matter reported to the Trust Board, or otherwise dealt with by the committee if the Trust Board resolves that it is confidential.
- 26.4. Regardless of this Standing Order 26, individual directors and officers of the Trust have a right and a duty to raise with the Trust any matter of concern they may have about health service issues concerned with the delivery of care or services.

## *27. Election of Chair of committee*

- 27.1. Each committee shall appoint a Chair; and may appoint a vice-Chair from its membership. The terms of reference of the committee shall describe any specific rules regarding who the Chair should be. Meetings of the committee will not be recognised as quorate, if the Chair, or vice Chair, or other suitably qualified, nominated member of the committee is not present to undertake the role.
- 27.2. Each committee shall review the appointment of its Chair, as part of the annual review of the committee's role and effectiveness.

## *28. Special meetings of committee*

- 28.1. The Chief Executive shall require any committee to hold a special meeting, on the request of the Chair, or on the request, in writing of any two members of that committee.

## **Part IV – Custody of seal and sealing of documents**

### *29. Custody of seal*

- 29.1. The common seal of the Trust shall be kept by the Chief Executive in a secure place.

### *30. Sealing of documents*

- 30.1. The Seal of the Trust shall only be attached to documents where the sealing has first been approved by the Trust Board, or the Chair, or the Chief Executive, or their designated acting replacement, in accordance with the Scheme of Delegated Authorities.



30.2. The seal shall be affixed in the presence of the signatories.

### *31. Bearing witness to the affixing of the Seal*

31.1. A recommended wording for the witnessing of the use of the Seal is “The Common Seal of the North Bristol National Health Service Trust was hereunto affixed in the presence of....”

### *32. Register of sealing*

32.1. An entry of every sealing shall be made and numbered consecutively in a book provided for that purpose. The entry shall be signed by the persons who approved and authorised the sealing of the document; and who attested the seal.

32.2. A report of all sealing shall be made to the Trust Board, or a committee delegated to oversee the register at periods of its discretion. The report shall contain details of the seal number, the description of the document and date of sealing.

## **Part V – Appointment of directors and officers of the Trust**

### *33. Canvassing of, and recommendations by, directors*

33.1. Canvassing of any director of the Trust or member of a committee of the Trust directly or indirectly for any appointment under the Trust, shall disqualify the candidate from such appointment. Where the Chair or any such director or committee member is so canvassed he shall notify the Chief Executive in writing. The purpose of this Standing Order shall be included in any form of application or otherwise brought to the attention of candidates.

33.2. No director of the Trust shall solicit for any person any appointment under the Trust or recommend any person for such appointment; but this shall not preclude a director from sharing knowledge about the availability of potential candidates prior to the commencement of recruitment, nor from giving a written testimonial of a candidate's ability, experience or character for submission to the appropriate panel or committee of the Trust Board.

### *34. Relatives of directors or officers of the Trust*

34.1. Candidates for any appointment under the Trust shall, when making application, disclose in writing to the Trust whether they are related to any director or senior officer of the Trust. Failure to disclose such a relationship is likely to disqualify a candidate and, if appointed, render him liable to instant dismissal.

34.2. Every director and senior officer of the Trust shall disclose to the Chief Executive any relationship between himself and a candidate of whose candidature that director or senior officer is aware. It shall be the duty of the Chief Executive to report to the committee with responsibility for oversight of remuneration and terms of service any such disclosure made.

- 34.3. Where the relationship to the director or senior officer of the Trust is disclosed, Standing Order 21 (Interest of directors in contracts and other matters) shall apply.
- 34.4. This Standing Order applies to circumstances where a candidate or candidate's partner or spouse is an immediate family relation or dependent of the director or senior officer of the Trust, or their partner or spouse.

## Part VI – Tendering and contracting procedures

### 35. *General*

- 35.1. The Trust will develop a longer-term procurement strategy in conjunction with the Trust's procurement service supplier, Bristol and Weston Purchasing Consortium (BWPC). Click here for the BWPC website : [BWPC - Home](http://nww.bwpc.nhs.uk/default.htm) (<http://nww.bwpc.nhs.uk/default.htm>)
- 35.2. Every contract made by or on behalf of the Trust shall comply with the procedures and requirements of:
  - 35.2.1. these Standing Orders
  - 35.2.2. the Trust's Standing Financial Instructions
  - 35.2.3. any direction by the Trust Board
- 35.3. Wherever possible and provided it protects the Trust's position adequately, contracts made will reflect the most up to date and relevant model Standard Conditions that are provided by the Department of Health. These models may be amended to develop bespoke contracts.
- 35.4. Directives of the Council of the European Union (EU) for awarding all forms of contracts shall take precedence over all other procedural requirements and guidance and shall have effect as if incorporated in these Standing Orders. The EU Procurement Rules apply to public authorities under the, Public Contracts Regulations 2015 for England, Wales and Northern Ireland. The regulations cover fully regulated procurements and 'light touch regime'. The rules set out detailed procedures for contracts where the value equals or exceeds specific thresholds. These thresholds are exclusive of VAT and relate to the full life of the contract. The Chief Executive shall be responsible for ensuring the best value for money can be demonstrated for all services provided under contract or in-house. The Trust Board may also determine from time to time those in-house services should be market tested by competitive tendering.
- 35.5. Contract procedures shall take account of the Trust's Policy Standards of Business Conduct and the necessity to avoid any possibility of collusion or allegations of collusion between contractors and suppliers; or between contractors and suppliers and staff of the Trust.
- 35.6. The application of the provisions of this part of the Standing Orders to contracts and purchases may be varied by resolution of the Trust Board from time to time.

### *36. Delegated authority to enter into contracts*

- 36.1. The Trust Board shall have power to accept tenders and to authorise the conclusion of contracts. It may delegate such authority subject to financial limits set in accordance with Standing Order 36.2 to:
- 36.1.1. a committee appointed under sections 24 and 25 of these Standing Orders
  - 36.1.2. the Chief Executive
  - 36.1.3. to the Chief Executive jointly with the Chair
  - 36.1.4. the directors or nominated officers
  - 36.1.5. officers of the Trust's procurement service supplier, in accordance with that organisation's standard operating procedures.
- 36.2. The financial limits determining whether quotations (competitive or otherwise) or sealed bid tenders must be obtained shall be set in accordance with the procedure in the Standing Financial Instructions the current thresholds being set out in the Trust Scheme of Delegated Authorities (Appendix 3).

### *37. Competition in purchasing or disposals – procedures*

- 37.1. The Trust Board shall from time to time adopt procedures which shall be regarded as being incorporated into these Standing Orders and which shall take account of Standing Financial Instructions, the Trust's Procurement rules and regulations including implementing EC Directives on Public Procurement and which shall deal with:
- 37.1.1. Tender process selection
  - 37.1.2. methods for inviting tenders
  - 37.1.3. the manner in which tenders are to be submitted
  - 37.1.4. the receipt and safe custody of tenders
  - 37.1.5. the opening of tenders
  - 37.1.6. evaluation
  - 37.1.7. re-tendering
  - 37.1.8. such other matters in connection with tendering as the Board considers appropriate

### *38. Disposals of land and buildings*

- 38.1. Land and buildings that are owned by the Trust, or are otherwise recorded as being part of the estate of the Trust, shall be disposed of in accordance with the most recent rules and guidance issued by the Department of Health. Disposal will require the approval of the Trust Board.

## Part VII – Miscellaneous

### 39. *Suspension of Standing Orders*

- 39.1. Except where this would contravene any statutory provision or any direction made by the Secretary of State for Health, any one or more of the Standing Orders, except for Standing Order 40 which may not be suspended, may be suspended at any meeting, provided that at least two-thirds of the directors of the Trust are present and the majority of those present vote in favour of suspension.
- 39.2. A decision to suspend Standing Orders shall be recorded in the minutes of the meeting.
- 39.3. A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the directors.
- 39.4. No formal business may be transacted while Standing Orders are suspended.
- 39.5. The Audit Committee shall review every decision to suspend Standing Orders.

### 40. *Variation of Standing Orders*

- 40.1. These Standing Orders shall be varied only if:
  - 40.1.1. A notice of motion under Standing Order 17 has been given **and**
  - 40.1.2. no fewer than half of the appointed Non-Executive Directors vote in favour of such variation **and**
  - 40.1.3. at least two-thirds of the directors who are eligible to vote are present **and**
  - 40.1.4. the variation proposed does not contravene a statutory provision or direction made by the Secretary of State for Health.
- 40.2. Standing Order 40 (this Standing Order) may not be varied.
- 40.3. Any financial limits in these Standing Orders and the Schedule of Decisions Reserved for the Trust Board and the Scheme of Delegated Authorities may be varied by resolution of the Trust Board at any time.
- 40.4. Where financial limits are varied the Director of Finance will advise the Audit Committee, and internal and external audit.

### 41. *Availability of Standing Orders*

- 41.1. The Trust Secretary shall make available a copy of the Standing Orders to each director of the Trust and to such other employees as the Chief Executive considers appropriate.
- 41.2. A copy of these Standing Orders will be held, with unrestricted access to all staff, on the Trust's intranet site.

#### 42. *Signature of documents*

- 42.1. Where any document will be a necessary step in legal proceedings on behalf of the Trust, it shall be signed by the Chief Executive, or by any Executive Director of the Trust duly authorised for that purpose by the Board in accordance with the Scheme of Delegated Authorities, unless any enactment otherwise requires or authorises differently.
- 42.2. The Chief Executive or nominated directors shall be authorised, by resolution of the Board, 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 or committee or sub-committee to which the Board has delegated appropriate authority.

#### 43. *Standing Financial Instructions*

- 43.1. Standing Financial Instructions adopted by the Trust shall have effect as if incorporated in these Standing Orders.

#### 44. *Review of Standing Orders*

- 44.1. Standing Orders shall be reviewed annually, or earlier, if developments within or external to the Trust indicate the need for a significant revision to the Standing Orders. The requirement to review extends to all documents having the effect as if incorporated in Standing Orders.
- 44.2. Any change will be reviewed by the Audit Committee before a recommendation is made to the Trust Board for adoption.

**ENDS**

## Appendix 1 – Schedule of decisions reserved to the Trust Board

### Introduction

Standing Order 1 provides that “the Trust has resolved that certain powers and decisions may only be exercised or made by the Trust Board in formal session.” These powers and decisions are set out in this Schedule.

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

- 1.1. Approve, including variations to:
  - 1.1.1. Standing Orders for the regulation of its proceedings and business (SO40).
  - 1.1.2. this Schedule of matters reserved to the Trust Board (SO 24).
  - 1.1.3. Standing Financial Instructions (SO 44, SFI 2)
  - 1.1.4. Scheme of Delegated Authorities, including financial limits in delegations, from the Trust Board to officers of the Trust (SO 24, SO 40).
  - 1.1.5. suspension of Standing Orders (SO 39)
- 1.2. Determine the frequency and function of Trust Board meetings (SO 8), including:
  - 1.2.1. administration of public and private agendas of Board meetings (SO 8)
  - 1.2.2. calling extra-ordinary meetings of the Board (SO 9)
- 1.3. Ratify the exercise of emergency powers by the Chair and Chief Executive (SO 24)
- 1.4. Establish Board committees including those which the Trust is required to establish by the Secretary of State for Health or other regulation (SO 25); and:
  - 1.4.1. delegate functions from the Board to the committees (SO 24)
  - 1.4.2. delegate functions from the Board to a director or officer of the Trust (SO 24)
  - 1.4.3. approve the appointment of members of any committee of the Trust Board or the appointment of representatives on outside bodies (SO 25)
  - 1.4.4. receive reports from Board committees and take appropriate action in response to those reports (SO 25)
  - 1.4.5. confirm the recommendations of the committees which do not have executive decision making powers (SO 25)

- 1.4.6. approve terms of reference and reporting arrangements of committees (SO 25).
- 1.4.7. approve delegation of powers from Board committees to sub-committees (SO 25)
- 1.5. Approve and adopt the organisational structures, processes and procedures to facilitate the discharge of business by the Trust; and modifications thereto.
  - 1.5.1. Appoint the Chief Executive (SO 3)
  - 1.5.2. Appoint the Executive Directors (SO 3)
- 1.6. Require, from directors and officers, the declaration of any interests which might conflict with those of the Trust; and consider the potential impact of the declared interests (SO 21).
- 1.7. Agree and oversee the approach to disciplining directors who are in breach of statutory requirements or the Trust's Standing Orders.
- 1.8. Approve the disciplinary procedure for officers of the Trust.
- 1.9. Approve arrangements for dealing with and responding to complaints.
- 1.10. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on Trust (SO 25)
- 1.11. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailee for patients' property.

## *2. Determination of strategy and policy*

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

## *3. Direct operational decisions*

- 3.1. Approve capital investment plans:
  - 3.1.1. the annual capital programme
  - 3.1.2. all variations to approved capital plans over £500,000 (SoDA 13f)
  - 3.1.3. to acquire, dispose of, or change of use of land and/or buildings (SO 38, )
    - 3.1.4. capital investment over £1 million in value, supported by a business case and in line with the approval guidance issued by the NTDA. (SoDA 13c, 13d)
  - 3.1.5. contracts for building works, which exceed the pre-tender estimate by over 10% (minimum £100k). (SoDA 10j)
- 3.2. Introduce or discontinue any significant activity or operation which is regarded as significant (if it has a gross annual income or expenditure, before any set off, in excess of £1 million.
- 3.3. Approve individual contracts and commitments to pay, other than Commissioning Contracts, of a revenue nature amounting to, or likely to amount to over £1 million:
  - 3.3.1. Tenders and quotations over the lifetime of the contract (SoDA 8a)
    - 3.3.2. Revenue funded service developments, in line with the approval guidance issued by the NTDA (SoDA 8f)
  - 3.3.3. Orders processed through approved supply arrangements (SoDA 10c)
  - 3.3.4. Orders processed through non-approved supply arrangements (SoDA 10d)
  - 3.3.5. Receipt of loans and trials equipment and materials (SoDA 10e)
  - 3.3.6. Prepayment agreements for services received (SoDA 10g)
- 3.4. Decide the need to subject services to market testing (SO 35)

## *4. Quality, financial and performance reporting*

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



## 5. *Audit arrangements*

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

**ENDS**

## Appendix 2 – Standing Financial Instructions

### 1. Interpretation

- 1.1. The Chair of the Trust is the final authority in the interpretation of Standing Orders on which the Chief Executive and Trust Secretary shall advise her. In the case of the Standing Financial Instructions she will be advised by the Director of Finance.
- 1.2. The definitions applied to the Standing Orders apply also for these Standing Financial Instructions. The following additional definitions apply:

***Legislation definitions:***

No additional legislation

***Other definitions:***

- **Budget manager** is the director or employee with delegated authority to manage the finances (Income and Expenditure) and resources for a specific area of the Trust.
  - **Commissioning** is the process for determining the need for and for obtaining the supply of healthcare and related services by the Trust within available resources.
  - **Contracting and procuring** is the process of obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.
  - **Divisional Operations Directors (Corporate Manager)** are the senior operational managers; and their formally nominated deputies, for the division or specialty, as designated by the Executive Director.
  - **Procurement Service provider** is the group that manages the Trust's procurement strategy and processes. The current service provider: Bristol and Weston NHS Purchasing Consortium (BWPC) is hosted by the Trust
  - **Shared Business Service (SBS)** is the NHS Shared Business Services, which is contracted by the Trust for general ledger provision and maintenance, core accounting for accounts payable and receivable and VAT processes.
- 1.3. Any reference to an Act of Parliament, Statutory Instrument, Direction or Code of Practice shall be construed as a reference to any modification, replacement or re-enactment for the time being in force.
  - 1.4. All reference to the masculine gender shall be read as equally applicable to the feminine gender and vice-versa.

