



STANDING ORDERS
Including
SCHEME OF POWERS DELEGATED and
RESERVED TO THE BOARD
and
STANDING FINANCIAL INSTRUCTIONS

January 2017

Version Control	Changes	Approval
Version 2.3	Amendments to reflect: <ul style="list-style-type: none">i. the environment in which the Trust now operates;ii. benchmarking of others' SOs including a number of 'Outstanding' and 'Good' performing trusts;iii. changes to Senior Team portfolio responsibilities;iv. revised 'Governance Framework' (approved by Board of Directors Sep 2016);v. up-to-date legislation, regulation and best practice;vi. grouping key information in a more accessible manner.	Board of Directors 31 January 2017
Version 1.5	Amendments to reflect SFIs	Board of Directors July 2015

Foreword

These Standing Orders, together with the Trust's Standing Financial Instructions, provide a comprehensive business and regulatory framework for the conduct of the activities of the **Yorkshire Ambulance Service NHS Trust**, forming part of its corporate governance arrangements. They fulfil the dual role of protecting the Trust's interests and protecting staff from any possible accusation that they may have acted less than properly.

Accepted Codes of Conduct and Accountability arrangements also require boards to adopt schedules of reservation and delegation of powers. These schedules are incorporated within the Trust's:

Standing Orders: Scheme of Powers Delegated and Reserved to the Board;

and

Standing Financial Instructions: Scheme of Financial Delegation

These Standing Orders are for the regulation of the proceedings and Business of the **Board of Directors** the Members of which, together with all members of staff should be aware of the existence of and comply with these documents.

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SECTION A

1. INTERPRETATION AND DEFINITIONS FOR STANDING ORDERS AND STANDING FINANCIAL INSTRUCTIONS

- 1.1 Save as otherwise permitted by law, at any meeting the Chairman of the Trust will be the final authority on the interpretation of Standing Orders (on which they should be advised by the Chief Executive or Secretary to the Board).
- 1.2 Any expression to which a meaning is given in the **Health and Social Care Act 2012**, **Health Act 2009**, National Health Service Act 2006, National Health Service and Community Care Act 1990 and other Acts relating to the National Health Service or in the Financial Regulations made under the Acts will have the same meaning in these Standing Orders and Standing Financial Instructions and in addition:
- 1.2.1 "**Accountable Officer**" means the NHS Officer responsible and accountable for funds entrusted to the Trust. The officer will be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it will be the Chief Executive.
- 1.2.2 "**Trust**" means the Yorkshire Ambulance Service NHS Trust
- 1.2.3 "**Board of Directors**" or "**the Board**" means the Chairman, Officer and Non-Officer members of the Trust collectively as a unitary body.
- 1.2.4 "**Budget**" means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.
- 1.2.5 "**Budget Holder**" means the director or employee with delegated authority to manage finances (Income and Expenditure and Capital) for a specific area of the organisation.
- 1.2.6 "**Chairman of the Board of Directors (or Trust)**" is the person appointed by the Secretary of State for Health to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression, "the Chairman of the Trust" will be deemed to include the Deputy-Chairman of the Trust if the Chairman is absent from the meeting or is otherwise unavailable.
- 1.2.7 "**Chief Executive**" means the Chief Officer of the Trust.
- 1.2.8 "**Commissioning**" means the process for determining the need for and for obtaining the supply of healthcare and related services by the Trust within available resources.
- 1.2.9 "**Committee**" means a committee or sub-committee created and appointed by the Board.

- 1.2.10 "**Committee Members**" means persons formally appointed by the Board to sit on or to Chair specific committees.
- 1.2.11 "**Contracting and Procuring**" means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.
- 1.2.12 "**Deputy-Chairman**" means the Non-Officer member appointed by the Board to assume the Trust Chairman's duties if the Chairman is absent for any reason.
- 1.2.13 "**Deputy-Chief Executive**" means the Officer member appointed by the Chief Executive in consultation with the Chairman to assume the Chief Executive's duties if the Chief Executive is absent for any reason.
- 1.2.14 "**Director of Finance**" means the Chief Financial Officer of the Trust.
- 1.2.15 "**Funds held on trust**" will mean those funds which the Trust holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under S.90 of the NHS Act 1977, as amended. Such funds may or may not be charitable.
- 1.2.16 "**Member**" means Officer or Non-Officer member of the Board as the context permits. Member in relation to the Board does not include its Chairman.
- 1.2.17 "**Associate Member**" means a person appointed to perform specific statutory and non-statutory duties which have been delegated by the Board for them to perform and these duties have been recorded in an appropriate Board minute or other suitable record.
- 1.2.18 "**Membership, Procedure and Administration Arrangements Regulations**" means NHS Trusts (Membership and Procedure) Regulations 1990 (SI 1990/2024) and subsequent amendments.
- 1.2.19 "**Nominated Officer**" means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
- 1.2.20 "**Non-Executive / Non-Officer Member**" means a member of the Trust who is not an Officer of the Trust, i.e. not an employee and is not to be treated as an Officer by virtue of regulation 1(3) of the Membership, Procedure and Administration Arrangements Regulations.
- 1.2.21 "**Officer**" means employee of the Trust or any other person holding a paid appointment or office with the Trust.
- 1.2.22 "**Executive / Officer Member**" means a member of the Trust who is either an Officer of the Trust or is to be treated as an Officer by virtue of regulation

1(3) of the Membership, Procedure and Administration Arrangements Regulations, i.e. the Chairman of the Trust or any person nominated by the Board or one of its Committees for appointment as a Trust member.

1.2.23 **"Secretary"** means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chairman and monitor the Trust's compliance with the law, Standing Orders, and Department of Health guidance.

1.2.24 **"SFIs"** means Standing Financial Instructions.

1.2.25 **"Senior Independent Director (SID)"** means the Non-Officer member appointed by the Board to play a key role in supporting the Chairman in leading the Trust Board.

1.2.26 **"SOs"** means Standing Orders.

1.2.27 **"YAS Forum"** means the public membership body of the Yorkshire Ambulance Service.

FINAL DRAFT V2.3 (Board of Directors 31017)

SECTION B – STANDING ORDERS

1. INTRODUCTION

1.1 Statutory Framework

The Yorkshire Ambulance Service NHS Trust (the Trust) is a statutory body which came into existence on 1st July 2006 under the name The Yorkshire Ambulance Service NHS Trust Establishment Order 2006 No. 1627

- (1) The principal place of business of the Trust is Trust Headquarters, Springhill 2, Brindley Way, WAKEFIELD, WF2 0XG-0XQ.
- (2) NHS Trusts are governed by Act of Parliament, mainly the National Health Service Act 2006 (NHS Act 2006), the National Health Service and Community Care Act 1990 (NHS & CC Act 1990) as amended by the Health Authorities Act 1995 and the Health Act 2009.
- (3) The functions of the Trust are conferred by this legislation.
- (4) 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.
- (5) The Trust also has statutory powers under Section 28A of the NHS Act 1977, as amended by the Health Act 2009, to fund projects jointly planned with local authorities, voluntary organisations and other bodies.
- (6) 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.
- (7) The Trust will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.

1.2 NHS Framework

- (1) 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.
- (2) The **Code of Conduct: Code of Accountability in the NHS 2013** 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 members.

- (3) The Code of Practice on Openness in the NHS sets out the requirements for public access to information on the NHS. The Freedom of Information Act 2000 (FOI) supersedes this code of practice.

1.3 Delegation of Powers

The Board has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Under the Standing Order relating to the arrangements for the Exercise of Trust Functions by Delegation (SO 5) the Trust is given powers to "make arrangements for the exercise, on behalf of the Trust of any of their functions by a committee, sub-committee or joint committee appointed by virtue of Standing Order 4 or by an Officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit or as the Secretary of State may direct". Delegated Powers of the Board (as distinct from the Scheme of Financial Delegation) are covered in a separate document entitled Scheme of Powers Delegated and Reserved to the Board and have effect as if incorporated into the Standing Orders and Standing Financial Instructions.

1.4 Corporate ~~Integrated~~ Governance

Trust Boards are expected to develop corporate governance arrangements in line with the NHS Foundation Trusts: Code of Governance and the "Well-led framework for governance reviews" 2014 and to ensure that decision-making is informed by information including, but not confined to, the full range of quality, financial, clinical, workforce, information and research governance. Sound corporate governance better enables the Board to take a holistic view of the organisation and its capacity to meet its legal and regulatory requirements and deliver its strategic objectives and other obligations.

1.5 Seven Principles of Public Life

The principles of public life apply to anyone who works as a public office-holder and therefore are upheld by the Board and all employees:

- **selflessness** - holders of public office should act solely in terms of the public interest;
- **integrity** - holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain

financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships;

- **objectivity** - holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias;
- **accountability** - holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this;
- **openness** - holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing;
- **honesty** - holders of public office should be truthful;
- **leadership** - holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour whenever it occurs.

2. THE BOARD OF DIRECTORS

2.1 Composition of the Board

In accordance with the NHS Trusts (Membership and Procedure) Amendment Regulations 1998 No 1975 the statutory provision is for a maximum of twelve directors, no more than seven being Non-Executive Director/Non-Officer Members and no more than five being Executive Directors/Officer Members. ~~Membership, Procedure and Administration Arrangements Regulations~~

The composition of the YAS' Board will be:

- (1) The Chairman of the Trust (appointed by the Secretary of State for Health delegated to NHS Improvement (NHSI));
- (2) Five Non-Officer Members (appointed by NHSI); to include a Deputy Chairman and a Senior Independent Director, each nominated by the Board.
- (3) Five Officer Members, in addition to the Chairman, (but not exceeding the number of Non-Officer Members) including:
 - the Chief Executive;
 - the Director of Finance.

~~The Board will have up to 11 and not less than 8 eleven members (unless otherwise determined by the Secretary of State for Health and set out in the Trust's Establishment Order or such other communication from the Secretary of State).~~

2.2 Appointment of Chairman and Non-Executive Directors

Appointment of the Chairman and Members of the Trust - Paragraph 4 of Schedule 5A to the 1977 Act, as inserted by the Health Act 2009, provides that the Chairman is appointed by the Secretary of State **for Health**, but otherwise the appointment and tenure of office of the Chairman and members are set out in the Membership, Procedure and Administration Arrangements Regulations.

2.3 Terms of Office of Chairman and Non-Executive Directors

The regulations setting out the period of tenure of office of the Chairman and Members and for the termination or suspension of office of the Chairman and Members are contained in Sections 2 to 4 of the Membership, Procedure and Administration Arrangements and Administration Regulations.

2.4 Appointment and Powers of Deputy-Chairman

- (1) Subject to Standing Order 2.4 (2) below, the Chairman and Members of the Trust may appoint one **of the Non-Officer Members**, to be Deputy-Chairman, for such period, not exceeding the remainder of his/her term as a member of the Trust, as they may specify on appointing him/her.
- (2) Any member so appointed may at any time resign from the office of Deputy-Chairman by giving notice in writing to the Chairman. The Chairman and members may thereupon appoint another non-office member as Deputy-Chairman in accordance with the provisions of Standing Order 2.4 (1).
- (3) Where the Chairman of the Trust has died or has ceased to hold office, or where they have been unable to perform their duties as Chairman owing to illness or any other cause, the Deputy-Chairman will act as Chairman until a new Chairman is appointed or the existing Chairman resumes their duties, as the case may be; and references to the Chairman in these Standing Orders will, so long as there is no Chairman able to perform those duties, be taken to include references to the Deputy-Chairman.

2.5 Joint Directors

- (1) Where more than one person is appointed jointly to a post mentioned in regulation 2(4)(a) of the Membership, Procedure and

Administration Arrangements Regulations those persons will count for the purpose of Standing Order 2.1 as one person.

- (2) Where the office of a Member of the Board is shared jointly by more than one person:
 - (a) either or both of those persons may attend or take part in meetings of the Board;
 - (b) if both are present at a meeting they should cast one vote if they agree;
 - (c) in the case of disagreement no vote should be cast;
 - (d) the presence of either or both of those persons should count as the presence of one person for the purposes of Standing Order 3.11 -Quorum.

2.6 Function of the Board and Role of Members

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

(1) **Executive / Officer Members**

Executive Members will exercise their authority within the terms of these Standing Orders and Standing Financial Instructions and the Scheme of Powers Delegated and Reserved to the Board.

(2) **Chief Executive Officer**

- i. The Chief Executive **Officer (CEO)** will be responsible for the overall performance of the executive functions of the Trust. He/she is the **Accountable Officer** for the Trust and will be responsible for ensuring the discharge of obligations under Financial Directions and in line with the requirements of the Accountable Officer Memorandum for Trust Chief Executives.
- ii. If the CEO considers the Board or Chairman are doing something that might infringe probity or regularity, (s)he should set this out in writing to the Chairman and the Board. If the matter is unresolved, (s)he should ask the Audit Committee to inquire and if necessary the **NHSI Trust Development Authority (TDA) and Department of Health (DH)**.
- iii. If the Board is contemplating a course of action that raises an issue, not of formal propriety or regularity but affects the CEO's responsibility for value for money, the CEO should draw the relevant factors to the attention of the Board. If the outcome is that **you are(s)he is overruled it is normally sufficient to ensure that**

you're his/her advice and the overruling of it are clearly apparent from the papers. Exceptionally, the CEO should inform the NHSI Trust Development Authority and the DH. In such cases, the CEO should, as a Member of the Board, vote against the course of action rather than merely abstain from voting.

(3) Deputy Chief Executive Officer

The Chief Executive, in consultation with the Chairman of the Trust, will appoint one of the other Officer Members as the Deputy Chief Executive Officer (DCEO), the appointment of whom will be approved by the Remuneration and Terms of Service Committee at its next meeting. If the Chief Executive is absent for any reason (s)he will be responsible for discharging the responsibilities, obligations and requirements of the Chief Executive, notwithstanding that the Chief Executive retains accountability for the overall performance of the executive functions of the Trust and for ensuring the discharge of the obligations and requirements of the **Accountable Officer**.

(4) Director of Finance

The Director of Finance will be responsible for the provision of financial advice to the Trust and to its members and for the supervision of financial control and accounting systems. (S)he will be responsible along with the Chief Executive for ensuring the discharge of obligations under relevant Financial Directions.

(5) Non-Executive / Non-Officer Members

The Non-Executive Members will not be granted nor will they seek to exercise any individual executive powers on behalf of the Trust. They may however, exercise collective authority when acting as Members of or when Chairing a committee of the Trust which has delegated powers.

(6) Senior Independent Director

The Senior Independent Director (SID) will be appointed by the Board from among the Non-Officer Members whose role is to:

- i. play a key role in supporting the Chairman in leading the Board and acting as a 'sounding board' and a source of advice for the Chairman;
- ii. be available to Board Members and the Members of YAS Forum, if they have concerns which have not or cannot be resolved through contact with the Chairman, the Chief Executive or the Trust Secretary. This will involve an obligation

on the SID to respond to such contacts and to meet privately with members if appropriate and necessary;

- iii. be the focal point for Board Members for any concerns regarding the Chairman's performance or the relationship between the Chairman and Chief Executive;
- iv. coordinate among other Directors annually, feedback on the Chairman's performance to contribute to his/her appraisal;
- v. act as a trusted intermediary for Non-Executive Directors where this is required to help them challenge and contribute effectively;
- vi. take the initiative in discussion with the Chairman or other Board Members if it should seem that the Board is not functioning effectively.

(7) **Chairman of the Board of Directors**

The Chairman will be responsible for the operation of the Board of Directors and Chair all Board meetings when present. The Chairman has certain delegated executive powers. The Chairman must comply with the terms of appointment and with these Standing Orders.

The Chairman will liaise with **NHSI** over the appointment of Non-Executive Directors and once appointed will take responsibility either directly or indirectly for their induction, **training, appraisal**, portfolios of interests and assignments, and their performance.

The Chairman will work in close harmony with the Chief Executive and will ensure that key and appropriate issues are discussed by the Board in a timely manner with all the necessary information and advice being made available to the Board to inform the debate and finalise resolutions.

2.7 Corporate Role of the Unitary Board

- (1) All business will be conducted in the name of the Trust.
- (2) All funds received in trust will be held in the name of the Trust as corporate trustee.
- (3) The powers of the Trust established under statute will be exercised by the Board meeting in public session except as otherwise provided for in Standing Order 3.
- (4) The Board will define and regularly review the functions it exercises on behalf of the Secretary of State for Health.

