

## **Standing Orders**

**(For the regulation of proceedings and business of the  
Board of Directors)**

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## Foreword

Within the Terms of Authorisation issued by NHS Improvement, the Independent Regulator, NHS Foundation Trusts are required to demonstrate appropriate arrangements to provide comprehensive governance arrangements in accordance with the Health and Social Care (Community Health and Standards) Act 2003.

Standing Orders (SOs) regulate the proceedings and business of the Trust and are part of its corporate governance arrangements. In addition, as part of accepted Codes of Conduct and Accountability arrangements, boards are expected to adopt schedules of reservation of powers and delegation of powers. These schedules are incorporated within the Trust's *Scheme of Delegation*.

These documents, together with Standing Financial Instructions, Trust's Constitution, Standards of Business Conduct, Budgetary Control Procedures, the Fraud and Corruption Policy, procedure for the Declaration of Interests and the Trust's Constitution 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 possible accusation that they have acted less than properly.

The Standing Orders, Scheme of Delegation, Standing Financial Instructions and Budgetary Control Procedures provide a comprehensive business framework that is to be applied to all activities, including those of the Charitable Foundation. Members of the Board of Directors and all members of staff should be aware of the existence of and work to these documents.

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## **Introduction**

### **Statutory Framework**

Airedale NHS Foundation Trust (the Trust) is a statutory body, which came into existence on 1<sup>st</sup> June 2010 pursuant to authorisation of NHS Improvement (previously named as Monitor) under the Health and Social Care (Community Health and Standards) Act 2008 ("the 2008 Act").

The principal place of business of the Trust is:

Airedale General Hospital  
Skipton Road  
Steeton  
Keighley  
West Yorkshire  
BD20 6TD

For administrative purposes, Airedale General Hospital is the Trust Headquarters.

NHS Foundation Trusts are governed by the National Health Service Act 1977 (NHS Act 1977), the National Health Service and Community Care Act 1990 (NHS & CC Act 1990) as amended by the Health Authorities Act 1995, the Health Act 1999, the Health and Social Care Act 2001 and 2003 and the Health and Social Care Act 2012.

The functions of the Trust are conferred by this legislation and the authorisation.

As a statutory body, the Trust has specified powers to contract in its own name.

The Trust also has statutory powers under Section 28A of the NHS Act 1977, as amended by the Health Act 2006, to fund projects jointly planned with local authorities, voluntary organisations and other bodies.

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

### **NHS Framework**

The Code of Accountability and Code of Governance requires that, inter alia, Boards of Directors draw up a schedule of decisions reserved to that Board, and ensure that management arrangements are in place to enable responsibility to be clearly delegated appropriately.

The Code(s) also requires the establishment of an Audit Committee and a Remuneration Committee, with formally agreed terms of reference. The Code of Conduct requires a register of possible conflicts of interest of members of both the Board of Directors and the Council of Governors and how those possible conflicts are addressed.

The 'Code of Practice on Openness in the NHS' sets out the requirements for public access to information on the NHS, subject for example, to the Freedom of Information Act 2000.

### **Delegation of Powers**

The Trust has powers to delegate and make arrangements for delegation. These Standing Orders set out the detail of these arrangements.

Under the Standing Order relating to the Arrangements for the Exercise of Functions (SO5), the Trust is given powers to "make arrangements for the exercise, on behalf of the Trust of any of

their functions by a Trust committee, sub-committee or joint committee appointed by virtue of Standing Order 6 or by an officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit or in accordance with the Constitution and the terms of the authorisation.

Delegated powers are covered in Annex A Scheme of Delegation and financial delegation as defined in the Standing Financial Instructions and Scheme of Delegation. These documents have effect as if incorporated into the Standing Orders.

### **Integrated Governance**

Foundation Trust Boards are encouraged to move away from silo governance and develop integrated governance that will lead to good governance and ensure that decision making is informed by intelligent information covering the full range of corporate, financial, clinical, information and research governance. The Board uses its committee structures to support in implementing a model of integrated governance.

### **Collaboration across the WYAAT Service Area**

To support the implementation of the Sustainable Transformation Plans (STPs), acute providers are required by NHS Improvement to plan, commission and deliver efficient and sustainable health care services for patients across the WYAAT service area. Therefore the following Trusts:

- Airedale NHS Foundation Trust
- Bradford Teaching Hospitals NHS Foundation Trust
- Calderdale and Huddersfield NHS Foundation Trust
- Harrogate NHS Foundation Trust
- Leeds Teaching Hospital NHS Trust
- Mid Yorkshire NHS Trust

will collaborate to oversee a comprehensive system wide programme to deliver the objective of acute provider transformation. Collectively they will share obligations agreed by all Parties, set out in an Memorandum of Understanding and hold each other to account via a Committee in Common, in which all Parties have agreed.

## 1. Interpretation

Save as otherwise permitted by law, at any meeting the Chair of the Trust shall be the final authority on the interpretation of Standing Orders (on which they should be advised by the Chief Executive).

Any expression to which a meaning is given in the National Health Service Act 1977, National Health Service and Community Care Act 1990, the Health and Social Care (Community Health and Standards) Act 2003 and other Acts relating to the National Health Service or in the Financial or other Regulations made under the Acts or in the Authorisation or constitution shall have the same meaning in this interpretation and in addition:

**"Accounting Officer"** means the Officer responsible and accountable for funds entrusted to the Trust. They shall be responsible for ensuring the proper stewardship of public funds and assets. In accordance with the Act, this shall be the Chief Executive.

**"Associate Director"** means a director, who is an officer of the Trust appointed in accordance with the Constitution, allowing full participation in the work of the Board of Directors with the exception of formal voting rights.

**"Authorisation"** means the authorisation of the Trust by NHS Improvement, the Independent Regulator of NHS Foundation Trusts

**"Board of Directors"** means the Chair, Non-Executive Directors and the Executive Directors appointed in accordance with the Trust's Constitution.