## 2. Introduction

- 2.1. These Standing Financial Instructions (SFIs) are issued for the regulation of the conduct of the Trust, its directors and officers in relation to all financial matters with which they are concerned.
- 2.2. The SFIs explain the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness.
- 2.3. They identify the financial responsibilities which apply to everyone working for the Trust; and shall be used in conjunction with the Schedule of Decisions Reserved to the Board (appendix 1) and the Scheme of Delegated Authorities (appendix 3) which both also form part of the Trust's Standing Orders.
- 2.4. Detailed procedural advice, which shows how the SFIs should be applied, is maintained in departmental and financial procedure notes.
- 2.5. These SFIs do not refer to all legislation or regulations and advice issued by the Department of Health applicable to the Trust. Any uncertainty regarding the application of these SFIs should be discussed with the Director of Finance, prior to action.
- 2.6. The SFIs apply to all staff, including temporary contractors, volunteers and staff employed by other organisations to deliver services in the name of the Trust. Failure to comply with the SFIs could lead to disciplinary action, up to and including dismissal.

### Compliance with these SFIs

- 2.7. These SFIs prevail over any division and service guidance or procedural documents. They also prevail over any guidance or instruction issued by other organisations conducting business with the Trust. All staff should notify the Director of Finance of any conflicts between the local guidance and instruction and the SFIs, if the conflict cannot be resolved satisfactorily locally.
- 2.8. **All staff** have a duty to disclose, as soon as possible, to the Director of Finance, any failure to comply with these SFIs. Full details of the non-compliance including an assessment of the potential impact; and any mitigating factors shall be reported by the Director of Finance to the next formal meeting of the Audit Committee for referring action or ratification.

### Responsibilities and delegations

- 2.9. These SFIs have been compiled under the authority of the Trust Board. They are reviewed by the **Audit Committee** and approved by the Trust Board.
- 2.10. **The Trust Board** exercises financial supervision and control by:

- 2.10.1. approving the financial strategy
  - 2.10.2. requiring the submission and approval of budgets that deliver the financial targets set for the Trust within approved allocations and overall income
  - 2.10.3. approving specific responsibilities placed on directors and employees as indicated in the Scheme of Delegated Authorities
  - 2.10.4. approving the method of providing financial services.
- 2.11. The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the Schedule of Decisions Reserved to the North Bristol NHS Trust Board (appendix 1). All other powers have been delegated to the Board's appointed committees; and the directors and officers of the Trust.
- 2.12. **The Chief Executive** is the Accountable Officer of the Trust and:
- 2.12.1. is legally accountable to Parliament for all of the actions of the Trust
  - 2.12.2. is accountable to the Trust Board for ensuring that the Board of Directors meets its obligation to perform the Trust's functions within the available financial resources
  - 2.12.3. holds overall executive responsibility for the Trust's activities and is responsible to the Board for ensuring that its financial obligations and targets are met
  - 2.12.4. is responsible overall for the maintenance of the Trust's systems of internal control
  - 2.12.5. is responsible for ensuring that all members and staff of the Trust are aware of and understand their responsibilities within these SFIs
- 2.13. Save for the decisions and actions reserved to the Trust Board, the Chief Executive has full operational authority to approve the financial transactions of the Trust and to delegate such powers to post-holders within the Trust management. The Chief Executive will, as far as possible, delegate detailed responsibilities, as described in these SFIs and, in more detail in the Scheme of Delegated Authorities (appendix 3).
- 2.14. **The Director of Finance** is responsible for:
- 2.14.1. maintaining and implementing the Trust's financial policies
  - 2.14.2. maintaining an effective system of internal financial control including ensuring that adequate and effective financial procedures and systems incorporating the principles of segregation of duties and internal checks are prepared, documented and maintained
  - 2.14.3. 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

- 2.15. **All staff**, including Board members are responsible for:
- 2.15.1. the security of the property of the Trust
  - 2.15.2. avoiding loss
  - 2.15.3. achieving economy and efficiency in the use of resources

### 3. Financial framework

- 3.1. The **Director of Finance** shall ensure that members of the Board are aware of the financial aspects of the NHS Improvement's Single Oversight Framework, within which the Trust is required to operate.

### 4. Business and budget plans

- 4.1. The **Chief Executive** shall submit to the Board and external regulators as required, strategic and operational plans, as suggested by relevant guidance, to meet the needs of the Board. These plans will include an annual Business Plan, which takes into account financial targets and forecast limits of available resources.
- 4.2. The plans will include:
- 4.2.1. description of the significant assumptions on which planning is based
  - 4.2.2. details of major changes in workload, delivery of services or resources required to achieve the plans.
- 4.3. Prior to the start of each financial year, the **Director of Finance** shall prepare and submit budgets for approval by the Board. Such budgets will:
- 4.3.1. be in accordance with and reconcilable, at a summary level, to the aims and objectives set out in the annual Business Plan
  - 4.3.2. reconcile to financial plans to be provided to relevant external regulators, such as the NHS Improvement (NHSI)
  - 4.3.3. reflect resource plans, including workload and workforce plans
  - 4.3.4. be prepared within the limits of available funds
  - 4.3.5. show how the plans will deliver against the financial targets and obligations set externally by the Secretary of State and relevant regulatory bodies; and set internally by the Trust
  - 4.3.6. provide a forecast of the Trust's performance over the year against key financial indicators, as determined by the Trust and by relevant regulatory bodies
  - 4.3.7. include summary financial projections for the longer term

4.3.8. identify and assess significant financial risks.

4.4. **All staff** who have been given delegated authority to manage and administer budgets shall be expected to contribute to the preparation of the annual budget.

## 5. Management of the financial resource

5.1. The **Chief Executive** shall require directors and authorised budget managers to seek to deliver the financial outturn targets set by the Trust Board within the approved annual budget plan and the adjustments to those targets reflected in the re-forecasts performed during the year.

5.2. The **Chief Executive** may change the financial outturn targets of any divisions, or services.

5.3. **Directors** and **authorised budget holders** shall seek to deliver their service responsibilities within the limits of the financial outturn targets set for them. Financial and other resources shall only be used for the purposes for which they are provided, as approved by the Chief Executive and the Board.

### Setting the annual financial plan

5.4. The **Chief Executive** shall be responsible for providing the Trust Board with the annual financial plan, taking into account financial targets and forecast income and service developments. The plan will identify the significant assumptions on which it is based; and provide details of significant changes to service and workforce plans and how these will impact on the Trust's financial targets. The plan will identify how the Trust will achieve the annual efficiency savings set by the Department of Health.

5.5. The **Director of Finance** shall be responsible overall for the design and delivery of the annual integrated financial budget plan.

5.6. All **Executive Directors** shall be responsible for contributing to the integrated planning process, which shall incorporate plans for workforce, service delivery and quality, service capacity and activity, and efficiency planning.

5.7. **Budget holders** shall provide all financial, statistical and other relevant information, including service, capacity, workforce and efficiency plans, as required by the Director of Finance to enable budgets to be compiled.

5.8. All budget managers should sign up to their allocated budgets at the start of each financial year.

### Managing and reporting the financial position during the year

5.9. The **Director of Finance** shall be responsible overall for the design and delivery of adequate systems of financial budgetary control. These systems will include processes for:

5.9.1. identifying the level of earned income directly attributable to each budget area

- 5.9.2. identifying the target (gross or net) allowable expenditure for each budget area, that will enable each budget holder to deliver their annual financial target contribution to the overall Trust target
  - 5.9.3. updating the forecast income and allowable expenditure, during the year, to reflect changes in contracted income, service capacity and delivery.
  - 5.9.4. monitoring and reporting financial performance against plans and forecasts
  - 5.9.5. delivering monthly integrated financial reports to meet the requirements of the Project Management Office, Finance and Performance Committee and the Trust Board in a form approved by the Board.
- 
- 5.10. All **Executive Directors** shall be responsible for establishing monitoring and reporting systems for workforce, service delivery and quality, service capacity and activity, and efficiency planning to enable budget holders to deliver an integrated analysis of their service performance.
  - 5.11. **All staff** to whom responsibility is delegated to incur expenditure, or generate income shall comply with the requirements of those systems.
  - 5.12. Designated **budget holders** shall be responsible for maintaining expenditure within the limits of earned available income.
  - 5.13. Designated budget holders shall monitor and analyse the integrated financial performance of their service during the year. This shall include assessment of:
    - 5.13.1. progress towards delivering the required financial position for the budget area
    - 5.13.2. the impact of resources used, including workforce, progress of service delivery and achievement of efficiency plans
    - 5.13.3. trends and projections
    - 5.13.4. where relevant, plans and proposals to recover adverse performance
  - 5.14. The **Director of Finance** shall ensure that budget holders are provided with advice and support from suitably qualified finance staff, to enable them to perform their budget management role adequately.
  - 5.15. The **Director of Finance** shall be required to compile and submit to the Board of Directors such financial estimates and forecasts, on both revenue and capital account, as may be required from time to time.
  - 5.16. The **Director of Finance** shall keep the Trust Board informed of:
    - 5.16.1. significant in-year variance from the business plan and advise the Board on actions to be taken to address the variance
    - 5.16.2. financial consequences of changes in Trust policy
    - 5.16.3. financial implications of external determinations, such as national pay awards and changes to the pricing of clinical services

5.17. The **Director of Finance** shall:

- 5.17.1. ensure that budget managers receive adequate training on an on-going basis to help them comply with expectations and to manage successfully
- 5.17.2. issue timely, accurate and comprehensible advice and financial reports to each budget manager, covering the areas for which they are responsible

## 6. Annual accounts, reports and returns

6.1. The **Director of Finance** shall:

- 6.1.1. prepare financial returns in accordance with the accounting policies and guidance provided by the Department of Health (DHSC) and the Treasury, the Trust's accounting policies, and accounting practice as determined by the accounting bodies in the UK.
- 6.1.2. prepare and submit annual financial reports to the DHSC certified in accordance with current guidelines
- 6.1.3. submit financial returns to the DHSC for each financial year in accordance with the timetable prescribed by the DHSC
- 6.1.4. submit periodic monitoring and financial returns to external organisations, such as NHSI, in accordance with the timetables set by those organisations

6.2. The Trust's annual accounts must be audited by an auditor appointed by the Trust. The Trust's audited annual accounts shall be presented to a public meeting and made available to the public, within the timescales set by the DHSC.

6.3. The **Chief Executive** shall publish an annual report, in accordance with guidelines on local accountability, and present it at a public meeting. The document will comply with the current DHSC requirements and guidance.

## 7. Income, including contracts for the provision of healthcare, fees and charges

7.1. The **Director of Finance** is responsible for:

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

7.2. Where such income matters are dealt with by the Shared Business Service, such arrangements will be incorporated in a Service Level Agreement with the Shared Business Service.



## Fees and charges for the provision of healthcare

- 7.3. The **Director of Finance** shall:
- 7.3.1. follow the up to date Department of Health's guidance and regulations for setting prices for providing NHS services
  - 7.3.2. approve and regularly review the level of all fees and charges set, other than those determined by the DHSC or by statutory regulation
  - 7.3.3. take independent professional advice on matters of valuation, as necessary.
- 7.4. The **Director of Finance** shall approve all property and non-clinical equipment leases, property rentals and tenancy agreements. The **Director of Facilities** shall advise on these arrangements.
- 7.5. **All employees** shall inform the **Director of Finance** promptly of money due to the Trust arising from transactions which they initiate, or deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

## NHS service agreements for the provision of services

- 7.6. The **Chief Executive** is responsible for ensuring that the Trust enters into suitable Commissioning Contracts with service commissioners for the provision of NHS services to patients, in accordance with the business plans; and for establishing the arrangements for providing extra-contractual services.
- 7.7. The **Director of Finance** shall provide up to date advice on:
- 7.7.1. Standard NHS contractual terms and conditions, issued by the DHSC
  - 7.7.2. costing and pricing of services
  - 7.7.3. payment terms and conditions
  - 7.7.4. amendments to contracts, SLAs and extra-contractual arrangements
- 7.8. The **Director of Finance** shall ensure that SLAs and other contractual and extra- contractual arrangements:
- 7.8.1. are devised so as to limit the risk to the Trust, whilst enabling opportunities to generate income
  - 7.8.2. are financially sound; and that any contractual arrangement pricing at marginal cost are approved by the Director of Finance and reported to the Trust Board

- 7.9. The **Director of Finance** is responsible for ensuring that systems and processes are in place to record patient activity, raise invoices and collect monies due under the agreements for the provision of healthcare services.
- 7.10. The **Director of Finance** shall produce regular reports, to the Trust Board or its committees detailing the Trust's forecast financial performance.
- 7.11. **Budget holders** with responsibilities for managing delivery against service agreements must ensure they understand and use the contract monitoring information for the financial management of their service areas.