2.8 Scheme of Powers Delegated and Reserved to the Board

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

2.9 Lead Roles for Board Members

The Chairman will ensure that the designation of Lead roles or appointments of Board members as required by the Department of Health or as set out in any statutory or other guidance will be made in accordance with that guidance or statutory requirement, e.g. appointing a Lead Board Member with responsibilities for Infection Prevention and Control, Emergency Services or Safeguarding etc.

3. MEETINGS OF THE BOARD OF DIRECTORS

3.1 Calling Meetings

- (1) Ordinary meetings of the Board will be held quarterly at such times and places as the Board may determine.

In these Standing Orders the expression 'ordinary meeting' includes, except where inconsistent with any legal obligation¹:

- a physical meeting;
- a video conference, an internet video facility or similar electronic method allowing simultaneous visual and audio participation; and
- telephone conferencing.

Participation in a meeting shall constitute being present at the meeting and count towards quorum.

Ordinary meetings of the Board will be held quarterly at such times and places as the Board may determine (Standing Orders, 3.1 refers).

- (2) The Chairman of the Trust may call a meeting of the Board at any time.
- (3) One third or more Members of the Board may requisition a meeting in writing, addressed to the Chairman of the Trust. If the Chairman refuses, or fails, to call a meeting within seven days of a requisition being presented, the Members signing the requisition may forthwith call a meeting.

3.2 Notice of Meetings

- (1) Before each meeting of the Board a written notice specifying the business proposed to be transacted will be delivered to every Member, normally by email, or sent by post to the usual place of residence of each Member, so as to be available to Members at least three clear days before the meeting. The notice will be signed by the Chairman or by an officer authorised by the Chairman to sign on their behalf. Want of service of such a notice on any Member will not affect the validity of a meeting.
- (2) In the case of a meeting called by Members in default of the Chairman calling the meeting, the notice will be signed by those Members.
- (3) No business will be transacted at the meeting other than that specified on the agenda, or emergency motions allowed under Standing Order 3.6.
- (4) A Member desiring a matter to be included on an agenda will make his/her request in writing to the Chairman at least 15 clear days before the meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than 15 days before a meeting may be included on the agenda at the discretion of the Chairman.
- (5) Before each meeting of the Board a public notice of the time and place of the meeting, and the public part of the agenda, will be displayed at the Trust's principal offices at least three clear days before the meeting, (required by the Public Bodies (Admission to Meetings) Act 1960 Section 1 (4) (a)). Service of such notice by displaying on the Trust's website will suffice for the meaning of the Act.

3.3 Agendas

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

3.4 Petitions

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

3.5 Notice of Motion

- (1) Subject to the provision of Standing Orders 3.7 'Motions: Procedure At and During a Meeting' and 3.8 'Motions to Rescind a Resolution', a member of the Board wishing to move a motion will send a written notice to the Chief Executive who will ensure that it is brought to the immediate attention of the Chairman.

- (2) The notice will be delivered at least 5 clear days before the meeting. The Chief Executive will include in the agenda for the meeting all notices so received that are in order and permissible under governing regulations. This Standing Order will not prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.

3.6 Emergency Motions

Subject to the agreement of the Chairman, and subject also to the provision of Standing Order 3.7 'Motions: Procedure At and During a Meeting', a member of the Board may give written notice of an emergency motion after the issue of the notice of meeting and agenda, up to one hour before the time fixed for the meeting. The notice will state the grounds of urgency. If in order, it will be declared to the Board at the commencement of the business of the meeting as an additional item included in the agenda. The Chairman's decision to include the item will be final.

3.7 Motions: Procedure at and During a Meeting

(1) Who May Propose

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

(2) Contents of Motions

The Chairman may exclude from the debate at their discretion any such motion of which notice was not given on the notice summoning the meeting other than a motion relating to:

- the reception of a report;
- consideration of any item of business before the Board;
- the accuracy of minutes;
- that the Board proceeds to next business;
- that the Board adjourn;
- that the question be now put.

(3) Amendments to Motions

A motion for amendment will not be discussed unless it has been proposed and seconded.

Amendments to motions will be moved relevant to the motion, and will not have the effect of negating the motion before the Board.

If there are a number of amendments, they will be considered one at a time. When a motion has been amended, the amended motion will

become the substantive motion before the meeting, upon which any further amendment may be moved.

(4) Rights of Reply to Motions

i) Amendments

The mover of an amendment may reply to the debate on their amendment immediately prior to the mover of the original motion, who will have the right of reply at the close of debate on the amendment, but may not otherwise speak on it.

ii) Substantive/original motion

The member who proposed the substantive motion will have a right of reply at the close of any debate on the motion.

(5) Withdrawing a Motion

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

(6) Motions Once Under Debate

When a motion is under debate, no motion may be moved other than:

- i. an amendment to the motion;
- ii. the adjournment of the discussion, or the meeting;
- iii. that the meeting proceed to the next business;
- iv. that the question should be now put;
- v. the appointment of an 'ad hoc' committee to deal with a specific item of business;
- vi. that a member/director be not further heard;
- vii. a motion under Section 1 (2) or Section 1 (8) of the Public Bodies (Admissions to Meetings) Act 1960 resolving to exclude the public, including the press (see Standing Order 3.17).

In those cases where the motion is either that the meeting proceeds to the 'next business' or 'that the question be now put' in the interests of objectivity these should only be put forward by a member of the Board who has not taken part in the debate and who is eligible to vote.

If a motion to proceed to the next business or that the question be now put, is carried, the Chairman should give the mover of the substantive motion under debate a right of reply, if not already exercised. The matter should then be put to the vote.

3.8 Motion to Rescind a Resolution

- (1) Notice of motion to rescind any resolution (or the general substance of any resolution) which has been passed within the preceding six calendar months will bear the signature of the member who gives it

and also the signature of three other members, and before considering any such motion of which notice will have been given, the Board may refer the matter to any appropriate Committee or the Chief Executive for recommendation.

- (2) When any such motion has been dealt with by the Board it will not be competent for any director/member other than the Chairman to propose a motion to the same effect within six months. This Standing Order will not apply to motions moved in pursuance of a report or recommendations of a Committee or the Chief Executive.

3.9 Chair of Meeting

- (1) At any meeting of the Board the Chairman, if present, will preside. If the Chairman is absent from the meeting, the Deputy-Chairman ~~(if the Board has appointed one)~~, if present, will preside.
- (2) If the Chairman and Deputy-Chairman are absent, such member (who is not also an Officer Member of the Trust) as the members present will choose will preside.

3.10 Chairman's Ruling

The decision of the Chairman of the meeting on questions of order, relevancy and regularity (including procedure on handling motions) and their interpretation of the Standing Orders and Standing Financial Instructions, at the meeting, will be final.

3.11 Quorum

- (1) No business will be transacted at a meeting unless at least one-third of the whole number of the Chairman and Members (including at least one member who is also an Officer Member of the Trust and one member who is not) is present.
- (ii) ~~An Officer in attendance for an Executive Director (Officer Member) but without formal acting up status may not count towards the quorum.~~
- (2) If the Chairman or member has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest (see SO.7) that person will no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position will be recorded in the minutes of the meeting. The meeting must then proceed to the next business.

3.12 Voting

- (1) Save as provided in Standing Orders 3.13 - Suspension of Standing Orders and 3.14 - Variation and Amendment of Standing Orders, every question put to a vote at a meeting will be determined by a

majority of the votes of members, either present or by electronic means, and voting on the question. In the case of an equal vote, the person presiding i.e. the Chairman of the meeting) will have a second, and casting vote.

- (2) At the discretion of the Chairman all questions put to the vote will be determined by either oral expression, a show of hands or by electronic means, unless the Chairman directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.
 - (i) if the vote is to be carried out by electronic means, the Trust Secretary will record the responses of Board members, report these to the Chairman in writing, and the outcome reported to the next Board meeting for recording in the Minutes.
- (3) If at least one third of the Members present so request, the voting on any question may be recorded so as to show how each member present voted or did not vote (except when conducted by paper ballot).
- (4) If a Member so requests, their vote will be recorded by name.
- (5) In no circumstances may an absent Member vote by proxy. Absence is defined as being absent at the time of the vote.
- (6) A manager who has been formally appointed to Deputise for an Officer Member, and is acting in his/her absence, will be entitled to exercise the voting rights of the Officer Member. Formal appointment to the position of Deputy Officer Member will only be effected on the absence of the Executive Officer Member for a period exceeding 3 months and then only on receipt of a formal offer in writing from the Chief Executive. An Officer's status when attending a meeting will be recorded in the minutes.
- (7) A person who has been appointed/contracted to fill an Officer Member's role on an interim basis will be entitled to exercise the voting rights of the Officer Member. An Officer's status when attending a meeting will be recorded in the minutes.
- (8) A manager who has not been formally appointed to Deputise for an Officer Member, and who may nevertheless be representing the Officer Member in his/her absence, may not exercise the voting rights of the Officer Member. An Officer's status when attending a meeting will be recorded in the minutes.
- (9) For the voting rules relating to joint Members see Standing Order 2.5.

3.13 Suspension of Standing Orders

- (1) Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to the Quorum (SO 3.11), any one or more of the Standing Orders may be

suspended at any meeting, provided that at least two-thirds of the whole number of the Members of the Board are present (including at least one Member who is an Officer Member of the Trust and one member who is not) and that at least two-thirds of those Members present signify their agreement to such suspension. The reason for the suspension will be recorded in the Board's minutes.

- (2) A separate record of matters discussed during the suspension of Standing Orders will be made and will be available to the Chairman and Members of the Board.
- (3) No formal business may be transacted while Standing Orders are suspended.
- (4) The Audit Committee will review every decision to suspend Standing Orders.

3.14 Variation and amendment of Standing Orders

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

- (1) upon a notice of motion under Standing Order 3.5;
- (2) upon a recommendation of the Chairman or Chief Executive included on the agenda for the meeting;
- (3) that two thirds of the Board members are present at the meeting where the variation or amendment is being discussed, and that at least half of the Trust's Non-Officer members vote in favour of the amendment;
- (4) providing that any variation or amendment does not contravene a statutory provision or direction made by the Secretary of State.

3.15 Waiver of Standing Orders Made By the Secretary of State for Health

- (1) Power of the Secretary of State to make waivers

Under regulation 11(2) of the NHS (Membership and Procedure Regulations SI 1999/2024 ("the Regulations"), there is a power for the Secretary of State to issue waivers if it appears to the Secretary of State in the interests of the health service that the disability in regulation 11 (which prevents a Chairman or a Member from taking part in the consideration or discussion of, or voting on any question with respect to, a matter in which he has a pecuniary interest) is removed. A waiver has been agreed in line with sub-sections (2) to (4) below.

- (2) Definition of 'Chairman' for the purpose of interpreting this waiver:

For the purposes of paragraph 3.15.3 (below), the “relevant Chairman” is –

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

(3) Application of waiver:

A waiver will apply in relation to the disability to participate in the proceedings of the Trust on account of a pecuniary interest.

It will apply to:

- (i) A Member of the Trust, who is a healthcare professional, within the meaning of regulation 5(5) of the Regulations, and who is providing or performing, or assisting in the provision or performance, of –
 - (a) services under the National Health Service Act 1977;
 - or
 - (b) services in connection with a pilot scheme under the National Health Service Act 1997;for the benefit of persons for whom the Trust is responsible.
- (ii) Where the ‘pecuniary interest’ of the Member in the matter which is the subject of consideration at a meeting at which he is present:-
 - (a) arises by reason only of the Member’s role as such a professional providing or performing, or assisting in the provision or performance of, those services to those persons;
 - (b) has been declared by the relevant Chairman as an interest which cannot reasonably be regarded as an interest more substantial than that of the majority of other persons who:-
 - (i) are Members of the same profession

as the Member in question;

- (ii) are providing or performing, or assisting in the provision or performance of, such of those services as he provides or performs, or assists in the provision or performance of, for the benefit of persons for whom the Trust is responsible.

(4) Conditions which apply to the waiver and the removal of having a pecuniary interest

The removal is subject to the following conditions:

- (a) the Member must disclose his/her interest as soon as practicable after the commencement of the meeting and this must be recorded in the minutes;
- (b) the relevant Chairman must consult the Chief Executive before making a declaration in relation to the member in question pursuant to paragraph 3.15.3 (ii) (b) above, except where that Member is the Chief Executive;

(c) **in the case of a meeting of the Trust:**

- (i) the Member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
- (ii) may not vote on any question with respect to it.

(d) **in the case of a meeting of the Committee:**

- (i) the Member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
- (ii) may vote on any question with respect to it; but
- (iii) the resolution which is subject to the vote must comprise a recommendation to, and be referred for approval by, the Trust Board.

3.16 Record of Attendance

The names of the Chairman and Directors/Members present at the meeting will be recorded.

3.17 Minutes

The minutes of the proceedings of a meeting will be drawn up within **5 10** working days of the meeting and circulated for consideration and preliminary approval. These will be formally submitted for agreement at the next ensuing meeting where they will be signed by the person presiding at it.

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

3.18 Admission of Public and the Press

(i) Admission and exclusion on grounds of confidentiality of business to be transacted

The public and representatives of the press may attend all meetings of the Trust, but will be required to withdraw upon the Trust Board as follows:

- a) '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
- b) *Guidance should be sought from the NHS Trust's Freedom of Information Lead to ensure correct procedure is followed on matters to be included in the exclusion.*

(ii) General disturbances

The Chairman (or Deputy-Chairman if one has been appointed) or the person presiding over the meeting will give such directions as (s)he thinks fit with 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 will 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:

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

(iii) Business proposed to be transacted when the press and public have been excluded from a meeting

Matters to be dealt with by the Board following the exclusion of representatives of the press, and other members of the public, as provided in (i) and (ii) above, will be confidential to the Members of the Board.

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

(iv) **Use of Mechanical or Electrical Equipment for Recording or Transmission of Meetings**

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

3.19 Observers at Trust Meetings

The Board will decide what arrangements and terms and conditions it feels are appropriate to offer in extending an invitation to observers to attend and address any of the Board's meetings and may change, alter or vary these terms and conditions as it deems fit.

3.20 Annual General Meeting

The Trust will publicise and hold an annual public meeting in accordance with the NHS Trust (Public Meetings) Regulations 1991 (SI(1991)482). The Agenda will be sent to members 6 clear days before the meeting and supporting papers, whenever possible, will accompany the agenda, but will certainly be dispatched no later than three clear days before the meeting, save in emergency. Information will be made available as in keeping with Board meetings held in Public. The meeting will be a full meeting of the Board and the minutes thereof will be placed before and agreed at the next meeting of the AGM.

4. APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES

4.1 Appointment of Committees

Subject to such directions as may be given by the Secretary of State for Health, the Board may appoint committees of the Trust or committees comprising the Trust and other health bodies for the furtherance of its purpose.

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

Where committees are authorised to establish sub-committees or groups under their terms of reference they may not delegate executive powers to the sub-committee or group unless expressly authorised by the Board.

Where committees are authorised to establish sub-committees or groups these must service the committee with regular in-year reports. In order to provide assurance any sub-committee or group that sits under a Committee of the Board will provide an annual work plan and annual progress report to the relevant committee.

4.2 Approval for Appointments to Committees

The Board will approve the appointments to each of the committees which it has formally constituted. Where the Board determines, and regulations permit, that persons, who are neither members nor officers, will be appointed to a committee the terms of such appointment will be within the powers of the Board as defined by the Secretary of State. The Board will define the powers of such appointees and will agree allowances, including reimbursement for loss of earnings, and/or expenses in accordance where appropriate with national guidance.

4.3 Appointments for Statutory Functions

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

4.4 Joint Committees

- (i) Joint committees may be appointed by the Trust by joining together with one or more other Trusts consisting of, wholly or partly of the Chairman and members of the Trust or other health service bodies, or wholly of persons who are not members of the Trust or other health bodies in question.

- (ii) Any committee or joint committee appointed under this Standing Order may, subject to such directions as may be given by the Secretary of State or the Trust or other health bodies in question, appoint sub-committees consisting wholly or partly of members of the committees or joint committee (whether or not they are members of the Trust or health bodies in question) or wholly of persons who are not members of the Trust or health bodies in question or the committee of the Trust or health bodies in question.

4.5 Terms of Reference

Each such committee will have such terms of reference and powers and be subject to such conditions (as to reporting back to the Board), as the Board will decide and will be in accordance with any legislation and regulation or direction issued by the Secretary of State. Such terms of reference will have effect as if incorporated into the Standing Orders.

