Ashford and St. Peter's Hospitals NHS
NHS Trust

TRUST BOARD
29th April 2010

TITLE	**STANDING ORDERS, RESERVATION OF POWERS AND SCHEME OF DELEGATION 2010-11, STANDING FINANCIAL INSTRUCTIONS**
EXECUTIVE SUMMARY	Standing Orders are reviewed annually. This has been completed and a number of changes are proposed linking to the following themes: 1) Updating in respect of legislation 2) Preparation for Foundation Trust status 3) General clarification
BOARD ASSURANCE (Risk) / IMPLICATIONS	It is essential that the Board is able to demonstrate strong governance in order that appropriate and timely decisions can be taken. If Standing Orders are not up to date there is a risk that the Board sub committees and management structures may not be aware of authority levels for decision making. The Audit Committee on 21st April reviewed the documentation and agreed to recommend the revised documents to the Trust Board having made a few minor comments which have now been included.
STAKEHOLDER / PATIENT IMPACT AND VIEWS	Discussion with key executive Directors.
EQUALITY AND DIVERSITY ISSUES	EQIA completed. No issues noted
LEGAL ISSUES	The SOs have been updated to reflect current legislation
The Trust Board is asked to:	Approve the SOs , associated Reservation of Powers to the Board and Schemes of Delegation, and Standing Financial Instructions 2010-2011 .
Submitted by:	John Headley, Director of Finance And Information Jane Gear, Head of Corporate Affairs /Trust Board secretary
Date:	22 April 2010
Decision:	For Approving

1. Background

In April 2009 the Trust Board approved updated Standing Orders and Standing Financial Instructions and initiated a more thorough rewrite of the Scheme of Delegation. This was necessary to reflect the new management structure, and to provide a greater degree of clarity on approval of various kinds of transactions- balancing financial control with the need to empower front line managers. These were formally approved at the July 2009 meeting.

There is a formal commitment within Standing Orders for there to be an annual review.

The Trust Board is proceeding with its Foundation Trust application, and as part of that process has agreed revised Standing Orders which are compatible with the NHS Act 2006 and the underpinning Constitution.

2. Key changes proposed in 2010 documentation

The revised draft Stranding Orders and Reservation of Powers to the Board 2010-2011 and Schemes of Delegation, and Standing Financial Instructions are attached. The Standing Orders and Standing Financial Instructions include tracked changes. The Reservation of Powers to the Board and Schemes of Delegation have been reformatted but

1. Include all items from the previous version
2. Show suggested additions in red
3. Any changes are shown as struck through (**~~struck through~~**)

A synopsis of the main changes is given below:

SO reference	**Change**	**rationale**
1.1 and Various	Various	The statutory framework needs to be updated to include the NHS Act 2006 which is a consolidating Act incorporating, amongst others, the NHS and Community Care Act 1990 and the Health and Social Care (Community Health and Standards) Act 2003. Department of Health guidance and regulations have also changed. For example the NHS Executive no longer exists.
3.6	Clarity on executive membership of the Board	This now reflects the Trust's establishment order; Statutory Instrument (SI 1998 No 801)
4.6/4.13	Notice of Board meetings and distribution of papers	These now align and make clear papers will be dispatched 5 working days prior to a meeting.
Appendix 1 Tenders	Tendering	Clarification on the rationale for accepting a tender.

Appendix 2	Insertion of Standards of Business Conduct for NHS staff and details of the Nolan Principles.	These are a requirement for staff to be aware of as part of ALE
Reservation of Powers to the Board and Schemes of Delegation		
	Separation of these documents from Standing Orders into a discrete suite	When we become a Foundation Trust it is important these are stand alone documents and do not from part of Standing Orders. The reason is that any change to Standing Orders has a distinct process including seeking views of the Council and then obtaining Monitor approval. Most FTs therefore separate out the documents.

The main changes to the Standing Financial instructions have been to bring terminology up to date and incorporate new issues.

3. Attachments

1. Standing Orders
2. Reservation of Powers and Scheme of Delegation 2010-11
3. Standing Financial Instructions

4. Scrutiny

The Audit Committee scrutinised the proposals at their meeting on 21st April and recommended these documents to the Board for adoption subject to a small number of minor amendments which have been incorporated.

5. Recommendation

The Board is asked to approve

- Standing Orders 2010-11
- Reservation of Powers and Scheme of Delegation 2010-11
- Standing Financial Instructions 2010-11

Submitted by: John Headley ,Director of Fiance and Information
Jane Gear, Head of Corporate Affairs

Date: 22nd April 2010

Ashford and St. Peter's Hospitals NHS
NHS Trust

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STANDING ORDERS

Amendments			
Date	Page(s)	Comments	Approved by
April 2009	All	Whole document reviewed and updated	Trust Board
April 2010	All	Whole document reviewed and updated Reservation of powers to the Board and Schemes of Delegation separated out	

Compiled by: David Slegg, Director of Finance
Date: March 2002
Reviewed by: John Headley, Acting Director of Finance(2009)
Jane Gear Head of Corporate Affairs (2010)

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In Consultation with: The Executive Directors
Audit Committee 21 April 2010

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Ratified by: Trust Board
Date Ratified: April 30th 2009
Date Issued: May 1st 2009
Review Date: April 2010
Target Audience: All staff

Impact Assessment Carried Out By: Jane Gear Head of Corporate Affairs

Contact for Comments: Jane Gear Head of Corporate Affairs

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ASHFORD AND ST PETER'S HOSPITALS NHS TRUST

STANDING ORDERS

FOREWORD

NHS Trusts need to agree Standing Orders (SOs) for the regulation of their proceedings and business. Regulation 19 of the NHS Trusts (Membership and Procedure) Regulations 1990 (SI(1990)2024) 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). The Codes of Conduct and Accountability (EL(94)40) require Boards to adopt schedules of reservation of powers and delegation of powers.

These documents, together with Standing Financial Instructions, provide a regulatory framework for the business conduct of the Trust. They fulfil the dual role of protecting the Trust's interests and protecting staff from any possible accusation that they have acted less than properly.

The Standing Orders, Delegated Powers and Standing Financial Instructions provide a comprehensive business framework. All executive and non-executive directors, and all members of staff, should be aware of the existence of these documents and, where necessary, be familiar with the detailed provisions.

The Standing Orders incorporate provisions of the National Health Service Trusts (Membership and Procedure) Regulations 1990 SI(1990)2024 as amended by SI(1990)2160 and SI(1996).

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CONTENTS

			Page
FOREWORD			
1.	**INTRODUCTION**		5
	1.1	Statutory Framework	5
	1.2	NHS Framework	6
	1.3	Delegation of Powers	
2.	**INTERPRETATION**		6
3.	**THE TRUST**		7
	3.6	Composition of the Trust	8
	3.7	Appointment of the Chairman and Directors	8
	3.8	Terms of Office of the Chairman and Directors	8
	3.9	Appointment of Vice-chairman	8
	3.11	Powers of Vice-chairman	8
	3.12	Joint Directors	9
4.	**MEETINGS OF THE TRUST**		9
	4.1	Admission of the Public and the Press	9
	4.4	Calling Meetings	9
	4.6	Notice of Meetings	9
	4.11	Setting the Agenda	10
	4.13	Chairman of Meeting	10
	4.15	Annual Public Meeting	10
	4.16	Notices of Motion	10
	4.17	Wi1hdrawal of Motion or Amendments	10
	4.18	Motion to Rescind a Resolution	10
	4.19	Motions	11
	4.21	Chairman's Ruling	11
	4.22	Voting	11
	4.28	Minutes	12
	4.31	Joint Directors	12
	4.32	Suspension of Standing Orders	12
	4.37	Variation and Amendment of Standing Orders	12
	4.38	Record of Attendance	12
	4.39	Quorum	12
5.	**ARRANGEMENTS FOR THE EXERCISE OF FUNCTIONS BY DELEGATION**		13
	5.2	Emergency Powers	13
	5.3	Delegation to Committee	13
	5.4	Delegation to Officers	13
6.	**COMMITTEES**		14
	6.1	Appointment of Committees	14
	6.9	Confidentiality	15
7.	**DECLARATIONS OF INTEREST AND REGISTER OF INTEREST**		15
	7.1	Declaration of Interests	15
	7.8	Register of Interests	16
8.	**DISABILITY OF DIRECTORS IN PROCEEDINGS ON ACCOUNT OF PECUNIARY INTEREST**		16

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9. STANDARDS OF BUSINESS CONDUCT POLICY 17
9.1 Policy 17
9.2 Interest of Officers in Contracts 17
9.4 Canvassing of, and Recommendations by, Directors in Relation to Appointments 18
9.7 Relatives of Directors or Officers 18

10. TENDERING AND CONTRACT PROCEDURE 18
10.1 Duty to comply with Standing Orders 18
10.2 EU Directives Governing Public Procurement 18
10.4 Formal Competitive Tendering 19
10.9 Quotations 19
10.15 Where tendering/competitive quotation is not required 20
10.17 Private Finance 20
10.18 Contracts 21
10.20 Personnel and Agency or Temporary Staff Contracts 21
10.21 Healthcare Services Contracts 21
10.23 Cancellation of Contracts 21
10.24 Determination of Contracts For Failure to Deliver Goods or Materials 22
10.25 Contracts Involving Funds held on Trust 22

11. DISPOSALS 22

12. IN-HOUSE SERVICES 22

13. CUSTODY OF SEAL AND SEALING OF DOCUMENTS 23
13.1 Custody of Seal 23
13.2 Sealing of Documents 23
13.4 Register of Sealing 23

14. SIGNATURE OF DOCUMENTS 23

15 OVERLAP WITH OTHER POLICY STATEMENTS/PROCEDURES, REGULATIONS AND THE STANDING FINANCIAL INSTRUCTIONS

16. MISCELLANEOUS 24
16.1 Standing Orders to be given to Directors and Officers 24
16.2 Documents having the Standing of Standing Orders 24
16.3 Review of Standing Orders 24

Appendix 1 - TENDERING PROCEDURE 25
1. Invitation to Tender 25
2. Receipt, Safe Custody and Record of Formal Tenders 25
3. Opening Formal Tenders 25
4. Admissibility and Acceptance of Formal Tenders 26
5. Lists of Approved Firms 27

Appendix 2 Standards of Business Conduct and Nolan Principles

Appendix 3. EQUALITY IMPACT ASSESSMENT 67

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1. INTRODUCTION

1.1 Statutory Framework

The Ashford & St Peter's Hospitals NHS Trust (the Trust) is a body corporate which was established under the National Health Service Trust (Establishment) Order 1998 (the Establishment Order).

The principal places of business of the Trust are:

NHS Trusts are governed by Act of Parliament, mainly the National Health Service Act 2006 (NHS Act 2006).

The functions of the Trust are conferred by this legislation.

As a statutory body, the Trust has specified powers to contract in its own name and to act as a corporate trustee. 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 patients' property held by the Trust on behalf of patients

The Trust also has statutory powers under the NHS Act 2006, to fund projects jointly planned with local authorities, voluntary organisations and other bodies.

The Code of Accountability requires the Trust to adopt Standing Orders for the regulation of its proceedings and business. The Trust must also adopt Standing Financial Instructions (SFIs) as an integral part of Standing Orders setting out the responsibilities of individuals.

1.2 NHS Framework

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

The Code of Accountability – (see Section 1.3.2 of the Corporate Governance Framework Manual) - requires that, inter alia, Boards draw up a schedule of decisions reserved to the Board, and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives (a scheme of delegation). The code also requires the establishment of audit and remuneration committees with formally agreed terms of reference. The Code of Conduct - (see Section 1.3.1 of the Corporate Governance Framework Manual) - makes various requirements concerning possible conflicts of interest of Board members.

The Code of Practice on Openness in the NHS (to be revised in light of the Freedom of Information Act) sets out the requirements for public access to information on the NHS.

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. St Peter's Hospital, Guildford Road, Chertsey, Surrey, KT16 0PZ. ¶
¶
. NHS Trusts are governed by statute, mainly the National Health Service and Community Care Act 1990 (NHS & CC Act 1990) and the National Health Service Act 1977 (NHS Act 1977).¶
¶
. The statutory functions conferred on the Trust are set out in the NHS & CC Act 1990 (Schedule 2) and in the Trust's Establishment Order. ¶
¶
. 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 patients' property held by the Trust on behalf of patients. ¶
¶
. The Membership and Procedure Regulations 1990 (SI(1990) 2024) requires the Trust to adopt Standing Orders (SOs) for the regulation of its proceedings and business. The "Directions on Financial Management in England" issued under HSG(96)12 in 1996, require Health Authorities to adopt Standing Financial Instructions (SFIs) setting out the responsibilities of individuals. These directions are not mandatory on NHS Trusts but Trusts are asked to observe them and as a matter of good practice ensure they meet the standards they lay down.¶
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Deleted: In addition to the statutory requirements, the Secretary of State through the NHS Executive issues further requirements and guidance as ELs, FDLs, HSGs etc. Many of these are contained within the Executive's Corporate Governance Framework Manual (Finance). The manual contains a list of the main statutes and legislation relevant to NHS Trusts. ¶
¶
. Included in the Manual are the Codes of Conduct and Accountability for NHS Boards. The Code of Accountability requires that, inter alia, ¶ ... [1]

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1.3 **Delegation of Powers**

Under the Standing Orders relating to the Arrangements for the Exercise of Functions (SO 5) 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 SO 6 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 may direct. Delegated Powers are covered in a separate document (Reservation of Powers to the Board and Delegation of Powers). That document has effect as if incorporated into the Standing Orders.

2 INTERPRETATION

2.1 Save as permitted by law, at any meeting the Chairman of the Trust shall be the final authority on the interpretation of Standing Orders (on which he/she should be advised by the Chief Executive).

2.2 Any expression to which a meaning is given in the Health Service Acts or in the Regulations or Orders made under the Acts shall have the same meaning in this interpretation and in addition:

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"ACCOUNTABLE OFFICER" shall be the Officer responsible and accountable for funds. The Officer shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.

"TRUST" means the Ashford & St Peter's Hospitals NHS Trust.

"BOARD" shall mean the Chairman and non-executive directors, appointed by the Secretary of State, and the executive directors appointed by the relevant committee of the Trust.

"BUDGET" shall mean a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.

"CHAIRMAN" is the person appointed by the Secretary of State for Health to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression "the Chairman of the Trust" shall be deemed to include the Vice-Chairman of the Trust if the Chairman is absent from the meeting or is otherwise unavailable.

"CHIEF EXECUTIVE" shall mean the chief officer of the Trust.

"COMMITTEE" shall mean a committee appointed by the Trust.

"COMMITTEE MEMBERS" shall be persons formally appointed by the Trust to sit on or to chair specific committees.

"DIRECTOR" shall mean a person appointed as a Director in accordance with the Membership and Procedure Regulations and includes the Chairman.

"DIRECTOR OF FINANCE & INFORMATION" shall mean the chief finance officer of the Trust.

"ESTABLISHMENT ORDER" shall mean the National Health Service Trust (Establishment) Order 1998 (SI(1998)No. 801).

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"FUNDS HELD ON TRUST" shall mean 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 Sch 2 Part II para 16.1c NHS & Community Care Act 1990. Such funds may or may not be charitable.