## Research and development

- 7.12. All applications for research funding shall be considered and approved by the Research and Innovation department. This applies to applications to NHS institutions such as grant requests to the National Institute for Health Research, and non-NHS organisations, including commercial sponsorship organisations, charitable bodies and research councils.

## Sponsorship and concession agreements

- 7.13. The **Director of Finance**, or a nominated deputy shall maintain a register of sponsorship received by the Trust.
- 7.14. Sponsorship arrangements may be entered into subject to the limits set out in the Scheme of Delegated Authorities. Where sponsorship income (including items in kind such as clinical goods or loans of equipment) is considered the most recent NHS guidance on managing conflicts of interest and sponsorship should be followed.
- 7.15. The **Director of Facilities** shall review and propose plans for all concession agreements proposed for the Trust, including arrangements that do not incur an immediate direct cost for the Trust, but can expose it indirectly to significant liability. The Director of Finance shall authorise all concession agreements entered into by the Trust.

## 8. Procurement, tendering and contracting procedure

- 8.1. The Trust may enter into contracts within the statutory powers delegated to it. The procedure for setting contracts shall comply with those powers and these SFIs. Delegated powers of authorisation are granted to Trust officers according to the Scheme of Delegated Authorities. A contractual arrangement must be in place for all goods and services procured by the Trust. The nature of the contract or agreement will depend on the goods, services or works being provided. The Director of Finance is responsible for signing all contracts and agreements with delegated responsibilities given within the scheme of delegation (see Appendix 3)
- 8.2. All contracts made shall ensure best value for money using the Trust's procurement service provider (BWPC) and processes established by the Director

of Finance. For each contract a Trust Officer shall be nominated and hence responsible for overseeing and managing the contract on behalf of the Trust.

## European Union and Government directives regarding public procurement

- 8.3. The Trust shall comply with all European Union and Government directives regarding public sector purchasing and the procedures set out for awarding all forms of contracts.
- 8.4. Contracts above specified thresholds for supply and service contracts (awarded by central government bodies subject to the World Trade Organisation Government Procurement Agreement) shall be advertised and awarded in accordance with EU and other directives and relevant equivalent UK government legislation. Works contracts above separate specified thresholds shall also be awarded in accordance with EU and other directives and relevant UK government legislation.
- 8.5. The Trust shall comply as far as is practicable with all guidance and advice issued by the Department of Health and the NHS Trust Development Authority in respect of procurement, capital investment, estate and property transactions and management consultancy contracts.

## Competitive tendering and quotations

- 8.6. The **Director of Finance** shall advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained. Once approved, the thresholds shall be incorporated in Standing Orders through the Scheme of Delegated Authorities; and shall be reviewed regularly.
- 8.7. The **Trust Board** shall ensure that, wherever possible, competitive tenders, or quotations are invited, in line with the thresholds set out in the Scheme of Delegated Authorities, for:
  - 8.6.1. the supply of goods, materials and manufactured articles
  - 8.6.2. services, including management consultancy services from non-NHS organisations
  - 8.6.3. design, construction and maintenance of building and engineering works, including construction and maintenance of grounds and gardens
- 8.8. The **Trust Board** shall allow for exceptions to the requirement for formal tendering procedures where:
  - 8.7.1. the estimated contract value is not reasonably expected to exceed £25,000 over the anticipated term of the contract and will be determined through formal quotations
  - 8.7.2. the supply is proposed under special arrangements negotiated by the DH, in which event the special arrangements must be complied with
  - 8.7.3. It is a government directive that tenders over the value of £25,000 must be advertised in 'Contracts Finder'
  - 8.7.4. the supply is a measured term contract which has been put in place following a

formal tendering process carried out by its procurement services provider.

- 8.9. The **Trust Board** shall allow for the requirement for formal tendering procedures to be waived where:
- the **Chief Executive** decides that formal tendering procedures would not be practicable
  - the supply requirement is covered by an existing contract
  - NHS or Government procurement agreements are in place and their use, in accordance with the Trust's Procurement Strategy, has been approved by the Board
  - a consortium arrangement is in place and a member organisation has been appointed to carry out tendering activity on behalf of the consortium members
  - available timescales genuinely mean that competitive tendering is not a realistic option. Failure to plan the work properly should not be regarded as a justification for waiving tendering procedures
  - specialist expertise, goods and services are required and available from only one source. Evidence of the unique status will be required to support any exemption.
  - the task is essential to complete the project, and arises as a consequence of an existing or recently completed assignment; and engaging different suppliers for the new task would be counter-productive
  - there is a clear benefit to be gained from maintaining continuity with an earlier supply. In such cases, the benefits of such continuity must outweigh any potential advantage to be gained from competitive tendering

Note that section 8.4 takes precedence over the above list of waived exemptions to competitive tendering. The Trust should take the advice of BWPC when enacting any of the aforementioned exemptions. Approval of any exemptions should be carried out with reference to SoDa (Single Tender Actions)

- 8.10. The **Chief Executive** shall provide formal approval, which may be retrospective where time constraints apply, in each instance where competitive tendering requirements are waived. These instances will be reported to each meeting of the Audit Committee.
- 8.11. The **Director of Finance** shall ensure that:
- 8.11.1. any fees paid to an organisation to administer the competitive tendering exercise are reasonable and within commonly accepted rates for such work
  - 8.11.2. waivers to competitive tendering procedures are not used to avoid competition, for administrative convenience, or to award further work to a supplier originally appointed through a competitive procedure.
  - 8.11.3. contracts that were initially expected to be below the value limits set in this SFI; and for which formal tendering procedures were not used, which subsequently prove to have a value above such limits shall be reported to the

Audit Committee and be recorded in an appropriate Trust record

- 8.12. The Trust's Procurement Service provider shall ensure that, for contracts under the EU threshold, it maintains a record of competitive tenders and subsequent contract awards.. The Procurement Service provider shall take advice from technical experts, as required and assess the suitability of suppliers to be included in that record. The assessment of potential suppliers shall include reviews of technical and financial competence; as well as the specific skills and assurances required in the scope of the goods and/or services to be supplied through the tendered contract.
- 8.13. The Facilities Directorate in agreement with the Trust's procurement service provider, shall refer to the Government Register of Contractors in considering suppliers suitable to be invited to provide tenders or quotations for their requirements.
- 8.14. All suppliers invited to submit quotations or tenders shall be informed that they are expected to comply with the Human Rights Act, 1998; the Equality Act, 2010; the Health and Safety at Work Act, 1974; procurement sustainability, fair and equitable trade policy and all other legislation concerning employment and the health, safety and welfare of workers and other persons.
- 8.15. The Director of Finance shall, through the Trust's Procurement Service provider (BWPC), ensure that:
  - 8.15.1. invitations to tender are sent to a sufficient number of suppliers to promote fair and adequate competition in accordance with Appendix 3, SoDa BWPC will ensure sufficient market research has taken place to ensure the right suppliers are engaged in competition via market development and engagement exercises.
  - 8.15.2. the suppliers invited to tender, or requested to provide a quote, are suitably pre-qualified by BWPC . BWPC must fully assess the viability and suitability of any framework agreement before any procurement exercises are conducted through a mini-competition or directly awarded via a framework
  - 8.15.3. the tender process and rules are in accordance with up-to-date and relevant specialist guidance, which is recognised, or recommended by the DH

## Tendering procedure

- 8.16. The **Director of Finance** shall ensure that procedural guidance from the Procurement Service provider is kept up to date. The guidance will include the rules, requirements and records to be maintained for each key stage of the tendering process. Separate procedural guidance and rules shall be maintained for:

- 8.16.1. contracts awarded through the Procurement Service's electronic tendering evaluation and contract award system, which will be subject to the controls built into the system regarding the receipt, storage of records and provision of audit trail for all relevant procurements.
- 8.17. These procedures shall include, but not be limited to, requirements for:
  - 8.17.1. record of issue of invitations to tender
  - 8.17.2. submission, storage and audit trail for receipt of tenders
  - 8.17.3. process and record of opening tenders
  - 8.17.4. evaluation of tenders (inc. completeness, accuracy, compliance with prescribed format etc)
  - 8.17.5. admissibility of tenders, including treatment of tenders received after the deadline, but prior to other bids being "opened"
  - 8.17.6. reasons behind decision to award the contract

## Quotations: competitive and non-competitive

- 8.18. The **Trust Board** shall approve the value range whereby formal tendering procedures are not adopted, but quotations will be required. This range is currently for intended expenditure that is reasonably expected to exceed £25,000.
- 8.19. The **Director of Finance** shall determine the procedures to be followed in respect of competitive and non-competitive quotations. These will include:
  - 8.20.1. types of service or supply to be sought through quotations
  - 8.20.2. minimum number of competitive quotes to seek, currently set at three
  - 8.20.3. requirement for written quotations
  - 8.20.4. retention of records
  - 8.20.5. treating all records of the process as confidential
  - 8.20.6. recording the decision to go to contract

## Temporary suspension of procedures in exceptional circumstances

- 8.20. The **Trust Board** shall allow the SFIs to be suspended temporarily in exceptional circumstances, where the circumstance is:
- 8.21.1. a Trust wide problem, rather than a directorate specific issue.
  - 8.21.2. of sufficient scale that failure to act quickly and decisively would put the Trust at significant financial and reputational risk
  - 8.21.3. unforeseen and rapidly developing
  - 8.21.4. such that following normal procedures would hinder the recovery of the situation
- 8.21. The **Director of Finance** shall identify specific procedures to be followed in the instance of a recognised event of exceptional circumstance.

## 9. Contracts and purchasing

- 9.1. The **Trust Board** shall only enter into contracts on behalf of the Trust that are within the statutory powers delegated to it by the Secretary of State and shall comply with:
- 9.1.1. the Trust's Standing Orders and Standing Financial Instructions
  - 9.1.2. EU Procurement Directives and other statutory provisions
  - 9.1.3. any relevant directions issued, or recognised by the DH
  - 9.1.4. such of the NHS standard contract conditions as are applicable
- 9.2. In all contracts made by the Trust, the Trust Board shall:
- 9.2.1. seek to obtain best value for money
  - 9.2.2. for contracts subjected to tendering, or quotation, ensure that the contracts contain the same terms and conditions of contract as was the basis on which tenders or quotations were invited.
- 9.3. The **Chief Executive** and **Executive Directors** shall nominate managers to oversee and manage each contract on behalf of the Trust
- 9.4. The Procurement Service shall maintain a record of the details of all requisitions and orders placed. No requisition or order shall be placed for items for which there is no provision in an authorised budget.

### Longer term commitments

- 9.5. All contracts, leases, tenancy agreements and other commitments, which might result in a long-term liability, must be notified to; and authorised, in accordance with the limits set out in the Scheme of Delegated Authorities, in advance of any commitment being made.



## Healthcare Service Agreements

- 9.6. The **Director of Finance** shall ensure that SLAs and extra-contractual arrangements agreed with other NHS trusts, for provision of services to the Trust, are agreed in accordance with the current guidance set out by the DH.

## In-house services

- 9.7. The **Trust Board** shall determine which in-house services should be market tested by competitive tendering; and the frequency with which this should be done. In instances where competitive tendering is required, the Board shall nominate suitably qualified staff to administer the process and ensure that EU procurement and competition laws, legislation and DHSC guidance are applied correctly, including:
- 9.7.1. setting clearly defined specifications for the service
  - 9.7.2. clear separation between the in-house service provider tender team and the Trust's commissioning team
  - 9.7.3. independent evaluation process
- 9.8. The **Chief Executive** shall ensure that best value for money can be demonstrated for all services provided on an in-house basis and shall nominate officers to oversee and manage the contract on behalf of the Trust, separate from those that are providing the service.

## 10. Non-pay expenditure

- 10.1. Requisitions and orders are subject to the delegations and limits set out in SFI 8 and SFI 9.
- 10.2. The **Director of Finance** shall:
- 10.2.1. maintain the list of managers who are authorised to place requisitions and orders for the supply of goods and services
  - 10.2.2. set the maximum value of each requisition or order and the system for authorisation above that level
  - 10.2.3. set out procedures for seeking of professional advice regarding the supply of goods and services
- 10.3. These delegation limits are maintained in the Scheme of Delegated Authorities.

## Requisitioning and ordering goods and services

- 10.4. The **Director of Finance** shall maintain adequate systems and procedures for the ordering (including requisitions) of goods and services. These shall include:

- 10.4.1. procedural instructions and guidance on the obtaining of goods, works and services incorporating the thresholds identified in the Scheme of Delegated Authorities
- 10.4.2. recognition of the Trust's approved supply arrangements, including, but not limited to the following:
  - recognised Trust wide procurement systems, (EROS and NHS Supply Chain) which incorporate automatic system controls to ensure adherence to approval and authorisation requirements
  - other recognised controlled ordering systems for specific service areas (Pharmacy, Estates, Catering, Disablement Services) providing that they can evidence a secure audit trail
  - framework agreements made by the Trust, or by the Procurement Service, including approved suppliers of temporary, locum and interim staff placements; and contractual arrangements for on-going ad-hoc support from chosen service suppliers (eg emergency maintenance and repair services for medical equipment)
- 10.5. **Employees** responsible for placing requisitions and orders; and **managers** responsible for authorising the orders shall ensure that:
  - 10.5.1. approval is obtained in advance from the Director of Finance for any contractual arrangement that may involve taking on an ongoing obligation, or legal responsibility.
  - 10.5.2. sufficient budget exists to pay for the item ordered, or if insufficient budget is available, the **Director of Finance** has authorised the purchase
  - 10.5.3. a Purchase Order is raised on an approved electronic ordering system prior to the goods or services being received.
  - 10.5.4. orders are not split, or otherwise manipulated to circumvent authorisation and delegation limits
  - 10.5.5. goods and equipment are not accepted on trial, or on loan, where there is an associated risk or commitment to current or future expenditure, unless specifically approved by the **Director of Finance** as advised by BWPC.
- 10.6. Employees shall use the Trust's approved supply arrangements wherever possible.
- 10.7. Where the service is provided by or maintained by the Shared Business Service, the arrangements shall be set out in the SLA.