The Standing Orders and Standing Financial Instructions of the Trust, as far as they are applicable, will as appropriate apply to meetings and any Committees established by the Trust. In which case the terms “Chairman” is to be read as a reference to the Chairperson of another committee(s) as the context permits, and the terms “member” is to be read as a reference to a member of another committee(s), also as the context permits.

There is no requirement to hold meetings of committees established by the Trust in public.

4.6 Committees established by the Trust Board

In line with the requirements of the NHS Audit Committee Handbook, NHS Codes of Conduct and Accountability, the Higgs report, the NHS Foundation Trusts Code of Governance and the Well-led framework for governance reviews, the following committees established by the Board are:

- i. Audit Committee
- ii. Auditor Panel
- iii. Finance and Investment Committee
- iv. Quality Committee
- v. Remuneration and Terms of Service Committee
- vi. Charitable Funds Committee

4.6.1 Audit Committee

The Committee will 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.

The Committee will be appointed by the Board and comprise three Non-Executive Directors, excluding the Chairman of YAS who will not be a member, and excluding the Chairpersons of the Quality and Finance & Investment Committees who will be in attendance.

The Audit Committee Chairperson will be appointed by the Board.

4.6.2 Auditor Panel

The Auditor Panel's functions are to advise the Board on the selection and appointment of the Trust's External Auditor including:

- i. Agreeing and overseeing a robust process for selecting the External Auditors in line with the organisation's normal procurement rules;
- ii. Making a recommendation to the Board as to who should be appointed;
- iii. Ensuring that any conflicts of interest are dealt with effectively;
- iv. Advising the Board on the maintenance of an independent relationship with the appointed External Auditor.
- v. Advising the Board on whether or not any proposal from the External Auditor to enter into a liability limitation agreement as part of the procurement process is fair and reasonable;
- vi. Advise on (and approve) the contents of the organisation's policy on the purchase of non-audit services from the appointed External Auditor;
- vii. Advise the Board on any decision about the removal or resignation of the External Auditor.

The Auditor Panel shall comprise the entire membership of the Audit Committee with no additional appointees. In line with the requirements of the *Local Audit (Health Service Bodies Auditor Panel and Independence) Regulations 2015* (regulation 6) each member's independence must be reviewed against the criteria laid down in the regulations.

The Audit Committee Chairperson will be appointed by the Board to Chair the Auditor Panel.

4.6.3 Finance & Investment Committee

The Committee will undertake objective scrutiny of the Trust's financial performance, financial and commercial plans, investment policy and major investment decisions.

Review of the Trust's monthly financial performance will be primarily undertaken by the Board and Trust Executive Group, although the Board may request that the Committee reviews specific aspects of financial performance where the Board requires additional scrutiny and assurance.

The Committee will be appointed by the Board and comprise of three Non-Executive Directors, one of whom will act as Chairman of the Committee and a second being the Chairman of the Quality Committee, together with the Director of Finance and other members identified within the Terms of Reference.

The Finance & Investment Committee Chairperson will be appointed by the Board.

4.6.4 Quality Committee

The purpose of the Quality Committee is to provide the Board with an objective and independent review of quality, to support the delivery of safety and excellence in patient care. This remit includes a focus on safety, clinical effectiveness, patient experience and workforce issues, and on the effectiveness of quality governance and risk management systems.

The Committee will enable the Board to obtain assurance that high standards of care are provided and that adequate and appropriate governance structures, processes and controls are in place throughout the Trust to:

- i. Promote safety, high quality patient care across all Trust departments;
- ii. Identify, prioritise and manage risk arising from clinical care;
- iii. Ensure the effective and efficient use of resources through evidence based clinical practice;
- iv. Ensure that the Trust is aligned to the statutory and regulatory requirements relating to quality and safety;
- v. Ensure effective supervision and education and training of the workforce;
- vi. Protect the health and safety of Trust employees;
- vii. Ensure effective information governance across the Trust's functions.

The Committee will be appointed by the Board and comprise of three Non-Executive Directors, one of whom will act as Chairman of the Committee and a second being the Chairman of the Finance & Investment Committee, together with the Director of Quality, Governance and Performance Assurance and other members identified within the Terms of Reference.

The Quality Committee Chairperson will be appointed by the Board.

4.6.5 Remuneration and Terms of Service Committee

The purpose of the Committee is to advise the Board about appropriate remuneration, terms of service and contractual arrangements for the Chief Executive and other Executive Directors including:

- (i) all aspects of salary (including any performance-related elements/bonuses);
- (ii) provisions for other benefits, including pensions and vehicles;
- (iii) arrangements for termination of employment and other contractual terms.

The Committee will also monitor and evaluate the performance of the Chief Executive and other Executive Directors.

The Committee will be appointed by the Board and comprise exclusively of Non-Executive Directors, who are independent of management. The members of the Committee will be the Chairman and all the Non-Executive Directors of the Trust.

The Trust Chairman will be the Chairperson of the Remuneration & Terms of Service Committee.

4.6.6 Charitable Funds Committee

YAS' Charity is registered with the Charities Commission which has approved its Objects:

"The trustees will hold the trust fund upon trust to apply the income, and at their discretion, so far as may be permissible, the capital for any charitable purpose or purposes relating to the National Health Service wholly or mainly for the [Tees, East and North Yorkshire Ambulance Services NHS Trust]".

Model Declaration of Trust (20 October 1999)

as amended by Supplemental Deed of Declaration (14 December 2016) to, "for the Yorkshire Ambulance Service NHS Trust.

The purpose of the Charitable Funds Committee has been established by the Corporate Trustee (the Board of Directors) to make and monitor arrangements for the control and management of the Charity's funds, and to effect the delegation of day-to-day responsibility to ensure that the Charity's funds are exercised within appropriate controls and governance.

The Committee will include two Non-Executive Directors, one of whom will act as Chairman of the Committee, together with the Executive Director of Finance or their nominated Deputy and another member of the Trust Executive Group, and at least one member of staff from front-line services.

The Charitable Funds Committee Chairperson will be appointed by the Board.

The provisions of this Standing Order must be read in conjunction with Standing Order 2.7 and Standing Financial Instructions Appendix 2.

4.6.7 Other Committees

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

4.7 **Confidentiality** – A member of a committee will not disclose a matter dealt with by, or brought before, a committee without its permission until the committee has reported to the Board or otherwise concluded the matter.

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

FINAL DRAFT V2.3 (Board of Directors)

5. ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION

Also see 9. Section C – Scheme of Powers Delegated and Reserved to the Board

5.1 Delegation of Functions to Committees, Officers or Other Bodies

5.1.1 Subject to such directions as may be given by the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions by a committee, sub-committee appointed by virtue of Standing Order 4, or by an officer of the Trust, or by another body as defined in Standing Order 5.1.2 below, in each case subject to such restrictions and conditions as the Trust thinks fit.

5.1.2 Section 16B of the NHS Act 1977 allows for regulations to provide for the functions of Trusts to be carried out by third parties. ~~In accordance with the Trusts (Membership, Procedure and Administration Arrangements) Regulations 2000.~~ In accordance with these Standing Orders the functions of the Trust may also be carried out in the following ways:

- (i) by another NHS Trust;
- (ii) jointly with any one or more of the following: NHS Trusts, Clinical Commissioning Groups (CCGs) or other health service bodies;
- (iii) by arrangement with the appropriate Trust or Commissioning body, by a joint committee or joint sub-committee of the Trust and one or more other health service bodies;

~~In relation to arrangements made under S63(1) of the Health Services and Public Health Act 1968, jointly with one or more other health service bodies, NHS Trust or CCG.~~

5.1.3 Where a function is delegated by these Regulations to another Trust, then that Trust or health service body exercises the function in its own right; the receiving Trust has responsibility to ensure that the proper delegation of the function is in place. In other situations, i.e. delegation to committees, officers, or the Trust delegating the function retains full responsibility.

5.2 Emergency Powers and Urgent Decisions

The powers which the Board has reserved to itself within these Standing Orders (see Standing Order 2.7(5)) may in emergency or for an urgent decision be exercised by the Chief Executive and the Chairman after having consulted at least two non-officer members. The exercise of such powers by the Chief Executive and Chairman will be reported to the next formal meeting of the Board in public session for formal noting.

5.3 Delegation to Committees

- 5.3.1 The Board will agree to the delegation of executive powers to be exercised by other committees, or sub committees, or joint-committees, which it has formally constituted in accordance with directions issued by the Secretary of State. The constitution and terms of reference of these committees, or sub committees, or joint committees, and their specific executive powers will be approved by the Board in respect of its sub-committees.
- 5.3.2 When the Board is not meeting as the Trust in public session it will 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 other committee or sub-committee or joint-committees will be exercised on behalf of the Trust by the Chief Executive. The Chief Executive will determine which functions (s)he will perform personally and will nominate officers to undertake the remaining functions for which (s)he will still retain accountability to the Trust.

5.5 Scheme of Delegation

- 5.5.1 The Chief Executive will prepare a Scheme of Powers Delegated and Reserved to the Board [Scheme of Powers] identifying his/her proposals which will be considered and approved by the Board. The Chief Executive may periodically propose amendment to the Scheme of Powers which will be considered and approved by the Board.
- 5.5.2 Nothing in the Scheme of Powers will impair the discharge of the direct accountability to the Board of the **Director of Finance** to provide information and advise the Board in accordance with statutory or Department of Health requirements. Outside these statutory requirements the roles of the **Director of Finance** will be accountable to the Chief Executive for operational matters.
- 5.5.3 The arrangements made by the Board as set out in the **Scheme of Powers Delegated and Reserved to the Board and the Scheme of Financial Delegation set out in the Standing Financial Instructions** will have effect as if incorporated in these Standing Orders.
- 5.5.4 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, will be reported to the next formal meeting of the Board **meeting in public for action or ratification retrospective approval, as appropriate.** All members of the Board and staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive **as soon as possible within 3 clear days of the non-compliance becoming apparent to them.**

5.6 Interaction with Other Policies and Regulations

5.6.1 Policy statements: general principles

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

5.6.2 Specific Policy statements

Notwithstanding the application of SO 5.6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following Trust Policy statements, both of which will have effect as if incorporated in these Standing Orders:

- the Business Conduct Policy and Guidance: Interests, Gifts, Hospitality & Sponsorship ;
- the Disciplinary Policy & Procedure;

5.6.3 Standing Financial Instructions

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

5.6.4 Specific guidance

Notwithstanding the application of SO 5.6.1 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.

6. DECLARATION AND REGISTER OF INTERESTS

6.1 Declaration of Interests

Policy - Staff (including all directors) must comply with the national guidance contained in **HSG(93)5** 'Standards of Business Conduct for NHS staff' and "[The Code of Conduct and Accountability](#)". The following provisions should be read in conjunction with those documents:

The NHS Code of Accountability requires Board Members to declare interests which are relevant and material to the NHS Board of which they are a member. All existing Board members should declare such interests. Any Board members appointed subsequently should do so on appointment.

6.2 Interests which are relevant and material

- (i) 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 shareholdings 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) Research funding/grants that may be received by an individual or their department;
 - g) Interests in pooled funds that are under separate management.
- (ii) Any member of the Board who comes to know that the Trust has entered into or proposes to enter into a contract in which (s)he or any person connected with him/her (as defined in Standing Order 7.3 below and elsewhere) has any pecuniary interest, direct or indirect, the Board member will declare his/her interest by giving notice in writing of such fact to the Trust as soon as practicable.

If Board members have any doubt about the relevance of an interest, this should be discussed with the Chairman of the Trust or with the Trust's Company Secretary.

Financial Reporting Standard No 8 (issued by the Accounting Standards Board) specifies that influence rather than the immediacy of the relationship is more important in assessing the relevance of an interest. The interests of

partners in professional partnerships including general practitioners should also be considered.

6.3. Disclosure of Interests

(i) Recording of Interests in Board minutes

At the time Board members' 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 and recorded in the minutes of that meeting.

(ii) Publication of declared interests in the Trust's Annual Report

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

(iii) Conflicts of interest which arise during the course of a meeting

During the course of a Board meeting, if a conflict of interest is established, the Board member concerned should withdraw from the meeting and play no part in the relevant discussion or decision. (see overlap with SO 6.5)

6.4 Register of Interests

6.4.1 The Chief Executive will ensure that a Register of Interests is established to record formally declarations of interest of Board or Committee members. In particular the Register will include details of all directorships and other relevant and material interests (as defined in SO 6.2) which have been declared by both executive and non-executive Board members.

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

6.4.3 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 local residents and to publicise arrangements for viewing it.

6.5 Exclusion from proceedings on account of pecuniary interest

6.5.1 Definition of terms used in interpreting 'Pecuniary' interest

For the sake of clarity, the following definition of terms is to be used in interpreting this Standing Order:

- (i) "spouse" will include any person who lives with another person in the same household (and any pecuniary interest of one spouse will, if known to the other spouse, be deemed to be an interest of that other spouse);
- (ii) "contract" will include any proposed contract or other course of dealing;
- (iii) "Pecuniary interest" - subject to the exceptions set out in this Standing Order, a person will be treated as having an indirect pecuniary interest in a contract if:-
 - a) (s)he, or a nominee of his/her, is a member of a company or other body (not being a public body), with which the contract is made, or to be made or which has a direct pecuniary interest in the same, or
 - b) (s)he is a partner, associate or employee of any person with whom the contract is made or to be made or who has a direct pecuniary interest in the same.
- iv) Exception to Pecuniary interests

A person will not be regarded as having a pecuniary interest in any contract if:-

- a) neither (s)he or any person connected with him/her has any beneficial interest in the securities of a company of which (s)he or such person appears as a member, or
- b) any interest that (s)he or any person connected with him/her may have in the contract is so remote or insignificant that it cannot reasonably be regarded as likely to influence him/her in relation to considering or voting on that contract, or
- c) those securities of any company in which (s)he (or any person connected with him/her) has a beneficial interest do not exceed £5,000 in nominal value or one per cent of the total issued share capital of the company or of the relevant class of such capital, whichever is the less.

Provided, however, that where paragraph (c) above applies the person will nevertheless be obliged to disclose/declare their interest in accordance with Standing Order 6.2.

6.5.2 Exclusion in proceedings of the Board

- (i) Subject to the following provisions of this Standing Order, if the Chairman or a member of the Board has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Board at which the contract or other matter

is the subject of consideration, they will at the meeting and as soon as practicable after its commencement disclose the fact and will not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it.

- (ii) The Secretary of State may, subject to such conditions as (s)he may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to him/her in the interests of the National Health Service that the disability should be removed. (see SO 3.15 on the 'Waiver' which has been approved by the Secretary of State for Health).
- (iii) The Board may exclude the Chairman or a member of the Board from a meeting of the Board while any contract, proposed contract or other matter in which (s)he has a pecuniary interest is under consideration.
- (iv) Any remuneration, compensation or allowance payable to the Chairman or a Member by virtue of paragraph 11 of Schedule 5A to the National Health Service Act 1977 (pay and allowances) will not be treated as a pecuniary interest for the purpose of this Standing Order.
- (v) This Standing Order applies to a committee, or sub-committee, and to a joint committee as it applies to the Trust and applies to a member of any such committee, or sub-committee, **or joint committee** (whether or not (s)he is also a member of the Trust) as it applies to a member of the Trust.

7. STANDARDS OF BUSINESS CONDUCT

All Trust staff **and members of the Board** must comply with the **Trust's Business Conduct Policy and Guidance: Interests, Gifts, Hospitality & Sponsorship** and the national guidance contained in HSG(93)5 on 'Standards of Business Conduct for NHS staff' (see SO 5.6.2).

7.1 Interest of Officers in Contracts

- i) Any officer or employee of the Trust who comes to know that the Trust has entered into or proposes to enter into a contract in which (s)he or any person connected with him/her (as defined in SO 6.5.2) has any pecuniary interest, direct or indirect, the Officer will declare their interest by giving notice in writing of such fact to the Chief Executive or Trust's Company Secretary as soon as practicable.
- ii) An Officer should also declare to the Chief Executive any other employment or business or other relationship of his/her, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.
- iii) The Trust will require interests, employment or relationships so declared to be entered in a register of interests of staff.

7.2 Canvassing of and Recommendations by Members in Relation to Appointments

- i) Canvassing of members of the Trust or of any Committee of the Trust directly or indirectly for any appointment under the Trust will disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order will be included in application forms or otherwise brought to the attention of candidates.
- ii) Members of the Trust will not solicit for any person any appointment under the Trust or recommend any person for such appointment; but this paragraph of this Standing Order will not preclude a member from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.