**"Budget"** means a resource, expressed in financial terms, approved by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.

**"Budget Holder"** means the director or employee with delegated authority to manage finances for a specific area of the organisation.

**"Chair"** is the person appointed in accordance with the Constitution to lead the Board of Directors and the Council of Governors. The expression "the Chair" 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 appointed by the Board of Directors.

**"Committee in Common"** means the collective group or representation from NHS organisations established to perform a particular function or duty.

**"Committee members"** mean persons formally appointed by the Board of Directors to sit on or to chair specific committees.

**"Constitution"** means the Constitution of the Trust as approved from time to time by NHS Improvement, the Independent Regulator of NHS Foundation Trusts.

**"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.

**“Council of Governors”** means the persons, elected and appointed, to fulfil the functions as laid out in the Constitution.

**"Deputy Chair"** means the Non-Executive Director appointed by the Council of Governors to take on the duties of Chair if the Chair is absent for any reason.

**"Finance Director"** means the Director of Finance who is the chief finance officer of the Trust.

**"Executive Director"** means a director who is an officer of the Trust appointed in accordance with the Constitution. For the purposes of this document, “director” shall not include an employee whose job title incorporates the word director but who has not been appointed in this manner.

**"Funds held on Trust"** shall mean those funds which the Trust holds at its date of incorporation, receives on distribution by statutory instrument, or chooses subsequently to accept under powers derived under Sch 2 Part II para 16.1c NHS & Community Care Act 1990. Such funds may or may not be charitable.

**“Independent Regulator”** means the Regulator for the purpose of Part 1 of the 2003 Act.

**“Memorandum of Understanding” (MoU)** means a bilateral or multilateral agreement between two or more parties expressing an intended will and/or common line of action between the parties.

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

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

**"Non-Executive Director"** means a director who is not an officer of the Trust and who has been appointed in accordance with the Constitution or under the previous appointment system. This includes the Chair of the Trust.

**"Officer"** means an employee of the Trust or any other person who exercises functions for the purposes of the Trust other than solely as a Staff Governor or Non-Executive Director of the Trust.

**"SFI's"** means Standing Financial Instructions.

**"SO's"** mean Standing Orders.

**"Trust"** means Airedale NHS Foundation Trust.

**“WYAAT”** means West Yorkshire Association of Acute Trusts – a collaboration between the West Yorkshire and Harrogate acute providers established to deliver the STP.

## 2. The Trust

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

The roles and responsibilities of the Board of Directors are set out in Appendix 7 of the Constitution.

The powers of the Trust established under statute shall be exercised by the Board of Directors except as otherwise provided for in Standing Order 5.

Directors acting on behalf of the Trust as corporate Trustee of the Airedale NHS Trust Charitable Funds are accountable for charitable funds held on trust to the Charity Commission.

The Board of Directors has resolved that certain powers and decisions may only be exercised or made by that Board in formal session. These powers and decisions are set out in the Scheme of Delegation.

### 2.1 Composition of the Board of Directors

The composition of the Board of Directors shall comprise both Executive and Non-Executive Directors.

The Board of Directors is to comprise:

*A Non-Executive Chair*

*No fewer than four other Non-Executive Directors (one of whom shall act as the Senior Independent Director)*

*No fewer than four Executive Directors comprising:*

- *Chief Executive*
- *Finance Director*
- *Registered Medical Practitioner or Registered Dentist (within the meaning of the Dentists Act 1984)*
- *Registered Nurse or a Registered Midwife*

The Non-Executive Directors and Chair together shall be greater than the total number of Executive Directors.

Associate directors may be appointed to the Board of Directors from time to time but shall have no voting rights.

### 2.2 Appointment and removal of the Chair and Non-Executive Directors

The Chair and Non-Executive directors are appointed and may be removed by the Council of Governors in accordance with the procedure set out in Appendix 7 of the Constitution.

Non-Executive Directors (including the Chair) are to be appointed by the Council of Governors using the procedure set out in the Constitution.

### 2.3 Terms of Office of the Chair and Non-Executive Directors

The Chair and the Non-Executive Directors are to be appointed for a period of office in accordance with the Constitution. The terms and conditions of the office are decided by the Council of Governors at a General Meeting.

#### **2.4 Appointment of Deputy Chair of the Board of Directors**

For the purpose of enabling the proceedings of Governors of the Trust to be conducted in the absence of the Chair, the Council of Governors will appoint a Non-Executive Director to be Deputy Chair for such a period, not exceeding the remainder of their term as Non-Executive Director of the Trust, as they may specify. Provision 3.6 sets out the provision if the Chair and Deputy Chair are absent.

Any Non-Executive Director so elected may at any time resign from the office of Deputy Chair by giving notice in writing to the Chair. The Council of Governors may thereupon appoint another Non-Executive Director as Deputy Chair in accordance with the Constitution.

#### **2.5 Powers of Deputy Chair**

Where the Chair of the Trust has ceased to hold office, or has been unable to perform duties as Chair owing to illness, absence or any other cause, references to the Chair shall, so long as there is no Chair able to perform those duties, be taken to include reference to the Deputy Chair.

#### **2.6 Appointment of Senior Independent Director**

The Board of Directors shall, following consultation with the Council of Governors, appoint one of the Non-Executive Directors to be their Senior Independent Director, using the procedure set out in the Constitution.

#### **2.7 Joint Directors**

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

#### **2.8 Role of Board of Directors**

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

#### **2.9 Lead Roles for Board Members**

The Chair will ensure that the designation of Lead roles or appointments of Board members as required or as set out in any statutory or other guidance will be made in accordance with the guidance or statutory requirement.

#### **2.10 Appointment of Secretary**

The Board of Directors shall appoint the Secretary of the Trust and subject to following good employment practice may also remove the Secretary from that position.