"MEMBERSHIP AND PROCEDURE REGULATIONS" shall mean the National Health Service Trust (Membership and Procedure) Regulations 1990 (SI(1990) 2024).

"MOTION" means a formal proposition to be discussed and voted on during the course of a meeting.

"NOMINATED OFFICER" means an officer charged with the responsibility for discharging specific tasks within SOs and SFIs.

"OFFICER" means an employee of the Trust.

"SECRETARY" means a person appointed by the Trust to act independently of the Board and monitor the Trust's compliance with the law, SOs, and observance of NHS Executive guidance.

"SFIS" means Standing Financial Instructions.

"SOS" means Standing Orders.

"VICE-CHAIRMAN" means the Non-Executive Director appointed by the Trust to take on the Chairman's duties if the Chairman is absent for any reason.

3. THE TRUST

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

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

3.3 The Trust has the functions conferred on it by Schedule 2 of NHS & CC Act 1990 and by its Establishment Order.

3.4 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.

3.5 The Trust has resolved that certain powers and decisions may only be exercised or made by the Board in formal session. These powers and decisions are set out in "Reservation of Powers to the Board" and have effect as if incorporated into the Standing Orders.

3.6 **Composition of the Trust** - In accordance with the Establishment Order and Membership and Procedure Regulations the composition of the Board of the Trust shall be:

The Chairman of the Trust

5 non-executive directors

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5 executive directors including:

- the Chief Executive (Chief Officer)
- the Director of Finance & Information (Chief Finance Officer)
- the Medical Director
- the Chief Operating Officer
- the Chief Nurse

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Other Directors and Officers of the Trust may also be invited to attend the Board as and when required to provide advice and support to the Board. For the avoidance of doubt any officer invited to attend a Board meeting shall do so in the capacity of a non voting director and will not be a statutory director under the 2006 Act. The Director of Workforce and Organisational Development and the Director of Strategy will be routinely invited to attend in this manner.

Deleted: <#>the Director of Workforce and Organisational Development (non voting)¶

3.7 **Appointment of the Chairman and Directors** - The Chairman and Non-Executive Directors are appointed by the Secretary of State. The Trust shall appoint a committee whose members shall be the Chairman and Non-Executive Directors of the Trust whose function will be to appoint the Chief Officer as a Director of the Trust. The Trust shall appoint a committee whose members shall be the Chairman, the Non-Executive Directors and the Chief Officer whose function will be to appoint the Executive Directors of the Trust other than the Chief Officer.

3.8 **Terms of Office of the Chairman and Directors** - The regulations governing the period of tenure of office of the Chairman and Directors and the termination or suspension of office of the Chairman and Directors are contained in the Membership and Procedure Regulations.

3.9 **Appointment of Vice-Chairman** - For the purpose of enabling the proceedings of the Trust to be conducted in the absence of the Chairman, the Directors of the Trust may appoint a Non-Executive Director from amongst them to be Vice-Chairman for such a period, not exceeding the remainder of his term as Non-Executive Director of the Trust, as they may specify on appointing him.

3.10 Any Non-Executive Director so elected may at any time resign from the office of Vice-Chairman by giving notice in writing to the Chairman and the Directors of the Trust may thereupon appoint another Non-Executive Director as Vice-Chairman in accordance with paragraph 3.9.

3.11 **Powers of Vice-Chairman** - Where the Chairman of an NHS Trust has died or has otherwise ceased to hold office or where he has been unable to perform his/her duties as Chairman owing to illness, absence from England and Wales or any other cause, references to the chairman in the Schedule to these Regulations shall, so long as there is no Chairman able to perform his/her duties, be taken to include references to the Vice-Chairman.

3.12 **Joint Directors** - Where more than one person is appointed jointly to a post in the Trust which qualifies the holder for Executive Directorship or in relation to which an Executive Director is to be appointed, those persons shall become appointed as an Executive Director jointly, and shall count for the purpose of Standing Order 3.6 as one person.

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4. MEETINGS OF THE TRUST

4.1 **Admission of the Public and the Press** – The public and representatives of the press shall be afforded facilities to attend all formal meetings of the Board but shall be required to withdraw upon the Board resolving as follows:

> "That representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest" (Section 1(2) Public Bodies (Admission to Meetings) Act 1960).

4.2 The Chairman (or Vice-chairman) shall give such directions as he thinks fit in regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Board's business shall be conducted without interruption and disruption and, without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public will be required to withdraw upon the Board resolving as follows:

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

4.3 Nothing in these Standing Orders shall require the 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 Board.

4.4 **Calling Meetings** - Ordinary meetings of the Trust shall be held at such times and places as the Board may determine.

4.5 The Chairman may call a meeting of the Trust at any time. If the Chairman refuses to call a meeting after a requisition for that purpose, signed by at least one-third of the whole number of Directors, has been presented to him/her, or if, without so refusing, the Chairman does not call a meeting within seven days after such requisition has been presented to him, at the Trust's Headquarters, such one third or more Directors may forthwith call a meeting.

4.6 **Notice of Meetings** - Before each meeting of the Trust, a notice of the meeting, specifying the business proposed to be transacted at it, and signed by the Chairman or by an officer of the Trust authorised by the Chairman to sign on his behalf shall be delivered to every Director, or sent by post to the usual place of residence of such Director or by email to their habitual email address, so as to be available to him at least five clear days before the meeting.

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4.7 Lack of service of the notice on any Director shall not affect the validity of a meeting.

4.8 In the case of a meeting called by Directors in default of the Chairman, the notice shall be signed by those Directors and no business shall be transacted at the meeting other than that specified in the notice.

4.9 Failure to serve such a notice on more than three Directors will invalidate the meeting. A notice shall be presumed to have been served at the time at which the notice would be delivered in the ordinary course of the post or arrived by email.

4.10 Before each meeting of the Trust a public notice of the time and place of the meeting, and

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the public part of the agenda, shall be displayed at the Trust's office at least three clear days before the meeting (required by the Public Bodies (Admission to Meetings) Act 1960 S.1.(4)(a).

4.11 **Setting the Agenda** - The Trust may determine that certain matters shall appear on every agenda for a meeting of the Trust and shall be addressed prior to any other business being conducted. (Such matters may be identified within these SOs or following subsequent resolution shall be listed in Appendix 2)

4.12 A Director desiring a matter to be included on an agenda shall make his/her request in writing to the Chairman at least 10 clear days before the meeting, subject to SO 4.6. Requests made less than 10 days before a meeting may be included on the agenda at the discretion of the Chairman.

4.13 Agendas will be sent to members 5 working days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be despatched no later than three clear days before the meeting, save in emergency. Failure to serve such a notice on more than three members will invalidate the meeting. A notice shall be presumed to have been served one day after posting.

4.14 **Chairman of Meeting** - At any meeting of the Trust, the Chairman, if present, shall preside. If the Chairman is absent from the meeting the Vice-Chairman, if there is one and he/she is present, shall preside. If the Chairman and Vice-Chairman are absent such Non-Executive Director as the Directors present shall choose shall preside.

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4.15 If the Chairman is absent from a meeting temporarily on the grounds of a declared conflict of interest the Vice-Chairman, if present, shall preside. If the Chairman and Vice-Chairman are absent, or are disqualified from participating, such Non-Executive Director as the Directors present shall choose shall preside.

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4.16 **Annual Public Meeting** - The Trust will publicise and hold an annual public meeting in accordance with the NHS Trusts (Public Meetings) Regulations 1991 (SI(1991)482).

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4.17 **Notices of Motion** - A Director of the Trust desiring to move or amend a motion shall send a written notice thereof at least 10 clear days before the meeting to the Chairman, who shall insert in the agenda for the meeting all notices so received subject to the notice being permissible under the appropriate regulations. This paragraph shall not prevent any motion being moved during the meeting, without notice on any business mentioned on the agenda subject to SO 4.8.

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4.18 **Withdrawal of Motion or Amendments** - A motion or amendment once moved and seconded may be withdrawn by the proposer with the concurrence of the seconder and the consent of the Chairman.

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4.19 **Motion to Rescind a Resolution** - Notice of motion to amend or rescind any resolution (or the general substance of any resolution) which has been passed within the preceding 6 calendar months shall bear the signature of the Directors who gives it and also the signature of 4 other Directors. When any such motion has been disposed of by the Trust, it shall not be competent for any Director other than the Chairman to propose a motion to the same effect within 6 months, however the Chairman may do so if he/she considers it appropriate.

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

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

- An amendment to the motion.
- The adjournment of the discussion or the meeting.
- That the meeting proceed to the next business. (*)
- The appointment of an ad hoc committee to deal with a specific item of business.

That the motion be now put. (*)

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

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

4.22 **Chairman's Ruling** - Statements of Directors made at meetings of the Trust shall be relevant to the matter under discussion at the material time and the decision of the Chairman of the meeting on questions of order, relevancy, regularity and any other matters shall be observed at the meeting.

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4.23 **Voting** - Every question at a meeting shall be determined by a majority of the votes of the Directors present and voting on the question and, in the case of any equality of votes, the person presiding shall have a second or casting vote.

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4.24 All questions put to the vote shall, at the discretion of the Chairman of the meeting, be determined by oral expression or by a show of hands. A paper ballot may also be used if a majority of the Directors present so request.

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4.25 If at least one-third of the Directors present so request, the voting (other than by paper ballot) on any question may be recorded to show how each Director present voted or abstained.

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4.26 If a Director so requests, his/her vote shall be recorded by name upon any vote (other than by paper ballot).

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4.27 In no circumstances may an absent Director vote by proxy. Absence is defined as being absent at the time of the vote.

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4.28 An officer who has been appointed formally by the Board to act up for an Executive Director during a period of incapacity or temporarily to fill an Executive Director vacancy, shall be entitled to exercise the voting rights of the Executive Director. An officer attending the Board to represent an Executive Director during a period of incapacity or temporary absence without formal acting up status may not exercise the voting rights of the Executive Director. An officer's status when attending a meeting shall be recorded in the minutes.

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

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4.30 No discussion shall take place upon the minutes except upon their accuracy or where the

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Chairman considers discussion appropriate. Any amendment to the minutes shall be agreed and recorded at the next meeting.

4.31 Minutes shall be circulated in accordance with Directors' wishes. Where providing a record of a public meeting the minutes shall be made available to the public (required by Code of Practice on Openness in the NHS).

4.32 **Joint Directors** - Where a post of Executive Director is shared by more than one person:

(a) both persons shall be entitled to attend meetings of the Trust:
(b) either of those persons shall be eligible to vote in the case of agreement between them:
(c) in the case of disagreement between them no vote should be cast;
(d) the presence of either or both of those persons shall count as one person for the purposes of SO 4.39.

4.33 **Suspension of Standing Orders** - Except where this would contravene any statutory provision or any direction made by the Secretary of State, any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the Board are present, including one Executive Director and one Non-Executive Director, and that a majority of those present vote in favour of suspension.

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

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

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

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

4.38 **Variation and Amendment of Standing Orders** - These Standing Orders shall be amended only if:

- a notice of motion under Standing Order 4.16 has been given; and
- no fewer than half the total of the Trust's Non-Executive Directors vote in favour of amendment; and
- at least two-thirds of the Directors are present; and
- the variation proposed does not contravene a statutory provision or direction made by the Secretary of State.

4.39 **Record of Attendance** - The names of the Directors present at the meeting shall be recorded in the minutes.

4.40 **Quorum** - No business shall be transacted at a meeting of the Trust unless at least one-third of the whole number of the Directors are present including on or after the operational date at least one Executive Director and one Non-Executive Director.

4.41 An officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.

4.42 If a Director has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of the declaration of a conflict of interest (see SO 7 or 8) he/she shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be

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discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business. The above requirement for at least one Executive Director to form part of the quorum shall not apply where the Executive Directors are excluded from a meeting (for example when the Board considers the recommendations of the Remuneration and Terms of Service Committee).

5. ARRANGEMENTS FOR THE EXERCISE OF FUNCTIONS BY DELEGATION

5.1 Subject to SO 3.7 and such directions as may be given by the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Trust, of any of its functions by a committee or sub-committee, appointed by virtue of SO 6.1 or 6.2 below or by a Director or an officer of the Trust in each case subject to such restrictions and conditions as the Board thinks fit.

5.2 **Emergency Powers** - The powers which the Board has retained to itself within these Standing Orders (SO 3.5) may in emergency be exercised by the Chief Executive and the Chairman after having consulted at least two Non-Executive Directors. The exercise of such powers by the Chief Executive and the Chairman shall be reported to the next formal meeting of the Board for ratification.

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

When the Board is not meeting as the Trust in public session it shall operate as a committee and may only exercise such powers as may have been delegated to it by the Trust in public session.

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

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

5.6 Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Director of Finance & Information or other Executive Director to provide information and advise the Board in accordance with any statutory requirements.

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

5.8 Overriding Standing Orders – If for any reason these Standing Orders are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance, shall be reported to the next formal meeting of the Board for action or ratification. All members of the Board and staff have a duty to

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disclose any non-compliance with these Standing Orders to the Chief Executive as soon as possible

6. COMMITTEES

6.1 **Appointment of Committees** - Subject to SO 3.7 and such directions as may be given by the Secretary of State, the Trust may and, if directed by him/her, 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.

6.2 A committee appointed under SO 6.1 may, subject to such directions as may be given by the Secretary of State or the Trust appoint sub-committees consisting wholly or partly of members of the committee (whether or not they include Directors of the Trust or wholly of persons who are not members of the Trust committee (whether or not they include Directors of the Trust).

6.3 The Standing Orders of the Trust, as far as they are applicable, shall apply with appropriate alteration to meetings of any committees established by the Trust. In which case the term "Chairman" is to be read as a reference to the Chairman of the committee as the context permits, and the term "member" is to be read as a reference to a member of the committee also as the context permits. (There is no requirement to hold meetings of committees, established by the Trust in public.)

6.4 Each such committee or sub-committee shall have such terms of reference and powers and be subject to such conditions (as to reporting back to the Board), as the Board shall decide. Such terms of reference shall have effect as if incorporated into the Standing Orders.

6.5 Committees may not delegate their executive powers to a sub-committee unless expressly authorised by the Board.

6.6 The Board shall approve the appointments to each of the committees which it has formally constituted. Where the Board determines that persons, who are neither Directors nor officers, shall be appointed to a committee, the terms of such appointment shall be determined by the Board subject to the payment of travelling and other allowances being in accordance with such sum as may be determined by the Secretary of State The Board shall define the powers of such appointees and shall agree allowances, including reimbursement for loss of earnings, and/or expenses in accordance where appropriate with national guidance.

6.7 Where the Trust is required to appoint persons to a committee and/or to undertake statutory functions as required by the Secretary of State, and where such appointments are to operate independently of the Trust such appointment shall be made in accordance with the regulations laid down by the Secretary of State.

6.8 The main committees and sub-committees established by the Trust are:

- Audit Committee
- Remuneration Committee
- Finance Committee
- Integrated Governance Assurance Committee
- Trust Executive Committee

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- Foundation Trust Steering Group (time limited)

6.9 **Confidentiality** - A member of a committee shall not disclose a matter dealt with by, or brought before, the committee without its permission until the committee shall have reported to the Board or shall otherwise have concluded on that matter.

6.10 A Director of the Trust or a member of a committee shall not disclose any matter reported to the Board or otherwise dealt with by the committee, notwithstanding that the matter has been reported or action has been concluded, if the Board or committee shall resolve that it is confidential.