7.3 Relatives of Members or Officers

- i) Candidates for any staff appointment under the Trust will, when making an application, disclose in writing to the Trust whether they are related to any member or the holder of any office under the Trust. Failure to disclose such a relationship will disqualify a candidate and, if appointed, render him/her liable to instant dismissal.
- ii) The Chairman and every member and officer of the Trust will disclose to the Board any relationship between himself and a candidate of whose candidature that member or officer is aware. It will be the duty of the Chief Executive to report to the Board any such disclosure made.
- iii) On appointment, members (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 member or holder of any office under the Trust.
- iv) Where the relationship to a member of the Trust is disclosed, the Standing Order headed 'Exclusion from proceedings on account of pecuniary interest' (SO 6.5) will apply.

8. CUSTODY OF THE TRUST SEAL, SEALING AND SIGNATURE OF DOCUMENTS

8.1 Trust Seal

- (i) Custody of Seal

The common seal of the Trust will be kept by the Chief Executive or a nominated Manager by him/her in a secure place.

(ii) Sealing of Documents

Where it is necessary that a document will be sealed, the seal will be affixed in the presence of two senior managers duly authorised by the Chief Executive, and not also from the originating department, and will be attested by them.

(iii) Register of Sealing

The Chief Executive will keep a register in which (s)he, or another manager of the Authority authorised by him/her, will enter a record of the sealing of every document.

8.2 Signature of Documents

Where any document will be a necessary step in legal proceedings on behalf of the Trust, it will, unless any enactment otherwise requires or authorises, be signed by the Chief Executive or any Executive Director. Such authority may be extended to the Trust Solicitor, within the relevant SFI authorisation level.

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

8.3. Housekeeping

(i) 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 Standing Financial Instructions. Updated copies will be issued to staff designated by the Chief Executive. New designated officers will be informed in writing and will receive copies where appropriate of Standing Orders.

(ii) Documents having the standing of Standing Orders

Standing Financial Instructions and the Scheme of Powers Delegated and Reserved to the Board of Directors and Scheme of Financial Delegation will have effect as if incorporated into these Standing Orders.

(iii) Review of Standing Orders

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

(iv) Accounting Officer

The Accounting Officer is responsible for ensuring the proper stewardship of public funds and assets. For this Trust it will be the Chief Executive.

FINAL DRAFT V2.3 (Board of Directors 310117)

SECTION C – SCHEME OF POWERS DELEGATED AND RESERVED TO THE BOARD

9.1 Scheme of Powers Reserved to the Board

Scheme of Powers Reserved to the Board
General Enabling Provision <p>The Board may determine any matter within its statutory powers, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.</p>
9.1.1 - Regulations and Control <ol style="list-style-type: none">1. Approve Standing Orders (SOs), including a scheme of powers delegated and reserved to the Board, and Standing Financial Instructions for the regulation of its proceedings and business.2. Suspend Standing Orders.3. Vary or amend the Standing Orders.4. Ratify Retrospectively approve any urgent decisions taken by the Chairman and Chief Executive in public session in accordance with SO 5.25. Approve a scheme of delegation of powers delegated from the Board to committees.6. Require and receive the declaration of Board members' interests that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration.7. Require and receive the declaration of officers' interests that may conflict with those of the Trust.8. Approve arrangements for dealing with complaints.9. Adopt the organisation structures, processes and procedures to facilitate the discharge of

Scheme of Powers Reserved to the Board

business by the Trust and agree modifications thereto.

10. 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.
11. Confirm the recommendations of the Trust's committees where the committees do not have executive powers.
12. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust.
13. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board.
14. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property.
15. Authorise use of the Trust Seal.
16. Ratify Retrospectively approve, or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 5.5.4.
17. Discipline members of the Board or employees who are in breach of statutory requirements or SOs.

9.1.2 - Appointments / Dismissal

1. Appoint the Deputy Chairman of the Board.
2. Appoint and dismiss committees (and individual members) that are directly accountable to the Board.
3. Appoint, appraise, discipline and dismiss Executive Directors (subject to SO 2.2).
4. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.
- ~~5. Appoint, appraise, discipline and dismiss the Secretary (if the appointment of a Secretary is required under Standing Orders).~~
6. Approve proposals of the Remuneration and Terms of Service Committee (RTSC)

Scheme of Powers Reserved to the Board

regarding directors and senior employees and those of the Chief Executive for staff not covered by the RTSC.

9.1.3 - Strategy, Plans and Budgets

1. Define the strategic aims and objectives of the Trust.
2. Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State.
3. Approve the Trust's policies and procedures for the management of risk.
4. Approve Outline and Final Business Cases for Capital Investment and Service Developments.
5. Approve budgets.
6. Approve annually the Trust's proposed organisational development proposals.
7. **Ratify Approve, or otherwise** proposals for acquisition, disposal or change of use of land and/or buildings **in line with the Standing Orders and Standing Financial Instructions**.
8. Approve PFI proposals.
9. Approve the opening of bank accounts.
10. Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over £500,000.
11. Approve proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and Director of Finance & **Performance** (for losses and special payments) previously approved by the Board.
12. Approve individual compensation payments.
13. Approve proposals for action on litigation against or on behalf of the Trust where the quantum exceeds the delegated budget authority of the Chief Executive.
14. Review use of NHSLA risk pooling schemes (**LPST/CNST/FPST**).

9.1.4 - Policy Determination

Scheme of Powers Reserved to the Board

1. Approve management policies including personnel workforce policies incorporating the arrangements for the appointment, removal and remuneration of staff.

~~Policies so adopted shall be listed and appended to this document [by the Secretary]~~

9.1.5 - Audit

1. ~~Approve the appointment (and where necessary dismissal) of External Auditors recommended by the Auditor Panel and advise the Audit Commission on the appointment.~~ *Approval of external auditors' arrangements for the separate audit of funds held on trust, and the submission of reports to the Audit Committee meetings ~~who~~ which will take appropriate action.*
2. Receive the annual management letter received from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit Committee.
3. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit Committee.

Scheme of Powers Reserved to the Board

9.1.6 - Annual Reports and Accounts

1. ~~Receipt~~ Receive and ~~approval~~ approve the Trust's Annual Report and Annual Accounts including the Quality Account.
2. ~~Receipt~~ Receive and ~~approval~~ approve the Annual Report and Accounts for funds held on trust.

9.1.7 - 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. All monitoring returns required by the Department of Health, NHS Improvement and the Charity Commission shall be reported, at least in summary, to the Board.
3. Receive reports from the ~~Director of Finance~~ DoF on financial performance against budget and the Trust's Financial Plan. Receive reports from the ~~Chief Executive~~ CE on actual and forecast income from contracts and ~~Service Level Agreements~~ SLA.

9.2 Scheme of Powers Delegated to Committees

Scheme of Powers Delegated to Committees

The Remit of Each Committee is Contained Within the Relevant Terms of Reference available from the Trust Secretary

1. Audit Committee
2. Auditor Panel
3. Finance and Investment Committee
4. Quality Committee
5. Remuneration and Terms of Service Committee
6. Charitable Funds Committee

9.3 Scheme of Powers Delegated to Officers

(‘A’ denotes Appendix)

Original Ref	New Ref	Delegated Role	Delegated Power
10.1.6	S0 5.5.4 SFI 10.1.6 SFI 11.0	BOARD MEMBERS AND ALL EMPLOYEES	Any instances of non-compliance must be reported to the Audit Committee. All Board members have a duty to disclose any non-compliance with Standing Financial Instructions (SFIs) to the Director of Finance (DoF) as soon as possible.
10.2.11			Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Financial Instructions and financial procedures.
12.4.20	SFI A6	BOARD MEMBERS AND ALL SENIOR STAFF	Responsibility for security of Trust assets including notifying discrepancies to the DoF, and reporting losses in accordance with Trust procedure.
12.7.19	SFI A4	ALL EMPLOYEES	Duty to inform DoF of money due from transactions which they initiate/deal with.
7	SO 6.1 SO 7		Comply with national guidance contained in HSG(93)5 “Standards of Business Conduct for NHS Staff”.
7.3	SO 7.3		Disclose relationship between self and candidate for staff appointment. (The Chief Executive (CEO) to report the disclosure to the Board).
14.5.6	SFI A6		Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department / nominated officer should then inform the CEO and DoF.

Original Ref	New Ref	Delegated Role	Delegated Power
None	SFI 1.2.6	CHAIRMAN	Implement requirements of corporate governance including: <ol style="list-style-type: none"> 1. provide leadership to the Board; 2. enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team; 3. ensure that key and appropriate issues are discussed by the Board in a timely manner, 4. ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions; 5. lead Non-Executive Board members through a formally-appointed Remuneration Committee of the main Board on the appointment, appraisal and remuneration of the Chief Executive and (with the latter) other Executive Board members; 6. appoint Non-Executive Board members to an Audit Committee of the main Board; 7. advise the Secretary of State on the performance of Non-Executive Board members.
1.1	SO 1.1 SO 3.10		Final authority in interpretation of Standing Orders (SOs).
3.1	SO 3.1 (2)		Call meetings.
3.9	SO 2.6 (7)		Chair all Board meetings and associated responsibilities.
3.10	SO 3.10		Give final ruling in questions of order, relevancy and regularity of meetings.
3.12	SO 3.12 (1)		Having a second or casting vote
11.1.2	SFI 13.1.2		Raise the matter at the Board meeting where the Audit Committee considers there is evidence of ultra vires transactions or improper acts.

Original Ref	New Ref	Delegated Role	Delegated Power
SO 2.6	SO 4.6.5	CHAIRMAN AND NON-EXECUTIVE/OFFICER MEMBERS	Chairman and Non-Officer members are responsible for monitoring the executive management of the organisation and are responsible to the Secretary of State for Health (SofS) for the discharge of those responsibilities.
5.2	SO 5.4	CHAIRMAN AND CHIEF EXECUTIVE	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chairman and Chief Executive after having consulted at least two Non-Executive members.
None	SO 4.3	NON-EXECUTIVE DIRECTORS	Non-Executive Directors are appointed by NHS Trust Development Authority Improvement (NHSI) to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health to Ministers and to the local community.

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Original Ref	New Ref	Delegated Role	Delegated Power
SO 2.6	SO 8.3 (IV)	CHIEF EXECUTIVE(CEO)	Accountable through NHS Accounting Officer to Parliament for stewardship of Trust resources
SFI 10.2.4	SFI 11.2 SFI A11		Sign a statement in the accounts outlining responsibilities as the Accountable Officer. Sign a statement in the accounts outlining responsibilities in respect of Internal Control.
SFI 10.2	SFI 11.2		Ensure effective management systems that safeguard public funds and assist the Trust Chairman to implement requirements of corporate governance including ensuring managers: <ul style="list-style-type: none"> • “have a clear view of their objectives and the means to assess achievements in relation to those objectives • be assigned well defined responsibilities for making best use of resources have the information, training and access to the expert advice they need to exercise their responsibilities effectively.”
SFI 10.2	SFI 11.2		Achieve value for money from the resources available to the Trust and avoid waste and extravagance in the organisation's activities. Follow through the implementation of any recommendations affecting good practice as set out in reports from national such bodies/guidance, for example as the Audit Commission and the National Audit Office (NAO).
SFI 10.2	SFI 11.2		Primary duty to see that DoF discharges this function.
None	SO 8.3 (IV)		Ensuring that expenditure by the Trust complies with Parliamentary requirements.
None	SO 2.6 (2) (II)		If the CEO considers the Board or Chairman are doing something that might infringe probity or regularity, (s)he should set this out in writing to the Chairman and the Board. If the matter is unresolved, (s)he should ask the Audit Committee to inquire and if necessary the NHSI Trust Development Authority (TDA) and Department of Health (DH).

Original Ref	New Ref	Delegated Role	Delegated Power
None	SO 2.6 (2) (III)	CHIEF EXECUTIVE (CEO)	If the Board is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the CEO's responsibility for value for money, the CEO should draw the relevant factors to the attention of the Board. If the outcome is that you are(s)he is overruled it is normally sufficient to ensure that you're his/her advice and the overruling of it are clearly apparent from the papers. Exceptionally, the CEO should inform the NHSI Trust Development Authority and the DH. In such cases, the CEO should, as a member of the Board, vote against the course of action rather than merely abstain from voting.
None	SO 1.2.1 SO 2.6 (2)		The CEO is accountable to the Chairman and Non-Executive members of the Board for ensuring that its decisions are implemented, that the organisation works effectively, in accordance with Government policy and public service values and for the maintenance of proper financial stewardship. The CEO should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Board. The other duties of the CEO as Accountable Officer are laid out in the Accountable Officer Memorandum.
5.5	SO 2.8		The CEO shall prepare a Scheme of Powers Delegated and Reserved to the Board identifying his/her proposals that shall be considered and approved by the Board, subject to any amendment agreed during the discussion.
6.4	SO 6.4.1		Maintain the Register(s) of Interests.
8.1	SO 8.1		Keep the Trust Seal in safe place and maintain a register of sealing.
10	SFI 10.2		Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
10	SFI 10.2		To ensure all Board members, officers and employees, present and future, are notified of and understand the Trust's Standing Financial Instructions.

Original Ref	New Ref	Delegated Role	Delegated Power
10.2.12	SFI 10.2	CHIEF EXECUTIVE (CEO)	Ensure that any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income are made aware of these instructions and their requirement to comply.
11.6	SFI 11.2 SFI A3		Monitor and ensure compliance with Directions issued by the SofS on NHS security management including appointment of the Local Security Management Specialist.
12.1.1	SFI 12.1/2		Compile and submit to the Board a Financial Plan which takes into account financial targets and forecast limits of available resources. The Financial Plan will contain: <ul style="list-style-type: none"> a statement of the significant assumptions on which the plan is based; details of major changes in workload, delivery of services or resources required to achieve the plan.
12.1.7	SFI 12.1		Delegate budget to budget holders.
12	SFI 12.1		Identify and implement cost improvements and income generation activities in line with the Trust's Financial Plan.
13	SFI 15		Tendering and contract procedure.
13.2.3	SFI A3		Waive formal tendering procedures.
13.2.5	SFI A3		Report waivers of tendering procedures to the Board.
13.3.2	SFI A3		Responsible for the receipt, endorsement and safe custody of tenders received.
13.3.4	SFI A3		Shall maintain a register to show each set of competitive tender invitations dispatched.
13.3.7	SFI A3		No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the CEO.

Original Ref	New Ref	Delegated Role	Delegated Power
13.4.2	SFI A3	CHIEF EXECUTIVE (CEO)	The CEO or his/her nominated officer should evaluate the quotation and select the quote which gives the best value for money.
13.5.3	SFI A3		The CEO shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
13.5.4	SFI A3		The CEO shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.
13.5.5	SFI A3		The CEO shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.
13.7.1	SFI A3		The CEO shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis.
13.7.5	SFI A3		The CEO will nominate an officer to oversee and manage the contract on behalf of the Trust.
14.1	SFI A7		Must ensure the Trust enters into suitable contracts and Service Level Agreements (SLAs) with service commissioners for the provision of NHS services
14.1.4	SFI A7		As the Accountable Officer, ensure that regular reports are provided to the Board detailing actual and forecast income from the contract or SLA
12.3.7	SFI 12.4		Approval of variation to funded establishment of any department.
12.3.8	SFI 12.4		Staff, including agency staff, appointments and re-grading.
12.2.1	SFI 12.3	Determine, and set out, the level of delegation of non-pay expenditure to budget managers, including a list of managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level.	

Original Ref	New Ref	Delegated Role	Delegated Power
12.4.10	SFI A10	CHIEF EXECUTIVE (CEO)	Maintenance of asset registers (on advice from DoF).
12.4.17	SFI A10		Overall responsibility for fixed assets.
14.4.2	SFI A10		Delegate overall responsibility for control of stocks (subject to DoF responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded.
14.4.8	SFI A6		Identify persons authorised to requisition and accept goods from NHS Supplies stores.
14.10	SFI 11.5		Retention of document procedures in accordance with the Information Governance Procedures.
14.11	SFI A8		Risk management programme.
12.2.8	SFI 12.3		Authorise who may use and be issued with official orders.
12.2.2	SFI 12.3		Set out procedures on the seeking of professional advice regarding the supply of goods and services.
12.4.3	SFI A10		Issue procedures for management of contracts involving stage payments.
12.4	SFI A10		Capital investment programme: a) ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on plans b) responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost; c) ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences; d) ensure that a business case is produced for each proposal in excess of £100k.
12.4.6	SFI A10		Issue the manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender.