## Ordering and purchasing using non-approved supply arrangements

- 10.8. The **Director of Finance**, or their nominated deputy shall maintain adequate systems and controls; and procedural rules for commitments and purchases made outside of the Trust's approved supply arrangements.
- 10.9. **Employees** should seek to minimise the use of non-approved supply arrangements. Where this is unavoidable, they should ensure that any expenditure incurred through non-approved supply arrangements delivers value for money and is controlled so that there are no additional or consequential financial risks to the Trust

## Receipt of goods and services and system of payment and payment verification

- 10.10. 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, or with national guidance (such as the Better Payments Practice Code).
- 10.11. Such requirements will be specified in any SLA with the Shared Business Service provider.
- 10.12. The **Director of Finance** shall:
- 10.12.1. ensure the prompt payment of all properly authorised accounts and claims
  - 10.12.2. maintain an adequate system of verification, recording and payment of all amounts payable, including relevant thresholds. The system will include:
    - a record of Trust employees, including specimens of their signatures and/or facilities for secure electronic certification, authorised to raise requisitions and certify invoices
    - 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 completed in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct
      - contractual measurement units, such as time, materials or expenses are accurate, meet contractual requirements; are supported by appropriate confirmation; and are charged at the agreed rates
      - 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
  - 10.12.3. identify procedures to follow for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
  - 10.12.4. maintain instructions to employees regarding the handling and payment of accounts within the Finance Department.

## Prepayments and payments on account

- 10.13. The **Director of Finance** shall specify the circumstances under which goods and services can be paid in advance of receipt, through the use of prepayments. These circumstances will include instances where one or more of the following apply:
- 10.13.1. the **Director of Finance** has approved that the pre-payment, in part, or in full, is specified in the agreed contractual arrangement
  - 10.13.2. the proposed arrangement is compliant with EU public procurement rules, where the contract is above a stipulated financial threshold
  - 10.13.3. the financial advantages are shown to outweigh the disadvantages and risks
  - 10.13.4. it is customary for the payment in advance for a service that is provided for a specific period of time (eg rates, rentals, service and maintenance contracts, insurance, utilities standing charges)
- 10.14. The **budget holder** shall confirm that the goods and services due under a prepayment arrangement are received satisfactorily and in accordance with the contractual arrangements.

## Payments to contractors by instalments

- 10.15. The **Director of Finance** shall identify adequate procedures to address interim payments made on-account in contracts for building and engineering works. These will include arrangements for receipt of independent and appropriate certificates and confirmations of work completed, to the required standards.
- 10.16. Final payments certificates shall only be issued after the Trust's nominated contract manager has certified the accuracy and completeness of the value of the final account submitted by the contractor; and has confirmed that the procedure set out in the contract terms has been followed properly.
- 10.17. Overruns to contracts shall be reported in accordance with the Scheme of Delegated Authorities.
- 10.18. With reference to Appendix 3 (SoDA 8x), all planned (including Capital funded) procurements with a projected value of over £100k\* must have a signed off Options Appraisal and/or Business Case report for the Procurement which is produced in conjunction with BWPC. This should be noted only applies to planned procurements with exceptions only via the Single Tender Action process.
- 10.19. All Options Appraisals, and ultimately procurement Business Case's must include Whole Life Costs estimates as well as identification of projected savings.
- 10.20. The above process also applies to Extensions and Variations with a projected value which exceeds £100k

\*A genuine pre-estimate of contract value must be ascertained and should not automatically be based on previous years expenditure, but also based on an estimate of future demand, and any additional value gained by the supplier.

## Variations and extensions to contracts

- 10.21. Contracts may be designed to allow for variations to the sum agreed, or the goods and services to be delivered. These variations shall be clearly identified and subject to specific limits; and shall be approved as part of the contract process. Further, or new variations shall be subject to the authorisation process in place for new contracts. Variations shall be authorised in advance of commencement.
- 10.22. Where variations are needed in emergency, approval should be sought from a relevant authorising officer; and shall be confirmed and authorised, using the relevant contract procedure, on the next working day.
- 10.23. Extensions to contracts shall be confirmed in writing and authorised in accordance with the Scheme of Delegated Authorities. Contract Extensions should not exceed the maximum term permitted under the terms of the contract defined when the contract was let.

## Joint finance arrangements with local authorities and voluntary bodies

- 10.24. Payments to local authorities and voluntary organisations shall comply with procedures laid down by the Director of Finance which shall be in accordance with current legislation.

## 11. Terms of service and payment of members of the Trust Board and employees

### Board members, directors and specified senior managers

- 11.1. The **Trust Board** shall be accountable for taking decisions on the remuneration and terms of service of directors and senior managers not on Agenda for Change terms and conditions. The Board shall establish a Remuneration and Nominations Committee responsible for determining the remuneration of; and appointment of directors and senior staff in accordance with Standing Orders.
- 11.2. The **Remuneration and Nominations Committee** shall:
  - 11.2.1. advise the Board about appropriate remuneration and terms of service for the Chief Executive, other directors and any staff remunerated outside of the Agenda For Change arrangements, (as described in the terms of reference of the Committee), employed by the Trust:
    - all aspects of salary (including any performance-related elements and bonuses)
    - provisions for other benefits, including pensions and cars
    - arrangements for termination of employment and other contractual terms
  - 11.2.2. advise the Board on the remuneration and terms of service of directors and any staff remunerated outside of the Agenda for Change arrangements to ensure they are fairly rewarded for their contribution to the Trust, whilst having proper regard to the Trust's circumstances and performance; and to the provisions of any national arrangements for such members and staff where appropriate

- 11.2.3. monitor and evaluate the performance of individual directors and senior employees
  - 11.2.4. advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate
- 11.3. The Trust shall pay allowances to the Chair and Non-Executive Directors of the Board in accordance with instructions issued by the DH.

## Other employees

- 11.4. The Trust Board shall consider and approve proposals presented by the **Director of People & Transformation** for the setting of remuneration and conditions of service for those employees not covered by the Remuneration and Nominations Committee.

## Funded establishment and staff appointments

- 11.5. The staff establishment plans incorporated within the annual plans approved by the Trust Board shall be regarded as the funded establishment. The funded establishment of any department should reflect the Trust's approved workforce plans, which form part of the Trust's budget plans submitted to the NHS TDA.
- 11.6. The **Director of People and Transformation** shall ensure adherence to the Agenda for Change rules and approved policies and procedures and terms and conditions for employees paid on alternative contractual arrangements, including the consultant contract. These procedures shall address:
- 11.6.1. setting starting pay rates and conditions of service, for employees
  - 11.6.2. approving plans to engage, re-engage employees, either on a permanent or temporary nature, or hire agency staff
  - 11.6.3. agreeing to changes in any aspect of remuneration, including re-grading, within the Agenda for Change allowed rules.
  - 11.6.4. ensuring that all employees are issued with a contract of employment in a form which complies with employment legislation
- 11.7. The **Budget Holder** shall ensure that the cost of the appointment, or change in conditions can be met within the limit of their approved budget and funded establishment.

## Processing payroll

- 11.8. The **Director of Finance** shall maintain procedural instructions for delivery of the Trust's payroll function. These procedures shall be compliant with employment legislation, the Data Protection Act and HM Revenues and Customs regulations.
- 11.9. The **Director of Finance** shall ensure that the arrangements for providing the payroll service are 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

- 11.10. Under the delegated authority of the Director of Finance, the **Head of Payroll** shall:
- 11.10.1. specify timetables for submission of properly authorised time records and other notifications
  - 11.10.2. agree the final determination of pay and allowances
  - 11.10.3. arrange to make payment on agreed dates
  - 11.10.4. agree allowed methods of payment.
- 11.11. **Nominated managers** shall ensure that the electronic staff record, including the approved staff establishment, is kept up to date. Nominated managers shall ensure that all staff are keeping their records complete, including requirements to:
- 11.11.1. submit time records, and other notifications in accordance with agreed timetables
  - 11.11.2. complete time records and other notifications in accordance with the Director of Finance's instructions
  - 11.11.3. submit forms notifying change in circumstances and termination of employment in the prescribed form, as soon as these changes are reported to them

## Travel and subsistence expenses

- 11.12. Reimbursement of expenses incurred by Trust staff shall be made by the Payroll Service in accordance with the Trust's relevant current policy and procedures; and subject to verification and authorisation of the claim by an officer with delegated authorisation for this purpose.

## Use of self-employed management consultants and contractors

- 11.13. The **People Division** shall establish procedures to ensure that the Trust's interests are protected in the contractual arrangements entered into with self-employed consultants and contractors. These procedures shall ensure that the contractual arrangements do not contravene HM Revenues and Customs' requirements regarding the avoidance of tax and national insurance contributions through the use of intermediaries, such as service companies or partnerships, known as Intermediaries Legislation, or "IR 35".
- 11.14. All Trust officers responsible for procuring services from self-employed individuals shall ensure that they comply with the procedures established.

## 12. Insurance, including risk pooling schemes administered by the NHS Litigation Authority

- 12.1. The **Trust Board** shall determine the Trust's arrangements for insurance cover, including the option to insure through the risk pooling schemes administered by the

NHS Resolution; or to self-insure for some or all of the risks covered by the risk pooling schemes.

- 12.2. If the Trust Board decides not to use the risk pooling schemes for any of the risk areas (clinical, property and employers and third party liability) covered by the scheme, this decision shall be reviewed annually.
- 12.3. The **Director of Finance** shall ensure that:
  - 12.3.1. documented procedures cover the Trust's insurance arrangements, including for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed
  - 12.3.2. the arrangements entered into are appropriate and complementary to the risk management programme.
  - 12.3.3. the Trust Board is informed of the nature and extent of the risks that are self-insured in the event that the Board decides not to use the risk pooling schemes administered by the NHSR for one or other of the risks covered by the schemes
- 12.4. The Director of Finance shall determine the level of insurance cover to be held by the Trust in the three discrete areas where the Trust can use commercial insurers:
  - 12.4.1. insuring motor vehicles owned by the Trust including insuring third party liability arising from their use
  - 12.4.2. where the Trust is involved with a consortium in a PFI contract and the other consortium members require that commercial insurance arrangements are entered into
  - 12.4.3. where income generation activities take place, which are not covered by the NHSR risk pool

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

- 13.1. The **Director of Finance** is responsible for compiling and submitting for Board approval an annual capital programme, which is affordable within available resources over the lifetime of the investment.
- 13.2. The **Director of Finance** shall report to the Board, the progress of delivery of the capital programme, against plan, during the year.
- 13.3. The **Chief Executive** shall ensure that:
  - 13.3.1. there is an adequate appraisal and approval process in place for determining capital expenditure priorities and supporting systems to identify and assess the financial effect of each proposal on business plans
  - 13.3.2. all stages of capital schemes are managed and controlled adequately; and that schemes are delivered on time and to cost



- 13.3.3. capital investment is risk assessed against the declared commissioning strategic plans of significant commission organisations and is consistent with the Trust's long term strategic plans
- 13.4. For every capital expenditure proposal, the Chief Executive shall ensure that a business case, or statement of need, is produced in accordance with the Trust's approved procedures and is considered by the **Finance and Performance Committee**, where required. The business case shall set out, as a minimum:
  - 13.4.1. an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs
  - 13.4.2. the involvement of appropriate Trust personnel and external agencies
  - 13.4.3. appropriate project management and control arrangements
- 13.5. The approval of a capital programme shall not constitute approval for expenditure on any scheme.
- 13.6. The **Director of Finance** shall:
  - 13.6.1. review the costs and revenue analysis, including revenue consequences included in the business case
  - 13.6.2. ensure that, in higher cost, or higher risk investments, advice has been sought from the NTDA; and that appropriate Risk Evaluation for Investment Decisions (REID) analysis has been completed
- 13.7. For approved capital schemes, the Director of Finance shall:
  - 13.7.1. issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes
  - 13.7.2. agree arrangements for managing stage payments
  - 13.7.3. maintain procedures for monitoring and reporting on the progress of delivery of contracts; and capital expenditure and commitments against plans and against the Trust's capital programme
- 13.8. The Trust's **Procurement Service** shall advise the Director of Finance, on the requirement for the operation of the construction industry tax deduction scheme in accordance with Inland Revenue guidance.
- 13.9. Authorisations issued to the manager(s) responsible for any scheme shall be made in accordance with the value limits set out in the Scheme of Delegated Authorities:
  - 13.9.1. specific authority to commit expenditure;
  - 13.9.2. authority to proceed to tender
  - 13.9.3. approval to accept a successful tender

## Private Finance Initiatives (PFI)

- 13.10. The **Director of Finance** should normally test for PFI when considering capital procurement. If this test supports a proposal to use finance which is to be provided through PFI arrangements, the Director of Finance shall:
- 13.10.1. demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector
  - 13.10.2. refer any investment proposal over £1 million to the NTDA for a risk assessment and decision to approve the borrowing
- 13.11. Any PFI proposal shall be specifically agreed by the **Trust Board**.
- 13.12. Where a capital scheme is funded using the PFI, any variations to the contract will be dealt with under procedures for variations in capital contracts and shall be authorised by the Trust Board.

## Instructions specific to the Southmead Hospital PFI

- 13.13. The **Trust Board** shall approve and authorise the schedule of payments payable by the Trust to the PFI Project Co (Hospital Company (Southmead) Limited), as documented in the Project Agreement made between the Trust and the PFI Project Co dated 25 February 2014 (“Project Agreement”).
- 13.14. The Schedule of Service Payments (Project Agreement, Schedule 18, Appendix I) shall be fixed for the duration of the Project Term save in respect of
- 13.14.1. inflationary adjustments
  - 13.14.2. procurement of additional works (i.e. Small Works etc.)
  - 13.14.3. variations in accordance with Schedule 22 of the Project Agreement.
- 13.15. Inflationary adjustments shall be calculated annually and presented to the Trust Board for approval. Arrangements for the procurement of additional works and variations shall be dealt with in accordance with the procedures for variations in capital contracts and shall be authorised by the Trust Board.
- 13.16. During the Operational Term, the **Director of Facilities** shall be responsible for monitoring the proper performance and implementation of the Project Agreement by the Project Co and the Trust. In accordance with the monthly reporting arrangements, the Director of Facilities will be responsible for ensuring the invoices issued by the Project Co are analysed to ensure compliance with the terms of the Project Agreement. This will include verifying records of:
- 13.16.1. performance failures
  - 13.16.2. unavailability events
  - 13.16.3. service failure points
- and associated “deductions” against Trust records.