7. DECLARATIONS OF INTERESTS AND REGISTER OF INTERESTS

7.1 **Declaration of Interests** - The Code of Accountability requires Board Directors to declare interests which are relevant and material to the NHS board of which they are a Director. All existing Board Directors should declare such interests. Any Board Directors appointed subsequently should do so on appointment.

7.2 Interests which should be regarded as "relevant and material" are:

a) Directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies).

b) Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS.

c) Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS.

d) A position of authority in a charity or voluntary organisation in the field of health and social care.

e) Any connection with a voluntary or other organisation contracting for NHS services.

f) Any other commercial interest in the decision before the meeting

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7.3 If Board Directors have any doubt about the relevance of an interest, this should be discussed with the Chairman.

7.4 At the time Board Directors' interests are declared, they should be recorded in the board minutes. Any changes in interests should be declared at the next Board meeting following the change occurring.

7.5 Board Directors' directorships of companies likely or possibly seeking to do business with the NHS should be published in the Board's annual report. The information should be kept up to date for inclusion in succeeding annual reports.

7.6 During the course of a board meeting, if a conflict of interest is established, the Board Director concerned should withdraw from the meeting and play no part in the relevant discussion or decision.

7.7 There is no requirement for the interests of Board Director' spouses or partners to be declared. However, SO 8 is based on the Membership and Procedure Regulations and requires that the interest of Directors' spouses, if living together, in contracts should be declared.

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7.8 **Register of Interests** - The Chief Executive will ensure that a Register of Interests is established to record formally declarations of interests of Directors. In particular the Register will include details of all directorships and other relevant and material interests which have been declared by both Executive and Non-Executive Board Directors, as defined in SO 7.2.

7.9 These details will be kept up to date by means of an annual review of the Register in which any changes to interests declared during the preceding twelve months will be incorporated.

7.10 The Register will be available to the public and the Chief Executive will take reasonable steps to bring the existence of the Register to the attention of the local population and to publicise arrangements for viewing it.

8. DISABILITY OF DIRECTORS IN PROCEEDINGS ON ACCOUNT OF PECUNIARY INTEREST

The entire text of this section is based on the Membership and Procedure regulations.

8.1 Subject to the following provisions of this Standing Order, if a Director of the Trust has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the 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.

8.2 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 in which it appears to him in the interests of the National Health Service that the disability shall be removed.

8.3 The Trust shall exclude a Director from a meeting of the Trust while any contract, proposed contract or other matter in which he/she has a pecuniary interest, is under consideration.

8.4 Any remuneration, compensation or allowances payable a to Director by virtue of paragraph 11 of Schedule 4 to the NHS Act 2006 shall not be treated as a pecuniary interest for the purpose of this Standing Order.

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8.5 For the purpose of this Standing Order the Chairman or a Director shall be treated, subject to SO 8.2 and SO 8.6, as having indirectly a pecuniary interest in a contract, proposed contract or other matter, if:

(a) 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

5 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;

and in the case of married persons living together the interest of one spouse shall, if known to the other, be deemed for the purposes of this Standing Order to be also an

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interest of the other.

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

(a) of his membership of a company or other body, if he/she has no beneficial interest in any securities of that company or other body;

(b) of an interest in any company, body or person with which he is connected as mentioned in SO 8.5 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.

8.7 Where a Director:

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

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

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

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

8.8 Standing Order 8 applies to a committee or sub-committee of the Trust as it applies to the Trust and applies to any member of any such committee or sub-committee (whether or not he is also a Director of the Trust) as it applies to a Director of the Trust.

9. STANDARDS OF BUSINESS CONDUCT

9.1 **Policy** - Staff must comply with the national guidance contained in HSG(93)5 `Standards of Business Conduct for NHS staff'. The following provisions should be read in conjunction with this document.

9.2 **Interest of Officers in Contracts** - If it comes to the knowledge of a Director or an officer of the Trust that a contract in which he has any pecuniary interest not being a contract to which he is himself a party, has been, or is proposed to be, entered into by the Trust he/she shall, at once, give notice in writing to the Chief Executive of the fact that he/she is interested therein. In the case of married persons or persons living together as partners, the interest of one partner shall, if known to the other, be deemed to be also the interest of that partner.

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

9.4 **Canvassing of, and Recommendations by, Directors in Relation to Appointments** - Canvassing of Directors of the Trust or members of any committee of the Trust directly or

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indirectly for any appointment under the Trust shall disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.

9.5 A Director of the Trust shall not solicit for any person any appointment under the Trust or recommend any person for such appointment: but this paragraph of this Standing Order shall not preclude a Director from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.

9.6 Informal discussions outside appointments panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.

9.7 **Relatives of Directors or Officers** - Candidates for any staff appointment shall when making application disclose in writing whether they are related to any Director or the holder of any office under the Trust. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render him/her liable to instant dismissal.

9.8 The Directors and every officer of the Trust shall disclose to the Chief Executive any relationship with a candidate of whose candidature that Director or officer is aware. It shall be the duty of the Chief Executive to report to the Trust any such disclosure made.

9.9 On appointment, Directors (and prior to acceptance of an appointment in the case of Executive Directors) should disclose to the Trust whether they are related to any other director or holder of any office under the Trust.

9.10 Where the relationship of an officer or another Director to a Director of the Trust is disclosed, the Standing Order headed `Disability of Directors in proceedings on account of pecuniary interest' (SO 8) shall apply.

10. TENDERING AND CONTRACT PROCEDURE

10.1 **Duty to comply with Standing Orders** - The procedure for making all contracts by or on behalf of the Trust shall comply with these Standing Orders (except where SO 4.32 (Suspension of SOs) is applied).

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

10.3 The Trust shall comply as far as is practicable with the requirements of the NHS Executive "Capital Investment Manual". In the case of management consultancy contracts the Trust shall comply as far as is practicable with NHS Executive guidance "The Procurement and Management of Consultants within the NHS".

10.4 **Formal Competitive Tendering** - The Trust shall ensure that competitive tenders are invited for the supply of goods, materials and manufactured articles and for the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DoH); for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); and for disposals. The thresholds and number of tenders required are set out in Section 5 of the Reservation and Delegation of Powers document (Appendix 2).

10.5 Formal tendering procedures may be waived by officers to whom powers have been

delegated by the Chief Executive without reference to the Chief Executive (except in (c) to (f) below) where:

(a) The estimated expenditure or income does not, or is not reasonably expected to, exceed £49,999, (this figure to be reviewed annually); or

(b) where the supply is proposed under special arrangements negotiated by the DoH in which event the said special arrangements must be complied with; or

(c) the timescale genuinely precludes competitive tendering. Failure to plan the work properly is not a justification for single tender; or

(d) specialist expertise is required and is available from only one source; or

(e) the task is essential to complete the project, AND arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate; or

(f) there is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering; or

(g) where provided for in the Capital Investment Manual.

The limited application of the single tender rules should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

Where it is decided that competitive tendering is not applicable and should be waived by virtue of (c) to (f) above, the fact of the waiver and the reasons should be documented and reported to the Finance Committee.

10.6 Except where SO 10.5, or a requirement under SO 10.2, applies, the Board shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, and in no case less than three firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required. In such circumstances approval should be sought from the Director of Finance & Information or Chief Operating Officer and reported to the next meeting of the Finance Committee.

10.7 The Board shall ensure that normally the firms/individuals invited to tender (and where appropriate, quote) are among those on approved lists (see Appendix 1 Section 5). Where in the opinion of the Director of Finance & Information it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the Chief Executive (see Appendix 1).

10.8 Tendering procedures are set out in the Appendix 1.

10.9 **Quotations** - are required where formal tendering procedures are waived under SO 10.5 (a) or (c) and where the intended expenditure or income exceeds, or is reasonably expected to exceed £5,000.

10.10 Where quotations are required under SO 10.9 they should be obtained in accordance with Section 5 of the Reservation and Delegation of Powers document.

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10.11 Quotations should be in writing unless the Chief Executive or his nominated officer determine that it is impractical to do so in which case quotations may be obtained by telephone. Confirmation of telephone quotation should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.

10.12 All quotations should be treated as confidential and should be retained for inspection.

10.13 The Chief Executive or his nominated officer should evaluate the quotations and select the one which gives the best value for money. If this is not the lowest then this fact and the reasons why the lowest quotation was not chosen should be in a permanent record.

10.14 Non-competitive quotations in writing may be obtained for the following purposes:

a) the supply of goods/services of a special character for which it is not, in the opinion of the Chief Executive or his nominated officer, possible or desirable to obtain competitive quotations;

b) the goods/services are required urgently.

10.15 **Where tendering or competitive quotation is not required**

The Trust shall use the NHS Supplies Authority for procurement of all goods and services unless the Chief Executive or nominated officers deem it inappropriate. The decision to use alternative sources must be documented.

10.16 The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided under contract or in-house. The Board may also determine from time to time that in-house services should be market tested by competitive tendering (SO 12).

10.17 **Private Finance** - When the Board proposes, or is required, to use finance provided by the private sector the following should apply:

(a) The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.

(b) Where the sum exceeds delegated limits, a business case must be referred to the appropriate Strategic Health Authority for approval or treated as per current guidelines.

(c) The proposal must be specifically agreed by the Board in the light of such professional advice as should reasonably be sought in particular with regard to vires.

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(d) The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

10.18 **Contracts** - The Trust may only enter into contracts within its statutory powers and shall comply with:

(a) these Standing Orders;

(b) the Trust's SFIs;

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(c) EU Directives and other statutory provisions;

(d) any relevant directions including the Capital Investment Manual and guidance on the Procurement and Management of Consultants;

(e) such of the NHS Standard Contract Conditions as are applicable.

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

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

10.20 **Personnel and Agency or Temporary Staff Contracts** - The Chief Executive shall nominate officers with delegated authority to enter into contracts for the employment of other officers, to authorise regrading of staff, and enter into contracts for the employment of agency staff or temporary staff.

10.21 **Healthcare Services Contracts** - Service agreements for the supply of healthcare services shall be drawn up in accordance with the NHS Act 2006 and administered by the Trust. Service agreements between NHS bodies are not legal documents

Deleted: made between two NHS organisations for example with health authorities for the supply of healthcare services, are subject to the provisions of the NHS and Community Care Act 1990. Such contracts do not give rise to contractual rights or liabilities but a dispute may be referred to the Regional Office (acting as the Secretary of State).¶

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

10.23 **Cancellation of Contracts** - Except where specific provision is made in model Forms of Contracts or standard Schedules of Conditions approved for use within the National Health Service and in accordance with Standing Orders 10.2 and 10.3, there shall be inserted in every written contract a clause empowering the Trust to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor shall have offered, or given or agreed to give, any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the contract or any other contract with the Trust, or for showing or forbearing to show favour or disfavour to any person in relation to the contracts or any other contract with the Trust, or if the like acts shall have been done by any person employed by him or acting on his behalf (whether with or without the knowledge of the contractor), or if in relation to any contract with the Trust the contractor or any person employed by him/her or acting on his/her behalf shall have committed any offence under the Prevention of Corruption Acts 1889 and 1916 and other appropriate legislation.

10.24 **Determination of Contracts for Failure to Deliver Goods or Material** - There shall be inserted in every written contract for the supply of goods or materials a clause to secure that, should the contractor fail to deliver the goods or materials or any portion thereof within the time or times specified in the contract, the Trust may without prejudice determine the contract either wholly or to the extent of such default and purchase other goods, or material of similar description to make good (a) such default, or (b) in the event of the contract being wholly determined the goods or materials remaining to be delivered. The clause shall further secure that the amount by which the cost of so purchasing other goods or materials exceeds the amount which would have been payable to the contractor in respect of the goods or materials shall be recoverable from the contractor.

10.25 **Contracts Involving Funds Held on Trust** - shall do so individually to a specific named

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fund. Such contracts involving charitable funds shall comply with the requirements of the Charities Acts.

11. DISPOSALS

Competitive Tendering or Quotation procedures shall not apply to the disposal of:

(a) any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his nominated officer;

(b) obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;

(c) items to be disposed of with an estimated sale value of less than £5,000, this figure to be reviewed annually;

(d) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;

(e) land or buildings concerning which DoH guidance has been issued but subject to compliance with such guidance.

12. IN-HOUSE SERVICES

12.1 In all cases where the Trust determines that in-house services should be subject to competitive tendering the following groups shall be set up:

(a) Specification group, comprising the Chief Executive or nominated officer(s) and specialist(s).

(b) In-house tender group, comprising representatives of the in-house team, a nominee of the Chief Executive and technical support.

(c) Evaluation group, comprising normally a specialist officer, a supplies officer and a Director of Finance & Information representative. For services having a likely annual expenditure exceeding £100,000, a Non-Executive Director should be a member of the evaluation team.

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

12.3 The evaluation group shall make recommendations to the Board.

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

13. CUSTODY OF SEAL AND SEALING OF DOCUMENTS

13.1 **Custody of Seal** - The Common Seal of the Trust shall be kept by the Chief Executive in a secure place.

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

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13.3 Before any building, engineering, property or capital document is sealed it must be approved and signed by the Director of Finance & Information (or an officer nominated by him/her) and authorised and countersigned by the Chief Executive (or an officer nominated by him/her who shall not be within the originating directorate).

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

14. SIGNATURE OF DOCUMENTS

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

14.2 The Chief Executive or nominated officers 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.

15. OVERLAP WITH OTHER ASHFORD AND ST PETER'S HOSPITALS NHS TRUST POLICY STATEMENTS/PROCEDURES, REGULATIONS AND THE STANDING FINANCIAL INSTRUCTIONS.

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15.1 Policy statements: general principles

The Trust Board will from time to time agree and approve Policy statements/ procedures which will apply to all or specific groups of staff employed by Ashford and St Peter's Hospitals NHS Trust. The decisions to approve such policies and procedures will be recorded in an appropriate Trust Board minute and will be deemed where appropriate to be an integral part of the Trust's Standing Orders and Standing Financial Instructions

15.2 Specific Policy statements

Notwithstanding the application of SO 15.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following Policy statements:

- Register of Interests Policy for Ashford and St Peter's NHS Trust staff;

- Decisions reerved to the Board and the Schemes of Delegation will have effect as if incorporated

15.3 Standing Financial Instructions

Standing Financial Instructions adopted by the Trust Board in accordance with the Financial Regulations shall have effect as if incorporated in these Standing Orders.

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Specific guidance

Notwithstanding the application of SO 15.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following guidance and any other issued by the Secretary of State for Health:

- Caldicott Guardian 1997;
- Human Rights Act 1998;
- Freedom of Information Act 2000.

16. MISCELLANEOUS

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16.1 **Standing Orders to be given to Directors and Officers** - It is the duty of the Chief Executive to ensure that existing Directors and officers and all new appointees are notified of and understand their responsibilities within Standing Orders and SFIs. Updated copies shall be issued to staff designated by the Chief Executive. New designated officers shall be informed in writing and shall receive copies where appropriate of SOs.

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16.2 **Documents having the standing of Standing Orders** - Standing Financial Instructions and Reservation of Powers to the Board and Delegation of Powers shall have the effect as if incorporated into SOs.