			Issue a scheme of delegation for capital investment management.
Original Ref	New Ref	Delegated Role	Delegated Power
8.2	SO 8.2	CEO / EXECUTIVE DIRECTOR	Approve and sign all documents which will be necessary in legal proceedings.
12.1.8	SFI 12.1/2	CEO AND BUDGET HOLDERS	Must not exceed the budgetary total or virement limits set by the Board.

FINAL DRAFT V2.3 (Board of Directors)

Original Ref	New Ref	Delegated Role	Delegated Power
None	SFI 11.2/3	CEO AND EXECUTIVE DIRECTOR OF FINANCE	CEO, supported by DoF, to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
10.2.4	SFI 11.2		Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
11.2	SFI 13.3		Monitor and ensure compliance with SofS Directions on fraud and corruption including the appointment of the Local Counter Fraud Specialist.
12.2.10	SFI 12.3		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 HBN 00-08 'The efficient management of healthcare estates and facilities'. The technical audit of these contracts shall be the responsibility of the relevant Director.
12.7.10	SFI A4		Be on an authorising panel comprising one other member for short term borrowing approval.
13.3.5	SFI A3		Where one tender is received will assess for value for money and fair price.
13.4.4	SFI A3		No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the CEO.

Original Ref	New Ref	Delegated Role	Delegated Power
10	SFI 10.2	EXECUTIVE DIRECTOR OF FINANCE	Approval of all financial procedures.
10.1.4	SFI 10.2		Advise on interpretation or application of SFIs.
SFI 10.2	SFI 11		Operational responsibility for effective and sound financial management and information.
10.2.6	SFI 11		Responsible for: a) Implementing the Trust's financial policies and coordinating corrective action; b) Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented; c) Ensuring that sufficient records are maintained to explain Trust's transactions and financial position; d) Providing financial advice to members of Board and staff; e) Maintaining such accounts, certificates etc. as are required for the Trust to carry out its statutory duties.
11.1.3	SFI 13.1		Ensure an adequate internal audit service, for which he/she is accountable, is provided (and involve the Audit Committee in the selection process when/if an internal audit service provider is changed).
11.3.1	SFI 11.3		Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption.
12.1.2	SFI 12.1/2		Submit budgets to the Board for approval. Monitor performance against budget; submit to the Board financial estimates and forecasts.
12.1.6	SFI 12.1/2		Ensure adequate training is delivered on an ongoing basis to budget holders.
12.1.11	SFI 12.1/2		Devise and maintain systems of budgetary control.

Original Ref	New Ref	Delegated Role	Delegated Power
12.5.1	SFI 11.3.1	EXECUTIVE DIRECTOR OF FINANCE	Submit monitoring returns
12.6	SFI 11.3.1 & 14		Preparation of annual accounts and reports.
12.7.1	SFI A4		Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories. (Board approves arrangements.)
12.7	SFI A4		Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
12.3.10 & 11	SFI 12.4		Payroll: a) specifying timetables for submission of properly authorised time records and other notifications; b) final determination of pay and allowances; c) making payments on agreed dates; d) agreeing method of payment; e) issuing instructions (as listed in SFI 10.4.2).
12.2.5	SFI 12.3		Responsible for the prompt payment of accounts and claims.

Original Ref	New Ref	Delegated Role	Delegated Power
12.2.6	SFI 12.3	EXECUTIVE DIRECTOR OF FINANCE	<p>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;</p> <p>b) Prepare procedural instructions [where not already provided in the Scheme of Powers Delegated and Reserved to the Board or procedure notes for budget holders] on the obtaining of goods, works and services incorporating the thresholds;</p> <p>c) Be responsible for the prompt payment of all properly authorised accounts and claims;</p> <p>d) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable;</p> <p>e) A timetable and system for submission to the DoF of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment;</p> <p>f) Instructions to employees regarding the handling and payment of accounts within the Finance Department;</p> <p>Be responsible for ensuring that payment for goods and services is only made once the goods and services are received</p>
12.2.7	SFI 12.3		Approve proposed prepayment arrangements.
12.2.11	SFI 12.3		Lay down procedures for payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act 2009.
12.7.6	SFI A4		The DoF will advise the Board on the Trust's ability to pay dividend on Public Dividend Capital (PDC) and report, periodically, concerning the PDC debt and all loans and overdrafts.
12.7.8	SFI A4		Prepare detailed procedural instructions concerning applications for loans and overdrafts.
12.7.13	SFI A4		Will advise the Board on investments and report, periodically, on performance of same.
12.7.14	SFI A4		Prepare detailed procedural instructions on the operation of investments held.
14.3	SFI A7		Ensure that Board members are aware of the Financial Framework and ensure compliance.

Original Ref	New Ref	Delegated Role	Delegated Power
12.4.2	SFI A10	EXECUTIVE DIRECTOR OF FINANCE	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
12.4.4	SFI A10		Assess the requirement for the operation of the construction industry taxation deduction scheme.
12.4.5	SFI A10		Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
12.4.7	SFI A10		Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
12.4.8	SFI A10		Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
12.4.13	SFI A10		Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
12.4.16	SFI A10		Calculate and pay capital charges in accordance with Treasury requirements.
12.4.8	SFI A10		Approval of fixed asset control procedures.
14.4.4	SFI A6		Responsible for systems of control over stocks and receipt of goods.
14.5.10	SFI A6		Consider whether any insurance claim can be made.
14.5.5	SFI A6		Maintain losses and special payments register.
14.6.1	SFI A5		Responsible for accuracy and security of computerised financial data.
14.6.2	SFI A5		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 other organisation assurances of adequacy must be obtained from them prior to implementation.

Original Ref	New Ref	Delegated Role	Delegated Power
12.2.7	SFI 12.4	APPROPRIATE EXECUTIVE DIRECTOR	Make a written case to support the need for a prepayment.
12.3.14	SFI 12.4	DIRECTOR OF WORKFORCE & ORGANISATIONAL DEVELOPMENT	a) Ensure that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and b) Deal with variations to, or termination of, contracts of employment.
14.6.3	SFI A5	EXECUTIVE DIRECTOR QUALITY, GOVERNANCE & PERFORMANCE ASSURANCE	Publish and maintain a Freedom of Information Scheme.
14.4.7	SFI A6	ASSOCIATE DIRECTOR OF SUPPORT SERVICES ESTATES AND FACILITIES	Operate system for slow moving and obsolete stock, and report to DoF evidence of significant overstocking.
12.2.4	SFI 12.3	ASSOCIATE DIRECTOR OF SUPPORT SERVICES ESTATES AND FACILITIES	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.
14.6.4	SFI A5	RELEVANT OFFICERS	Send proposals for general computer systems to Director of Finance & Performance and ICTDoF .
14.7	SFI A4.10	DEPARTMENTAL MANAGERS	Inform staff of their responsibilities and duties for the administration of the property of patients.
12.2.9	SFI 12.3	MANAGERS AND OFFICERS	Ensure that they comply fully with the guidance and limits specified by the DoF Director of Finance & Performance .
14.4.2	SFI A6	DESIGNATED PHARMACEUTICAL OFFICER	Responsible for controls of pharmaceutical stocks; the accountable professional for medicines, the Trust's Pharmacist.
14.4.2	SFI A6	DESIGNATED ESTATES OFFICER	Responsible for control of stocks of fuel oil and coal.
14.4.3	SFI A6	DEPUTY / ASSOCIATE DIRECTORS	Security arrangements and custody of keys.

12	SFI 12	BUDGET HOLDERS	<p>Ensure that</p> <p>a) no overspend or reduction of income that cannot be met from virement is incurred without prior consent of Board;</p> <p>b) approved budget is not used for any other purpose than specified subject to rules of virement;</p> <p>c) no permanent employees are appointed without the approval of the CE other than those provided for within available resources and manpower establishment. Confirmation of current funded manpower resources to be established by Finance</p>
12.3.12	SFI 12.4	BUDGET HOLDERS	<ul style="list-style-type: none"> • Submit time records in line with timetable. • Complete time records, expense claims, overtime and other notifications in required form having verified their accuracy and validity up to and not exceeding the delegated budget holder limit. • Authorise use of agency staff only through Trust approved suppliers up to and not exceeding the delegated budget holder limit. <p>Submit termination forms in prescribed form and on time.</p>
12.2	SFI 12.3	BUDGET HOLDERS	Incur appropriate expenditure for goods and services on behalf of the Trust not exceeding their delegated approval limits
12.2.7	SFI 12.3	BUDGET HOLDERS	Ensure that all items due under a prepayment contract are received (and immediately inform the DoF if problems are encountered).
11.4.1	SFI A6	HEAD OF INTERNAL AUDIT	Review, appraise and report in accordance with NHS Internal Audit Manual and best practice.

SECTION D – STANDING FINANCIAL INSTRUCTIONS

FINAL DRAFT V2.3 (Board of Directors 310117)

10. INTRODUCTION

10.1. Purpose of Standing Financial Instructions (SFIs)

- 10.1.1. These SFIs shall have effect as if incorporated in the Trust Board Standing Orders and, as a result, are part of the Trust's Constitution. As the Trust Board approves SFIs, they may only be overridden with the express authority of Trust Board in accordance with SO 3.13, Suspension of Standing Orders.
- 10.1.2. These SFIs document the financial responsibilities and instructions adopted by the Trust. They are designed to ensure that its financial transactions are carried out in accordance with the law, Government and Department of Health policy to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Standing Orders, and the Scheme of Powers Delegated and Reserved to Trust Board.
- 10.1.3. SFIs identify the financial responsibilities that apply to everyone working for the Trust. They do not provide any detailed procedural advice. These statements should, therefore, be read in conjunction with the detailed departmental and financial procedure notes and guidance. All financial procedures must be approved by the Director of Finance.
- 10.1.4. Should any difficulties arise regarding the interpretation or application of any of the SFIs, then the advice of the Director of Finance **must be sought before acting**. The user of the SFIs should also be familiar and comply with the provisions of the Trust's Standing Orders.
- 10.1.5. Failure to comply with the Trust's Standing Orders or SFIs is a disciplinary matter, which could result in dismissal. Non-compliance must be reported to the Director of Finance.
- 10.1.6. Any instances of non-compliance must be reported at the next Audit Committee meeting for referring action or **retrospective approval ratification**. All members of the Trust Board have a duty to disclose any non-compliance with these SFIs to the Director of Finance as soon as possible.

10.2. Legislative Basis and Interpretation

- 10.2.1. The Standing Financial Instructions (SFIs) are issued in accordance with the Trust (Functions) Directions 2000 issued by the Secretary of State. Together with the Standing Orders (SOs), they 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.

- 10.2.2. Unless otherwise permitted by law, at any meeting the Chair of the Trust shall be the final authority on the interpretation of the Standing Financial Instructions.

11. ROLES AND RESPONSIBILITIES

11.1. Trust Board

- 11.1.1. 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
 - d) defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Powers Reserved and Delegation document.

- 11.1.2. 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 Scheme of Powers Delegated and Reserved to the Board. All other powers have been delegated to such other committees as the Trust has established.

11.2. Chief Executive

- 11.2.1. The Chief Executive and Director of Finance will, as far as possible, delegate their detailed responsibilities but they remain accountable for financial control.
- 11.2.2. Within the Standing Financial Instructions it is acknowledged that the Chief Executive is ultimately 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 Chairman and the Board for

ensuring that its financial obligations and targets are met; and has overall responsibility for the Trust's system of internal control.

- 11.2.3. It is a duty of the Chief Executive to ensure that Members of the Board and, employees and all new appointees are notified of, and put in a position to understand their responsibilities within these Instructions.

11.3. Director of Finance

11.3.1. The Director of Finance is responsible for:

- a) implementing the Trust's financial policies and for coordinating any corrective action necessary to further these policies;
- b) maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems are prepared, documented and maintained to supplement these instructions;
- c) ensuring that sufficient records are maintained to show and explain the Trust's transactions, and to be able to disclose, with reasonable accuracy, the financial position of the Trust at any time;
- d) the provision of financial advice to other members of the Board and employees;
- e) the design, implementation and supervision of systems of internal financial control, to include appropriate segregation of duties and internal checks;
- 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; and
- g) deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption;

11.4. Trust Employees

11.4.1. All Trust employees are responsible for complying with Trust Standing Orders and Standing Financial Instructions where these apply.

11.4.2. All staff should be aware of the Trust policy on acceptance of gifts and other benefits in kind by staff as set out in the Trust's policy, "Code of Conduct". That policy follows the guidance contained in the Department

of Health circular HSG (93) 5 'Standards of Business Conduct for NHS Staff'.

11.5. Retention of Records

- 11.5.1. The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with Department of Health guidelines.
- 11.5.2. The records held in archives shall be capable of retrieval by authorised persons.
- 11.5.3. Records shall only be destroyed in accordance with the Trust's records management policy. Detail shall be maintained of records so destroyed.

12. PLANNING AND FINANCIAL MANAGEMENT

12.1. Preparation and Approval of Plans and Budgets

- 12.1.1. The Chief Executive will compile and submit to the Board a Business Plan which takes into account the achievement of financial targets and forecast levels of income. The Business Plan will contain:
 - a) a statement of the significant assumptions on which the plan is based; and
 - b) details of major changes in workload, delivery of services or resources required to achieve the plan.
- 12.1.2. Prior to the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit Income and Expenditure budgets for each business unit, for approval by the Board. Such budgets will:
 - a) be in accordance with the aims and objectives set out in the Business Plan;
 - b) accord with workload and workforce plans;
 - c) be produced following discussion with appropriate budget holders; and
 - d) identify potential risks.

- 12.1.3. All budget holders must provide information as required by the Director of Finance to enable budgets to be compiled.
- 12.1.4. Following a process of review and validation, all budget holders will sign up to their allocated budgets at the commencement of each financial year.
- 12.1.5. The Director of Finance will monitor actual income and expenditure against budget and report to the Board.
- 12.1.6. The Director of Finance has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage within budget.

12.2. Budgetary Control and Reporting

- 12.2.1. The Director of Finance will devise and maintain systems of budgetary control. These will include:
- a) Appropriate financial reports to the Board to provide a clear picture of the Trust's current and forecast financial situation, both actual and planned, along with:
 - i. explanations of any material variances from plan
 - ii. details of any necessary corrective action and the Chief Executive's and / or the Director of Finance's view of whether such actions are sufficient to correct the situation.
 - b) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible
 - c) investigation and reporting of variances from financial, workload and workforce budgets, monitoring of management action to correct variances
 - d) arrangements for the authorisation of budget transfers (virement).
- 12.2.2. The Chief Executive will delegate budget responsibilities to Primary Budget Holders, as set out in Appendix 1. Each Primary Budget Holder is responsible for ensuring that:
- a) Services are provided to the standards set within budgetary resources provided for doing so;

- b) No aggregate adverse variance against income and expenditure is generated without the authorisation of the Executive Team; and
 - c) Appropriate documentation is completed to amend budgets either where any issues in the Business Plan are unresolved at the start of the financial year or anticipated service changes occur during the year.
- 12.2.3. The Chief Executive has overall responsibility for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Business Plan and the need to achieve financial targets. This work will be led by the Finance Director on behalf of the Chief Executive.
- 12.2.4. The Director of Finance shall keep the Chief Executive and the Board informed of the financial consequences of changes in policy, pay awards and trends affecting budgets, and shall advise on the financial and economic aspects of future plans and projects.

12.3. Budgetary Delegation

- 12.3.1. The Chief Executive will delegate the management of Income and Expenditure budgets to allow Trust managers to carry out Trust business.
- 12.3.2. Delegated budgets will set out:
- a) The services to be provided;
 - b) The standards required for those services;
 - c) The funds available to support provision of those services, and where applicable;
 - d) The income to be generated from providing services.
- 12.3.3. Budget manager's responsibilities and are set out more fully in Appendix 1 to this document, along with rules covering budget transfer (virement) and scope of delegated authority. That appendix forms part of these Standing Financial Instructions.
- 12.3.4. Authority to incur expenditure is only delegated for the purposes and costs identified in agreed budgets. Any proposed changes to delegated budgets must be agreed through the Trust's "Cost Control" process, as set out in Appendix 1.

12.3.5. Delegated authority to commit expenditure may be suspended where financial performance does not meet plan, at the discretion of the Executive Director of Finance in discussion with the Chief Executive. In such cases financial autonomy will be suspended and decision making rights will be suspended until the position has been recovered.