### **3. Meetings of the Board of Directors**

#### **3.1 Admission of the Public and Press**

The public and representatives of the press shall be afforded facilities to attend all formal meetings of the Board of Directors but shall be required to withdraw upon the Board resolving as follows:

'That representatives of the press and other members of the public be excluded from the remainder of the 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).'

The Chair shall give such direction as seen fit in regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Board's business shall be conducted without interruption and disruption and, without prejudice to the power to exclude on the grounds of the confidential nature of the business to be transacted, the public will be required to withdraw upon the Board resolving as follows:

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

Matters to be dealt with by the Board following the exclusion of representatives of the press, and other members of the public, as provided above, shall be confidential to the members of the Board.

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

Nothing in these Standing Orders shall require the Board to allow members of the public or representatives of the press to record proceedings in any manner whatsoever, other than writing, or to make any oral report of proceedings as they take place without the prior agreement of the Board.

#### **3.2 Observers at Board Meetings**

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

#### **3.3 Calling Meetings**

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

Meetings of the Board of Directors may be called by the Secretary, or by the Chair. Meetings of the Board of Directors may be called by at least one-third of directors who give written notice to the Secretary specifying the business to be carried out. The Secretary should send a written notice to all directors within seven days after receipt of such a request. If the Chair, or Secretary, refuses to call a meeting following a requisition, such one-third or more Directors may forthwith call a meeting.

### **3.4 Notice of Meetings**

Before each meeting of the Board of Directors, a notice of the meeting, specifying the business proposed to be transacted at it, shall be delivered to every director, or sent electronically or by post to the agreed address of such director, so as to be available at least three clear days before the meeting.

A notice shall be presumed to have been served one day after posting. Lack of service of the notice on any director shall not affect the validity of a meeting.

In the case of a meeting called by directors in default of the Chair, those directors shall sign the notice and no business shall be transacted at the meeting other than that specified in the notice.

Agendas will be sent to directors no less than three clear days before the meeting and supporting papers shall accompany the agenda, save in emergency.

### **3.5 Setting the Agenda**

The Board of Directors may determine that certain matters shall appear on every agenda for a meeting. (Such matters may be identified within these Standing Orders or following subsequent resolution shall be listed in an Appendix to the Standing Orders.)

A director who requires an item to be included on the agenda should advise the Secretary of the Board prior to the agenda being agreed with the Chair and no less than 7 days before a meeting.

When a petition has been received by the Trust, the Chair shall include the petition as an item for the agenda of the next Board of Directors meeting.

### **3.6 Chair of Meeting**

At any meeting of the Board of Directors the Chair, if present, shall preside. If the Chair is absent from the meeting the Deputy Chair shall preside. If the Chair and Deputy Chair are absent such Non-Executive Director as the directors present shall choose shall preside.

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

### **3.7 Annual Members Meeting**

The Trust will publicise and hold an annual members meeting, in accordance with the terms of the Constitution.

### **3.8 Notices of Motion**

A director wishing to move or amend a motion should advise the Secretary of the Board prior to the agenda being agreed with the Chair and no less than 7 clear days before a meeting. This paragraph shall not prevent any motion being moved during the meeting, without notice on any business mentioned on the agenda.

### **3.9 Emergency Motion**

Subject to the agreement of the Chair, and subject to the provision of SO 3.8, a director of the Board may give written notice of an emergency motion after the issue of the notice of meeting and agenda up to one hour before the time fixed for the meeting. The notice shall state the grounds of urgency. If in order, it shall be declared to the Board at the commencement of the business of the meeting as an additional item included in the agenda. The Chair's decision is final.

### **3.10 Withdrawal of Motion or Amendments**

A motion or amendment once moved and seconded may be withdrawn by the proposer with the concurrence of the seconder and the consent of the Chair.

### **3.11 Motion to Rescind a Resolution**

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

### **3.12 Motions**

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

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

- An amendment to the motion.
- The adjournment of the discussion or the meeting.
- That the meeting proceed to the next business.
- The appointment of an ad hoc committee to deal with a specific item of business.
- That the motion be now put.
- A motion under Section 1 (2) of the Public Bodies (Admission to Meetings) Act 1960 resolving to exclude the public (including the press).

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

### **3.13 Chair's Ruling**

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

### **3.14 Voting**

Every question put to a vote at a meeting shall be determined by a majority of the votes of the Chair of the meeting and directors present and voting on the question and, in the case of the number of votes for and against a motion being equal, the Chair of the meeting shall have a second or casting vote.

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

If at least four of the directors present so request, the voting (other than by paper ballot) on any question may be recorded to show how each director present voted or abstained.

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

In no circumstances may an absent director vote by proxy. Absence is defined as being absent at the time of the vote. Directors may participate in Board of Directors meeting by telephone, video or computer link in accordance with SO 3.20 and the Constitution. If prior agreement has been given, participation, and voting, shall be allowed.

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

The Associate Directors on the Board of Directors will have no formal voting rights on a decision nor the personal accountabilities associated with full Board membership.

No resolution shall be passed if it is opposed by all the Non-Executive Directors present or by all of the Executive Directors present.

### **3.15 Minutes**

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

No discussion shall take place upon the minutes except upon their accuracy or where the Chair considers discussion appropriate. Any amendment to the minutes shall be agreed and recorded at the next meeting.

Minutes shall be circulated in accordance with Directors' wishes. Where providing a record of the meeting, a set of notes from the meeting shall be made available to the public (required by Code of Practice on Openness in the NHS and the Freedom of Information Act) and circulated to the Council of Governors. A record of items discussed in private will be maintained and approved by the Board of Directors.

### **3.16 Written Resolutions**

The Chair, or four (4) directors (including at least one Executive Director and one Non-Executive Director) who give written notice to the Secretary specifying the business to be carried out may propose a Board of Directors' written resolution.

A Board of Directors' written resolution is proposed by giving written notice of the proposed resolution to each director. Notice by post, delivery in person, fax or email shall constitute written notice.