- 13.17. The **Director of Facilities**, or their nominated deputy shall authorise payment of invoices submitted by the Project Co in accordance with Schedule 18 of the Project Agreement, provided that:
- 13.17.1. they are satisfied that the appropriate level of Deductions have been applied
  - 13.17.2. the invoice complies with the requirements of Schedule 18
  - 13.17.3. the Trust does not dispute all or any part of the invoice
- where all or any part of an invoice is to be withheld, approval of the Director of Finance is required
- 13.18. The **Director of Finance**, or in their absence, the **Chief Executive** shall approve any decision to withhold, or delay payment of invoices, at the risk of incurring penalties and interest charges for the late payment of amounts due.
- 13.19. The **Assistant Director of Finance (Financial Services)**, or their nominated deputy, shall process payments of invoices submitted by the Project Co in accordance with Schedule 18, subject to the approval of the Director of Facilities and, where appropriate, the Director of Finance.
- 13.20. The **Director of Facilities** shall oversee procedures for determining variations to the Project Agreement. Any such variations shall be subject to authorisation in accordance with the limits set out in the Scheme of Delegated Authorities.

## Asset registers

- 13.21. The **Director of Finance** shall maintain registers of assets and shall maintain procedures for keeping the registers up to date, including provision for arranging for physical confirmation of the existence of assets against the asset register to be conducted once a year.
- 13.22. The **Director of Finance** shall maintain procedures for verifying additions and amendments to the assets recorded in the asset register. These procedures and records will include:
- 13.22.1. additions to the fixed asset register clearly identified to an appropriate budget manager
  - 13.22.2. properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties
  - 13.22.3. records of costs incurred within the Trust, on stores, requisitions and labour including appropriate overheads
  - 13.22.4. lease agreements in respect of assets held under a finance leases
- 13.23. The **Director of Finance** shall maintain procedures for controlling the disposal of assets and updating of asset registers and financial records to reflect the event. These procedures will include the requirement for the authorisation and validation of the de-commissioning and disposal of the asset.

- 13.24. The **Director of Finance** shall approve procedures for:
- 13.24.1. applying depreciation charges and indexation valuation adjustment to assets, using methods and rates as specified in the Manual for Accounts issued by the DH
  - 13.24.2. reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers

## Security of assets

- 13.25. The **Chief Executive** shall maintain procedures for controlling the security of assets, including fixed assets, cash, cheques and negotiable instruments. The procedures will include:
- 13.25.1. recording managerial responsibility for each asset
  - 13.25.2. identification of additions and disposals
  - 13.25.3. identification of all repairs and maintenance expenses
  - 13.25.4. physical security of assets
  - 13.25.5. periodic verification of the existence of, condition of, and title to, assets recorded
  - 13.25.6. identification and reporting of all costs associated with the retention of an asset
  - 13.25.7. reporting, recording and safekeeping of cash, cheques, and negotiable instruments
- 13.26. **All employees** are responsible for the security of property of the Trust and for following such routine security practices in relation to NHS property as may be determined by the Board. Any breach of agreed security practices, or damage and losses to Trust property shall be reported in accordance with agreed procedures.
- 13.27. Where practical, assets should be marked as Trust property.

## Disposals and condemnations

- 13.28. The **Director of Finance** shall prepare procedures for the disposal of assets including condemnations and ensure that these are notified to managers. The procedures will include arrangements to be followed for:
- 13.28.1. condemning and disposing of unserviceable and redundant assets
  - 13.28.2. maintaining records of assets disposed of, including confirmation of destruction of condemned assets
  - 13.28.3. specific processes to be followed in instances where assets are passed on for future use to another organisation

- 13.28.4. the sale of assets, including through competitive bids and negotiated bids; and sales linked to larger contracts for work, such as assets arising from works of construction, demolition or site clearance
- 13.29. The **departmental manager** responsible for the decision to dispose of an asset shall advise the Director of Finance of the estimated market value of the asset, taking account of professional advice where appropriate.

## 14. Bank accounts and Government Banking Service accounts

- 14.1. The **Trust Board** shall:
- 14.1.1. approve the banking arrangements for the Trust.
  - 14.1.2. As the Corporate Trustee, approve separate banking arrangements for the Trust's Charitable Funds
- 14.2. 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 bank accounts. This advice will take into account guidance and Directions issued by the Department of Health.
- 14.3. The **Director of Finance** shall:
- 14.3.1. establish and maintain necessary commercial bank accounts and Government Banking Service (GBS) accounts
  - 14.3.2. establish separate bank accounts for non-exchequer funds, including charitable funds
  - 14.3.3. advise the Trust's bankers, formally in writing, of the conditions under which each account will be operated (the bank mandate)
  - 14.3.4. seek to limit the use of commercial bank accounts and the value of cash balances held within them
  - 14.3.5. conduct the Trust's main banking services and financial transactions using accounts provided by the GBS
- 14.4. Only the **Director of Finance**, or their nominated representative, is authorised to open, operate and control a bank account, where monies owned by the Trust, including charitable funds, are received or expended. All such accounts must be held in the name of the Trust. It is a disciplinary offence for any other officer of the Trust to establish and operate such an account.
- 14.5. The **Director of Finance** shall:
- 14.5.1. Ensure that payments made from bank or GBS accounts do not exceed the amount credited to the account
  - 14.5.2. monitor compliance with DHSC guidance on the level of cleared funds.
- Where such processes are undertaken by a Shared Business Service (SBS) these will be specified in a Service Level Agreement with the SBS.

## Banking procedures

- 14.6. The **Director of Finance** shall prepare detailed instructions on the operation of bank and GBS accounts which shall include:
- 14.6.1. the conditions under which each bank and GBS account is to be operated
  - 14.6.2. details of those authorised to sign cheques or other orders drawn on the Trust's accounts
  - 14.6.3. details of limits to delegated authority, including the number of authorised signatories required, and arrangements for authorising alternative mechanisms for 'signing' cheques and orders

## Tendering and review

- 14.7. The **Director of Finance** shall review the commercial banking arrangements of the Trust at regular intervals to ensure they continue to reflect best practice and represent best value for money.
- 14.8. Competitive tenders should be sought at least every five years. The **Director of Finance** shall report to the Trust Board the reason(s) for continuing existing banking arrangements for longer than five years, without competitive review.
- 14.9. The **Director of Finance** shall report the results of any tendering exercise to the Board. This review is not necessary for GBS accounts.

## Trust credit cards

- 14.10. The **Director of Finance** shall approve the allocation and operation of credit cards on behalf of the Trust; implement arrangements to monitor whether the credit cards are being used appropriately; and take action where inappropriate use is identified.

## Security of cash, cheques and other negotiable instruments

- 14.11. The **Director of Finance** shall:
- 14.11.1. approve the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable
  - 14.11.2. maintain adequate systems for ordering and securely controlling any such stationery
  - 14.11.3. provide adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, and procedure notes for the safe storage of keys, and for coin operated machines
  - 14.11.4. prescribe systems and procedures for handling cash and negotiable securities on behalf of the Trust

- 14.12. Where such issues are undertaken by the Shared Business Service, detailed requirements will be specified in a Service Level Agreement with The Shared Business Service.
- 14.13. The Trust's money shall not under any circumstances be used for the encashment of private cheques.
- 14.14. All cheques, postal orders, cash etc, shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.
- 14.15. 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 organisations or individuals absolving the Trust from responsibility for any loss.

## 15. Investments

- 15.1. Temporary cash surpluses must be held only in such public or private sector investments as notified by the Secretary of State and authorised by the Board. The current rules require that surplus funds are held in the Trust's GBS accounts.
- 15.2. The **Director of Finance** shall advise the Charity Committee on investments made with endowment funds held; and prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

## 16. Management of debtors

- 16.1. The **Director of Finance** shall:
  - 16.1.1. maintain effective processes for the appropriate recovery action on all outstanding debts
  - 16.1.2. deal with instances of income not received, in accordance with losses procedures
  - 16.1.3. maintain effective processes to prevent, or detect overpayments and initiate recovery when this occurs

## 17. Stores and receipt of goods

- 17.1. The **Director of Finance** shall determine procedures for the management stocks of resources, defined in terms of controlled stores and departmental stores. These will address the procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses; and include the principles that stocks are::

- 17.1.1. managed so that best value for money can be achieved whilst maintaining minimum safe stock levels
  - 17.1.2. subjected to annual stock take as a minimum, where rolling stock checks are not in place
  - 17.1.3. valued at the lower of cost and net realisable value
- 17.2. The **Director of Facilities** shall:
- 17.2.1. delegate responsibility for the management of stores to relevant, suitably qualified departmental managers
  - 17.2.2. (taking expert advice where necessary) define the security arrangements and the custody of keys for any stores and locations in writing. Wherever practicable, stocks should be marked as health service property
  - 17.2.3. approve alternative arrangements for the management of stores where a complete system of stores control is not justified
  - 17.2.4. identify those authorised to requisition and accept goods supplied
- 17.3. The **designated store manager** shall:
- 17.3.1. Maintain stocks in line with clearly defined local procedures that are consistent with the overall requirements set out by the Trust
  - 17.3.2. implement periodic review of slow moving and obsolete items; and for condemnation, disposal, and replacement of all unserviceable articles
  - 17.3.3. report to the Director of Finance any evidence of significant overstocking and of any negligence or malpractice in the management and use of stocks
- 18. External borrowing and Public Dividend Capital**
- 18.1. The **Director of Finance** shall advise the Board on the Trust's ability to pay dividend on, and repay Public Dividend Capital (PDC) and any proposed new borrowing, within the limits set by the Department of Health. The Director of Finance shall also provide periodic reports to the Board concerning the PDC debt and all loans.
- 18.2. The **Trust Board** shall agree the list of employees authorised to make short term borrowings on behalf of the Trust. This shall include the Chief Executive and the Director of Finance.
- 18.3. The Director of Finance shall prepare detailed procedural instructions concerning applications for loans and shall ensure that:
- 18.3.1. all short-term borrowings are kept to the minimum period of time possible, consistent with the Trust's overall cashflow position, represent good value for money, and comply with the latest guidance from the DH



- 18.3.2. the Trust Board is made aware of all short term borrowings at the next meeting
- 18.4. The **Finance and Performance Committee** shall ensure that all proposed long-term borrowing is consistent with the Trust's financial plans; and is approved by the Trust Board.

## 19. Losses and special payments

- 19.1. The **Director of Finance** shall prepare procedural instructions for maintaining a register of losses and special payments, including write-offs, condemnations and ex-gratia payments; and on the recording of and accounting for losses and special payments, including ex-gratia payments. The records will include:
  - 19.1.1. the nature, gross amount (or estimate if an accurate value is not available), and the cause of each loss
  - 19.1.2. the action taken, total recoveries and date of write-off where appropriate
  - 19.1.3. the category in which each loss is to be noted
- 19.2. The **Director of Finance** shall determine the nature and/or value of losses which must be reported immediately to the **Director of Finance** or **Chief Executive**:
  - 19.2.1. where fraud or bribery is suspected, this shall be reported to the Local Counter Fraud Specialist, in accordance with the Trust Counter Fraud and Bribery Policy
  - 19.2.2. where a criminal offence is suspected, the **Director of Finance** must immediately inform the Local Security Management Specialist who may inform the police if theft or arson is involved
  - 19.2.3. where losses, other than those that are clearly trivial, are apparently caused by theft, arson, neglect of duty or gross carelessness, the Director of Finance must immediately notify the external auditor and the Trust Board
- 19.3. **Any employee** discovering or suspecting a loss of any kind shall immediately inform their head of department and ensure that the loss is recorded in accordance with instructions.
- 19.4. The **Trust Board** shall approve the write off of losses, compensations and ex-gratia payments, within the limits delegated to it by the Department of Health.
- 19.5. The **Audit Committee** shall receive regular reports of losses, compensations and ex-gratia payments made.
- 19.6. The **Director of Finance** and the Shared Business Service shall be authorised to:
  - 19.6.1. take any necessary steps to safeguard the Trust's interests in the event of bankruptcies and company liquidations
  - 19.6.2. investigate whether any insurance claim can be made

## 20. Patients' property

- 20.1. 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 (see "Guidance for NHS organisations on the secure management of patients' property", NHS Protect, July 2012; and Health and Social Care Act 2008, (Regulated Activities) regulations 2010).
- 20.2. The **Chief Executive** shall ensure that patients or their guardians, as appropriate, are clearly and suitably informed before or on admission into hospital that the Trust will not accept responsibility or liability for patients' property brought into NHS premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.
- 20.3. The **Director of Finance** shall provide procedural instructions on the collection, custody, banking, 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. These instructions will include arrangements for:
- 20.3.1. managing large amounts of money handed over by longer stay patients
  - 20.3.2. restricting the use of patients' monies for purposes specified by the patient, or their guardian
- 20.4. In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965), the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.
- 20.5. **Departmental and senior managers** shall inform staff of their responsibilities and duties for the administration of the property of patients.

## 21. Funds held on Trust

- 21.1. The **Trust Board**, as Corporate Trustee, is responsible for the management of funds it holds on trust and for meeting the requirements of the Charities Commission.
- 21.2. The **Trust Board's** corporate trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety.
- 21.3. Trustee responsibilities for non-exchequer funds for charitable and non-charitable purposes shall be discharged separately and full recognition shall be given to the Trust's dual accountabilities to the Charity Commission for charitable funds held on trust and to the Secretary of State for all funds held on trust.

- 21.4. The Charity Committee shall ensure that each trust fund for which the corporate trustee is responsible is managed appropriately in terms of its purpose and requirements.

## 22. Retention of records

- 22.1. The **Chief Executive** is responsible for managing all NHS records, regardless of how they are held; and shall require policy and procedures to be followed that ensure compliance with the current DHSC best practice guidelines on records management. These procedures will include arrangements for:
- 22.1.1. managing archives of all records required to be retained in accordance with DHSC guidelines
  - 22.1.2. records held in archives to be accessible for retrieval by authorised persons
  - 22.1.3. destruction of records in accordance with the DHSC "Records Management: NHS Code of Practice" Part 1 (30 March 2006) and Part 2 (8 January 2009)
- 22.2. Where documents are held by a Shared Business Service detailed records storage requirements will be set out in a SLA with the Shared Business Service.