12.4. Staff costs

Remuneration and Terms of Service

12.4.1. 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 contained in the Higgs report).

12.4.2. The Committee will:

- a) advise the Board about appropriate remuneration and terms of service for the Chief Executive, other officer members employed by the Trust and other senior employees including:
 - i. all aspects of salary (including any performance-related elements/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 officer members of the Board (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 members and staff where appropriate;
- c) monitor and evaluate the performance of individual officer members (and other senior employees); and
- 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.

- 12.4.3. 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 officer members. Minutes of the Board's meetings should record such decisions.
- 12.4.4. The Board will consider and need to approve proposals presented by the Chief Executive for the setting of remuneration and conditions of service for those employees and officers not covered by the Committee.
- 12.4.5. The Trust will pay allowances to the Chairman and non-officer members of the Board in accordance with instructions issued by the Secretary of State for Health.

Funded Establishment

- 12.4.6. The Workforce plans incorporated within the annual budget will form the funded establishment.
- 12.4.7. The overall funded establishment of any department may not be varied without the approval of the Chief Executive.

Staff Appointments

- 12.4.8. No officer or Member of the Trust Board or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration unless:
 - (a) it is within the limit of their approved budget and funded establishment, or
 - (b) they are specifically authorised to do so by the Chief Executive.
- 12.4.9. The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc., for employees.

Processing Payroll

- 12.4.10. The Director of Finance is responsible for arrangements for processing payroll as set out in Appendix 9.

Contracts of Employment

- 12.4.11. The Director of Workforce and Organisational Development shall be responsible for:
- (a) ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation;
 - (b) dealing with variations to, or termination of, contracts of employment.

Off Payroll Appointments

- 12.4.12. Government departments are required to implement the recommendations of HM Treasury's review of tax arrangements of Public Sector appointees. Where an organisation enters into an off payroll engagement e.g. with a contractor it must apply the following:
- (a) Board members and senior officials with significant financial responsibility should be on the organisation's payroll, unless there are exceptional circumstances, in which case the Accountable Officer should approve the arrangements. Any such exceptions should exist for no longer than six months; and
 - (b) engagements of more than six months in duration, for more than a daily rate of £220, should include contractual provisions that allow the organisation to seek assurance regarding the income tax and NICs obligations of the engaged, and should terminate the contract if that assurance is not provided.

12.5. Capital Expenditure

- 12.5.1. The general rules applying to delegation and reporting shall also apply to capital expenditure.
- 12.5.2. The Director of Finance is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation.
- 12.5.3. Guidance on requirements for capital expenditure are set out in Appendix 10

13. AUDIT

13.1. Audit Committee

- 13.1.1. In accordance with Standing Orders, the Board shall formally establish an Audit Committee. The Audit Committee has defined Terms of Reference which have been approved by the Board and which follows guidance from the NHS Audit Committee Handbook 2016. Those Terms of Reference set out the duties, responsibilities and powers of that Committee, following the authority provided by the Scheme of Delegated and Reserved Powers.
- 13.1.2. Where the Audit Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chairman of the Audit Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Department of Health.
- 13.1.3. It is the responsibility of the Director of Finance **Executive Director of Finance to ensure an adequate Internal Audit service is provided** and the Audit Committee shall be involved in the selection process when/if an Internal Audit service provider is changed. **The Executive Director of Quality, Governance and Performance Assurance is responsible for the performance management of the internal audit service in line with wider trust performance management arrangements.**

13.2. Internal and External Audit

Internal Audit

- 13.2.1. The Director of Finance is responsible for 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.

External Audit

- 13.2.2. Following the closure of the Audit Commission, the Local Audit and Accountability Act 2014 applies. External Audit appointments are made by the Board, taking note of guidance from the Auditor Panel appointed for that purpose.

13.3. Security, Fraud and Corruption

Security

- 13.3.1. The Executive Director of Quality, Governance and Performance Assurance, on behalf of the Chief Executive, is the designated Security Management Director. He has specific responsibility for all security issues across the Trust, with the exception of Fraud and Corruption.

Fraud and Corruption

- 13.3.2. In line with their responsibilities, the Chief Executive and Director of Finance shall monitor and ensure compliance with directions issued by the Secretary of State for Health on Fraud, Corruption and Bribery.
- 13.3.3. The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the NHS Counter Fraud and Corruption Manual and guidance. This may be provided through arrangements for internal audit.
- 13.3.4. The Local Counter Fraud Specialist shall report to the Trust Director of Finance and shall work with staff in NHS Protect (previously known as the Counter Fraud and Security Management Services) in accordance with the NHS Counter Fraud and Corruption Manual.
- 13.3.5. The Local Counter Fraud Specialist will provide a written report, at least annually, on counter fraud work within the Trust.

14. FINANCIAL GOVERNANCE

14.1. Financial Control

- 14.1.1. All financial transactions must make use of Trust finance and procurement processes and systems.
- 14.1.2. All expenditure must be approved in line with the Scheme of Financial Delegation, and in accordance with the requirements set out for budget management and (where applicable) contract and tendering processes.
- 14.1.3. A key principle of financial control is that approval should be obtained at the earliest stage of the procurement process (i.e. before expenditure is committed). This will normally be at the point of requisition, as detailed in Appendix 2.
- 14.1.4. Once approval has been properly obtained and documented, further approval is not normally required unless there is a change in the transaction that invalidates the original approval.
- 14.1.5. The Trust aims to take a risk-based approach to financial control. Therefore, unusual or high value transactions or commitments require a higher standard of scrutiny than low value or routine transactions and

commitments. Managers are expected to follow this approach in making decisions about what authority to delegate and which transactions to review.

- 14.1.6. More complete details of the processes and approach to be followed when incurring expenditure are set out in the guidance for Budget Management in Appendix 1, "Budget Holder Responsibilities", and Appendix 2, "Scheme of Financial Delegation."

Annual Accounts and Reports

- 14.1.7. The Director of Finance, on behalf of the Trust will prepare annual accounts and other financial reports in accordance with the requirements of NHS Improvement and the Department of Health.
- 14.1.8. The Trust's annual accounts will be audited by the external auditor (see 13.2) and scrutinised by the Audit Committee (see 13.1) prior to being presented for Board approval.
- 14.1.9. The Trust's accounts will be published as part of an Annual Report, following guidance in the Treasury's Financial Reporting Manual (FReM), and the Manual for Accounts.

14.2. Banking, Treasury Management and Financing

- 14.2.1. The Director of Finance is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance / directions issued by NHS Improvement, and 'Cash Management in the NHS'. The Trust will minimise the use of commercial bank accounts and use Government Banking Services (GBS) accounts.
- 14.2.2. The Board shall approve the banking arrangements.
- 14.2.3. Detail of provisions for Banking, Treasury Management and Financing arrangements are set out in Appendix 4.

15. PROCUREMENT CONTRACTS AND TENDERING

- 15.1.1. On behalf of the Chief Executive and Finance Director, the Associate Director of Procurement and Logistics will establish and maintain processes to ensure that contracts are compliant with all relevant legislation, and meet the requirements of the Trust. All contracts must comply with that guidance and processes.
- 15.1.2. The Board – and therefore Trust officials - may only enter into contracts on behalf of the Trust within the statutory powers delegated to it by the Secretary of State. All contracts must comply with:
- a) The Trust's Standing Orders and Standing Financial Instructions;
 - b) EU Directives and other statutory provisions;
 - c) any relevant directions including the Capital Investment Manual, HBN 00-08 'The efficient management of healthcare estates and facilities' Estatecode and guidance on the Procurement and Management of Consultants;
 - d) NHS Guidance
- 15.1.3. In all contracts made by the Trust, the Board, Trust Managers and employees shall endeavor to obtain best value for money by use of all systems in place.
- 15.1.4. Detailed guidance is provided in Appendix 3, Contracts and Tendering

16. DELIVERY CONTRACTS AND INCOME

- 16.1.1. Guidance on delivery contracts is provided in Appendix 7

17. RISK MANAGEMENT AND INSURANCE

- 17.1.1. Guidance on Risk Management and Insurance is provided in Appendix 8

Appendix 1 **Budget Holder Responsibilities**

A1 Budget Holder Responsibilities

A1.1. Scope of Budget

- A1.1.1. The Trust provides three main groups of service:
- Emergency Operations - A&E and 999 Services
 - 111 Services, and
 - Patient Transport Services
- A1.1.2. These are supported by a number of Corporate functions, including Estates, Fleet, Finance, Human Resources and ICT services, amongst others.
- A1.1.3. Primary responsibility for delivering these services and the functions that support these within the funding available falls to the Directors responsible for each area. Such Directors are “Primary Budget Holders”. They are each accountable for achieving results in their own area, within the resources planned.
- A1.1.4. Budgets are set and documented for each area following a planning and budget setting process. Budgets will state:
- What outcomes are to be delivered
 - The resources available to support that delivery
 - The quality and other criteria that must be met, and against which performance will be assessed
- A1.1.5. The rules that apply to the management and administration of budgets are set out below.

A1.2. Managing expenditure

- A1.2.1. Responsibility for financial management within the area set out in their budget falls to Primary Budget Holders. They have delegated authority for pay and non-pay costs as set out in their agreed budget, subject to the limitations and constraints set out in this document and in the Standing Financial Instructions.
- A1.2.2. The Trust’s approach to delegating levels of financial responsibility is set out in Appendix 2, Schedule of Financial Delegation. This sets out the over-arching limits that apply to all financial transactions within the Trust. The Finance Director will make arrangements for a register of actual delegations to specific post holders to be maintained for use in reviewing and approving transactions as part of the Trust’s business.

- A1.2.3. Primary Budget Holders can sub-delegate authority to approve expenditure up to their own limit. They cannot delegate authority that is not provided by that budget. They are expected to devolve responsibility for managing expenditure to the most appropriate level in their function. Those that commit the resource should be familiar with the issues involved, should make decisions in recognition of the budget available, and must accept the responsibility that goes with that for managing within that allocation. Final accountability will remain with the primary budget holder in all cases.
- A1.2.4. Regardless of budget provision any individual transactions above the thresholds set out in the “Scheme of Financial Delegation” (Appendix 2), or that fall into the categories set out below (in section A1.3), require separate specific approval.
- A1.2.5. Transactions must not be artificially split in order to fall below these thresholds. If there is any doubt, approval must be sought from the Finance Director.

A1.3. Expenditure that requires additional approval:

- A1.3.1. Any cost that is not clearly covered by existing budget provision. If in doubt, ask your Finance Business Partner for advice in the first instance. Unless otherwise stated, approval for such cases is through the “Cost Control” process, which is documented separately.
- A1.3.2. No permanent or temporary employees can be appointed without the approval of the Chief Executive other than those provided for within the available resources and manpower establishment as approved by the Board.
- A1.3.3. Any potentially contentious costs, including but not limited to hospitality and any expense that has the potential to harm the reputation of the Trust must be approved by the Finance Director or Chief Executive.
- A1.3.4. All virements between budgets and all reserve movements. Whilst such transfers do not constitute expenditure in themselves, they could otherwise serve to allow expenditure that would otherwise come under scrutiny, and must therefore be approved by the Director of Finance

A2 Scheme of Financial Delegation

A2.1. Introduction

- A2.1.1. The attached schedules set out the major delegations of authority which have been approved for the Yorkshire Ambulance Service NHS Trust. They are designed to facilitate devolved decision making and personal accountability.
- A2.1.2. The Chief Executive is ultimately responsible for the management of the day to day operational services and the effective use of resources. This responsibility is, however, delegated within the management structure.
- A2.1.3. It should be emphasised that the financial delegations in themselves give no power to act. The power to act up to the limits prescribed derives from approved annual plans and budgets, and, where applicable, authorised capital and revenue business cases. These financial authorities form part of the Trust's overall financial control framework as set out in the Standing Financial Instructions and other procedural guidance notes.
- A2.1.4. Each business area or corporate function should operate within agreed financial, workforce and facilities resources. Business areas / corporate functions may not incur an aggregate adverse variance against the Income and Expenditure budget.
- A2.1.5. All projects are bound by the Scheme of Financial Delegation even when funded partly or wholly from charitable or third party funds and approval for business cases, and subsequent approval to commit expenditure must be in strict accordance with the detailed scheme of delegation. This is in addition to the requirement for approval to release funds which are set out in the Charitable Fund's rules.
- A2.1.6. The Scheme of Financial Delegation covers only matters delegated by the Trust to its senior officers. These powers may not be further delegated; in the absence of the appropriate officer, authorisation must be obtained from an equivalent or more senior officer. These schemes of delegation may not exceed the limits set out in this framework
- A2.1.7. NOTE: All values given in this Scheme of Financial Delegation are gross values – e.g. they include VAT where applicable.

A2.2. Delegated Financial Authority

- A2.2.1. The Finance Director will ensure that a register of delegated financial authority is maintained for use in approving transactions. That register will follow the approach set out here.
- A2.2.2. The tables below sets out the standard approval limits delegated to each level of authority, and the normal application of that level of authority. These limits must not be exceeded, but lower limits may be applied at the discretion of the Primary Budget holder for delegations within Primary Budgets, or the Finance Director and Chief Executive for delegations to Primary Budget Holders
- A2.2.3. Subject to the requirement to comply with relevant Trust processes in each area, delegated authority allows the office holder to:
- a) Approve requisitions for non-pay expenditure up to that limit
 - b) Approve contracts up to that limit, once contracting / tendering processes have been complied with
 - c) The Associate Director of Procurement and Logistics will be able to sign contracts that have been approved by the relevant delegated authority, above their approval level
 - d) Approve writing off stock and inventory and losses, where these fall within the scope of their budget. Note that all losses and write offs must be reported through normal management processes.
- A2.2.4. Contracts and agreements spanning more than one year are subject to the same limits as single transactions, and should be approved for the total value of the amounts committed.

Requisitions

- A2.2.5. Except where specific alternative procedures are in place, all non-pay expenditure should make use of the requisitions procedures set out by the Procurement team.

Virements.

- A2.2.6. "Virement" refers to the movement of a budget from one heading to another.
- A2.2.7. Virements must be approved by the Finance Director.

Contracts

- A2.2.8. So long as all relevant procurement and contract procedures have been followed, approval follows the delegations set out below

Levels of Delegation		
Transactions with monetary values:	Approval Level	Normally applies to
Over £500,000	Level 7	Board
Up to £500,000 (in year) Up to £750,000 (multiple years – see note below)	Level 6	CEO
Up to £250,000	Level 5	Director of Finance
Up to £100,000	Level 4	Directors
Up to £25,000	Level 3	Associate Director or equivalent / Area Managers
Up to £10,000	Level 2	Head of Department / Locality Managers
Up to £5,000	Level 1	Cost Centre Managers

The Chief Executive can approve contracts with a total cost of up to £750,000 where the contract spans more than one year.

A2.3. Approvals needed for specific transactions

Level	Authorisation	Notes
Contracts		
(up to) £405,000	Follows delegated budget authority - Level 1 or Level 2 approval required.	Contracts with a value of £40-5k or less do not require formal competitive quotations. However, in such cases, it must be demonstrated in writing that best value for money has been

		obtained.
£10-£5,000 - £25,000	Contracts with a value between £10k+ and £25k require formal competitive quotations. Approval follows delegated budget authority, according to value – i.e. Level 3	Non-competitive quotations may be obtained in limited circumstances: see guidance on contracts and tendering. In all cases it must be demonstrated in writing that best value has been obtained. Single Tender Action (STA) forms are not required for this purpose.
£25,000 – £100k OJEU level* * note that this changes every two years	Formal tender process required. Approval required according to budget authority – Level 4 or above.	Formal tenders.
Above £100k	All contracts with an aggregate value over £100k the official OJEU threshold must be tendered by the Procurement Team under the public contracts regulations.	

Borrowing	
Approval of loans	Trust Board, on recommendation of Finance & Investment Committee

Employee costs	
Authorisation of early retirement,	Approval must be obtained in accordance with NHS improvement and Treasury

redundancy and other termination payments to staff	guidance
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Banking	
Opening Bank Accounts	Director of Finance
Authorisation of GBS and BACs payment schedules.	Authorisation will be in line with individual bank mandates.

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A3 Contracting and Tendering

A3.1. Governance

Duty to comply with Standing Orders and Standing Financial Instructions

- A3.1.1. The procedure for making all contracts by or on behalf of the Trust shall comply with these Standing Orders and Standing Financial Instructions (except where Standing Order No. 3.13 Suspension of Standing Orders is applied).