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

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TENDERING PROCEDURE

1. Invitation to Tender

1.1 All invitations to tender on a formal competitive basis shall state that no tender will be considered for acceptance unless submitted in either:

(a) a plain, sealed package bearing a pre-printed label supplied by the Trust (or bearing the word `Tender' followed by the subject to which it relates and the latest date and time for the receipt of such tender); or

(b) in a special envelope supplied by the Trust to prospective tenderers and the tender envelopes/packages shall not bear any names or marks indicating the sender.

1.2 Every tender for goods, materials, manufactured articles supplied as part of a works contract and services shall embody such of the main contract conditions as may be appropriate in accordance with the contract forms described in Section 1.3 and 1.4 below.

1.3 Every tender for building and engineering works, except for maintenance work only where Estmancode guidance should be followed, shall embody or be in the terms of the current edition of the appropriate Joint Contracts Tribunal (JCT) or Department of the Environment (GC/Wks) standard forms of contract amended to comply with Concode. When the content of the works is primarily engineering, tenders shall embody or be in the terms of the General Conditions of Contract recommended by the Institutions of Mechanical Engineers and the Association of Consulting Engineers (Form A) or, in the case of civil engineering work, the General Conditions of Contract recommended by the Institution of Civil Engineers. The standard documents should be amended to comply with Concode and, in minor respects, to cover special features of individual projects. Tendering based on other forms of contract may be used only after prior consultation with the DoH.

1.4 Every tender for goods, materials, services (including consultancy services) or disposals shall embody such of the NHS Standard Contract Conditions as are applicable. Every tenderer must have given or give a written undertaking not to engage in collusive tendering or other restrictive practice.

2. Receipt, Safe Custody and Record of Formal Tenders

2.1 Formal competitive tenders shall be addressed to the Chief Executive.

2.2 The date and time of receipt of each tender shall be endorsed on the unopened tender envelope/package.

2.3 The Chief Executive shall designate an officer or officers, not from the originating department, to receive tenders on his behalf and to be responsible for their endorsement and safe custody until the time appointed for their opening, and for the records maintained in accordance with Section 3.

3. Opening Formal Tenders

3.1 As soon as practicable after the date and time stated as being the latest time for the receipt of tenders they shall be opened in the presence of two senior officers designated

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by the Chief Executive and not from the originating department.

3.2 Every tender received shall be stamped with the date of opening and initialled by two of those present at the opening.

3.3 A permanent record shall be maintained to show for each set of competitive tender invitations despatched:

(a) names of firms/individuals invited;

(b) names and number of firms/individuals from which tenders have been received;

(c) the total price(s) tendered;

(d) closing date and time;

(e) date and time of opening;

and the record shall be signed by the persons present at the opening.

3.4 Except as in Section 3.5 below, a record shall be maintained of all price alterations on tenders, ie where a price has apparently been altered, and the final price shown shall be recorded. Every price alteration appearing on a tender and the record should be initialled by two of those present at the opening.

3.5 A report shall be made in the record if, on any one tender, price alterations are so numerous as to render the procedure Section 3.4 unreasonable.

4. Admissibility and Acceptance of Formal Tenders

4.1 In considering which tender to accept, if any, the designated officers shall have regard to whether value for money will be obtained by the Trust and whether the number of tenders received provides adequate competition. In cases of doubt they shall consult the Chief Executive.

4.2 Tenders received after the due time and date may be considered only if the Chief Executive or nominated officer decides that there are exceptional circumstances, eg significant financial, technical or delivery advantages, and is satisfied that there is no reason to doubt the bona fides of the tenders concerned. The Chief Executive or nominated officer shall decide whether such tenders are admissible and whether re-tendering is desirable. Re-tendering may be limited to those tenders reasonably in the field of consideration in the original competition. If the tender is accepted the late arrival of the tender should be reported to the Board at its next meeting.

4.3 Technically late tenders (ie those despatched in good time but delayed through no fault of the tenderer) may at the discretion of the Chief Executive be regarded as having arrived in due time.

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4.4 Incomplete tenders (ie those from which information necessary for the adjudication of the tender is missing) and amended tenders (ie those amended by the tenderer upon his own initiative either orally or in writing after the due time for receipt) should be dealt with in the same way as late tenders under Section 4.2.

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

withdrawing his offer. Necessary discussions with a tenderer of the contents of his tender, in order to elucidate technical points etc, before the award of a contract, need not disqualify the tender.

4.6 While decisions as to the admissibility of late, incomplete, or amended tenders are under consideration and while re-tenders are underway, tender documents shall remain confidential and kept in safekeeping by an officer designated by the Chief Executive.

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

4.8 ~~A tender other than the lowest (if payment is to be made by the Trust), or other than the highest (if payment is to be received by the Trust) shall not be accepted unless for good and sufficient reason the Board decides otherwise and record that decision in their minutes and in the record referred to in 3.3 above~~.

The lowest price tender will normally be accepted unless the adjudicating manager has agreed clear adjudication criteria with the Director of Finance and Information prior to tenders being invited. These will include due attention to cost and value for money. Any decision not to select the tender which performs best against these criteria will be reported to the Finance Committee.

4.9 Where the form of contract includes a fluctuation clause all applications for price variations must be submitted in writing by the tenderer and shall be approved by the Chief Executive or nominated officer.

4.10 All Tenders should be treated as confidential and should be retained for inspection.

5. Lists of Approved Firms

5.1 The Trust shall compile and maintain, and the Director of Clinical and Non Clinical Support Services and Estates Manager, shall keep lists of approved firms and individuals from whom tenders may be invited, as provided for in SO 9.7, and shall keep these under review. The lists shall be selected from all firms which have applied for permission to tender provided that:

(a) in the case of building, engineering and maintenance works, the Chief Executive is satisfied on their capacity, conditions of labour, etc, and that the Director of Finance & Information is satisfied that their financial standing is adequate.

(b) in the case of the supply of goods, materials and related services, and consultancy services the Chief Executive or the nominated officer is satisfied as to their technical competence etc, and that the Director of Finance & Information is satisfied that their financial standing is adequate.

(c) in the case of the provision of healthcare services to the Trust by a private sector provider, the Director of Finance & Information is satisfied as to their financial standing and the Medical Director is satisfied as to their technical/medical competence.

5.2 The Trust shall arrange for advertisements to be issued as may be necessary, and not less frequently than every third year, in trade journals and national newspapers inviting applications from firms for inclusion in the prescribed lists.

5.3 If in the opinion of the Chief Executive or the Director of Finance & Information it is

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impractical to use a list of approved firms/individuals (for example where specialist services or skills are required and there are insufficient suitable potential contractors on the list), the Chief Executive should ensure that appropriate checks are carried out as to the technical and financial capability of firms invited to tender or quote.

5.4 A permanent record should be made of the reasons for inviting a tender or quote other than from an approved list.

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Appendix 2

January 1993

Standards of Business conduct

For NHS staff

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Prevention of Corruption Acts 1906 and 1916 - summary of main provisions

Acceptance of gifts by way of Inducements or rewards

1. Under the Prevention of Corruption Acts, 1906 and 1916, it is an offence for employees corruptly to accept any gifts or consideration as an inducement or reward for:

- Doing, or refraining from doing, anything in their official capacity; or

- Showing favour or disfavour to any person in their official capacity.

2. Under the Prevention of Corruption Act 1916, any money, gift or consideration received by an employee in public service from a person or organisation holding or seeking to obtain a contract will be deemed by the courts to have been received corruptly unless the employee proves the contrary.

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i) Part B

NHS Management Executive (NHSME) - general guidelines

Introduction

1. These guidelines, which are intended by the NHSME to be helpful to all NHS employers (I) and their employees, re-state and reinforce the guiding principles previously set out in Circular HM (62) 21 (now cancelled), relating to the conduct of business in the NHS.

Responsibility of NHS employers

2. NHS employers are responsible for ensuring that these guidelines are brought to the attention of all employees; also that machinery is put in place for ensuring that they are effectively implemented.

Responsibility of NHS staff

3. It is the responsibility of staff to ensure that they are not placed in a position which risks, or appears to risk, conflict between their private interests and their NHS duties. This primary responsibility applies to *all NHS Staff,* i.e. those who commit NHS resources directly (e.g. by the ordering of goods) or those who do so indirectly (e.g. by the prescribing of medicines). A further example would be staff who may have an interest in a private nursing home and who are involved with the discharge of patients to residential facilities.

Guiding principle in conduct of public business

4. It is a long established principle that public sector bodies, which include the NHS, must be impartial and honest in the conduct of their business, and that their employees should remain beyond suspicion. It is also an offence under the Prevention of Corruption Acts 1906 and 1916 for an employee corruptly to accept any inducement or reward for doing, or refraining from doing anything, in his or her official capacity, or corruptly showing favour, or disfavour, in the handling of contracts (see PART A).

Staff will need to be aware that a breach of the provisions of these Acts renders them liable to prosecution and may also lead to loss of their employment and superannuation rights in the NHS

Principles of conduct in the NHS

5. NHS staff is expected to:

- Ensure that the interest of patients remains paramount at all times;
- be impartial and honest in the conduct of their official business;
- use the public funds entrusted to them to the best advantage of the service, always ensuring value for money.

6. It is also the responsibility of staff to ensure that they do **not:**

- abuse their official position for personal gain or to benefit their family or friends;

- seek to advantage or further private business or other interests, in the course of their official duties.

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Implementing the guiding principles

Casual gifts

7. Casual gifts offered by contractors or others, e.g. at Christmas time, may not be in any way connected with the performance of duties so as to constitute an offence under the Prevention of Corruption Acts. Such gifts should nevertheless be politely but firmly declined. Articles of low intrinsic value such as diaries or calendars, or small tokens of gratitude from patients or their relatives, need not necessarily be refused. In cases of doubt staff should either consult their line manager or politely decline acceptance.

Hospitality

8. Modest hospitality provided it is normal and reasonable in the circumstances, e.g. lunches in the course of working visits, may be acceptable, though it should be similar to the scale of hospitality which the NHS as an employer would be likely to offer.

9. Staff should decline all other offers of gifts, hospitality or entertainment. If in doubt they should seek advice from their line manager.

Declaration of interests

10. NHS employers need to be aware of all cases where an employee, or his or her close relative or associate, has a controlling and/or significant financial interest in a business (including a private company, public sector organisation, other NHS employer and/or voluntary organisation), or in any other activity or pursuit, which may compete for an NHS contract to supply either goods or services to the employing authority.

11. All NHS staff should therefore declare such interests to their employer, either on starting employment or on acquisition of the interest, in order that it may be known to and in no way promoted to the detriment of either the employing authority or the patients whom it serves.

12. One particular area of potential conflict of interest that may directly affect patients is when NHS staff hold a self-beneficial interest in private care homes or hostels. While it is for staff to declare such interests to their employing authority, the employing authority has a responsibility to introduce whatever measures it considers necessary to ensure that its interests and those of patients are adequately safeguarded. This may for example take the form of a contractual obligation on staff to declare any such interests. Advice on professional conduct issued by the General Medical Council recommends that when a doctor refers a patient to a private care home or hostel in which he or she has an interest, the patient must be informed of that interest before referral is made.

13. In determining what needs to be declared, employers and employees will wish to be guided by the principles set out in paragraph 5 above; also the more detailed guidance to staff contained in Part D.

14. NHS employers should:

- ensure that staff are aware of their responsibility to declare relevant interests (perhaps by including a clause to this effect in staff contracts)
- consider keeping registers of all such interests and making them available for inspection by the public.

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- develop a local policy, in consultation with staff and local staff interests, for implementing this guidance. This may include the disciplinary action to be taken if an employee fails to declare a relevant interest, or is found to have abused his or her official position, or knowledge, for the purpose of self-benefit, or that of family or friends.

Preferential treatment in private transactions

15. Individual staff must not seek or accept preferential rates or benefits in kind for private transactions carried out with companies with which they have had, or may have, official dealings on behalf of their NHS employer. (This does not apply to concessionary agreements negotiated with companies by NHS management, or by recognised staff interests on behalf of all staff - for example, NHS staff benefits schemes.)

Contracts

16. All staff who are in contact with suppliers and contractors (including external consultants), and in particular those who are authorised to sign Purchase Orders, or place contracts for goods, materials or services, are expected to adhere to professional standards of the kind set out in the Ethical Code of the Institute of Purchasing and Supply (IPS), reproduced at PART E.

Favouritism in awarding contracts

17. Fair and open competition between prospective contractors or suppliers for NHS contracts is a requirement of NHS Standing Orders and of EC Directives on Public Purchasing for Works and Supplies. This means that:

- no private, public or voluntary organisation or company which may bid for NHS business should be given any advantage over its competitors, such as advance notice of NHS requirements. This applies to all potential contractors, whether or not there is a relationship between them and the NHS employer, such as a long-running series of previous contracts.

- each new contract should be awarded solely on merit, taking into account the requirements of the NHS and the ability of the contractors to fulfil them.

18. NHS employers should ensure that no special favour is shown to current or former employees or their close relatives or associates in awarding contracts to private or other businesses run by them or employing them in a senior or relevant managerial capacity. Contracts may be awarded to such businesses where they are won in fair competition against other tenders, but scrupulous care must be taken to ensure that the selection process is conducted impartially, and that staff that are known to have a relevant interest play no part in the selection.

Warnings to potential contractors

19. NHS employers will wish to ensure that all invitations to potential contractors to tender for NHS business include a notice warning tenderers of the consequences of engaging in any corrupt practices involving employees of public bodies.

Outside employment

20. NHS employees are advised not to engage in outside employment that may conflict with their NHS work, or be detrimental to it. They are advised to tell their NHS employing authority if they think they may be risking a conflict of interest in this area: the NHS employer will be

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responsible for judging whether the interests of patients could be harmed, in line with the principles in paragraph 5 above. NHS employers may wish to consider the preparation of local guidelines on this subject.

Private practice

21. Consultants (and associate specialists) employed under the Terms and Conditions of Service of Hospital Medical and Dental Staff are permitted to carry out private practice in NHS hospitals subject to the conditions outlined in the handbook "A Guide to the Management of Private Practice in the NHS". (See also PM (79) 11). Consultants who have signed new contracts with Trusts will be subject to the terms applying to private practice in those contracts.

22. Other grades may undertake private practice or work for outside agencies, providing they do not do so within the time they are contracted to [he NHS, and they observe the conditions in paragraph 20 above. All hospital doctors are entitled to fees for other work outside their NHS contractual duties under "Category 2" (paragraph 37 of the TCS of Hospital Medical and Dental staff), e.g. examinations and reports for life insurance purposes. Hospital doctors and dentists in training should not undertake locum work outside their contracts where such work would be in breach of their contracted hours. Career grade medical and dental staff employed by NHS Trusts may agree terms and conditions different from the National Terms and Conditions of Service.

Rewards for Initiative

23. NHS employers should ensure that they are in a position to identify potential intellectual property rights (IPR), as and when they arise, so that they can protect and exploit them properly, and thereby ensure that they receive any rewards or benefits (such as royalties) in respect of work commissioned from third parties, or work carried out by their employees in the course of their NHS duties. Most IPR are protected by statute; e.g. patents are protected under the Patents Act 1977 and copyright (which includes software programmes) under the Copyright Designs and Patents Act 1988. To achieve this NHS employers should build appropriate specifications and provisions into the contractual arrangements that they enter into *before* the work is commissioned, or begins. They should always seek legal advice if in any doubt in specific cases.