Notice of a proposed Board of Directors' written resolution must dictate:

- The proposed resolution;
- How to signify agreement to the resolution; and
- The date by which it is proposed that the Board of Directors should adopt it. A proposed written resolution shall lapse if not adopted by the 28<sup>th</sup> day of circulation.

The resolution is deemed to have been passed when the required majority have signified their agreement to it.

### **3.17 Joint Directors**

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

- (i) either or both of those persons may attend or take part in meetings of the Board,
- (ii) if both are present at a meeting they should cast one vote if they agree,
- (iii) in the case of disagreement, no vote should be cast,
- (iv) the presence of either or both of those persons should count as the presence of one person for the purposes of SO 3.21 Quorum)

### **3.18 Suspension of Standing Orders**

Except where this would contravene any statutory provision or any provision of the authorisation or of the constitution, any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the Board of Directors are present, including two Executive Directors and two Non-Executive Directors, and that a majority of those present vote in favour of suspension.

A decision to suspend Standing Orders shall be recorded in the minutes of the meeting.

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

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

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

### **3.19 Variation and Amendment of Standing Orders**

These Standing Orders shall be amended only if:

- a notice of motion under Standing Order 3.8 has been given; and
- no fewer than half of the Trust's total Non-Executive Directors in post vote in favour of amendment; and
- at least two-thirds of the Directors are present; and
- the variation proposed does not contravene a statutory provision or provision of the authorisation or of the Constitution.

### **3.20 Record of Attendance**

The names of the Chair and directors present at the meeting shall be recorded in the minutes. The Secretary shall keep and maintain a record of the number of meetings of the Board of Directors and the attendance of individual directors. The Board of Directors may agree that its members can participate in its meetings by telephone, video or computer link in accordance with the Constitution. Participation where agreed shall be deemed to constitute presence in person at the meeting.

### **3.21 Quorum**

No business shall be transacted at a meeting of the Board of Directors unless at least one-third members of the whole number of the Directors are present (including two Executive Directors and two Non-Executive Directors), one of whom is the Chair or Deputy Chair and as such has a casting vote.

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

If the Chair or director has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of the declaration of a conflict of interest (see SO 7 and 9) they shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business. The above requirement for two Executive Directors to form part of the quorum shall not apply where the Executive Directors are excluded from a meeting.

### **3.22 Frequency**

The Trust shall hold meetings of the Board of Directors at least six times in each calendar year.

### **3.23 Petition**

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

## **4. Meetings of the Council of Governors**

### **4.1 Admission of the Public and Press**

The public and representatives of the press shall be afforded facilities to attend all formal meetings of the Council of Governors but shall be required to withdraw upon the Governors resolving as follows:

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

The Chair (or Deputy Chair) shall give such directions as he/she thinks fit in regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Council of Governors business shall be conducted without interruption and disruption and, without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public will be required to withdraw upon the Council of Governors resolving as follows:

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

Nothing in these Standing Orders shall require the Council of Governors to allow members of the public or representatives of the press to record proceedings in any manner whatsoever, other than writing, or to make any oral report of proceedings as they take place without the prior agreement of the Board.

### **4.2 Calling Meetings**

General Meetings of the Council of Governors shall be held at such times and places as the Council of Governors may determine.

### **4.3 Notice of Meetings**

Before each meeting of the Council of Governors, a notice of the meeting, specifying the business proposed to be transacted by it, shall be delivered to every Governor, or sent by post to the usual residence of such Governor, so as to be available to him/her at least three clear days before the meeting.

Lack of service of the notice on any Governor shall not affect the validity of the meeting.

Meetings of the Council of Governors may be called by seven Governors (including at least one elected Governor and one appointed Governors) who give written notice to the Secretary specifying the business to be carried out. The Secretary shall send out a written notice to all Governors as soon as possible after receipt of such a request.

Agendas will be sent to Governors three clear days before the meeting and supporting papers, whenever possible, shall accompany the agenda, save in an emergency.

A notice shall be presumed to have been served one day after posting.

### **4.4 Chair of Meeting**

At any meeting of the Council of Governors, the Chair, if present, shall preside. If the Chair is absent from the meeting, the Deputy Chair, if present, shall preside. If the Chair and Deputy Chair are absent, one of the other Non-Executive Directors will be nominated by the Council of Governors to preside.

If the person presiding at the meeting of the Council of Governors has a conflict of interest in relation to the business being discussed, the Deputy Chair (or nominated Chair) will chair that part of the meeting.

#### **4.5 Notices of Motion**

A Governor desiring to move or amend a motion shall send a written notice thereof at least 10 clear days before the meeting to the Secretary, who shall insert in the agenda for the meeting all notices so received subject to the notice being permissible under the appropriate regulations.

This paragraph shall not prevent any motion being moved during the meeting, without notice on any business mentioned in the agenda.

#### **4.6 Withdrawal of Motion or Amendments**

A motion or amendment once moved and seconded may be withdrawn by the proposer with the concurrence of the seconder and the consent of the Chair.

#### **4.7 Motions**

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

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

- An amendment to the motion
- The adjournment of the discussion or the meeting (\*)
- That the meeting proceed to the next business
- The appointment of an ad hoc committee to deal with a specific item of business
- That the motion be now put(\*)
- A motion under section 1 of the Public Bodies (Admissions to Meetings) Act 1960 resolving to exclude the public (including the press)

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

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

#### **4.8 Chair's Ruling**

Statements of Governors made at meetings of the Trust shall be relevant to the matter under discussion at the material time and the decision of the Chair of the meeting on questions of order, relevance, regularity and any other matter shall be observed at the meeting.

#### **4.9 Voting**

Every question at a meeting shall be determined by a majority of the votes of the Governors present and voting on the question and, in the case of the number of votes for and against a motion being equal, the person presiding at or chairing the meeting shall have a casting vote.