EU Directives Governing Public Procurement

- A3.1.2. Directives by the Council of the European Union promulgated by the Department of Health (DH) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders and Standing Financial Instructions. In cases of conflict EU Directives shall always take precedence.

Reverse eAuctions

- A3.1.3. The Trust will follow the procedures set out in regulation 21 of the Public Sector Procurement Regulations (2006) for the control of all tendering activity carried out through Reverse eAuctions. For further guidance on Reverse eAuctions refer to www.ogc.gov.uk

Capital Investment Manual and other Department of Health Guidance

- A3.1.4. The Trust shall comply as far as is practicable with the requirements of the Department of Health "Capital Investment Manual" and **HBN 00-08 'The efficient management of healthcare estates and facilities'** "Estate code" in respect of capital investment and estate and property transactions. In the case of management consultancy contracts the Trust shall comply as far as is practicable with Department of Health guidance "The Procurement and Management of Consultants within the NHS".

A3.2. Formal Competitive Tendering

General Applicability

- A3.2.1. The Trust shall ensure that competitive tenders are invited for:
- a) the supply of goods, materials and manufactured articles

- b) the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DH);
- c) For the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); for disposals.

Health Care Services

A3.2.2. Where the Trust elects to invite tenders for the supply of healthcare services these Standing Orders and Standing Financial Instructions shall apply as far as they are applicable to the tendering.

Exceptions and instances where formal tendering need not be applied:

A3.2.3. Formal tendering procedures need not be applied where:

- a) the estimated expenditure or income does not, or is not reasonably expected to, exceed £5,000. Where expenditure does not, or is not reasonably expected to, exceed £25,000 but is greater than £5,000 an informal tender (quotation) from three suppliers may be applied.
- b) where the supply is proposed under special arrangements negotiated by the DH in which event the said special arrangements must be complied with;
- c) regarding disposals as set out in Standing Financial Instructions No. 13.6;

A3.2.4. Formal tendering procedures may be waived in the following circumstances:

- a) in very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Trust record. This does not apply where the value exceeds the EU tender thresholds
- b) where the requirement is covered by an existing contract that allows for call off of additional requirements, or the contract can be extended where this was provided for in the original advertisement.
- c) where national or regional framework agreements are in place and have been approved by the Board;

- d) where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;
- e) where the timescale is of extreme urgency where it is necessary to safeguard life or property and therefore genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
- f) goods are proprietary, or the contract is related to specialist services or technical equipment, there must be clear evidence of no effective or genuine competition;
- g) when a specific supplier is required to undertake additional work or services which were not included in the project initially but which through unforeseen circumstances have become necessary, and such work or services cannot for technical or economic reasons be carried out or provided separately from those under the original contract without major inconvenience to the Trust;
- h) there is a clear benefit to be gained from maintaining continuity with an earlier project or where the use of another supplier could result in incompatibility between existing goods or installation or disproportionate technical difficulties in the operation and maintenance of existing goods or installation
- i) where allowed and provided for in the Capital Investment Manual.

A3.2.5. The waiving of competitive tendering procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

A3.2.6. Where it is decided that competitive tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented and recorded in an appropriate Trust record and reported to the Audit Committee at each meeting.

A3.3. General requirements

Fair and Adequate Competition

A3.3.1. The Trust shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, and in no case less than three (no less than 5 if the value is over the EU threshold) firms/individuals, having regard to their

capacity to supply the goods or materials or to undertake the services or works required.

Building and Engineering Construction Works

- A3.3.2. Competitive Tendering cannot be waived for building and engineering construction works and maintenance (other than in accordance with HBN 00-08 'The efficient management of healthcare estates and facilities' ~~Concede~~) without Departmental of Health approval.

Items which subsequently breach thresholds after original approval

- A3.3.3. Items estimated to be below the limits set in this Standing Financial Instruction for I which formal tendering procedures are not used which subsequently prove to have a value above such limits shall be reported to the Chief Executive, and be recorded in an appropriate Trust record.

A3.4. Competitive and non-competitive Quotations

- A3.4.1. Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed £5,000 but not exceed £25,000

Competitive Quotations

- A3.4.2. Quotations should be obtained by the Procurement team from at least three firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the Trust.
- A3.4.3. Quotations should be in writing unless the Chief Executive or his nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.
- A3.4.4. All quotations should be treated as confidential and should be retained for inspection.
- A3.4.5. The Chief Executive or his nominated officer should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the Trust, or the highest if payment is to be received by the Trust, then the choice made and the reasons why should be recorded in a permanent record.

Non-competitive quotations

A3.4.6. Non-competitive quotations in writing may be obtained in the following circumstances:

(i) goods are proprietary, or the contract is related to specialist services or technical equipment, there must be clear evidence of no effective or genuine competition;

(ii) the supply of goods or manufactured articles of any kind which are required urgently and are not obtainable under existing contracts;

(iii) disposals in line with the disposals policy;

The responsible manager must certify that the first two conditions of this SFI apply.

Quotations to be within Financial Limits

A3.4.7. No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with Standing Financial Instructions except with the authorisation of either the Chief Executive or Director of Finance.

A3.5. Authorisation of Tenders and Competitive Negotiations

A3.5.1. Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation and awarding of a contract may be decided by staff in accordance with the delegated levels of financial authority set out in Appendix 1, "SFI Scheme of Financial Delegation".

A3.5.2. Formal authorisation must be put in writing. In the case of authorisation by the Trust Board this shall be recorded in their minutes. The Chairman and the Chief Executive will both sign any contract over £500,000 after approval by the Trust Board.

A3.5.3. Where competitive tendering or a competitive quotation is not required the Trust should adopt one of the following alternatives:

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

(b) If the Trust does not use NHS Supplies - where tenders or quotations are not required, because expenditure is below £5,000, the Trust shall procure goods and services in accordance with procurement procedures approved by the Director of Finance

Invitation to tender

- A3.5.4. All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- A3.5.5. All invitations to tender shall state that no tender will be accepted unless:
- a) For electronic submissions – that all submissions are made to our e-procurement partner, the Yorkshire and Humber Commercial Procurement Collaborative (YHCPC).
 - b) For Paper Submissions - submitted in a plain sealed package or envelope bearing a pre-printed label supplied by the Trust (or the word "tender" followed by the subject to which it relates) and the latest date and time for the receipt of such tender addressed to the Chief Executive or nominated Manager; that tender envelopes/packages shall not bear any names or marks indicating the sender. The use of courier/postal services must not identify the sender on the envelope or on any receipt so required by the deliverer.
 - c) Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable.
 - d) Every tender for building or engineering works (except for maintenance work, when **HBN 00-08 'The efficient management of healthcare estates and facilities'** ~~Estmancode~~ guidance shall be followed) shall embody or be in the terms of the current edition of one of the Joint Contracts Tribunal Standard Forms of Building Contract or Department of the Environment (GC/Wks) Standard forms of contract amended to comply with **HBN 00-08 'The efficient management of healthcare estates and facilities'** ~~Concode~~; or, when the content of the work is primarily engineering, the General Conditions of Contract recommended by the Institution of Mechanical and Electrical Engineers and the Association of Consulting Engineers (Form A), or (in the case of civil engineering work) the General Conditions of Contract recommended by the Institute of Civil Engineers, the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. These documents shall be modified and/or amplified to accord with Department of Health guidance and, in minor respects, to cover special features of individual

Receipt and safe custody of tender

- A3.5.6. Electronic submissions – all required tender documents will be submitted electronically to the YHCPC by the date and time required by the tender invitation. The tenders will remain secure and unable to be accessed by anyone in the YHCPC electronic vault until the tender submission closing date.
- A3.5.7. Paper submissions - The Chief Executive or his nominated representative will be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening. The date and time of receipt of each tender shall be endorsed on the tender envelope/package.

Opening tenders

- A3.5.8. As soon as practicable after the date and time stated as being the latest time for the receipt of tenders;
- A3.5.9. Electronic tenders – the authorised procurement officer shall access the tender vault and retrieve all tenders, the system generated record sheet showing all renderers invited and receipted will form part of the tender documentation presented for approval as confirmation that all tenders have been included in the evaluation process.
- A3.5.10. Paper tenders -, they shall be opened by two senior officers/managers designated by the Chief Executive and not from the originating department (being the department sponsoring or commissioning the tender). A member of the Trust Board will be required to be one of the two approved persons present for the opening of tenders where this is stipulated in the delegated authority set out in the Trust's Scheme of Delegation.
- A3.5.11. The involvement of Finance Directorate staff in the preparation of a tender proposal will not preclude the Director of Finance or any approved Senior Manager from the Finance Directorate from serving as one of the two senior managers to open tenders. All Executive Directors/members will be authorised to open tenders regardless of whether they are from the originating department provided that the other authorised person opening the tenders with them is not from the originating department. The Trust Secretary will count as a Director for the purposes of opening tenders.

Register of tenders and due process

- A3.5.12. Every tender received shall be marked with the date of opening and initialed by those present at the opening (for electronically received tenders this will be time printed and by whom).

- A3.5.13. A register shall be maintained by Associate Director of Procurement and Logistics to show for each set of competitive tender invitations dispatched:
- i. the name of all firms individuals invited;
 - ii. the names of firms individuals from which tenders have been received;
 - iii. the date the tenders were opened;
 - iv. the persons present at the opening;
 - v. the price shown on each tender;
 - vi. a note where price alterations have been made on the tender.
- A3.5.14. Each entry to this register shall be signed by those present.
- A3.5.15. A note shall be made in the register if any one tender price has had so many alterations that it cannot be readily read or understood.
- A3.5.16. For tenders received electronically a print out of the electronic audit trail of the tender submission and retrieval shall be attached to the log.
- A3.5.17. Incomplete tenders, i.e. those from which information necessary for the adjudication of the tender is missing, and amended tenders i.e., those amended by the tenderer upon his own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders.

Admissibility

- A3.5.18. If for any reason the designated officers are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) no contract shall be awarded without the approval of the Chief Executive.
- A3.5.19. Where only one tender is sought and/or received, the Chief Executive and Director of Finance shall, as far practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the Trust.

Late tenders

- A3.5.20. Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Chief Executive or his nominated officer decides that there are exceptional circumstances i.e. dispatched in good time but delayed through no fault of the tenderer.

- A3.5.21. Only in the most exceptional circumstances will a tender be considered which is received after the opening of the other tenders and only then if the tenders that have been duly opened have not left the custody of the Chief Executive or his nominated officer or if the process of evaluation and adjudication has not started.
- A3.5.22. While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall be kept strictly confidential, recorded, and held in safe custody by the Chief Executive or his nominated officer.

Acceptance of formal tenders

- A3.5.23. Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his tender before the award of a contract will not disqualify the tender.
- A3.5.24. The lowest tender, if payment is to be made by the Trust, or the highest, if payment is to be received by the Trust, shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in either the contract file, or other appropriate record.
- A3.5.25. It is accepted that for professional services such as management consultancy, the lowest price does not always represent the best value for money. Other factors affecting the success of a project include:
- (a) experience and qualifications of team members;
 - (b) understanding of client's needs;
 - (c) feasibility and credibility of proposed approach;
 - (d) ability to complete the project on time.
- A3.5.26. Where other factors are taken into account in selecting a tenderer, these must be clearly recorded and documented in the contract file, and the reason(s) for not accepting the lowest tender clearly stated.
- A3.5.27. No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.
- A3.5.28. The use of these procedures must demonstrate that the award of the contract was:

(a) not in excess of the going market rate / price current at the time the contract was awarded;

(b) that best value for money was achieved.

A3.5.29. All tenders should be treated as confidential and should be retained for inspection.

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Appendix 4 **Banking and Finance**

A4 Banking and Finance

A4.1. Bank Accounts

- A4.1.1. The Director of Finance is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance / directions issued by NHS Improvement. In line with 'Cash Management in the NHS', the Trust will minimise the use of commercial bank accounts and use Government Banking Services (GBS) accounts.
- A4.1.2. The Board shall approve the banking arrangements.
- A4.1.3. The Director of Finance is responsible for:
- a) bank accounts
 - b) establishing separate bank accounts for any non-exchequer funds held including monies held on behalf of patients
 - c) ensuring payments made from bank 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

A4.2. External Borrowing

- A4.2.1. The Director of Finance will advise the Board concerning the Trust's ability to pay dividend on, and repay Public Dividend Capital and any proposed new borrowing, within the limits set by the Department of Health. The Director of Finance is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.
- A4.2.2. The Board will agree the list of employees (including specimens of their signatures) who are authorised to make short term borrowings on behalf of the Trust. This must contain the Chief Executive and the Director of Finance.
- A4.2.3. The Director of Finance must prepare detailed procedural instructions concerning applications for loans and overdrafts.
- A4.2.4. All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cash flow position, represent good

value for money, and comply with the latest guidance from the Department of Health.

A4.2.5. Any short-term borrowing must be with the authority of the Chief Executive and the Director of Finance. The Board must be made aware of all short term borrowings at the next Board meeting.

A4.2.6. All long-term borrowing must be consistent with the plans outlined in the current Business Plan and be approved by the Trust Board.

A4.3. Investments

A4.3.1. 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.

A4.3.2. The Director of Finance is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.

A4.3.3. The Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

A4.4. Income Systems

A4.4.1. The Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.

A4.4.2. The Director of Finance is also responsible for the prompt banking of all monies received.

A4.5. Raising Invoices

A4.5.1. All invoices must be raised by Accounts Receivable within the Finance Systems team unless specifically agreed otherwise by the Director of Finance.

A4.6. Fees and Charges

A4.6.1. The Trust shall follow NHS England and NHS Improvement guidance in setting prices for NHS service agreements.

A4.6.2. The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health or by Statute. Independent professional advice on matters of valuation shall be taken as necessary. 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 'Sponsorship – Ethical Standards in the NHS' and also the Trust Policy on Standards of Business Conduct shall be followed.

- A4.6.3. All employees must inform the Director of Finance promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

A4.7. Debt Recovery

- A4.7.1. The Director of Finance is responsible for the appropriate recovery action on all outstanding debts in line with local finance procedures.
- A4.7.2. The accounting treatment of income not received should be dealt with in accordance with losses procedures identified in the "Department of Health Group Accounting Manual" and "Managing Public Money".
- A4.7.3. Overpayments should ordinarily be pursued including salary overpayments.

Security of Cash, Cheques and Other Negotiable Instruments

- A4.7.4. The Director of Finance is responsible for:
- a) approving the form of all receipt books, agreement forms or other means of officially acknowledging or recording monies received or receivable
 - b) ordering and securely controlling any such stationery ("controlled 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 and transporting cash and negotiable securities on behalf of the Trust.
- A4.7.5. Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.
- A4.7.6. All cheques, postal orders, cash etc. shall be banked intact. The Director of Finance shall determine any arrangements to make disbursements from cash received.
- A4.7.7. 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.

- A4.7.8. Any loss or shortfall shall be monitored and recorded by the Finance Department. Any trends or suspicions should be reported to the Local Counter Fraud Specialist and / or NHS Protect. All losses should be reported through the Losses and Compensation procedure.

A4.8. Tendering and Review of Cash Services

- A4.8.1. The Director of Finance will review the commercial banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust's commercial banking business.
- A4.8.2. Competitive tenders should be sought at least every five years. The results of the tendering exercise should be reported to the Board. This review is not necessary for GBS accounts.

A4.9. Procurement Cards

- A4.9.1. The Associate Director of Procurement and Logistics is responsible for:
- a) approving and determining the purchasing capabilities of procurement cards and expenditure limits
 - b) prescribing and maintaining procedures on behalf of the Trust which ensures expenditure complies with the conditions of the card
 - c) ensuring segregation of duties exists for reviewing all transactions and purchases comply with these SFIs.

A4.10. Patient's Property

A4.10.1. 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 **without capacity.**

A4.10.2. The Chief Executive is responsible for ensuring that patients or their guardians, as appropriate, are informed by:

- notices and information booklets;
- the oral advice of ambulance staff,

that the Trust will not accept responsibility or liability for patients' property.

A4.10.3. The Director of Finance must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and

disposal of patients' property 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.

- A4.10.4. 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.
- A4.10.5. 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.
- A4.10.6. 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.
- A4.10.7. 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.

A4.11. Funds held on Trust

Charitable Funds – Corporate Trustee

- A4.11.1. The discharge of the Trust's corporate trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.
- A4.11.2. The Director of Finance shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately with regard to its purpose and to its requirements.