24. With regard to patents and inventions, in certain defined circumstances the Patents Act gives *employees a right* to obtain some reward for their efforts, and employers should see that this is effected. Other rewards may be given voluntarily to employees who within the course of their employment have produced innovative work of outstanding benefit to the NHS. Similar rewards should be voluntarily applied to other activities such as giving lectures and publishing books and articles.

25. In the case of collaborative research and evaluative exercises with manufacturers, NHS employers should see that they obtain a fair reward for the input they provide. If such an exercise involves additional work for an NHS employee outside that paid for by the NHS employer under his or her contract of employment, arrangements should be made for some share of any rewards or benefits to be passed on to the employee(s) concerned from the collaborating parties. Care should however be taken that involvement in this type of arrangement with a manufacturer does not influence the purchase of other supplies from that manufacturer.

(i) In these guidelines "NHS employer" means all "for action' addressees listed on the title page of HSG (93) 5.

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Institute of Purchasing and Supply - Ethical Code
(Reproduced by kind permission of IPS)

Introduction

1. The code set out below was approved by the Institute's Council on 26 February 1977 and is binding on IPS members.

Precepts

2. Members shall never use their authority or office for personal gain and shall seek to uphold and enhance the standing of the Purchasing and Supply profession and the Institute by:

a. maintaining an unimpeachable standard of integrity in all their business relationships both inside and outside the organisations in which they are employed;

b. fostering (the highest possible standards of professional competence amongst those for whom they are responsible;

c. optimising the use of resources [or which they are responsible to provide the maximum benefit to their employing organisation;

d. complying both with the letter and the spirit of;

i. the law of the country in which they practise;

ii. such guidance on professional practice as may be issued by the Institute from time to time;

iii. contractual obligations;

e. rejecting any business practice that might reasonably be deemed improper.

Guidance

3. In applying these precepts, members should follow the guidance set out below:

a. Declaration of interest. Any personal interest that may impinge or might reasonably be deemed by others to impinge on a member's impartiality in any matter relevant to his or her duties should be declared.

b. Confidentiality and accuracy of information. The confidentiality of information received in the course of duty should be respected and should never be used for personal gain; information given in the course of duty should be true and fair and never designed to mislead.

c. Competition. While bearing in mind the advantages to the member's employing organisation of maintaining a continuing relationship with a supplier, any relationship which might, in the long term, prevent the effective operation of fair competition, should be avoided.

d. Business Gifts. Business gifts other than items of very small intrinsic value such as business diaries or calendars should not be accepted.

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e. Hospitality. Modest hospitality is an accepted courtesy of a business relationship. However, the recipient should not allow him or herself to reach a position whereby he or she might be deemed by others to have been influenced in making a business decision as a consequence of accepting such hospitality; the frequency and scale of hospitality accepted should not be significantly greater than the recipient's employer would be likely to provide in return.

f. when it is not easy to decide between what is and is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the member's superior.

Paper 8.1 Attachment 1

The Trust is also fully committed to taking all reasonable endeavours to achieve and demonstrate compliance with the Nolan principles in all its activities:

A.The Seven Principles of Public Life

B.Selflessness
Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

1.Integrity
Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

2.Objectivity
In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

3.Accountability
Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

4.Openness
Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

5.Honesty
Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

6.Leadership
Holders of public office should promote and support these principles by leadership and example.

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APPENDIX 3

19. EQUALITY IMPACT ASSESSMENT

STANDING ORDERS

Addendum A **Equality Impact Assessment Summary**
Name: **John Headley**

Policy/Service:

Background

- Description of the aims of the policy
- Context in which the policy operates
- Who was involved in the Equality Impact Assessment

NHS Trusts need to agree Standing Orders (SOs) for the regulation of their proceedings and business. Regulation 19 of the NHS Trusts (Membership and Procedure) Regulations 1990 (SI(1990)2024) 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). The Codes of Conduct and Accountability (EL(94)40) require Boards to adopt schedules of reservation of powers and delegation of powers.

These documents, together with Standing Financial Instructions, provide a regulatory framework for the business conduct of the Trust. They fulfil the dual role of protecting the Trust's interests
and protecting staff from any possible accusation that they have acted less than properly.

The Standing Orders, Delegated Powers and Standing Financial Instructions provide a comprehensive business framework. All executive and non-executive directors, and all members of staff, should be aware of the existence of these documents and, where necessary, be familiar with the detailed provisions.

The Standing Orders incorporate provisions of the National Health Service Trusts (Membership and Procedure) Regulations 1990 SI(1990)2024 as amended by SI(1990)2160 and SI(1996).

Methodology

- A brief account of how the likely effects of the policy was assessed (to include race and ethnic origin, disability, gender, culture, religion or belief, sexual orientation, age)
- The data sources and any other information used
- The consultation that was carried out (who, why and how?)

This document was reviewed by the Executive Directors in reviewing the proposed document. No adverse implications for any group were identified.

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Key Findings • Describe the results of the assessment • Identify if there is adverse or a potentially adverse impacts for any equalities groups
No adverse or a potentially adverse impacts for any equalities groups identified
Conclusion Provide a summary of the overall conclusions
NHS Trusts are required in law to have in place Standing Orders to ensure appropriate governance and , provide a regulatory framework for the business conduct of the Trust. They fulfil the dual role of protecting the Trust's interests and protecting staff from any possible accusation that they have acted less than properly. It is not identified that there will be any adverse effects to any group with implementation of this policy.
Recommendations State recommended changes to the proposed policy as a result of the impact assessment Where it has not been possible to amend the policy, provide the detail of any actions that have been identified Describe the plans for reviewing the assessment
No recommendations identified. The document will be reviewed and impact assessed at the next review in 2010.

Guidance on Equalities Groups

Race and Ethnic origin (includes gypsies and travellers) (consider communication, access to information on services and employment, and ease of access to services and employment)	**Religion or belief** (include dress, individual care needs, family relationships, dietary requirements and spiritual needs for consideration)
Disability (consider communication issues, access to employment and services, whether individual care needs are being met and whether the policy promotes the involvement of disabled people)	**Sexual orientation including lesbian, gay and bisexual people** (consider whether the policy/service promotes a culture of openness and takes account of individual needs
Gender (consider care needs and employment issues, identify and remove or justify terms which are gender specific)	**Age** (consider any barriers to accessing services or employment, identify and remove or justify terms which could be ageist, for example, using titles of senior or junior)
Culture (consider dietary requirements, family relationships and individual care needs)	**Social class** (consider ability to access services and information, for example, is information provided in plain English?)

In addition to the statutory requirements, the Secretary of State through the NHS Executive issues further requirements and guidance as ELs, FDLs, HSGs etc. Many of these are contained within the Executive's Corporate Governance Framework Manual (Finance). The manual contains a list of the main statutes and legislation relevant to NHS Trusts.

Included in the Manual are the Codes of Conduct and Accountability for NHS Boards. The Code of Accountability requires that, inter alia, Boards draw up a schedule of decisions reserved to the Board, and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives (a scheme of delegation). The code also requires the establishment of Audit and Remuneration Committees with formally agreed terms of reference. The Code of Conduct makes various requirements concerning possible conflicts of interest of Board Directors.

Also included in the Corporate Governance Framework Manual (Finance) is the Code of Practice on Openness in the NHS which sets out the requirements for public access to information on the NHS.

Ashford and St. Peter's Hospitals NHS
NHS Trust

RESERVATION OF POWERS TO THE BOARD
and
SCHEMES OF DELEGATION

derived from

STANDING ORDERS
2010

CONTENTS

1 Introduction

2 Scheme of Decisions Reserved to the Board

3 Scheme of Delegation from the Board

4 Scheme of Delegation to CHIEF EXECUTIVE

5 Chief Executive's detailed Scheme of Delegation

(The Chief Executive's Scheme of delegation is the responsibility of the Chief Executive. It is the prerogative of the Chief Executive but is included in the overall suite of Documentation for both completeness and to support the Board in its assurance processes.)

RESERVATION OF POWERS TO THE BOARD AND DELEGATION OF POWERS

1. INTRODUCTION

1.1 SO 5.1 of the Standing Orders provides that "subject to such directions as may be given by the Secretary of State, the Trust may make arrangements for the exercise, on behalf of the Trust, of any of its functions by a committee or sub-committee or by the Chairman or a Director or by an officer of the Trust, in each case subject to such restrictions and conditions as the Board thinks fit". The Code of Accountability also requires that there should be a formal schedule of matters specifically reserved to the Trust.

The purpose of this document is to provide an example of how those powers may be reserved to the Board - generally matters for which it is held accountable to the Secretary of State, while at the same time delegating to the appropriate level the detailed application of Trust policies and procedures. However, the Board remains accountable for all of its functions, even those delegated to the Chairman, individual Directors or officers and would therefore expect to receive information about the exercise of delegated functions to enable it to maintain a monitoring role.

1.2 Role of the Chief Executive

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

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

1.3 Caution over the Use of Delegated Powers

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

1.4 **Directors' Ability to Delegate their own Delegated Powers**

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

1.5 **Absence of Directors or Officer to Whom Powers have been Delegated**

In the absence of a Director or officer to whom powers have been delegated those powers shall be exercised by that Director's Designated Deputy. If the Chief Executive is absent powers delegated to him/her may be exercised by another Executive Director nominated by him/her.

2. RESERVATION OF POWERS TO THE BOARD

2.1 The Code of Accountability which has been adopted by the Trust requires the Board to determine those matters on which decisions are reserved unto itself. These reserved matters are set out in Section 2 below: the Scheme of Decisions reserved to the Board:

2.2 **General Enabling Provision**

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

SECTION 2: SCHEME OF DECISIONS RESERVED TO THE BOARD

THE BOARD	DECISIONS RESERVED TO THE BOARD
THE BOARD	**General Enabling Provision** The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.
THE BOARD	**Regulations and Control** 1. Approve Standing Orders (SOs), a schedule of Matters Reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business. 2. Suspend Standing Orders (SO 4.33) 3. Vary or amend the Standing Orders. (SO 4.38) 4. Ratify any urgent decisions taken by the Chairman and Chief Executive in public session in accordance with SO 5.2 5. Approve a scheme of delegation of powers from the Board to committees**.** 6. Require and receive the declaration of Board members' interests that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration. 7. Require and receive the declaration of officers' interests that may conflict with those of the Trust. 8. Adopt the top level organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto. 9. Receive reports from committees including those that the Trust is required by the Secretary of State or other regulation to establish and to take appropriate action on. 10. Confirm the recommendations of the Trust's committees where the committees do not have executive powers. 11. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust. 12. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board. 13. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property.

THE BOARD	DECISIONS RESERVED TO THE BOARD
	14. Authorise use of the seal. 15. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 5.8.
THE BOARD	**Appointments/ Dismissal** 1. Appoint the Vice Chairman of the Board. 2. Appoint and dismiss committees (and individual members) that are directly accountable to the Board. 3. Confirm appointment of members of any committee of the Trust as representatives on outside bodies. 4. Agree arrangements for succession planning for the Board 5. Appointment , appraisal, disciplining and dismissal of EDs
THE BOARD	**Strategy, Business Plans and Budgets** 1. Define the strategic aims and objectives of the Trust. 2. Approve the Integrated Business Plan and Trust Annual Business Plan 3. Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State. 4. Approve Business Cases for Revenue and Capital Investment over £1,000,000. 5. Approve annually application of available revenue resources including the capital plan. 6. Ratify proposals for acquisition, disposal or change of use of land and/or buildings 7. Approve PFI proposals. 8. Approve major Trust-wide Strategies e.g. workforce, IT and Estates 9. Approve the opening and closing of bank accounts. 10. Receipt and approval of a schedule of NHS contracts signed in accordance with arrangements approved by the CE 11. Approve proposals on individual contracts (other than NHS contracts) amounting to, or likely to amount to a maximum lifetime financial commitment of more than £1,000,000. This excludes any purchase of land and/or buildings, approval of which is reserved to the Board 12. The introduction or discontinuation of any significant activity or operation. An activity or operation shall be regarded as significant if it has a gross annual income or expenditure (that is before any set off) in excess of £1,000,000. 13. Approval of individual contracts (other than NHS contracts) of a capital or revenue nature amounting to,

THE BOARD	DECISIONS RESERVED TO THE BOARD
	or likely to amount to, over £1m over a 3 year period or the period of the contract if longer. 14. Entering into joint ventures including with other NHS organisations ~~where the lifetime commitment is~~ greater than £1 million. 15. Approve individual compensation payments over £100,000 except where these are made in accordance with NHSLA instructions. 16. Approve proposals for action on litigation against or on behalf of the Trust except where these are made in accordance with NHSLA instructions. 17. Application of Charitable funds above a commitment of £100,000
THE BOARD	**Policy Determination** 1. The Board will be the authorising Body for the Policy for the Development and Management of Procedural Documents i.e. Policies and Procedures 2. Approve arrangements for dealing with complaints. 3. Investment Policy 4. Approve the policies for the arrangements on ~~appointment~~, dismissal ~~removal~~ and remuneration (when an FT) of for officers of the Trust 5. Approve the Trust's policies for the management of risk including the Health and Safety Policy and the Risk Management Strategy for the Trust.
	Audit 1. Approve the appointment (and where necessary dismissal) of internal auditors and advise the Audit Commission on the appointment (and where necessary change/removal) of external auditors including arrangements for the separate audit of funds held on trust, and to receive reports of the Audit Committee meetings and take appropriate action. 2. Receive of the annual management letter received from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit Committee. 3. Receive an annual report from the Internal Auditor and agree action on recommendations where

THE BOARD	DECISIONS RESERVED TO THE BOARD
	appropriate of the Audit Committee.
THE BOARD	***Annual Reports and Accounts*** 1. Receipt and approval of the Trust's Annual Report and Annual Accounts. 2. Receipt and approval of the Annual Report and Accounts for funds held on trust.
THE BOARD	***Monitoring*** 1. Receive such reports as the Board sees fit from committees in respect of their exercise of powers delegated. 2. Continuous appraisal of the affairs of the Trust by means of the provision to the Board as the Board may require from directors, committees, and officers of the Trust as set out in management policy statements. 3. Receive reports from Director of Finance on financial performance against budget and business plan. 4. Receive Trust wide Annual Reports including those relating to Complaints, Clinical Governance and Infection Control

SECTION 3: SCHEME OF DELEGATION

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
2.1	CHAIRMAN	Final authority in interpretation of Standing Orders (SOs).
3.9	Board	Appointment of Vice Chairman
3.4	CHAIRMAN	Call meetings.
4.5	CHAIRMAN	Chair all Board meetings and associated responsibilities.
4.21	CHAIRMAN	Give final ruling in questions of order, relevancy and regularity of meetings.
4.22	CHAIRMAN	Having a second or casting vote
4.32	BOARD	Suspension of Standing Orders
4.36	AUDIT COMMITTEE	Audit Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board)
4.37	BOARD	Variation or amendment of Standing Orders
5.2	CHAIRMAN & CHIEF EXECUTIVE	The powers which the Board has retained to itself within these Standing Orders (Standing Order 3.5) may in emergency be exercised by the Chair and Chief Executive after having consulted at least two Non-Executive members
5.3	BOARD	Formal delegation of powers to sub committees or joint committees and approval of their constitution and terms of reference. (Constitution and terms of reference of sub committees may be approved by the Chief Executive.)
5.5	CE	The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals that shall be considered and approved by the Board, subject to any amendment agreed during the discussion.
5.8	ALL	Disclosure of non-compliance with Standing Orders to the Chief Executive as soon as possible.