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

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

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

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

#### **4.10 Minutes**

The minutes of the proceedings of a meeting shall be drawn up and submitted for agreement at the next ensuing meeting.

No discussion shall take place upon the minutes except upon their accuracy or where the Chair considers discussion appropriate. Any amendment to the minutes shall be agreed and recorded at the next meeting.

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

#### **4.11 Record of Attendance**

The names of the Governors present at the meeting shall be recorded in the minutes.

#### **4.12 Quorum**

For Council of Governors meetings, the quorum is as set out in the Constitution.

If a Governor has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of the declaration of a conflict of interest (see standing order 7 and 9) he/she shall not count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business.

#### **4.13 Frequency**

The Council of Governors shall hold meetings at least four times a year in each calendar year.

The Council of Governors has adopted the Rules of Procedure for its meetings and the Annual Members Meeting which shall be regarded as part of these Standing Orders and can be found in the Constitution document.

## **5. Arrangements for the exercise of functions by delegation**

Subject to a provision in the authorisation or the Constitution, the Board of Directors may make arrangements for the exercise, on its behalf of any of its functions

- by a committee or sub-committee;
- appointed by virtue of SO 5.3 below; or
- by a director or an Executive Director

In each case subject to such restrictions and conditions as the Board of Directors thinks fit.

### **5.1 Emergency Powers**

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

### **5.2 Delegation to Committees**

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

### **5.3 Delegation to Officers**

Those functions of the Trust which have not been retained as reserved by the Board of Directors or delegated to an executive committee or sub-committee shall be exercised on its behalf by the Chief Executive. The Chief Executive shall determine which functions shall be delegated to officers to undertake.

The Chief Executive shall prepare a Scheme of Delegation (which is set out in the Standing Financial Instructions) identifying proposals which shall be considered and approved by the Board of Directors, subject to any amendment agreed during the discussion. The Chief Executive may periodically propose amendment to the Scheme of Delegation, which shall be considered and approved by the Board of Directors as indicated above.

Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of Directors or the Director of Finance or other executive director. Outside these statutory requirements the roles of the Director of Finance shall be accountable to the Chief Executive for operational matters.

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

### **5.4 Overriding Standing Orders**

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

## 6. Committees

### 6.1 Appointment of Internal Committees and Sub-Committees

Subject to the authorisation and the Constitution, the Board of Directors may appoint committees of the Trust, consisting wholly or partly of the Chair and directors of the Trust or wholly of persons who are not directors of the Trust.

A committee or joint committee appointed under this regulation may, subject to such directions as may be given by the Independent Regulator of the Trust, and in accordance with the Constitution, appoint sub-committees consisting wholly or partly of directors of the committee or joint committee (whether or not they are directors of the Trust); or wholly of persons who are not directors of the Trust or the committee of the Trust.

The Scheme of Delegation does not discharge accountability to Non-Executive Directors to provide information and advise the Board of Directors in accordance with any statutory requirements.

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

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

Where Trust committees are authorised to establish sub-committees they may not delegate executive powers to the sub-committee unless expressly authorised by the Board of Directors.

The Board of Directors shall approve the appointments to each of the Trust committees, which it has formally constituted. Where the Board of Directors determines, and regulations permit, that persons, who are neither directors nor officers, shall be appointed to a committee the terms of such appointment shall be within the powers of the Board of Directors as defined by the authorisation and Constitution.

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

- Audit and Risk Committee
- Board Appointments and Remuneration and Terms of Service Committee
- Finance, Performance and Digital Committee
- People Committee
- Quality and Safety Committee
- Airedale NHS Trust Charitable Funds Sub-Committee

The committee established by the Council of Governors is the Appointments and Remuneration Committee. Travelling and other allowances for Non-Executive Directors shall be determined by the Appointments and Remuneration Committee of the Council of Governors, and for Governors the Board Appointments, Remuneration and Terms of Service Committee.

## **6.2 West Yorkshire Association of Acute Trusts ('WYAAT')**

Membership of the WYAAT Committee in Common is defined in its Terms of Reference as agreed by all the Parties. The Board, along with the other WYAAT members, has agreed not to delegate any of its statutory functions to the Committee in Common. The scope of the Committee in Common includes responsibility for leading the development of the WYAAT Collaborative Programme and the work streams in accordance with the defined key principles, including setting the overall strategic direction to deliver the Programme.

Such other committees may be established, as required, to discharge the Board's responsibilities.

## **6.3 Confidentiality**

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

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

The WYAAT Committee in Common has a separate confidentiality agreement and information sharing protocol.

# **7. Declarations and Register of Interests**

Pursuant to Section 20 of the Schedule 7 of the National Health Service Act 2006, a register of Director's interests must be kept by each NHS Foundation Trust.

All existing Directors (including for the purposes of the standing order, Non-Executive Directors) should declare relevant and material interests to the NHS Board of which they are a member (including the WYAAT Committee in Common). Any Directors appointed subsequently should do so on appointment. It is a condition of employment that those holding director or director-equivalent posts provide confirmation in writing, on appointment and thereafter on demand, of their fitness to hold such posts. Fitness to hold such a post is determined in a number of ways, including (but not exclusively) by the Trust's Provider Licence, the Health & Social Care Act 2012 (Regulated Activities) Regulation, and the Trust's Constitution.

Interests may be financial or non-financial (ie political or belief-based). Interests which should be regarded as 'relevant and material' and which, for the avoidance of doubt, should be included in the register are:

- (a) Any directorship of a company;
- (b) Any interest (excluding a holding of shares in a company whose shares are listed on any public exchange where the holding does not exceed 5% of the total issued share capital, or the value of such shareholding does not exceed £25,000) or position in any firm or company or business, which, in connection with the matter, is trading with the Trust, or is likely to be considered as a potential trading partner with the Trust;
- (c) Any interest in an organisation providing health and social care services to the National Health Service; or
- (d) Position of authority in a charity or voluntary organisation in the field of health and social care;

- (e) Any affiliation to a special interest group campaigning on health or social care issues.
- (f) To the extent not covered above, any connection with an organisation, entity or company considering entering in to or having entered in to financial arrangement with the NHS Foundation Trust, including but not limited to, lenders or banks.