## 23. Information Technology and data security

- 23.1. The **Director of Finance** shall be responsible for the accuracy and security of the performance and financial data of the Trust and shall devise and implement any necessary procedures to ensure:
- 23.1.1. computer assets and data programmes are protected from theft or damage
  - 23.1.2. adequate and reasonable protection of the Trust's data from deletion or modification; accidental or intentional disclosure to unauthorised persons, having due regard for the Data Protection Act 1998
  - 23.1.3. adequate controls operate over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data
  - 23.1.4. controls exist such that the computer operation is separated from development, maintenance and amendment
  - 23.1.5. adequate audit trails exist through the computerised system; and that these are subjected to periodic reviews as the Director may consider necessary
- 23.2. Where computer systems have an impact on corporate financial systems, the Director of Finance shall ensure that new systems and amendments to existing financial systems are developed in a controlled manner and thoroughly tested prior to implementation. The Director of Finance shall gain assurance that:
- 23.2.1. systems acquisition, development and maintenance are delivered in line with contractual agreements and Trust procedures

- 23.2.2. new systems that have an impact on, or are replacing existing financial systems are developed in a controlled way and thoroughly tested before they are put into practice. External organisations providing this service will need to provide assurances that what they do is adequate
  - 23.2.3. data produced for use with financial systems is adequate, accurate, complete and timely, and that a management audit trail exists
  - 23.2.4. finance staff have the necessary levels of access to such data
  - 23.2.5. such computer audit reviews as are considered necessary are being carried out
- 23.3. The **Chief Executive** shall maintain a Freedom of Information (FOI) Publication Scheme, consistent with models approved by the Information Commissioner.

#### Contracts for computer services with other health bodies or outside agencies

- 23.4. The **Director of Finance** shall ensure that any contract 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 shall also ensure rights of access for audit purposes.
- 23.5. 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.

#### Risk assessment

- 23.6. The **Chief Information Officer** shall ensure that risks to the Trust arising from the use of IT are effectively identified and considered; and appropriate action is taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans.

## 24. Risk management

- 24.1. The **Chief Executive** shall ensure that the Trust has adequate procedures for managing risk and meeting current DHSC requirements for assurance frameworks, which shall be approved and monitored by the Trust Board.
- 24.2. The programme of risk management shall include:
- 24.2.1. arrangements for identifying and quantifying risks and potential liabilities
  - 24.2.2. promotion, to all levels of staff, of a positive attitude towards the identification and management of risk
  - 24.2.3. procedures to ensure all significant risks and potential liabilities are assessed and addressed, including through maintenance of effective systems of internal

- control, cost effective insurance cover, and decisions on the acceptable level of retained risk
  - 24.2.4. contingency plans to offset the impact of adverse events
  - 24.2.5. arrangements for reviewing the effectiveness of the risk management processes in place, including: internal audit; clinical audit; and health and safety review
  - 24.2.6. arrangements for reviewing the risk management programme
- 24.3. The Chief Executive shall ensure that the existence, integration and evaluation of the risk management system is used to inform the Annual Governance Statement within the Annual Report and Accounts as required by current DHSC guidance.

## 25. Audit

- 25.1. In accordance with Standing Orders, the Board shall formally establish an **Audit Committee**, with clearly defined terms of reference. The Committee will seek assurance for the Board on the range of issues in accordance with guidance from the NHS Audit Committee Handbook, which will provide an independent and objective view of internal control by:
- 25.1.1. overseeing internal and external audit services
  - 25.1.2. reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments
  - 25.1.3. reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the Trust's activities (both clinical and non-clinical), that supports the achievement of the Trust's objectives
  - 25.1.4. monitoring compliance with Standing Orders, Standing Financial Instructions, delegations and reservations
  - 25.1.5. reviewing schedules of losses and compensations and advising the Board where necessary
  - 25.1.6. reviewing the arrangements in place to support the application of the Assurance Framework on behalf of the Board and advising the Board accordingly.
- 25.2. Where the Audit Committee considers there is evidence of *ultra vires* transactions, or improper acts, or if there are other important matters that the Committee wishes to raise, the Chair of the Audit Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Department of Health (to the Director of Finance in the first instance).
- 25.3. It is the responsibility of the Director of Finance to ensure an adequate internal audit service is provided. The Audit Committee shall be involved in the selection process when the internal audit service provision is subjected to market testing.

- 25.4. In the case of the Shared Business Service, the Director of Finance shall ensure that maintenance of an adequate internal audit service is specified in any service level agreement and shall further specify assurance arrangements between the Trust's internal and external auditors and the Shared Business Service's auditors.
- 25.5. The **Director of Finance** shall ensure that:
- 25.5.1. there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an independent and effective internal audit function
  - 25.5.2. the Head of Internal Audit is sufficiently qualified and experienced to perform that role; to facilitate the effective discussion of the results of internal audit work with senior management
  - 25.5.3. the internal audit service is adequate and meets the NHS Internal Audit Standards (DH, April 2011)
  - 25.5.4. the internal audit service provides the Audit Committee with an annual report of the coverage and results of the work of the service. The report must address, as a minimum:
    - a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health
    - major internal financial control weaknesses identified
    - progress on the implementation of internal audit recommendations
    - progress against plan over the previous year
    - strategic audit plan covering the forthcoming three years
    - a detailed audit plan for the next financial year
  - 25.5.5. the police are informed at the right time, in cases of misappropriation and other irregularities not involving fraud or bribery
  - 25.5.6. there is effective liaison with the Trust's appointed Local Counter Fraud Specialist (LCFS), or NHS Counter Fraud Authority on all suspected cases of fraud and bribery and all anomalies which may indicate fraud or bribery
- 25.6. The **Director of Finance** and designated auditors are entitled to require and receive, without necessarily giving prior notice, the following:
- 25.6.1. access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature
  - 25.6.2. access at all reasonable times to any land, premises or members of the Board or employees of the Trust
  - 25.6.3. sight of any cash, stores or other property of the Trust under the control of any member of the Board or Trust employee
  - 25.6.4. explanations concerning any matter under investigation

## Internal Audit

- 25.7. The internal audit service shall:
- 25.7.1. provide an independent and objective assessment for the Chief Executive, the Board and the Audit Committee on the degree to which risk management, control and governance arrangements support the achievement of the Trust's objectives.
  - 25.7.2. operate independently of the decisions made by the Trust and its employees; and of the activities which it audits. No member of the team providing the internal audit service will have executive responsibilities.
- 25.8. The **Head of Internal Audit** shall develop and maintain an Internal Audit Strategy for providing the Chief Executive with an objective evaluation of; and opinions on the effectiveness of the Trust's risk management, control and governance arrangements. The planned programme of work will inform the Head of Internal Audit's opinion. This will contribute to the framework of assurance that supports completion of the Annual Governance Statement, which forms part of the annual financial accounts.
- 25.9. The **Head of Internal Audit** shall ensure that the audit team is adequately staffed and that there is access to the full range of knowledge, skills, qualifications and experience needed to deliver the internal audit plan in line with the NHS Internal Audit Standards (DH, April 2011).
- 25.10. The **Head of Internal Audit** will normally attend Audit Committee meetings and has an independent right of access to all Audit Committee members, the Chair and Chief Executive of the Trust.
- 25.11. The **Head of Internal Audit** shall be accountable to the Director of Finance. The reporting system for internal audit shall be agreed between the Director of Finance, the Audit Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit Standards.
- 25.12. The internal audit service will review, appraise and report upon:
- 25.12.1. the extent of compliance with and the financial effect of, relevant policies, plans and procedures
  - 25.12.2. the adequacy and application of financial and other related management controls
  - 25.12.3. the suitability of financial and other related management data
  - 25.12.4. the extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from
  - 25.12.5. fraud and other offences
  - 25.12.6. waste, extravagance and inefficient administration
  - 25.12.7. poor value for money or other causes

- 25.13. 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.
- 25.14. In obtaining third party assurance from other auditors, for example SBS's auditors, the Head of Internal Audit should follow the Internal Auditors Practitioners Group (IAPG) assurance guidance.

## External Audit

- 25.15. The **External Auditor** is appointed by the Trust's Auditor Panel and paid for by the Trust. The Audit Committee shall ensure that a cost-effective service is provided. If the Trust Board has concerns about the service provided by the External Auditor, which cannot be resolved by the Board, this should be raised with the External Auditor.

## Counter Fraud and Bribery

- 25.16. In line with their responsibilities the Trust **Chief Executive** and **Director of Finance** shall ensure compliance with section 24 of the NHS Standard Contract;
- 25.17. The **Director of Finance** shall ensure that:
- 25.16.1. the Trust's Counter Fraud and Bribery Policy is maintained and remains up to date;
  - 25.16.2. an NHS accredited Local Counter Fraud Specialist is appointed to the Trust to deliver the requirements of the Policy in accordance with the NHS Counter Fraud Authority Standards;
- 25.18. The appointed **Local Counter Fraud Specialist** shall report to the Director of Finance and shall work with staff in NHS Counter Fraud Authority, when required;
- 25.19. The Local Counter Fraud Specialist will provide a written report to the Audit Committee, on an annual basis at least, on the counter fraud work completed within the Trust;
- 25.20. In accordance with the Trust's Counter Fraud Policy, any suspicions involving financial crime must be reported to the Local Counter Fraud Specialist, and/or the Director of Finance or via the NHS Fraud and Bribery Reporting Line.
- All reported concerns will be treated in the strictest confidence and professionally investigated in accordance with the Fraud Act 2006 and Bribery Act 2010.
- Where evidence of Fraud and/or is identified all available sanctions will be pursued against offenders. This may include internal and professional body disciplinary sanctions, criminal prosecution and civil action to recover identified losses.



## Security Management

- 25.21. The **Director of Facilities** shall ensure that a qualified Local Security Management Specialist is appointed to provide security management services to the Trust, in accordance with the requirements of the NHS Standard Contract (currently 2013/14).
- 25.22. The **Local Security Management Specialist** will provide a written report to the Audit Committee, on an annual basis at least, on the security management work completed within the Trust.

**ENDS**

## Appendix 3 – Scheme of Delegated Authorities

### 1. Trust Policies and procedural guidance

SoDA	Delegated Matter	Authority Delegated to	Delegation Ref.
	<b>Adoption (and responsibility for currency of):</b> - Trust Policies	Relevant Director to be appointed as Policy owner	SFI 2 <i>Policy on Policies</i>
	- Procedural guidance (Procedure notes, Standard Operating Procedures, Protocols, Guidance)	Officer nominated by the Relevant Director	SFI 2 <i>Policy on Policies</i>
	<b>Maintain and update Trust’s financial procedures</b> (eg administrative procedure notes, desktop guides, guidance to Budget Managers)	Director of Finance	SFI 2.14

## 2. Planning and budget management

SoDA	Delegated Matter	Authority Delegated to	Delegation Ref.
	<b>Financial Framework</b> Advising the Board on the financial framework within which the Trust operates	Director of Finance	SFI 3.1
	Compliance with and update of Trust financial framework	Director of Finance	SFI 3.1
	<b>Business and budget plans</b>		SFI 4
	Preparation of strategic and annual plans for the Trust	Chief Executive	SFI 4.1
	Preparation of annual (and longer term) financial budget for the Trust	Director of Finance	SFI 4.3
	Contribute to the preparation of annual budgets	All nominated Budget Managers	SFI 4.4
	<b>Budget management (and responsibility levels)</b>		SFI 5
	i. at individual cost centre level	Budget Manager or nominated deputy	SFI 5
	ii. at department level	Departmental Manager or nominated deputy	SFI 5
	iii. division level	Clinical Director / Corporate Manager (some or all of the Division Management Team as authorised by the Clinical Director / Corporate Manager)	SFI 5
	iv. at Executive Director level	Executive Director, or nominated deputy	SFI 5

SoDA	Delegated Matter	Authority Delegated to	Delegation Ref.
	<b>Recognition and adoption of the annual budget at cost-centre level</b>	Budget Managers	SFI 5.9
	<b>Variations from reserves</b> (additional funds provided to address inflationary pressures and/or investments and/or risks) <i>Report periodically to the Finance &amp; Performance Committee</i>	Director of Finance or nominated deputy	SFI 5

*Approval of variation of budgets, including authority to vire*

SoDA	Delegated Authority	Between budget lines	Capital to revenue & vice versa	SFI reference
	Within a cost centre	Budget manager <b>plus</b> one of: Head of Nursing, Matron, Divisional Operations Director, Assistant Department Manager	Agreement between Business Partner and Director of Operational Finance , with the express agreement of the Director of Finance	SFI 5.9
	Within a department, or specialty; between cost centres	Department Manager <b>plus</b> one of: Director, Deputy Director, Head of Nursing, Matron, Divisional Operations Director		SFI 5.9
	Within a division; between departments and specialties	Director, <b>or</b> Deputy Director <b>or</b> Divisional Operations Director		SFI 5.9
	Between divisions, up to <b>£5,000</b>	Deputy Director of both divisions		SFI 5.9
	Between divisions, over <b>£5,000</b>	Executive Director of both divisions		SFI 5.9

*Preparation of financial reports and returns*

SoDA	Delegated Matter	Authority Delegated to	Delegation Ref.
	<b>Preparation of annual financial accounts and associated financial returns</b> For Board approval	Director of Finance	SFI 6.1
	<b>Preparation of Annual Report (or equivalent)</b> For Board approval	Chief Executive	SFI 6.3
	<b>Preparation of monthly and quarterly financial returns to NHSI</b>	Director of Finance or nominated deputy	SFI 6.1

### 3. Contracted Income and Expenditure<sup>1</sup>

SoDA	Delegated Matter	Authority Delegated to	Delegation Ref.
	<b>Setting of fees and charges for NHS services</b>		SFI 7
	<b>Agree service level agreements, in accordance with NHS standard contract</b>		SFI 7.6
	i. under £1 million	i. Director of Finance, or nominated deputy	
	ii. over £1million	ii. Chief Executive and Director of Finance	
	<b>Subject to any required approvals being obtained, execute Agreements/Contracts (including Service Level Agreements and Deeds of Variation<sup>2</sup>) with NHS and non-NHS bodies for the purchase or provision of goods and/or services</b>		SFI 7.6 SFI 7.7 SFI 7.8 SFI 9.5 SFI 9.6
	ii. under £1 million	i. Director of Finance	
	iii. over £1million	ii. Chief Executive and Director of Finance	
	<b>Contract management, monitoring and reporting</b>	Director of Finance or nominated deputy	SFI 7.9 SFI 7.10
	<b>Private Patients</b>		SFI 7.3
	i. set pricing policy and price structure	i. Director of Finance ii. Director of Finance iii. Director of Finance, Medical	