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
7.1	THE BOARD	Declare relevant and material interests
7.8	CE	Maintain Register(s) of Interests.
9.1	ALL STAFF	Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff" (refer Appendix 2 of SOs)
9.8	ALL	Disclose relationship between self and candidate for staff appointment. (CE to report the disclosure to the Board.)
10	CE	Tendering and contract procedure
10.5	CE AND NOMINATED OFFICERS*	Waive formal tendering procedures (subject to points a) to g) in SO 10.5).
10.5	CE	Report waivers of tendering procedures to the Finance committee.
10.13	CE OR NOMINATED OFFICERS*	Evaluate the quotations and select the one which gives the best value for money
10.16	CE	Ensure best value for money is demonstrated for all services provided under contract or in-house.
10.17	CE	Demonstrate that the use of private finance represents best value for money and transfers risk to the private sector.
10.19	CE*	Nominate an officer to oversee and manage a contract on behalf of the Trust.
10.20	CE*	Nominate officers to enter into contracts of employment, re-grading staff, agency staff or consultancy service contracts.
10.22	CE*	Nominate officers with power to negotiate commissioning contracts/service agreements with providers of healthcare and other authorities.
12.4	CE*	Nominate an officer to oversee and manage a contract (for in-house services) on behalf of the Trust
13	BOARD	Authorise use of the Seal

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
13.1	CE	Keep seal in safe place and maintain a register of sealing.
13.3	CE AND DOF OR NOMINATED OFFICERS*	Approve and sign all building, engineering, property or capital documents.
13.4	BOARD	See the register of sealing quarterly.
14.1	CE	Approve and sign all documents which will be necessary in legal proceedings
14.2	CE OR NOMINATED OFFICERS*	Sign where authorised by resolution of the Board on behalf of the Trust any agreement or document not requested to be executed as a deed.
16.1	CE	Existing Board members, officers and employees and all new appointees are notified of and understand their responsibilities within Standing Orders and SFIs.
App 1 s2	CE	Designate an officer responsible for receipt and custody of tenders before opening.
App 1 s3	TWO SENIOR OFFICERS	Open tenders.
App 1 s4	CE OR NOMINATED OFFICER*	Decide whether any late tenders should be considered.
App 1 s5	DOF	Keep lists of approved firms for tenders.

SECTION 4: SCHEME OF DELEGATION FROM THE BOARD TO THE CHIEF EXECUTIVE

The Board reserves certain powers to itself whilst also delegating certain powers (specified in Standing Orders 5.7 and detailed in Section 3 of the, "Reservation of powers to the Board and delegation of powers").

The remaining powers necessary to manage and operate the Trust are delegated to the Chief Executive. This Scheme of Delegation makes clear what these delegated powers are, and their limits. If any power has not been reserved to the Board, or delegated to a committee, or delegated within this document, it is assumed to be delegated to the Chief Executive.

The exercise of delegated authority is subject to the stipulations of those Policies agreed by the Board or those Committees reporting to the Board.

The Chief Executive is in turn responsible for preparing and publishing a Detailed Scheme of Delegation where his or her powers are delegated to other Directors and officers of the Trust.

The Board remains accountable for all of its delegated functions, and would therefore expect to receive information about the exercise of delegated functions to enable it to maintain a monitoring role. The Board should also be advised of any major matters likely to bring the good name of the Trust into disrepute.

The powers delegated by the Board to the Chief Executive are as follows:

1	**The recruitment and dismissal of employees**	This applies to all employees other than Executive Directors.
2	**Determining the pay and conditions of employees**	This does not apply to the pay and conditions of Executive Directors, which are determined by the Remuneration Committee and subject to remuneration and employment policies approved by the Board. Any one-off (e.g. severance) payment in excess of £100,000 must be approved by the Board.
3	**Approval of purchase orders, rental and service contracts, and payment of**	Subject to the tender process set out in the Standing Orders and to a maximum lifetime financial commitment of £1 million, above which Board approval is required.

	invoices – both revenue and capital items	This excludes any purchase of land and/or buildings, approval of which is reserved to the Board. When Foundation Trust status is achieved, it will also exclude appointment of external auditors which must be approved by the Council of Governors.
4	**Entering into contracts to sell or rent out goods or services, including trading with other NHS organisations, and agreeing prices thereof**	Subject to a maximum lifetime commitment of £1 million, above which Board approval is required. This excludes any sale of land and/or buildings, approval of which is reserved to the Board.
5	**Entering into joint ventures including with other NHS organisations** .	Subject to a maximum lifetime commitment of £1 million, above which Board approval is required
6	**Investing the Trust's monies, including monies held on trust subject to investment policy approved by the Board**	
7	**Application of Charitable Funds**	Subject to a maximum commitment of £100k
8	**Other matters, specifically:**	a. Arranging insurance cover b. Reporting fraud or crime to the police c. Dealing with complaints d. Dealing with news media e. Clinical service development f. Authorisation of clinical research projects, and clinical trials g. Clinical audit h. Keeping the declaration of interest register i. Attestation and keeping a record of sealings j. Approval of non contractual payments up to £250,000.

SECTION 5: CHIEF EXECUTIVE'S DETAILED SCHEME OF DELEGATION TO THE ORGANISATION

The Chief Executive's Scheme of delegation is the responsibility of the Chief Executive. It is the prerogative of the Chief Executive but is included in the overall suite of Documentation for both completeness and to support the Board in its assurance processes.

Key to abbreviations:

ED	Executive Director
CD	Clinical Director
CE	Chief Executive
DF&I	Director of Finance and Information
DWOD	Director of Workforce
DS	Director of Strategy
MD	Medical director
CN	Chief Nurse
COO	Chief operating Officer

		Amount(£)	Delegated to	Notes
1	Budget accountability			
			EDs, CDs, General Managers and budget mangers	'Budget managers' are those managers within each Directorate to whom the ED or CD has delegated budgetary accountability for their area of responsibility. Each CD and ED will prepare a list of accountable managers to the DF&I annually
2	People costs and Decisions			
	Recruitment within funded establishment (except consultant posts)		People managers	(1) 'People managers' are those managers within each Directorate to whom the ED or CD has delegated budgetary accountability for their area of responsibility. Each ED and CD will propose a list of accountable managers to the DWOD and DF&I annually

		Amount(£)	Delegated to	Notes
	Consultant Posts		CE	Must be approved by TEC following presentation of a formal business case
	Engaging management consultants		CE or ED	
	Recruitment beyond funded establishment		DF&I or CE	Subject to vacancy panel process
	Engagement of agency staff		People managers	Subject to vacancy policy and published guidance
	Regrading of posts		People managers	
	Complete forms to confirm pay, new starters and variations		People managers	
	Sign off expenses claims (travel and subsistence)		People managers	
	Complete positive reporting forms		People managers	
	Compassionate leave		People managers	Leave policy
	Carer leave			Leave policy
	Sick pay			In accordance with the sickness absence policy including Occupational Health referral
	Study leave			In accordance with Learning and Development policy
	Removal expenses	Up to £8k	DWOD	
		£8k plus	CE	
	Authorise lease car user post		DWOD	Lease car policy
	Authorise allocation of Trust mobile phone or PDSA		EDs , CDs	
	Redundancy		DWOD	
	Application for early retirement (ill health)		DWOD	

		Amount(£)	Delegated to	Notes
	Compromise agreements		DWOD	
	Dismissal		People managers	Per disciplinary policy
	Facilities for work experience		People managers	
3	Revenue expenses			
	Budgeted expense	Up to £10k	Budget manager	This is a maximum. EDs ,CDs, and General Managers are able to set lower limits for managers within their areas of responsibility
		£10k to £25k	General Manager	
		£25k to £50k	ED or CD	
		£50k to £250k	DF&I	Where DF&I is budget holder, CE
		£250k to £1m	CE	
		£1m plus	Reserved for Trust Board	
	Un budgeted expenses	£5k plus	CE/DF&I	This is not intended to imply activity related to expenses which are funded by additional income
	Equipment leases		See section 4	Equipment acquired via leasing is subject to similar oversight as if acquired as capital expense
4	Capital Investment			
	Building work, equipment, software etc.	Up to £100k	ED or CD	Must be approved by Capital Control Group , ISSG or Medical Equipment Committee
		£100k to £250k	DF&I	Must be approved by TEC following presentation of formal Business case
		£250k to £1m		Must be approved by TEC and Finance Committee following presentation of formal Business case
		£1m plus	Reserved for Trust Board	
	Capital equipment		Subject to same sign	Sign off level determined by multiplying annual lease value by

		Amount(£)	Delegated to	Notes
	acquired via lease contracts		off limits as capital	5 to derive notional capital value
5	Tendering Process			
	Organising tender		Head of Procurement, Head of Facilities, Capital Project Manager	
	Receiving tenders		DF&I	
	Opening and recording ~~quotations~~ tenders		Any 2 EDs	
	Adjudication decision		Head of Procurement, Head of Facilities, Capital Project Manager	Normally to lowest price tender. However the adjudicating manager may base decisions on other criteria- but this must be documented.
	Written quotations	**£5k to £50k**		
	Number of quotations to be obtained	£5k to £20k		2 written quotations
		£20k to £50k		3 written quotations
	Formal tender process	**£50k+**		
	Number of tenders to be obtained	£50k +		3 tenders
	OJEU tender	OJEU threshold		Legal requirements to publish in EU official journal- advice from Head of Procurement
6	Fees and tariffs for clinical activity			
	NHS contracts		DS plus DF&I	
	Private Patients and non NHS work		DS plus DF&I	

		Amount(£)	Delegated to	Notes
7	Charitable Funds			
		Up to £2k	Trust Fund Holder	
		£2k to £25k	DF&I	
		£25k to £100k	CE	
		£100k plus	Reserved for Trust Board	
8	Purchase and sale of land and /or buildings			
			Reserved for Trust Board	
9	Rental of land and Buildings			
			DS plus DF&I	
10	Losses Write offs and compensation			
	Ex Gratia payments	Up to £10k	Head of Customer Affairs ~~Non Clinical risk manager~~	Subject to complaints policy
		Up to £100k	DF&I	
		£100kto £250k	CE	
		£250k plus	Trust Board	
	Bad debt write offs		Audit committee	
	Write off of losses (theft , fraud , overpayment etc)		Audit committee	
	Legal settlements		DF&I	
11	Insurance cover			
	NHSLA and insurance policies		DF&I and CN	

		Amount(£)	Delegated to	Notes
12	Investment of funds			
	Trust monies		DF&I	Subject to Treasury Policy
	Charitable monies		DF&I	Finance Committee oversight
13	Reporting of fraud to police			
			DF&I	
14	Dealing with Complaints			
	Overall responsibility for dealing with complaints		CE	
	Investigate and responds to complaints with a Directorate		ED/CD	
	Coordination of complaints process		Head of Customer affairs	
15	Dealing with news media			
	Non emergency enquiries and coverage		Head of Communications	
	Emergency or major incident		CE	Major Incident policy
16	Clinical services development			
	Depending on annual income/cost (which ever is the highest)	Up to £100k	COO and DF&I	
		£100k to £1m	CE	Must be approved by TEC following presentation of formal business case
		£1m plus	Reserved for Trust	Must be approved by TEC following presentation of formal

		Amount(£)	Delegated to	Notes
			Board	business case
17	Changes to bed allocation			
			COO	
18	Authorisation of Clinical research Projects			
			MD	
19	Authorisation of Clinical trials			
			MD	
20	Approval of new drugs			
			Chair Drugs and Therapeutics committee	
21	Clinical audit			
			CN	
22	Health and safety and buildings legislatory compliance			
			Head OF Facilities/COO	
23	Compliance with environmental legislation			
			Head of Facilities/COO	
24	Fire Precautions			
			Head of Facilities/COO	
25	Data Protection Act compliance			
			DF&I	

		Amount(£)	Delegated to	Notes
26	Joint ventures with other organisations			
	Depending on annual income/cost	Up to £100k	DF&I	A joint venture normally involves sharing an investment and sharing risk/return. Amounts represent higher of Trust's share of annual income or expenses
		£100k to £1m	CE	Must be approved by TEC following presentation of formal business case
		£1m	Reserved for Trust Board	Must be approved by TEC following presentation of formal business case
27	Keeping of declaration of interests register			
			Board secretary	
28	Attestation of sealings			
			CE	
29	Keeping a register of sealings			
			Board secretary	
30	Keeping of hospitality registers			
			Board secretary	
31	Retention of corporate records			
			Board secretary	
32	Distribution of Standing Orders			
			Board secretary	

Ashford and St. Peter's Hospitals NHS
NHS Trust

STANDING FINANCIAL INSTRUCTIONS

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ASHFORD AND ST PETER'S HOSPITALS NHS TRUST

STANDING FINANCIAL INSTRUCTIONS

CONTENTS

Section		Page No
1	Introduction	39
2	Audit	42
3	Allocations, Business Planning, Budgets, Budgetary Control And Monitoring	44
4	Annual Accounts And Reports	46
5	Bank And GBS Accounts	47
6	Income, Fees And Charges And Security Of Cash, Cheques And Other Negotiable Instruments	48
7	Contracting For Provision Of Services	49
8	Terms of Service and Payment of Directors and Employees	49
9	Non-Pay Expenditure	52
10	External Borrowing And Investments	56
11	Capital Investment, Private Financing, Fixed Asset Registers And Security Of Assets	57
12	Stores And Receipt Of Goods	60
13	Disposals And Condemnations, Losses And Special Payments	61
14	Information Technology	62
15	Patients' Property	63
16	Funds Held On Trust	64
17	Retention Of Documents	65
18	Risk Management And Insurance	65

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1 INTRODUCTION

1.1 GENERAL

1.1.1 These Standing Financial Instructions (SFIs) are issued in accordance with the Trust (Functions) Directions 2000 issued by the Secretary of State which require that each Trust shall agree SFIs for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. They shall have effect as if incorporated in the Standing Orders (SOs) of the Trust.

1.1.2 These SFIs detail the financial responsibilities, policies and procedures to be adopted by the Trust. They are designed to ensure that its financial transactions are carried out in accordance with the law and Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust.

1.1.3 These SFIs identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations including Trading Units. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Director of Finance & Information.

1.1.4 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Director of Finance & Information must be sought before acting. The user of these SFIs should also be familiar with and comply with the provisions of the Trust's Standing Orders (SOs).

1.1.5 Failure to comply with SFIs and SOs is a disciplinary matter which could result in dismissal.

1.1.6 **Overriding Standing Financial Instructions** – If for any reason these SFIs are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit Committee for referring action or ratification. All members of the Board and staff have a duty to disclose any non-compliance with these SFI to the Director of Finance & Information as soon as possible.

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Deleted: the Financial Directions issued by the Secretary of State under the provisions of Sections 99(3), 97(A)(4) and (7) of the National Health Service Act 1977 for the regulation of the conduct of the Trust in relation to all financial matters.