Reference should also be made to the NHS Improvement *NHS Foundation Trust Code of Governance* and the Trust's Constitution in determining whether other circumstances or relationships are likely to affect, or could appear to affect, the director's judgement.

At the time the interests are declared they should be recorded in the Board of Director's minutes. Any changes in interests should be officially declared at the next Board meeting. It is the obligation of the Director to inform the Company Secretary in writing within seven days of becoming aware of the existence of a relevant or material interest. The Company Secretary will amend the Register upon receipt within three working days.

A register of directors' interests will be maintained and held by the Company Secretary and presented annually to the Board of Directors. This will be formally recorded in the minutes. Any changes in interests should be officially declared to the Company Secretary where an appropriate amendment will be made.

During the course of a Board of Directors meeting, if a conflict of interest is established, the director concerned should withdraw from the meeting and play no part in the relevant discussion or decision. For the avoidance of doubt, this includes voting on such an issue where a conflict is established. If there is a dispute as to whether a conflict of interest does exist, a majority vote will resolve the issue with the Chair having the casting vote. The WYAAT Committee in Common has a defined process for managing conflicts of interest both individual and organisational. The Trust's members of the WYAAT Committee in Common will adhere to declaring any interests in accordance with, and described in, the Conflicts of Interests section of the Memorandum of Understanding.

There is no requirement in the Code of Accountability for the interests of directors' spouses or partners to be declared; however, in accordance with the Nolan Principles of integrity, accountability and openness, good practice suggests that such declarations are strongly advisable (as are declaring the interests of other immediate family members and co-business partners). Standing Order 8, which is based on these regulations requires that the interests (or director's spouses, if living together) in contracts should be declared. Therefore the interests of Board director's spouses and cohabiting partners should also be regarded as relevant.

If directors have any doubt about the relevance or materiality of an interest, this should be discussed with the Chair or 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 medical practitioners should also be considered.

Subject to contrary regulations being passed, the Registers will be available for inspection by the public free of charge. Copies or extracts of the Registers must be provided to Members of the NHS Foundation Trust free of charge and within a reasonable time period of the request. A reasonable charge may be imposed on non-Members for copies or extracts of the register.

The Trust has in place Conduct Standards Guidance based on the Department of Health '*Standards of Business Conduct for NHS Staff HSG (93)5*'. This document provides guidance to help ensure staff do not:

- Risk there being a conflict between private interests and NHS duties; and
- Accept an inappropriate gift, reward or inducement.

## **8. Compliance with the Fit and Proper Persons Regulations**

The Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 requires all Trusts to ensure that all Executive and Non-Executive Director posts (or anyone performing similar or equivalent functions) are filled by people that meet the requirements of the Fit and Proper Persons Regulations ('FPPR'). The definition of directors includes those in permanent, interim or associate roles, irrespective of their voting rights at Board meetings.

The regulations stipulate that Trusts must not appoint or have in place an Executive Director or a Non-Executive Director unless they meet the standards set out in the Regulations. The guidance issued by the CQC in January 2018 places ultimate responsibility on the Chair to discharge the requirements of the FPPR. The Chair must assure themselves that new applicants and existing post holders meet the fitness checks and do not meet any of the unfit criteria. Responsibility also falls on the Chair to decide whether an investigation is necessary and, at the end of the investigation, to consider whether the director in questions remains fit and proper. The Chair will be notified by the CQC of any non-compliance with the FPPR, and holds responsibility for making any decisions regarding action that needs to be taken.

## **9. Exclusion of Chair and Directors in procedures on account of pecuniary interest**

For the sake of clarity, the following definition of terms is to be used in interpreting this Standing Order, "spouse" shall include any person who lives with another person in the same household (and any pecuniary interest of one spouse shall, if known to the other spouse, be deemed to be an interest of that other spouse);

Subject to the following provisions of this Standing Order, if the Chair or a director of the Trust has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Trust at which the contract or other matter is the subject of consideration, he shall at the meeting and as soon as practicable after its commencement disclose the fact and shall not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it.

The Board of Directors may exclude the Chair or a director of the Board from a meeting of the Board while any contract, proposed contract or other matter in which he has a pecuniary interest, is under consideration.

Any remuneration, compensation or allowances payable to the Chair or a Non-Executive Director in accordance with the Constitution shall not be treated as a pecuniary interest for the purpose of this Standing Order.

For the purpose of this Standing Order the Chair or a director shall be treated, subject to SO 7 as having indirectly a pecuniary interest in a contract, proposed contract or other matter, if:

- (a) he, or a nominee of his, is a director of a company or other body, not being a public body, with which the contract was made or is proposed to be made or which has a direct pecuniary interest in the other matter under consideration; or
- (b) he is a partner of, or is in the employment of a person with whom the contract was made or is proposed to be made or who has a direct pecuniary interest in the other matter under consideration;

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

The Chair or a director shall not be treated as having a pecuniary interest in any proposed contract or other matter by reason only:

- (a) of membership of a company or other body, if there is no beneficial interest in any securities of that company or other body;
- (b) of an interest in any company, body or person with which he is connected as mentioned in SO 7 above which is so remote or insignificant that it cannot reasonably be regarded as likely to influence a director in the consideration or discussion of or in voting on, any question with respect to that contract or matter.

Where the Chair or a director:

- (a) has an indirect pecuniary interest in a contract, proposed contract or other matter by reason only of a beneficial interest in securities of a company or other body; and
- (b) the total nominal value of those securities does not exceed £25,000 or one percent of the total issued share capital of the company or body, whichever is the less; and
- (c) if the share capital is of more than one class, the total nominal value of shares of any one class in which he/she has a beneficial interest does not exceed one-percent of the total issued share capital of that class;

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

This Standing Order applies to a committee or sub-committee as it applies to the Board of Directors and applies to any member of any such committee or sub-committee (whether or not he/she is also a director of the Trust) as it applies to a director.