<sup>1</sup> All legally binding documentation must be entered into in the name of “North Bristol NHS Trust” as the relevant legal entity

<sup>2</sup> If any variation is not included within the original Agreement/Contract, such variation shall require approval as if a new Agreement/Contract (SFI 10.18)

SoDA	Delegated Matter	Authority Delegated to	Delegation Ref.
	<ul style="list-style-type: none"> <li>ii. set payment policy, including use of deposits, income guarantees, arrangements with insurance companies</li> <li>iii. approve service coverage policy (i.e. clinical services offered)</li> </ul>	Director, Chief Executive	
	<p><b>Overseas visitors</b></p> <ul style="list-style-type: none"> <li>i. set pricing policy and price structure</li> <li>ii. set payment policy, including use of deposits, income guarantees</li> </ul>	Director of Finance	SFI 7.3
	<p><b>Authorise sponsorship deals</b></p> <ul style="list-style-type: none"> <li>i. Approve and execute Agreements to receive sponsorship from third parties (including funding of staff and loan of equipment): up to £15,000</li> <li>ii. £15,000 to £50,000</li> <li>iii. over £50,000</li> </ul>	<ul style="list-style-type: none"> <li>i. Divisional Operations Director</li> <li>ii. Director of Finance</li> <li>iii. Chief Executive</li> </ul>	SFI 7.13
	<b>Authorise and execute concession arrangements</b>	Director of Finance	SFI 7.15
	<p><b>Authorise research projects and clinical trials</b>, including approvals to apply for research funding and approvals to undertake research, once considered by the Research and Development Committee</p> <ul style="list-style-type: none"> <li>i. execute required Agreements/Contracts and authorise grant submission</li> <li>ii. execute documentation where the Trust Seal is required</li> </ul>	<ul style="list-style-type: none"> <li>i. Deputy Director of Research or nominated Deputy</li> <li>ii. As per SFI 8e</li> </ul>	SFI 7.12

SoDA	Delegated Matter	Authority Delegated to	Delegation Ref.
	<b>Authorise funded training posts</b>	Head of Learning and Development	Not within SFIs
	<b>Tenancy agreements and licences</b> Prepare and execute all tenancy agreements and licences for staff (subject to Trust policy on accommodation) form of tenancy agreements <ul style="list-style-type: none"> <li>i. signature of individual tenancy agreements</li> <li>ii. extensions to existing agreements</li> </ul>	<ul style="list-style-type: none"> <li>i. Director of Facilities</li> <li>ii. Residences Manager</li> <li>iii. Residences Manager</li> </ul>	SFI 7.4 SFI 9.5
	<b>Approve letting of premises to third parties (including leases and licences)</b> <ul style="list-style-type: none"> <li>i. execute documentation where the Trust Seal is not required</li> <li>ii. execute documentation where the Trust Seal is required</li> </ul>	<ul style="list-style-type: none"> <li>i. Director of Finance</li> <li>ii. As per SFI 8e</li> </ul>	SFI 7.4
	<b>Approve rent based on professional assessment</b>	Director of Finance or nominated deputy	SFI 7.4
	<b>Legal Services</b> <ul style="list-style-type: none"> <li>i. authority to engage with legal advisors</li> <li>ii. maintenance of framework arrangements with approved legal advisors</li> <li>iii. approval of call off of services</li> </ul>	<ul style="list-style-type: none"> <li>i. Chief Executive</li> <li>ii. Trust Secretary</li> <li>iii. Trust Secretary (delegated to Commercial and Legal Services Manager)</li> </ul>	SFI 8



## 4. Approval of Business cases

Before any case can progress through the approval processes detailed below, divisional and corporate support is needed for both capital and revenue cases as follows:

<b>Divisional support</b>	Prior to any scheme advancing the Divisional Management Board should consider and approve the case
<b>Business Case Review Group</b>	<p>The Business Case Review Group is a sub-committee of the Trust Management Team. The purpose of the Committee is to:</p> <ul style="list-style-type: none"><li>• Review all capital and revenue business cases of value greater than £100k (defined as annual cost for recurring commitments or over life-time of contractual commitments, combined capital and revenue values):<ul style="list-style-type: none"><li>○ To ensure trust-wide impacts have been understood within the case</li><li>○ To maintain consistent quality standard for cases going through for approval</li><li>○ Appendix A outlines the process for cases of value below £100k</li></ul></li><li>• Provide an approval recommendation to TMT on finalised business cases;</li><li>• Monitor development and delivery of business case pipeline</li></ul>

The business case process outlined below applies to all contract renewals and extensions as well as new revenue spend

*Approval Process - Revenue Business Cases*

	<b>Full life cost of new expenditure</b>				
	<b>Under £100k</b>	<b>£100k - £500k</b>	<b>£500k – £1m</b>	<b>Over £1m- £14,999k</b>	<b>Over £15m</b>
	<b>DoF business case template</b>	<b>Single- stage business case template</b>	<b>OBC and FBC business case templates</b>	<b>OBC and FBC business case template</b>	<b>SOC, OBC and FBC business case template</b>
<b>Director of Finance (or nominated deputy)</b>	Approval	Approval	Approval OBC & FBC	Approval OBC & FBC	Approval SOC, OBC & FBC
<b>Chief Executive</b>	-	Approval (via Trust Management Team)	Approval (via Trust Management Team) OBC & FBC	Approval (via Trust Management Team) OBC & FBC	Approval (via Trust Management Team) SOC, OBC & FBC
<b>Finance &amp; Performance Committee</b>	-	-	Approval OBC & FBC	Approval OBC & FBC	Approval SOC, OBC & FBC
<b>Trust Board</b>	-	-	-	Approval FBC	Approval FBC

NHSI					Approval SOC, OBC & FPC
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*Approval Process – Capital Business Cases.*

<b>Gross expenditure on project (Full life costs, including all internal staff costs attributable to the project)</b>						
	<b>Up to £5k</b>	<b>£5k - £100k</b>	<b>£100k to £500k</b>	<b>£500k to £1m</b>	<b>over £1m - £14,999k</b>	<b>Over £15m</b>
	<b>Treat as revenue</b>	<b>DoF business case template</b>	<b>Single-stage business case template</b>	<b>OBC and FBC business case templates</b>	<b>OBC and FBC business case templates</b>	<b>SOC, OBC and FBC business case templates</b>
Director of Operational Finance and Head of Sustainable Health and Capital Planning	N/A	Approval	Approval	Approve OBC and FBC	Approve OBC and FBC	Approve SOC, OBC and FBC
Director of Finance or nominated deputy	N/A	N/A	Approval	Approval of OBC and FBC	Approval of OBC and FBC at FPC	Approval of SOC, OBC and FBC at FPC
Finance & Performance Committee	N/A	N/A	N/A	Approve OBC and FBC	Approve OBC and FBC	Approve SOC, OBC and FBC
Trust Board	N/A	N/A	N/A	N/A	Approve FBC	Approve FBC
NHSI	N/A	N/A	N/A	N/A	N/A	Approve SOC, OBC and FBC

**Key**

DoF – Director of Finance

SOC – Strategic Outline Case

OBC – Outline Business Case

### Order of Approvals

Approvals are sequential and all steps in the process need to be followed in order i.e. for a revenue scheme of £1m+ the order of approvals are:



### Joint Revenue and Capital Cases

Where a case involves both revenue and capital consequences then both approval routes should be followed. For example a case for capital investment of £250k and revenue consequences of £495k should be approved as follows:



## 5. Approvals to Award from Tenders and quotations (revenue and capital)

Definitions	
Non-Contracted spend	Spend that cannot be demonstrated as assigned to a valid contract Spend that should the proposed action not be completed will become unsupported by a contract (ie. spend approaching contract expiry date or contract extension date)
Compliant Procurement Process:	A procurement activity that complies with PCR (Public Contracts Regulations)
Recommendation Report:	Report created by BWPC seeking approval of the outcome of a compliant procurement process, prior to contract award or extension Value contained within recommendation report identifies the initial contract term, plus extensions. However, initial approve is ONLY for contract term, secondary recommendation report required to extend contract
Exception Report:	Report created by BWPC, seeking directional guidance on a procurement process where a non-compliant outcome is preferred by the Trust, prior to contract award or extension
STA:	A document used to seek approval, with justification, for award of contract or out-of-scope extension without documented proof of value of money via direct comparison

<b>BWPC remit</b>	<p>As custodians of the Procurement Process, BWPC are tasked with two aspects of validation:</p> <ol style="list-style-type: none"> <li>1. Adherence to Trust SFI's; in simplified terms a requirement to ensure due process has been performed that will prove value for money</li> <li>2. Adherence to The Public Contracts Regulations 2015 and other relevant legislation</li> </ol> <p>The intention of BWPC is to offer insight into the compliance of both aspects of validation for all relevant procurement activities As the element of risk concerning exceptions to Trust SFI's &amp;/or PCR/OJEU non-compliance resides with the individual Trust/s, BWPC remit remains one of guidance and not decision maker.</p>
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Management of non-Contracted Spend			
		Consortium	
	Description		
1. Up to £5,000	No requirement to evidence value for money	5,000	Budget manager
2. £5,000 to £25,000	Trusts responsible for quotation provision, BWPC operate a validation activity	25,000	Divisional Operations Director or Executive Director or nominated Deputy
Written Quote Requirement	The number of quotes required prior to a Purchase Order being progressed	3	

Procedure (between SFI threshold & £25K)	Procedure Detail	Consortium
Quotation Process	3 or more valid quotes provided	PO Progressed
Quotation Process	2 or less valid quotes	STA
<b>3. Above £25,000</b>	Outcome Detail	Consortium
Tender Process (Local, OJEU, Quote)	3 or more competitively priced bids received	Recommendation Report
Tender Process (Local, OJEU, Quote)	Less than 3 competitively priced bids received	Recommendation report, followed by STA if approved

Tender Process (Local, OJEU, Quote)	<i>Contract not awarded to process winner</i>	Exception Report, followed by STA if exception awarded
Framework Agreement (External, Internal)	<i>Mini-Competition - 3 or more competitively priced bids received</i>	Recommendation Report
Framework Agreement (External, Internal)	<i>Mini-Competition – Less than 3 competitively priced bids received</i>	Recommendation report, followed by STA if approved
Framework Agreement (External, Internal)	<i>Compliant direct award (without proof/evaluation of competition)</i>	Recommendation report, followed by STA if approved
Framework Agreement (External, Internal)	<i>Non-compliant direct award</i>	Exception Report, followed by STA if exception awarded
VEAT Notice	<i>VEAT Notice</i>	Recommendation report, followed by STA if approved
Contract Modification	<i>Contract Extension (In scope)</i>	Recommendation Report
Contract Modification	<i>Contract Extension (Out of scope)</i>	Exception Report, followed by STA if exception awarded
Contract Modification	<i>Contract Variation (In scope)</i>	Recommendation Report
Contract Modification	<i>Contract Variation (Out of scope)</i>	Exception Report, followed by STA if exception awarded

Non-contracted to contracted spend	<i>Non-PO to PO (first 12 months/specified period)</i>	Single Tender Action, with commitment to run procurement within 12 months
Non-compliant direct award		Single Tender Action



## **STA & Exception report Authorisation Financial Values**

### **Up to £25k**

Director of Procurement

### **£25k to £100K**

Director of Finance

### **£100K to £1m**

Chief Executive

### **£1m+**

Trust Board

## **Recommendation Report - Authorisation Levels**

### **up to £100K**

Director of Procurement **and**  
Finance Business Partner/Divisional Finance **and**  
Divisional Operations Director or relevant Corporate Director

### **£100K to £1m**

Director of Procurement **and**  
Finance Business Partner/Divisional Finance **and**  
Divisional Operations Director or relevant Corporate Director **and**  
Director of Finance

### **£1m+**

Director of Procurement **and**  
Finance Business Partner/Divisional Finance **and**  
Divisional Operations Director or relevant Corporate Director **and**  
Director of Finance **and**  
Trust Board

## 5 Contract Signature

The following applies for contract signatures (after all relevant approvals have been given):

- **Up To EU threshold – Divisional Operations Director or relevant Corporate Director**
- **EU threshold to £500,000 – Director of Finance**
- **Over £500,000 - Chief Executive**

## 6. Contract Management

*Other tendering and contractual arrangements*

Delegated matter	Authority delegated to	Delegation ref.
<b>Approve insurance policies</b>		
i. Schemes administered by the NHSR	i. Director of Finance or nominated deputy.	SFI 12.1
ii. Other insurance arrangements	ii. Director of Finance or	SFI 12.4

		nominated deputy.	
	<b>Affix Trust Seal to contract documentation</b> Including property documentation and contractual arrangements where there is no consideration	Chair and Chief Executive, or in their absence, the designated acting Chair or Chief Executive	SO 30

### *Non-pay requisitions, orders and payment authorisation*

Financial thresholds in this section mirror the procurement limits and as such exclude VAT and/or delivery charges. Where there is an order/contract for more than one financial year, the total cost must be included not just the 12 months element.

Delegated Matter	Authority Delegated to	Delegation Ref.
Maintain records of officers who are authorised to place requisitions and orders; and the maximum value of orders that they have the authority to place.	Director of Finance	SFI 10.2
Identify the Trust's approved supply arrangements (controlled procurement systems, framework agreements)	Director of Finance	SFI 10.4

*Trust-wide (excepting elements of delegated authority for specific disciplines specified in the subsequent tables)*

## 7. Ordering limits (EROS)

Up to £2,500	Authorising manager approved by Divisional Operations Director/Corporate manager
Over £2,500	Vetting manager approved by Divisional Operations Director/Corporate manager

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This version of the Standing Orders can only be guaranteed to be the current adopted version, if it is opened directly from the Trust's intranet library of policies and procedures.