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1.2 TERMINOLOGY

1.2.1 Any expression to which a meaning is given in Health Service Acts, or in the Financial Directions made under the Acts, shall have the same meaning in these instructions.

a) "Trust" means the Ashford and St Peter's Hospitals NHS Trust.

b) "Board" means the Board of the Trust.

c) "Budget" means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the

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functions of the Trust.

d) "Budget Holder" means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.

e) "Chief Executive" means the chief officer of the Trust.

f) "Director of Finance & Information" means the chief financial officer of the Trust.

g) "Funds held on trust" shall mean those funds which the Trust holds at 1st April 1996 or date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under S.90 of the NHS Act 1977, as amended. Such funds may or may not be charitable.

h) "Legal Adviser" means the properly qualified person appointed by the Trust to provide legal advice.

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

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

1.3 **RESPONSIBILITIES AND DELEGATION**

1.3.1 The Board exercises financial supervision and control by:

(a) Formulating the financial strategy.

(b) Requiring the submission and approval of budgets within approved allocations/overall income.

(c) Defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money).

(d) Defining specific responsibilities placed on directors and employees as indicated in the Scheme of Delegation document.

1.3.2 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the 'Reservation of Powers to the Board' document.

1.3.3 The Board will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation document adopted by the Trust.

1.3.4 Within the SFIs, it is acknowledged that the Chief Executive is ultimately

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accountable to the Board, and as accountable officer to the Secretary of State, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the Trust's activities, is responsible to the Board for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.

1.3.5 The Chief Executive and Director of Finance & Information will, as far as possible, delegate their detailed responsibilities but they remain accountable for financial control.

1.3.6 It is a duty of the Chief Executive to ensure that existing directors and employees and all new appointees are notified of and understand their responsibilities within these Instructions.

1.3.7 The Director of Finance & Information is responsible for:

(a) Implementing the Trust's financial policies and for co-ordinating any corrective action necessary to further these policies.

(b) Maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions.

(c) Ensuring that sufficient records are maintained to show and explain the Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time.

Without prejudice to any other functions of directors and employees to the Trust, the duties of the Director of Finance & Information include:

(d) The provision of financial advice to the Trust and its directors and employees.

(e) The design, implementation and supervision of systems of internal financial control.

(f) The preparation and maintenance of such accounts, certificates, estimates, records and reports as the Trust may require for the purpose of carrying out its statutory duties

1.3.8 All directors and employees, severally and collectively, are responsible for:

(a) The security of the property of the Trust.

(b) Avoiding loss.

(c) Exercising economy and efficiency in the use of resources.

(d) Conforming with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.

1.3.9 Any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income shall be

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covered by these instructions. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.

1.3.10 For any and all directors and employees who carry out a financial function, the form in which financial records are kept and the manner in which directors and employees discharge their duties must be to the satisfaction of the Director of Finance & Information.

2 AUDIT

2.1 AUDIT COMMITTEE

2.1.1 In accordance with Standing Orders the Board shall formally establish an Audit Committee, with clearly defined terms of reference and following guidance from the NHS Audit Committee Handbook (2005), which will provide an independent and objective view of internal control by:

(a) Overseeing Internal and External Audit services.

(b) Reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;

(c) review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives;

(d) Monitoring compliance with Standing Orders and Standing Financial Instructions.

(e) reviewing schedules of losses and compensations and making recommendations to the Board.

(f) reviewing the arrangements in place to support the Assurance Framework process prepared on behalf of the Board and advising the Board accordingly.

2.1.2 Where the Audit Committee feel there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the committee wish to raise, the chairman of the 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 & Information in the first instance).

2.1.3 It is the responsibility of the Director of Finance & Information to ensure an adequate internal audit service is provided and the Audit Committee shall be involved in the selection process when an internal audit service provider is changed.

2.2 FRAUD AND CORRUPTION

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2.2.1 In line with their responsibilities, the Chief Executive and Director of Finance & Information shall monitor and ensure compliance with SofS Directions on fraud and corruption.

2.2.2 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the NHS Fraud and Corruption Manual and guidance.

2.2.3 The Local Counter Fraud Specialist shall report to the Health Authority/NHS Trust Director of Finance & Information and shall work with staff in the Counter Fraud and Security Management Services (CFSMS) and the Regional Counter Fraud and Security Management Services (CSFMS) in accordance with the Department of Health Fraud and Corruption Manual.

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2.3 DIRECTOR OF FINANCE & INFORMATION

2.3.1 The Director of Finance & Information is responsible for:

(a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective internal audit function;

(b) ensuring that the internal audit is adequate and meets the NHS mandatory audit standards;

(c) deciding at what stage to involve the police in cases of misappropriation, and other irregularities not involving fraud and corruption;

(d) ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee and the Board. The report must cover:

(i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health including for example compliance with control criteria and standards;
(ii) major internal (financial) control weaknesses discovered,
(iii) progress on the implementation of internal audit recommendations,
(iv) progress against plan over the previous year,
(v) strategic audit plan covering the coming three years,
(vi) a detailed plan for the coming year.

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2.3.2 The Director of Finance & Information or designated auditors are entitled without necessarily giving prior notice to require and receive:

(a) Access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature.

(b) Access at all reasonable times to any land, premises or employee of the Trust.

(c) The production of any cash, stores or other property of the Trust under an

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employee's control.

(d) Explanations concerning any matter under investigation.

2.4 ROLE OF INTERNAL AUDIT

2.4.1 Internal Audit will review, appraise and report upon:

(a) the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;

(b) the adequacy and application of financial and other related management controls;

(c) the suitability of financial and other related management data;

(d) the extent to which the Trust/Authority's assets and interests are accounted for and safeguarded from loss of any kind, arising from:
(i) fraud and other offences;
(ii) waste, extravagance, inefficient administration;
(iii) poor value for money or other causes.

2.4.2 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 & Information must be notified immediately.

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

2.4.4 The Head of Internal Audit shall be accountable to the Director of Finance & Information. The reporting system for internal audit shall be agreed between the Director of Finance & Information, 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. The reporting system shall be reviewed at least every 3 years.

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2.5 EXTERNAL AUDIT

2.5.1 The external auditor is appointed by the Audit Commission and paid for by the Trust. The Audit Committee must ensure a cost-efficient service. Should there appear to be a problem, then this should be raised with the external auditor and referred on to the Audit Commission if the issue cannot be resolved.

3 ALLOCATIONS, BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING

3.1 PREPARATION AND APPROVAL OF BUSINESS PLANS AND BUDGETS

3.1.1 The Chief Executive will compile and submit to the Board an annual business plan which takes into account financial targets and forecast limits of available resources. The annual business plan will contain:

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(a) A statement of the significant assumptions on which the plan is based.

(b) Details of major changes in workload, delivery of services or resources required to achieve the plan.

3.1.2 Prior to the start of the financial year the Director of Finance & Information will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board. Such budgets will:

(a) Be in accordance with the aims and objectives set out in the annual business plan;

(b) Accord with workload and manpower plans.

(c) Be produced following discussion with appropriate budget holders.

(d) Be prepared within the limits of available funds.

(e) Identify potential risks.

3.1.3 The Director of Finance & Information shall monitor financial performance against budget and business plan, periodically review them, and report to the Board.

3.1.4 All budget holders must provide information as required by the Director of Finance & Information to enable budgets to be compiled.

3.1.5 The Director of Finance & Information has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

3.2 BUDGETARY DELEGATION

3.2.1 The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:

(a) The amount of the budget.
(b) The purpose(s) of each budget heading.
(c) Individual and group responsibilities.
(d) Authority to exercise virement.
(e) Achievement of planned levels of service.
(f) The provision of regular reports.

3.2.2 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.

3.2.3 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.

3.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Director of Finance.

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3.3 BUDGETARY CONTROL AND REPORTING

3.3.1 The Director of Finance & Information will devise and maintain systems of budgetary control. These will include:

(a) Monthly financial reports to the Board in a form approved by the Board containing:

(i) Income and expenditure to date showing trends and forecast year-end position.
(ii) Movements in working capital.
(iii) Capital project spend and projected outturn against plan.
(iv) Explanations of any material variances from plan.
(v) Details of any corrective action where necessary and the Chief Executive's and/or Director of Finance & Information's view of whether such actions are sufficient to correct the situation.

(b) The issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible.

(c) Investigation and reporting of variances from financial, workload and manpower budgets.

(d) Monitoring of management action to correct variances.

(e) Arrangements for the authorisation of budget transfers.

3.3.2 Each Budget Holder is responsible for ensuring that:

(a) Any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board.

(b) The amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement.

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

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

3.4 CAPITAL EXPENDITURE

The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in Chapter 11.)

3.5 MONITORING RETURNS

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The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation.

4. ANNUAL ACCOUNTS AND REPORTS

4.1 The Director of Finance & Information, on behalf of the Trust, will:

(a) Prepare financial returns in accordance with the accounting policies and guidance given by the Department of Health and the Treasury, the Trust's accounting policies, and generally accepted accounting practice.

(b) Prepare and submit annual financial reports to the Secretary of State certified in accordance with current guidelines.

(c) Submit financial returns to the Secretary of State for each financial year in accordance with the timetable prescribed by the Department of Health.

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

4.3 The Trust will publish an annual report, in accordance with guidelines on local accountability, and present it at a public meeting, (See EL(94)40). The document will comply with the Department of Health's Manual for Accounts.

5 BANK AND GBS ACCOUNTS

5.1 GENERAL

5.1.1 The Director of Finance & Information is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance/ Directions issued from time to time by the Department of Health. In line with 'Cash Management in the NHS' Trusts should minimize the use of commercial bank accounts.

5.1.2 The Board shall approve the banking arrangements.

5.2 BANK AND GBS ACCOUNTS

5.2.1 The Director of Finance & Information is responsible for:

(a) Bank accounts and Government Banking Service (GBS) accounts.

(b) Establishing separate bank accounts for the Trust's non-exchequer funds.

(c) Ensuring payments made from bank or GBS accounts do not exceed the amount credited to the account except where arrangements have been made.

(d) Reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn.

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(e) monitoring compliance with DH guidance on the level of cleared funds.

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5.3 **BANKING PROCEDURES**

5.3.1 The Director of Finance & Information will prepare detailed instructions on the operation of bank and GBS accounts which must include:

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(a) The conditions under which each bank and GBS account is to be operated.

(b) The limit to be applied to any overdraft.

(c) Those authorised to sign cheques or other orders drawn on the Trust's accounts.

5.3.2 The Director of Finance & Information must advise the Trust's bankers in writing of the conditions under which each account will be operated.

5.3.3 One authorised signature is required on cheques of value up to £1,000. Two authorised signatories are required on cheques above £1,000 in value. These arrangements shall also apply where a cheque signing plate is used.

5.4 **TENDERING AND REVIEW**

5.4.1 The Director of Finance & Information will review the commercial banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust's banking business.

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

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

6.1 **INCOME SYSTEMS**

6.1.1 The Director of Finance & Information is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.

6.1.2 The Director of Finance & Information is also responsible for the prompt banking of all monies received.

6.2 **FEES AND CHARGES**

6.2.1 The Trust shall follow the NHS Executive's advice in the "Costing" Manual in setting prices for NHS service agreements.

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6.2.2 The Director of Finance & Information is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health or by Statute. Independent professional advice on matters

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of valuation shall be taken as necessary. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered the guidance in the Department of Health's Commercial Sponsorship – Ethical standards in the NHS shall be followed.

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

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6.3 **DEBT RECOVERY**

6.3.1 The Director of Finance & Information is responsible for the appropriate recovery action on all outstanding debts.

6.3.2 Income not received should be dealt with in accordance with losses procedures.

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

6.4 **SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS**

6.4.1 The Director of Finance & Information is responsible for:

(a) Approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable.

(b) Ordering and securely controlling any such stationery.

(c) The provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines.

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

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

6.4.3 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 & Information.

6.4.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the Trust is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the Trust from responsibility for any loss.

7 CONTRACTING FOR PROVISION OF SERVICES

7.1 The Chief Executive is responsible for negotiating contracts for the provision of

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services to patients in accordance with the Business Plan, and for establishing the arrangements for providing extra-contractual services. In carrying out these functions, the Chief Executive should take into account the advice of the Director of Finance & Information regarding:

(a) Costing and pricing of services.

(b) Payment terms and conditions.

(c) Amendments to contracts and extra-contractual arrangements.

7.2 Contracts should be so devised as to minimise risk whilst maximising the Trust's opportunity to generate income. Contract prices shall comply with "Costing manual guidelines.

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7.3 The Director of Finance & Information shall produce regular reports detailing actual and forecast contract income [linked to contract activity] with a detailed assessment of the impact of the variable elements of income.

7.4 Any pricing of contracts at marginal cost must be undertaken by the Director of Finance & Information and reported to the Board.

8 TERMS OF SERVICE AND PAYMENT OF DIRECTORS AND EMPLOYEES

8.1 REMUNERATION AND TERMS OF SERVICE

8.1.1 In accordance with Standing Orders the Board shall establish a Remuneration and Terms of Service Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting. (see NHS guidance).

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8.1.2 The Committee will:

(a) Advise the Board about appropriate remuneration and terms of service for the Chief Executive and other executive directors (and other senior employees), including:

(i) All aspects of salary (including any performance-related elements and bonuses).
(ii) Provisions for other benefits, including pensions and cars.
(iii) Arrangements for termination of employment and other contractual terms.

(b) Make such recommendations to the Board on the remuneration and terms of service of executive directors (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the Trust, having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such staff where appropriate.

(c) Monitor and evaluate the performance of individual executive directors (and other senior employees).

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(d) 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.

8.1.3 The Committee shall report in writing to the Board the basis for its recommendations. The Board shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of executive directors. Minutes of the Board's meetings should record such decisions.

8.1.4 The Board will approve proposals presented by the Chief Executive for setting of remuneration and conditions of service for those employees not covered by the Committee.

8.1.5 The Trust will remunerate the Chairman and Non-executive Directors in accordance with instructions issued by the Secretary of State.

8.2 FUNDED ESTABLISHMENT

8.2.1 The manpower plans incorporated within the annual budget will form the funded establishment.

8.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive.

8.3 STAFF APPOINTMENTS

8.3.1 No director or employee may engage, re-engage, or regrade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:

(a) Unless authorised to do so by the Chief Executive.

(b) and is within the limit of approved budget and funded establishment.

8.3.2 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc, for employees.

8.4 PROCESSING OF PAYROLL

8.4.1 The Director of Finance & Information is responsible for:

(a) Specifying timetables for submission of properly authorised time records and other notifications.

(b) The final determination of pay.

(c) Making payment on agreed dates.

(d) Agreeing method of payment.

8.4.2 The Director of Finance & Information will issue instructions regarding:

(a) Verification and documentation of data.

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(b) The timetable for receipt and preparation of payroll data and the payment of employees.

(c) Maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay.

(d) Security and confidentiality of payroll information.

(e) Checks to be applied to completed payroll before and after payment.

(f) Authority to release payroll data under the provisions of the Data Protection Act.

(g) Methods of payment available to various categories of employee.

(h) Procedures for payment by cheque, bank credit, or cash to employees.

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(i) Procedures for the recall of cheques and bank credits.

(j) Pay advances and their recovery.

(k) Maintenance of regular and independent reconciliation of pay control accounts.

(l) Separation of duties of preparing records and handling cash.

(m) A system to ensure the recovery from leavers of sums of money and property due by them to the Trust.

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8.4.3 Appropriately nominated managers have delegated responsibility for:

(a) Submitting time records, and other notifications in accordance with agreed timetables.