## **10. Standards of Business Conduct**

### **10.1 Policy**

Staff must comply with the national guidance is contained in HSG(93)5 “Standards of Business Conduct for NHS staff” and contained in the Trust policy Standards of Business Conduct. Reference must be made to the Standards of Business Conduct policy for further guidance. HSG (93)5 provides guidance to all NHS employers and staff on maintaining strict ethical standards in the conduct of any NHS business.

### **10.2 Interests of Officers in Contracts\***

If it comes to the knowledge of a Director or an Officer of the Trust that a contract in which he/she has a pecuniary interest not being a contract to which he/she is himself/herself a party, has been, or is proposed to be, entered into by the Trust he/she shall, at once, give

notice in writing to the Chief Executive of the fact that he/she is interested therein. In the case of persons living together as partners, the interest one partner shall, if known to the other, be deemed to be also the interest of that partner.

An officer must also declare to the Chief Executive any other employment or business or other relationship of his/hers, or a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interest of the Trust. The Trust requires interests, employment or relationships so declared by staff to be entered in a register of interests of staff.

Failure to declare any interest which may conflict with, or compromise, any employee's Trust duties and obligations in respect of the award, operation or administration of a Trust/NHS contract may result in a potential breach of the Bribery Act 2010 and necessitate further investigation by the Trust's counter fraud specialist.

\*For the avoidance of doubt, this section relates to any employee who is involved in any procurement capacity on behalf of the Trust (not just tendered contracts).

### **10.3 Canvassing of, and Recommendations by, Directors in Relation to Appointments**

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

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

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

### **10.4 Relatives of Directors or Officers**

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

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

Any alleged false representation contained on any application to the Trust, or failure to disclose any information when required to do so, may also result in investigation by the Trust's counter fraud specialist and/or NHS Protect and possible prosecution under the Fraud Act 2006.

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

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

## **11. Custody of Seal and Sealing of Documents**

### **11.1 Custody of Seal**

The Common Seal of the Trust shall be kept by the Chief Executive, or officer appointed by them, in a secure place.

### **11.2 Sealing of Documents**

The Seal of the Trust shall not be fixed to any documents unless the sealing has been authorised by a resolution of the Board or a committee thereof or where the Board of Directors has delegated its powers. The affixing of the Seal shall be attested and signed by two Executive Directors or one director and the Company Secretary.

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

### **11.3 Register of Sealing**

An entry of every sealing shall be made and numbered consecutively in a book provided for that purpose, and shall be signed by the persons who shall have approved and authorised the document and those who attested the seal. A report of all sealing shall be made to the Audit Committee at least quarterly. (The report shall contain details of the seal number, the description of the document and date of sealing). The book will be held by the Chief Executive or nominated officer.

## **12. Signature of documents**

Where the signature of any document will be a necessary step in legal proceedings involving the Trust, it shall be signed by the Chief Executive, unless any enactment otherwise requires or authorises, or the Board of Directors shall have given the necessary authority to some other person for the purpose of such proceedings. For the purpose of defence documents in legal proceedings, the Company Secretary or their absence, any Executive Director, shall be authorised to sign the necessary documentation on behalf of the Trust.

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

## **13. Miscellaneous**

### **13.1 Standing Orders to be given to Directors and Officers**

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

### **13.2 Documents having the standing of Standing Orders**

Standing Financial Instructions and the Scheme of Delegation shall have effect as if incorporated into Standing Orders.

### **13.3 Review of Standing Orders**

Standing Orders, and all documents having effect as if incorporated in Standing Orders, shall be reviewed annually by the Audit and Risk Committee on behalf of the Board of Directors.

## **STANDING FINANCIAL INSTRUCTIONS**

### **14. INTRODUCTION**

#### **14.1 General**

- 14.1.1 The Code of Accountability requires that each NHS Foundation Trust shall give, and may vary or revoke, Standing Financial Instructions for the regulation of the conduct of members and officers in relation to all financial matters with which they are concerned. These Standing Financial Instructions (SFIs) are issued in accordance with the code. They shall have effect as if incorporated in the Standing Orders (SOs).
- 14.1.2 These Standing Financial Instructions detail the financial responsibilities, policies and procedures adopted by the Foundation Trust ('Trust'). They are designed to ensure that the Trust financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the Board and the Scheme of Delegation adopted by the Trust.
- 14.1.3 These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for the Trust and any subsidiaries the Trust may have from time to time. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Director of Finance.
- 14.1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Director of Finance must be sought before acting. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the Trust's Standing Orders.
- 14.1.5 Failure to comply with Standing Financial Instructions and Standing Orders is a disciplinary matter that could result in dismissal.
- 14.1.6 Overriding Standing Financial Instructions – If for any reason these Standing Financial Instructions are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit Committee for referring action or ratification. All members of the Board and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Finance as soon as possible.
- 14.1.7 Variations to these Instructions shall only be made by the Board, and normally on the recommendation of the Audit Committee.

## **14.2 Responsibilities and delegation**

### 14.2.1 The Board of Directors

The Board exercises financial supervision and control by:

- (a) formulating the financial strategy;
- (b) requiring the submission and approval of budgets within approved allocations/overall income;
- (c) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money);
- (d) defining specific responsibilities placed on members of the Board and employees as indicated in the Scheme of Delegation document.

14.2.2 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the ['Reservation of Matters Reserved to the Board'] document. All other powers have been delegated to such other committees as the Trust has established.

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

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

14.2.5 Within the Standing Financial Instructions, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as Accounting 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 Chair 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.