## 8. Oracle Limits - Invoice processing

### a. General Oracle Limits

Up to £25,000	Budget holder/manager designated by Divisional Operations Director or equivalent
£25,000 to £100,000	Divisional operations Director//Corporate Manager
£100,000 to £1m	Executive Director
Grouped NHS Supply Chain invoice up to £500K	Director of Procurement
Over £1m	Director of Finance/Chief Executive

## b. Subsidiary Systems

Subsidiary Systems where grouped requisitions are used.

	<b>Pharmacy</b>	<b>Capital Estates</b>
Grouped requisitions up to £500k per week	Director of Pharmacy or nominated deputy	Capital estates Mailbox
Grouped requisitions over £500k per week	Director of Pharmacy	Director of Facilities or nominated Deputy

c. In addition to the general oracle limits, additional limits are in place within the finance department which are used to process high value pre-approved invoices e.g Unitary Payment, loan repayments etc.

Up to £1m	Head of Financial Control
£1m-£10m	Assistant Director of Finance (Financial Services) or Assistant Director of Finance (Planning & Income) (or nominated deputies in their absence)
Over £10m	Director of Operational Services or Director of Finance

## 9. Workforce and payroll

*Appointment of Senior Medical Staff and team (investment may include capital elements)*

		Replacement posts	New posts / clinical teams <sup>1</sup>	
		Within existing budget	Up to £500k	Over £500k
	<b>Approval / Sign-Off<sup>2</sup> by:</b>			
	Trust Management Team		Agree project mandate and priority	
	Finance Business Partner	Sign	Sign	Sign
	HR advisor	Sign	Sign	Sign
	Divisional Operations Director or equivalent corporate manager	Sign	Sign	Sign
	Clinical Director	Sign	Sign	Sign
	Chief Operating Officer	-	Sign	Sign
	Director of Finance	-	Sign	Sign
	Consultant Post Panel	<b>Approve</b>	<b>Approve</b>	Recommend
	Finance & Performance Committee			OBC & FBC
	Trust Board			<b>Approve</b> FBC

<sup>1</sup> New clinical teams to deliver new services. Approach follows the same sign-off steps as for new service developments

<sup>2</sup> Signature indicates sufficient understanding and confidence in the details of the business case to confirm responsibility for support for the

proposal

Payroll authorities

		Existing establishment	New posts / Outside of establishment	
Approval / Sign-Off by:		Within existing budget	With specifically allocated funding	Without specifically allocated funding
	Fill funded post on establishment with permanent staff (subject to any vacancy review policy in place)	General / Corporate Manager <b>or</b> nominated deputy <b>and</b> finance Business Partner <b>and</b> HR advisor <sup>1</sup>	-	-
	Appoint staff to post not on formal establishment	-	General / Corporate Manager <b>or</b> nominated deputy <b>and</b> finance Business Partner <b>and</b> HR advisor <sup>1</sup>	General / Corporate Manager <b>or</b> nominated deputy <b>and</b> finance Business Partner <b>and</b> HR advisor <sup>1</sup>
	(Re)new fixed term contracts	General / Corporate Manager	General / Corporate Manager	General / Corporate Manager
	Engage non-medical, non-payroll consultancy staff (subject to contracting rules):			
	- Below <b>£100k</b> gross commitment	-	General / Corporate Manager or Executive Director	
	- <b>£100k to £500k</b> gross commitment	-	Director of Finance	
	- over <b>£500k</b> gross commitment	-	Chief	



			Executive
-	over 6 months length of contract	-	Chief Executive

<sup>1</sup>Need to ensure fit with workforce plans

Bank, agency and locum staff	Within establishment		Extra to establishment	
	Within budget	Without budget	Within budget	Without budget
<b>SoDA reference</b>	11g		11h	
Nursing	(Deputy) Budget Manager	Director of Nursing <b>or</b> Medical Director and Director of Finance <b>or</b> Chief Executive	Budget Manager	Director of Nursing <b>or</b> Medical Director and Director of Finance <b>or</b> Chief Executive
Clerical support services	(Deputy) Budget Manager		Budget Manager	
Medical	(Assistant) General / Corporate Manager		Divisional Operations Director / / Corporate Manager	
Through non-framework agency	As above, plus Executive Director approval		As above, plus Executive Director approval	

*Approvals relating to staff on the payroll*

General approvals		Approval / sign off
	Grant additional increments to staff (outside of Department of Health national T&C)	Director of People & Transformation <b>and</b> Director of Finance
	Authorise (electronic and paper) timesheets and other positive reporting forms which will affect the amount of salary to be paid to confirm: attendance at work; sickness and absence records; overtime and unsocial hours	Line Manager <b>or</b> Authorised Signatories
	Authorise travel and subsistence claims (only available through e-expenses)	Line Manager
	<b>Approve departure under compromise agreement</b> (excluding mutually agreed resignation scheme (MARS) arrangements) <ul style="list-style-type: none"> <li>i. directors and very senior managers</li> <li>ii. other staff</li> </ul>	<ul style="list-style-type: none"> <li>i. Remuneration and Nominations Committee and Director of Finance</li> <li>ii. Director of People &amp; Transformation and Director of Finance</li> </ul>
	<b>Approve redundancy</b> (and mutually agreed resignation schemes, or similar arrangements) <ul style="list-style-type: none"> <li>i. payment up to <b>£100k</b></li> <li>ii. payment over <b>£100k</b></li> </ul>	<ul style="list-style-type: none"> <li>i. Director of People and Transformation and Director of Finance</li> <li>ii. Remuneration and Nominations Committee and Director of Finance</li> </ul>

## 10 Approval for variations to capital plans

Delegated authority	Variations to approved sum
Up to <b>£100k</b>	Capital Planning Group
<b>£100k to £500k</b>	Finance & Performance Committee
<b>Over £500k</b>	Trust Board

## *Funding capital investments through Private Finance Initiative*

SoDA	Delegated matter	Authority delegated to	Delegation ref.
	Assess comparative merit of progressing scheme through PFI	Finance and Performance Committee, advised by Director of Finance	SFI 13.10
	Authorise payment of the sums identified in the schedule of the unitary payment (being the annual service payment defined in Schedule 18 of the Project Agreement) to be made to the PFI partner over the lifetime of the scheme (project term). Authorise annual Retail Price Index (all items) adjustment, in accordance with the PFI Project Agreement.	Trust Board	SFI 13.13
	Oversee delivery of the PFI contract terms, ensuring appropriate delivery and monitoring of the PFI contract; and including agreement of fee adjustments resulting from facilities management service and performance issues, to verify the invoice total.	Director of Facilities	SFI 13.14 SFI 13.15
	Approve decision to withhold, or delay payment of all or part of an invoice submitted by the PFI partner, at risk of incurring penalties and late payment charges	Director of Finance	SFI 13.16
	Process payment of monthly account to the PFI partner, in accordance with the Trust Board authorisation.	Assistant Director of Finance (Financial Services), or nominated deputy	SFI 13.17

*Fixed assets records and accounting for fixed assets*

SoDA	Delegated matter	Authority delegated to	Delegation ref.
	<b>Maintain register of (fixed) assets</b> Including verification of additions and disposals, revaluations, calculation of annual capital charges	Director of Finance	13.19 to 13.22

**11. Bank and cash and investments**

SoDA	Delegated matter	Authority delegated to	Delegation ref.
	<b>Day to day operation of bank accounts</b> <ul style="list-style-type: none"> <li>i. maintain list of approved signatories</li> <li>ii. approval to pay</li> </ul>	<ul style="list-style-type: none"> <li>i. Shared Business Services (SBS), under terms of contract with the Trust</li> <li>ii. SBS following confirmation of availability of cash required by Head of Financial Control</li> </ul>	SFI 14.5
	Determine when to subject commercial bank service supplier to competitive tendering	Director of Finance	SFI 14.8
	<b>Establish, or close a petty cash facility</b>	Director of Finance (or nominated deputy)	Not within SFIs
	Approve the use of Trust credit cards (in the name of North Bristol NHS Trust only)	Director of Finance (or nominated deputy)	SFI 14.10

SoDA	Delegated matter	Authority delegated to	Delegation ref.
	<b>Investment of funds</b> <ul style="list-style-type: none"> <li>i. surplus exchequer funds</li> <li>ii. charitable fund cash balances</li> </ul>	<ul style="list-style-type: none"> <li>i. Director of Finance</li> <li>ii. Investment advisors appointed by the Charity Committee</li> </ul>	SFI 15

## 12. External borrowing and Public Dividend Capital

SoDA	Delegated matter	Authority delegated to	Delegation ref.
	<b>Short-term borrowing (temporary borrowing limit)</b>	Trust Board	SFI 18.2 SFI 18.3
	<b>Borrowing, including commercial loans</b>	Trust Board	SFI 18.4
	<b>Borrowing of Public Dividend Capital</b>	Trust Board	SFI 18.1 SFI 18.4

### 13. Disposals, write-offs losses and special payments

SoDA	Delegated matter	Authority delegated to	Delegation ref.
	<b>Terminate lease and rental arrangements early at cost to the Trust</b>	Director of Finance <b>and</b> Director of Facilities	SFI 13.21
	<b>Condemn and arrange for disposal of equipment assets</b> Items that are obsolete, redundant, irreparable or cannot be repaired cost effectively <ul style="list-style-type: none"> <li>i. with a current or estimated purchase price up to £1,000</li> <li>ii. with a current purchase price of £1,000 - £5,000</li> <li>iii. with a current purchase price over £5,000.</li> </ul>	<ul style="list-style-type: none"> <li>i. Budget manager</li> <li>ii. General / Corporate Manager</li> <li>iii. Executive Director</li> </ul>	SFI 13.26
	<b>Dispose of x-ray films</b>	Radiology Departmental Manager\Clinical Director	SFI 13.26
	<b>Disposal of mechanical engineering plant.</b> With replacement value estimated at: <ul style="list-style-type: none"> <li>i. up to £10,000</li> <li>ii. £10,000 to £100,000</li> <li>iii. over £100,000</li> </ul>	<ul style="list-style-type: none"> <li>i. Head of Estate Maintenance</li> <li>ii. Director of Facilities</li> <li>iii. Director of Facilities <b>and</b> Director of Finance</li> </ul>	SFI 13.26
	<b>Approve sale, or transfer (eg donation) of equipment assets to another organisation for continued use</b> <ul style="list-style-type: none"> <li>i. clinical equipment</li> <li>ii. IT equipment</li> <li>iii. other equipment</li> </ul>	<ul style="list-style-type: none"> <li>i. Medical Director</li> <li>ii. Director of Finance</li> <li>iii. Director of Finance <b>and</b> relevant Executive Director</li> </ul>	SFI 13.26

SoDA	Delegated matter	Authority delegated to	Delegation ref.
	<p><b>Approve losses, write-offs and compensation payments due to / made under:</b></p> <ul style="list-style-type: none"> <li>• theft, fraud, overpayment of salaries and overpayment of third parties;</li> <li>• fruitless payments, including abandoned capital schemes;</li> <li>• bad debts and claims abandoned, including in respect of Private Patients, Overseas Visitors and other third parties;</li> <li>• damage to buildings, fittings, furniture, equipment and property in stores and in use due to culpable cause (e.g. fraud, theft, arson);</li> <li>• additional payments made to third parties in connection with or arising out of contractual liabilities, including sums payable under agreed settlements and court judgments;</li> <li>• personal injury claims involving negligence (legal advice must be obtained and guidance applied);</li> <li>• ex-gratia payments patients and staff for loss of personal effects; <ul style="list-style-type: none"> <li>i. up to £1,000</li> <li>ii. £1,000 up to £50,000</li> <li>iii. Over £50,000</li> </ul> </li> </ul> <p><i>All to be reported to the Audit Committee.</i></p>	<ul style="list-style-type: none"> <li>i. Assistant Director of Finance (Financial Services) or nominated deputy in their absence</li> <li>ii. Director of Finance or deputy</li> <li>iii. Audit Committee</li> </ul>	<p>SFI 19 Schedule of reservations 3</p>



SoDA	Delegated matter	Authority delegated to	Delegation ref.
	<b>Report incidents to the Police</b> <ol style="list-style-type: none"> <li>i. general</li> <li>ii. where a fraud is involved</li> </ol>	<ol style="list-style-type: none"> <li>i. departmental manager (inform General / Corporate Manager or Director as soon as possible. Also inform Local Security Management Specialist)</li> <li>ii. Director of Finance or Local Counter Fraud Specialist</li> </ol>	SFI 19 <i>Counter Fraud and Bribery Policy</i>

#### 14. Patients' property

Delegated authority	Holding	Receive and safeguard valuables	Discharge patients' valuables
Valuable items	Ward safe	Any member of nursing staff	Any member of nursing staff
Cash under <b>£5k</b>	Ward safe	Ward Manager	Ward Manager

#### 15. Access to charitable funds

Delegated authority	Approve expenditure from charitable funds
Up to £1,000	One fund signatory
£1,000 to £10,000	Two fund signatories

Delegated authority	Approve expenditure from charitable funds
£10,000 to £50,000	Two fund signatories plus the Director of Finance (or nominated deputy)
Over £50,000	Two Fund signatories and the Charity Committee.

Spending plans will be submitted to the Charity Committee for approval in March each year. Approval is delegated to approve additional spending plans that arise during the year as follows:

Delegated authority	Approve expenditure from charitable funds
Up to £10,000	Assistant Director of Finance (Financial Services) or nominated deputy in their absence
£10,000 to £50,000	Director of Finance (or nominated deputy)
Over £50,000	Charity Committee.

*Glossary of terms and acronyms*

BC	<b>Business case</b>
CEO	<b>Chief Executive Officer</b>
Director	Non-Executive or Executive Director, with or without voting rights at Trust Board. The term excludes Clinical Directors, who are identified separately
DoF	<b>Director of Finance</b>
FBC	<b>Full Business Case</b>
Divisional Operations Director /Corporate Manager	The senior operational manager(s); and their formally nominated deputy, for the division or specialty, as designated by the Executive Director.
OBC	<b>Outline Business Case</b>
PMO	<b>Programme Management Office</b>
SBS	<b>Shared Business Services.</b> The Trust's provider of accounts transactions and ledger process
SFI	<b>Standing Financial Instruction.</b> Reference to the detail in the full SFIs
SOC	<b>Strategic Outline Case</b>
SoDA	<b>Scheme of Delegated Authorities.</b> Reference to the detail in the full SoDA