Accountability to Charity Commission and Secretary of State for Health

- A4.11.3. The trustee responsibilities must be discharged separately and full recognition given to the Trust's dual accountabilities to the Charity Commission for charitable funds held on trust and to the Secretary of State for all funds held on trust.

- A4.11.4. The Schedule of Matters Reserved to the Board and the Scheme of Delegation make clear where decisions regarding the exercise of discretion regarding the disposal and use of the funds are to be taken and by whom. All Trust Board members and Trust officers must take account of that guidance before taking action.

Applicability of Standing Financial Instructions to funds held on Trust

- A4.11.5. In so far as it is possible to do so, most of the sections of these Standing Financial Instructions will apply to the management of funds held on trust.
- A4.11.6. 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.

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A5 Information Technology

A5.1. Responsibilities and duties of the Director of Finance

- A5.1.1. The Director of Finance, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:
- A5.1.2. devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which the Director 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;
- A5.1.3. ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
- A5.1.4. ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment; ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.
- A5.1.5. The Director of Finance shall need to ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.
- A5.1.6. The Executive Director of Quality, Governance and Performance Assurance shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the Information Commissioner.

A5.2 Responsibilities and duties of other Directors and Officers in relation to computer systems of a general application

- A5.2.1. Ensure that adequate controls are in place to secure disposal and reuse of equipment.
- A5.2.2. Storage devices containing Trust data will be physically destroyed or positively overwritten to prevent subsequent compromise of information. All items of computing equipment containing storage media, for example hard disks, will be checked to ensure that any Trust data and licensed software has been removed or overwritten prior to disposal.

A5.2.3. In the case of computer systems which are proposed General Applications (i.e. normally those applications which the majority of Trust's in the Region wish to sponsor jointly) all responsible directors and employees will send to the Director of Finance:

- a) details of the outline design of the system
- b) in the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.

A5.2.4. Ensure that adequate controls are in place to secure the Trust's equipment off-premises.

A5.2.5 Regardless of ownership, equipment used outside the Trust premises for information processing to support business activities will be authorised by management. The security provided will be equivalent to that for on-site equipment used for the same purposes, taking into account the risks of working outside of the Trust's premises.

A5.3. Contracts for Computer Services with other health bodies or outside agencies

A5.3.1. The Director of Finance shall ensure that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.

A5.3.2 Where another health organisation or any other agency provides a computer service for financial applications, the Director of Finance shall periodically seek assurances that adequate controls are in operation.

A5.4. Risk Assessment

A5.4.1 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.

A5.5. Requirements for Computer Systems which have an impact on corporate financial systems

A5.5.1 Where computer systems have an impact on corporate financial systems the Director of Finance shall need to be satisfied that:

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

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A6 Assets and losses

A6.1. Inventory and Store Management

- A6.1.1. Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:
- a) kept to a minimum;
 - b) subjected to annual stock take
 - c) valued at the lower of cost and net realisable value.
- A6.1.2. Subject to the responsibility of the Director of Finance for systems of control, overall responsibility for the control of stores shall be delegated to relevant employees 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. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the accountable professional for medicines, the Trust's Pharmacist. The control of bunkered fuel and fleet components will fall to a designated manager in Fleet, and the control of any fuel oil and coal of a designated facilities manager.
- A6.1.3. The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer; the accountable professional for medicines, the Trust's Pharmacist. Wherever practicable, stocks should be marked as health service property.
- A6.1.4. The Director of Finance shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
- A6.1.5. Stocktaking arrangements shall be agreed with The Director of Finance and there shall be a physical check covering all items in store at least once a year.
- A6.1.6. Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.
- A6.1.7. The designated managers for each area shall be responsible for a system approved by The Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal, and

replacement of all unserviceable articles. The designated Officer shall report to The Director of Finance any evidence of significant overstocking and of any negligence or malpractice. Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

A6.2. Disposals, Losses and Special Payments

- A6.2.1. Disposals and Condemnations procedures
- A6.2.2. The Director of Finance must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers.
- A6.2.3. When it is decided to dispose of a Trust asset, the Head of Department or authorised deputy will determine and advise The Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.
- A6.2.4. All unserviceable articles shall be:
 - a) condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Finance;
 - b) recorded by the Condemning Officer in a form approved by The Director of Finance which will indicate whether the articles are to be converted, destroyed or otherwise disposed of.
 - c) All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Director of Finance.
- A6.2.5. 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 who will take the appropriate action.

A6.3. Losses and Special Payments

- A6.3.1. The Director of Finance must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.
- A6.3.2. Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive and The Director of Finance or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform The Director of Finance and/or Chief Executive.

- A6.3.3. Action should be taken in line with the Trust's security and safety policy, following guidance from the Local Security Management Specialist and the Trust's Anti-Fraud, Bribery and Corruption policy
- A6.3.4. The Director of Finance must notify the NHS Protect and the External Auditor of all frauds.
- A6.3.5. All losses must be managed in accordance with the guidance in the Trust's "Losses and Special Payments" procedure, and where applicable, with the guidance in "Managing Public Money". Where the loss exceeds £1,000 a 'Losses and Special Payments Checklist' must be completed in full and returned, with the Losses report/claim, to the Director of Finance.
- A6.3.6. For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Director of Finance must immediately notify:
- a) the Board,
 - b) the External Auditor.

Within limits delegated to it by the Department of Health, the Board shall approve the writing-off of losses.

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

For any loss, The Director of Finance should consider whether any insurance claim can be made.

The Director of Finance shall maintain a Losses and Special Payments Register in which write-off action is recorded.

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

All losses and special payments must be reported to the Audit Committee at every meeting.

A7 Contracts and Service Level Agreements (SLAs)

- A7.1.1. The Chief Executive, as the Accountable Officer, is responsible for ensuring the Trust enters into suitable contracts with service commissioners for the provision of NHS services.
- A7.1.2. All contracts should aim to implement the agreed priorities contained within the Trust Financial Plan and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:
- the standards of service quality expected;
 - the relevant national service framework (if any);
 - the provision of reliable information on cost and volume of services;
 - the NHS National Performance Assessment Framework;
 - that contracts build where appropriate on existing Joint Investment Plans;
 - that contracts are based on integrated care pathways.

A7.2. Involving Partners and jointly managing risk

- A7.2.1. A good contract will result from a dialogue of clinicians, users, carers, public health professionals and managers. It will reflect knowledge of local needs and inequalities. This will require the Chief Executive to ensure that the Trust works with all partner agencies involved in both the delivery and the commissioning of the service required. The contract will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the Trust can jointly manage risk with all interested parties.

A7.3. Reports to Board on Contracts

- A7.3.1. The Chief Executive, as the Accountable Officer, will need to ensure that regular reports are provided to the Board detailing actual and forecast income from the contract. This will include information on costing arrangements; all parties should agree a common currency for application across the range of contracts.

A7.4. Entering into Service Contracts

- A7.4.1. Like any other contract for supply of service the guidance on procurement should be adhered to when entering into a contract or service level agreement. The authorisation levels set out in the Scheme of Financial Delegation should also be adhered to, both for the provision and receipt of services. The authorisation level should have regard for the total financial exposure that the trust has; therefore the annual costs multiplied by the contract duration should be used to establish the level of authorisation required.

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A8 Risk Management and Insurance

A8.1. Programme of Risk Management

- A8.1.1. 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 must be approved and monitored by the Board. Responsibility for this is delegated to the Executive Director of Quality, Governance and Performance Assurance.
- A8.1.2. The programme of risk management shall include:
- a) a process for identifying and quantifying risks and potential liabilities;**
 - b) engendering among all levels of staff a positive attitude towards the control of risk;**
 - c) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk;**
 - d) risk treatment plans to offset the impact of adverse events;**
 - e) audit arrangements including; Internal Audit, clinical audit, health and safety review;**
 - f) a clear indication of which risks shall be insured;**
 - g) arrangements to review the Risk Management and Assurance programme.**
- A8.1.3. The existence, integration and evaluation of the above elements will assist in providing a basis to make a Statement on the effectiveness of Internal Control as part of the Annual Governance Statement and within the Annual Report and Accounts as required by current Department of Health guidance.

A8.2. Insurance: Risk Pooling Schemes administered by NHSLA

- A8.2.1. The Board shall decide if the Trust will insure through the risk pooling schemes administered by the NHS Litigation Authority or self-insure for some or all of the risks covered by the risk pooling schemes. If the Board decides not to use the risk pooling schemes for any of the risk

areas (clinical, property and employers/third party liability) covered by the scheme this decision shall be reviewed annually.

A8.3. Insurance arrangements with commercial insurers

A8.3.1. Insurance arrangements with commercial insurers generally cover the following three categories:

- 1. The Trust may enter commercial arrangements for insuring motor vehicles owned by the Trust including insuring third party liability arising from their use;**
- 2. Where the Trust is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into; and**
- 3. Where income generation activities take place.**

Income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the Trust for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from the Litigation Authority. In any case of doubt concerning a Trust's powers to enter into commercial insurance arrangements the Finance Director should consult the Department of Health.

Arrangements to be followed by the Board in agreeing Insurance cover

A8.3.2. Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance shall ensure that documented procedures cover these arrangements.

A8.3.3. Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for one or other of the risks covered by the schemes, the Director of Finance shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Director of Finance will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed.

- A8.3.4. All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'deductible'). The Director of Finance should ensure documented procedures also cover the management of claims and payments below the deductible in each case, in accordance with the Trust's Claims Management Policy.

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Appendix 9 Payroll Processing

A9 Payroll

A9.1. Processes and Responsibilities

A9.1.1. The Director of Finance is responsible for:

- **specifying timetables for submission of properly authorised time records and other notifications;**
- **the final determination of pay and allowances;**
- **making payment on agreed dates;**
- **agreeing method of payment.**

A9.1.2. The Director of Finance will issue instructions regarding:

- **verification and documentation of data;**
- **the timetable for receipt and preparation of payroll data and the payment of employees and allowances;**
- **maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;**
- **security and confidentiality of payroll information;**
- **checks to be applied to completed payroll before and after payment;**
- **methods of payment available to various categories of employee and officers;**
- **procedures for payment by cheque, bank credit, or cash to employees and officers;**
- **procedures for the recall of cheques and bank credits;**
- **pay advances and their recovery;**
- **maintenance of regular and independent reconciliation of pay control accounts;**
- **separation of duties of preparing records and handling cash;**

- **a system to ensure the recovery from those leaving the employment of the Trust of sums of money and property due by them to the Trust.**

A9.1.3. Appropriately nominated managers have delegated responsibility for:

- **submitting time records, and other notifications in accordance with agreed timetables;**
- **completing time records and other notifications in accordance with the Director of Finance's instructions and in the form prescribed by the Director of Finance;**
- **submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfil obligations in circumstances that suggest they have left without notice, the Director of workforce and OD and the Payroll Department must be informed immediately.**

A9.1.4. The Director of Finance shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangement are made for the collection of payroll deductions and payment of these to appropriate bodies.

Appendix 10 **Capital Expenditure**

A10 Capital Investment

A10.1.1. The Chief Executive:

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;

is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;

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.

Shall ensure that the Board approves the initial Capital Plan at the start of the Financial Year.

A10.1.2. For capital expenditure proposals in excess of £100,000 the Chief Executive shall ensure:

that a business case 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 the involvement of appropriate Trust personnel and external agencies;

and

iii appropriate project management and control arrangements;

that the Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case.

A10.1.3. For capital projects below £100,000 the production of a business case is at the discretion of the Director of Finance

A10.1.4. For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management, incorporating the recommendations of **HBN 00-08 'The efficient management of healthcare estates and facilities'** "Estatecode".

A10.1.5. 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.

- A10.1.6. The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.
- A10.1.7. The approval of a capital programme shall not constitute approval for expenditure on any scheme.
- A10.1.8. The Chief Executive shall issue to the manager responsible for any scheme:

specific authority to commit expenditure;

authority to proceed to tender

approval to accept a successful tender

- A10.1.9. The Chief Executive will issue a scheme of delegation for capital investment management in accordance with HBN 00-08 'The efficient management of healthcare estates and facilities' "Estatecode" guidance and the Trust's Standing Orders.
- A10.1.10. The Director of Finance shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall fully take into account the delegated limits for capital schemes set down by the Department of Health.
- A10.1.11. The Trust Board has delegated authority to approve capital investment business cases with a financial value up to £5 million or 3% of turnover (whichever is the lower). Scheme values in excess of £5m require approval by the NHS TDA. (See Capital Regime and Investment Business Case Approvals Guidance for NHS Trusts published by the NHS TDA).

The Trust Board has delegated authority to approve capital schemes with an investment value of up to £15 million.

Scheme values in excess of £15m require approval, as follows:

- Capital schemes with an investment value in excess of £15 million will require NHS Improvement and DH approval before they can be taken forward by an NHS trust.
- Capital schemes with an investment value in excess of £30 million will require NHS Improvement Resources Committee and DH approval before they can be taken forward by an NHS trust.
- Capital schemes with an investment value in excess of £50 million will also require NHS Improvement Board approval.

After being approved by the NHS Improvement Resources Committee and NHS Improvement

Where a scheme is considered to be novel, contentious or repercussive, providers are required to consult NHS Improvement. NHS Improvement may decide that the case requires approval. DH and HMT may also need to approve such cases. The decision on what constitutes a novel, contentious or repercussive case lies with NHS Improvement, DH and HMT, with HMT being the final arbiter

For further information see **Capital regime, investment and property business case approval guidance for NHS Trusts and foundation trusts** published by NHS Improvement

Private Finance

A10.1.12. The Trust should normally test for PFI when considering capital procurement. When the Trust proposes to use finance which is to be provided other than through its Allocations, the following procedures shall apply:

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

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

The proposal must be specifically agreed by the Board.

A11 Glossary

Any expression to which a meaning is given in the National Health Service Act 1977, National Health Service and Community Care Act 1990 and other Acts relating to the National Health Service or in the Financial Regulations made under the Acts shall have the same meaning in the Standing Orders and Standing Financial Instructions and in addition:

“Accountable Officer” means the NHS Officer responsible and accountable for funds entrusted to the Trust. 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 Yorkshire Ambulance Service NHS Trust.

“Board” means the Chair, executive directors and non-executive members of the Trust collectively as a body.

“Budget” means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the Functions of the Trust.

“Budget Holder” means the director or employee with delegated authority to manage finance (Income and Expenditure and capital) for a specific area of the organisation.

“Chair of the Board (or Trust)” is the person appointed by the Secretary of State for Health to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression “the Chair of the Trust” shall be deemed to include the Deputy Chair of the Trust if the Chair is absent from the meeting or is otherwise unavailable.

“Chief Executive” means the chief officer of the Trust.

“Commissioning” means the process for determining the need for and for obtaining the supply of healthcare and related services by the Trust within available resources.

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

“Committee Members” means persons formally appointed by the Board to sit on or to chair specific committees.

“Contracting and Procuring” means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.

“Contractor” means any external organisation providing goods or services to the Trust.

“Deputy Chair” means the non-executive director appointed by the Board to take on the Chair’s duties if the Chair is absent for any reason

“Director of Finance” means the Chief Financial Officer of the Trust.

“Executive Director” means a member of the Trust who is either an officer of the Trust or is to be treated as an officer by virtue of regulation 1(3) (i.e. the Chair of the

Trust or any person nominated by such a Committee for appointment as a Trust member), with voting rights at the Trust Board.

“Funds held on Trust” shall mean those funds which the Trust holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under S.90 of the NHS Act 1977, as amended. Such funds may or may not be charitable.

“HBN 00-08” Health Building Note 00-08 which provides guidance on the efficient management of healthcare estates and facilities.

“Legal Adviser” means the properly qualified person appointed by the Trust to provide legal advice.

“Non-Executive Director” means a member of the Trust who is not an officer of the Trust and is not to be treated as an officer by virtue of the Membership, Procedure and Administration Arrangements Regulations, with voting rights at the Trust board.

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

“Primary Budget Holder” refers to budget holders receiving delegated authority directly from the Chief Executive. These would normally be Directors.

“Secretary” means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chair and monitor the Trust’s compliance with the law, Standing Orders and relevant NHS guidance.

“Scheme of Powers Delegated and Reserved to the Board” means the schedule of powers delegated and reserved to the Board set out in the Trust’s Standing Orders.

“Scheme of Financial Delegation” means the schedule of delegated financial authority set out in the Standing Financial Instructions.

“SFIs” means Standing Financial Instructions.

“SOs” means Standing Orders.

“Virement” means the movement of budget between different headings.