(b) Completing time records and other notifications in accordance with the Director of Finance & Information's instructions and in the form prescribed by the Director of Finance & Information.

(c) Submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's resignation, termination or retirement. Where an employee fails to report for duty in circumstances that suggest they have left without notice, the Director of Finance & Information must be informed immediately.

8.4.4 Regardless of the arrangements for providing the payroll service, the Director of Finance & Information shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

8.5 CONTRACTS OF EMPLOYMENT

The Board shall delegate responsibility to a manager for:

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(a) Ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation.

(b) Dealing with variations to, or termination of, contracts of employment.

9 NON-PAY EXPENDITURE

9.1 DELEGATION OF AUTHORITY

9.1.1 The Board will approve the level of non-pay expenditure on an annual basis and the Chief Executive will determine the level of delegation to budget managers.

9.1.2 The Chief Executive will set out:

(a) The list of managers who are authorised to place requisitions for the supply of goods and services.

(b) The maximum level of each requisition and the system for authorisation above that level.

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

9.1.4 The Director of Finance & Information will be responsible for maintaining a list of authorised signatories. All authorised signatories are responsible for ensuring that the correct number of quotations and tenders are obtained as set out in the Trust's Standing Orders.

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Stock ... [1]

9.2 CHOICE, REQUISITIONING, ORDERING, RECEIPT AND PAYMENT FOR GOODS AND SERVICES

9.2.1 The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought. Where this advice is not acceptable to the requisitioner, the Director of Finance & Information (and/or the Chief Executive) shall be consulted.

9.2.2 The Director of Finance & Information shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with national guidance.

9.2.3 The Director of Finance & Information will:

(a) Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed.

(b) Prepare procedural instructions [where not already provided in the Scheme of Delegation or procedure notes for budget holders] on the

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obtaining of goods, works and services incorporating the thresholds.

(c) Be responsible for the prompt payment of all properly authorised accounts and claims.

(d) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:

(i) A list of directors/employees (including specimens of their signatures) authorised to certify invoices.

(ii) Certification that:

- Goods have been duly received, examined and are in accordance with specification and the prices are correct.

- Work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct.

- In the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined.

- Where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained.

- The account is arithmetically correct.

- The account is in order for payment.

A timetable and system for submission to the Director of Finance & Information of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.

(iv) Instructions to employees regarding the handling and payment of accounts within the Finance Department.

(e) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received, (except as below).

9.2.4 Prepayments are only permitted where exceptional circumstances apply. In such instances:

(a) Prepayments are only permitted where the financial advantages outweigh the disadvantages (ie, cashflows must be discounted to NPV)

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and the intention is not to circumvent cash limits.

(b) The appropriate Director must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments.

(c) The Director of Finance & Information will need to be satisfied with the proposed arrangements before contractual arrangements proceed taking into account the EU public procurement rules where the contract is above a stipulated financial threshold);

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(d) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and he/she must immediately inform the appropriate Director or Chief Executive if problems are encountered.

9.2.5 Official Orders must:

(a) Be consecutively numbered.

(b) Be in a form approved by the Director of Finance & Information;

(c) State the Trust's terms and conditions of trade.

(d) Only be issued to, and used by, those duly authorised by the Chief Executive.

9.2.6 Managers must ensure that they comply fully with the guidance and limits specified by the Director of Finance & Information and that:

(a) All contracts [other than for a simple purchase permitted within the Scheme of Delegation or delegated budget], leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance & Information in advance of any commitment being made.

(b) Contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement.

(c) Where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health.

(d) No order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:

(i) Isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars.

(ii) Conventional hospitality, such as lunches in the course of working visits.

(e) No requisition/order is placed for any item or items for which there is no

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budget provision unless authorised by the Director of Finance & Information on behalf of the Chief Executive.

(f) All goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash.

(g) Verbal orders must only be issued very exceptionally - by an employee designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";

(h) Orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds.

(i) Goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase.

(j) Changes to the list of directors/employees authorised to certify invoices are notified to the Director of Finance & Information.

(k) Purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance & Information.

(l) Petty cash records are maintained in a form as determined by the Director of Finance & Information.

9.2.7 The Director of Finance & Information shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.

9.3 GRANTS TO LOCAL AUTHORITIES AND VOLUNTARY BODIES

9.3.1 Grants to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act 1977 or section 64 of the Health Service and Public Health Act 1968 shall comply with procedures laid down by the Director of Finance & Information which shall be in accordance with these Acts.

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

10 EXTERNAL BORROWING AND INVESTMENTS

10.1 EXTERNAL BORROWING

10.1.1 The Director of Finance & Information will advise the Board concerning the Trusts ability to pay dividend/interest on, and repay, both the originating capital debt and any proposed new borrowing, within the limits set by the Department of Health. The Director of Finance & Information is also responsible for reporting periodically to the Board concerning the originating debt and all loans and overdrafts.

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10.1.2 Any application for a loan or overdraft will only be made by the Director of Finance & Information or by an employee so delegated by him/her.

10.1.3 The Director of Finance & Information must prepare detailed procedural instructions concerning applications for loans and overdrafts.

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

10.1.5 All long term borrowing must be consistent with the plans outlined in the current Business Plan and be approved by the Trust Board.

10.2 **INVESTMENTS**

10.2.1 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.

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

10.2.3 The Director of Finance & Information will prepare a Treasury Policy as well as detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

10.2.4 The maximum sum invested and the maximum period of investment are as set out in the Treasury Policy approved by the Trust Board..

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

11.1 **CAPITAL INVESTMENT**

11.1.1 The Chief Executive:

(a) Shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans.

(b) Is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost.

(c) Shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences, including capital charges.

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

(a) That a business case (in line with the guidance contained within the

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Capital Investment Manual) is produced setting out:

(i) An option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs.

(ii) Appropriate project management and control arrangements.

(b) That the Director of Finance & Information has certified professionally to the costs and revenue consequences detailed in the business case.

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

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

11.1.4 The approval of a capital programme shall not constitute approval for expenditure on any scheme. The Chief Executive shall issue to the manager responsible for any scheme:

(a) Specific authority to commit expenditure.
(b) Authority to proceed to tender.
(c) Approval to accept a successful tender.

The Chief Executive will issue a scheme of delegation for capital investment management in accordance with "Estatecode" guidance and the Trust's Standing Orders.

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

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

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11.2 **PRIVATE FINANCE**

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

(a) The Director of Finance & Information shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.

(b) Where the sum involved exceeds delegated limits, the business case must be referred to the appropriate Department of Health or in line with any current guidelines.

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(c) The proposal must be specifically agreed by the Board.

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11.3 ASSET REGISTERS

11.3.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Finance & Information concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.

11.3.2 The Trust shall maintain an asset register recording fixed assets with a minimum data set held.

11.3.3 Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:

(a) Properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties.

(b) Stores, requisitions and wages records for own materials and labour including appropriate overheads.

(c) Lease agreements in respect of assets held under a finance lease and capitalised.

11.3.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).

11.3.5 The Director of Finance & Information shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

11.3.6 The value of each asset shall be indexed to current values in accordance with the Trust's approved accounting policies.

11.3.7 The value of each asset shall be depreciated using methods and rates set out in the Trust's approved accounting policies.

11.4 SECURITY OF ASSETS

11.4.1 The overall control of fixed assets is the responsibility of the Chief Executive.

11.4.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance & Information. This procedure shall make provision for:

(a) Recording managerial responsibility for each asset.

(b) Identification of additions and disposals.

(c) Identification of all repairs and maintenance expenses.

(d) Physical security of assets.

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(e) Periodic verification of the existence of, condition of, and title to, assets recorded.

(f) Identification and reporting of all costs associated with the retention of an asset.

(g) Reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

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

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

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

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

12 STORES AND RECEIPT OF GOODS

12.1 Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:

(a) Kept to a minimum.

(b) Subjected to annual stocktake.

(c) Valued at the lower of cost and net realisable value.

12.2 Subject to the responsibility of the Director of Finance & Information for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by him to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance & Information. The control of Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of fuel oil and coal of a designated estates manager.

12.3 The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, stocks should be marked as health service property.

12.4 The Director of Finance & Information shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.

12.5 Stocktaking arrangements shall be agreed with the Director of Finance & Information and there shall be a physical check covering all items in store at least once a year.

12.6 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance & Information.

12.7 The designated Manager/Pharmaceutical Officer shall be responsible for a system approved by the Director of Finance & Information for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the Director of Finance & Information any evidence of significant overstocking and of any negligence or malpractice (see also 13, Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

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12.8 For goods supplied via the NHS Supply Chain central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the Director of Finance & Information who shall satisfy himself that the goods have been received before accepting the recharge.

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13 DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

13.1 DISPOSALS AND CONDEMNATIONS

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

13.1.2 When it is decided to dispose of a Trust asset, the head of department or authorised deputy will determine and advise the Director of Finance & Information of the estimated market value of the item, taking account of professional advice where appropriate.

13.1.3 All unserviceable articles shall be:

(a) Condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Finance & Information.

(b) Recorded by the Condemning Officer in a form approved by the Director of Finance & Information which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Director of Finance & Information.

13.1.4 The Condemning Officer shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Finance & Information who will take the appropriate action.

13.2 LOSSES AND SPECIAL PAYMENTS

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13.2.1 The Director of Finance & Information must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments. The Director of Finance & Information must also prepare a 'fraud response plan' that sets out the action to be taken both by persons detecting a suspected fraud and those persons responsible for investigating it.

13.2.2 Any employee discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Director of Finance & Information or consult the Chief Executive, who is authorised to receive inquiries of staff confidentiality and anonymously. The Chief Executive will decide if the matter needs to be reported to the Director of Finance & Information. Where a criminal offence is suspected, the Director of Finance & Information must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Director of Finance must inform the relevant LCFS and CFSMS regional team in accordance with Secretary of State for Health's Directions. The Trust's Fraud and Corruption Policy and Response Plan specify the procedures in more detail.

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13.2.3 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Director of Finance & Information must immediately notify the Board, and the External Auditor.

13.2.4 The Director of Finance & Information shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.

13.2.5 For any loss, the Director of Finance & Information should consider whether any insurance claim can be made.

13.2.6 The Director of Finance & Information shall maintain a Losses and Special Payments Register in which write-off action is recorded. This shall be reported to the Audit Committee twice in each financial year.

13.2.7 No special payments exceeding delegated limits shall be made without the prior approval of the Department of Health.

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13.2.8 Within limits delegated to it by the Department of Health, the Audit Committee, on behalf of the Board, shall approve the writing-off of losses.

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14 INFORMATION TECHNOLOGY

14.1 The Director of Finance & Information, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:

(a) Devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which he/she is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998.

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(b) Ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy,

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accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system.

(c) Ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment.

(d) Ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as he/she may consider necessary are being carried out.

14.2 The Director of Finance & Information shall satisfy him/herself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy will be obtained from them prior to implementation.

14.3 The Director of Finance & Information shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the information Commissioner. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about our Trust that we make publicly available

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14.4 In the case of computer systems which are proposed General Applications (i.e. normally those applications which the majority of Trusts in the Region wish to sponsor jointly) all responsible directors and employees will send to the Director of Finance & Information:

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(a) Details of the outline design of the system.

(b) In the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.

14.5 The Director of Finance & Information shall ensure that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.

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14.6 Where another health organisation or any other agency provides a computer service for financial applications, the Director of Finance & Information shall periodically seek assurances that adequate controls are in operation.

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14.7 The Director of Finance shall ensure that risks to the Trust arising from the use of IT are effectively identified and considered and appropriate action taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans.

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14.8 Where computer systems have an impact on corporate financial systems the Director of Finance & Information shall satisfy him/herself that:

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(a) Systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy.

(b) Data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists.

(c) Director of Finance & Information staff have access to such data.

(d) Such computer audit reviews as are considered necessary are being carried out.

15 PATIENTS' PROPERTY

15.1 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.

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

- Notices and information booklets.
- Hospital admission documentation and property records.
- The oral advice of administrative and nursing staff responsible for admissions.

The Trust will not accept responsibility or liability for patients' property brought into Health Service premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.

15.3 The Director of Finance & Information must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients. Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.

15.4 Where Department of Health instructions require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Director of Finance & Information.

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15.5 In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965), the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.

15.6 Staff should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.

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15.7 Where patients' property or income is received for specific purposes and held for safekeeping the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

16 FUNDS HELD ON TRUST

16.1 INTRODUCTION

16.1.1 Standing Orders (SOs) identify the Trust's responsibilities as a corporate trustee for the management of funds it holds on trust and define how those responsibilities are to be discharged. They explain that although the management processes may overlap with those of the organisation of the Trust, the trustee responsibilities must be discharged separately and full recognition given to the duel accountabilities to the Charity Commission for charitable funds held on trust and to the Secretary of State for all funds held on trust.

16.1.2 The reserved powers of the Board and the Scheme of Delegation make clear where decisions regarding the exercise of discretion are to be taken and by whom. Directors and officers must take account of that guidance before taking action. SFIs are intended to provide guidance to persons who have been delegated to act on behalf of the corporate trustee.

16.1.3 As management processes overlap most of the sections of these SFIs will apply to the management of funds held on trust. This section covers those instructions which are specific to the management of funds held on trust.

16.1.4 The over-riding principle is that the integrity of each trust must be maintained and statutory and trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

16.1.5 The authorised limits for requisitions for the supply of goods are set out in the detailed Scheme of Delegation.

17 RETENTION OF DOCUMENTS

17.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with Department of Health guidelines.

17.2 The records held in archives shall be capable of retrieval by authorised persons.

17.3 Records held in accordance wit the latest Department of Health guidelines shall only be destroyed at the express instigation of the Chief Executive, records shall be maintained of documents so destroyed.

18 RISK MANAGEMENT & INSURANCE

18.1 The Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with current Department of Health assurance framework requirements ,which will be approved and monitored by the Board.

18.2 The programme of risk management shall include:

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a) A process for identifying and quantifying risks and potential liabilities.

b) Engendering among all levels of staff a positive attitude towards the control of risk.

c) Management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk.

d) Contingency plans to offset the impact of adverse events.

e) Audit arrangements including; internal audit, clinical audit, health and safety review.

f) Arrangements to review the risk management programme.

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

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

Compiled by: David Slegg, Director of Finance & Information
Approved by: Audit Committee and Trust Board

Date: April 2000

Review Date: April 2010

Comments to: Director of Finance & Information

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The authorised limits for requisitions for the supply of goods and services are as follows:

Stock	-	Up to £20,000 signed by authorised signatory. Above £20,000 countersigned by a Budget Centre Manager or Director.
Non Stock	-	Up to £5,000 signed by authorised signatory. Between £5,000 and £50,000 countersigned by a Budget Centre Manager or Director. Above £50,000 authorisation of Director of Finance & Information or Chief Executive.

Separate authorisation limits are detailed on Page 33 in respect of expenditure from funds held on trust.

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a) Expenditure not exceeding £2,000	-	To be authorised by the Trust Fund holder.
b) Expenditure exceeding £2,000 and up to £20,000	-	To be authorised by the Trust Fund holder and counter signed by the Chief Executive.
c) Expenditure exceeding £20,000	-	As (b) above, and approved by the Trust Board.

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