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

14.2.7 The Director of Finance is responsible for:

- (a) implementing the Trust's financial policies and for co-ordinating any corrective action necessary to further these policies;
- (b) maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;
- (c) ensuring that sufficient records are maintained to show and explain the Foundation Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time; and

without prejudice to any other functions of the Trust and employees of the Foundation Trust, the duties of the Director of Finance include:

- (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;
- (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.

14.2.8 All members of the Board and employees, are responsible for:

- (a) the security of the property, assets and resources of the Trust;
- (b) avoiding loss;
- (c) exercising economy and efficiency in the use of resources;
- (d) conforming to the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures the Scheme of Delegation, and other relevant regulations.

14.2.9 Any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.

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

## **15. AUDIT**

### **15.1 Audit and Risk Committee**

15.1.1 In accordance with Standing Orders, the Board shall formally establish an Audit and Risk Committee, with clearly defined terms of reference, which will provide an independent and objective view of internal control by:

- (a) overseeing Internal and External Audit, and Counter Fraud services;
- (b) reviewing financial systems;
- (c) review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), including its subsidiaries that support the achievement of the organisation's objectives;
- (d) monitoring compliance with Standing Orders and Standing Financial Instructions;
- (e) reviewing schedules of losses and compensations and making recommendations to the Board;

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

15.1.2 Where the Audit and Risk 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 Chair of the Audit and Risk Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Independent Regulator of Trust's.

15.1.3 It is the responsibility of the Director of Finance to ensure an adequate internal audit service is provided and the Audit and Risk Committee shall be involved in the selection process when/if there is a proposal to review the provision of Internal Audit services.

## **15.2 Director of Finance**

15.2.1 The Director of Finance is responsible for:

- (a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective Internal Audit function;
- (b) ensuring that the Internal Audit is adequate and meets the NHS mandatory audit standards;
- (c) ensuring that the Trust maintains adequate Counter Fraud and Corruption arrangements and deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption;
- (d) ensuring that an annual internal audit report is prepared for the consideration of the Audit and Risk Committee and the Board. The report must cover:
  - (i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health including for example compliance with control criteria and standards;
  - (ii) major internal financial control weaknesses discovered;
  - (iii) progress on the implementation of internal audit recommendations;
  - (iv) progress against plan over the previous year;
  - (v) strategic audit plan covering the coming three years;
  - (vi) a detailed plan for the coming year.

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

- (a) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
- (b) access at all reasonable times to any land, premises or members of the Board or employee of the Trust;
- (c) the production of any cash, stores or other property of the Trust under the Board and an employee's control; and

(d) explanations concerning any matter under investigation.

### **15.3 Role of Internal Audit**

15.3.1 Internal Audit will review, appraise and report upon:

- (a) the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;
- (b) the adequacy and application of financial and other related management controls;
- (c) the suitability of financial and other related management data;
- (d) the extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind, arising from:
  - (i) fraud and other offences;
  - (ii) waste, extravagance, inefficient administration;
  - (iii) poor value for money or other causes.
- (e) Internal Audit shall also independently verify the Assurance Statements in accordance with relevant guidance.
- (f) the economic acquisition and the efficient use of resources;
- (g) efficient operation of systems and departments;
- (h) the adequacy of follow up action to audit reports;
- (i) other matters as requested by directors and senior managers and agreed by the Head of Internal Audit, or considered appropriate by the Head of Internal Audit.

15.3.2 Internal Audit will provide at the Trust's request, an internal audit service for any Trust subsidiary.

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

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

15.3.5 Internal audit reports will be distributed to relevant directors and managers who will be responsible for the implementation of agreed recommendations. Failure to act on audit reports within a reasonable period will be reported to relevant directors and the Audit and Risk Committee.

15.3.6 The Head of Internal Audit shall be accountable to the Director of Finance. The reporting system for internal audit shall be agreed between the Director of Finance, the Audit and Risk Committee and the Head of Internal Audit. The agreement shall comply with the guidance on reporting contained in the NHS Internal Audit Manual.

## **15.4 External Audit**

- 15.4.1 The External Auditor is appointed by the Council of Governors from an approved list recommended by the Board of Directors and paid for by the Trust. The Audit and Risk Committee must ensure a cost efficient service. If there are any problems relating to the service provided by the External Auditor, then this should be raised with the External Auditor and referred on to the Council of Governors. If the issue cannot be resolved by the Council of Governors it should be reported to the Independent Regulator.
- 15.4.2 The External Auditor should annually express an opinion on his ability to rely on the work of internal audit.

## **15.5 Fraud, Bribery and Corruption**

- 15.5.1 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 and corruption, as well as NHS contractual obligations, in addition to any other requirements as may be instructed by NHS Protect periodically.
- 15.5.2 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist (LCFS) as specified by the NHS Protect, Department of Health Fraud and Corruption Manual and guidance.
- 15.5.3 The LCFS shall report to the Director of Finance and shall work with staff in accordance with the Department of Health Fraud and Corruption Manual.
- 15.5.4 The LCFS will provide a written report, at least annually, on counter fraud and corruption work within the Trust.

## **16. ALLOCATIONS, PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING**

### **16.1 Preparation and Approval of Plans and Budgets**

- 16.1.1 The Chief Executive will compile and submit to the Board an annual business plan which takes into account the Trusts financial requirements and forecast income and expenditure plans and cash resources. The annual business plan will contain:-
- (a) a statement of the significant assumptions on which the plan is based;
  - (b) details of major changes in workload, delivery of services or resources required to achieve the plan.
- 16.1.2 Prior to the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board. Such budgets will:
- (a) be in accordance with the aims and objectives set out in the annual business plan and the Integrated Business Plan as submitted to the Independent Regulator;
  - (b) accord with workload and manpower plans;
  - (c) be produced following discussion with appropriate budget holders;

- (d) be prepared within the limits of available funds; and
- (e) identify potential risks.

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

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

16.1.5 All budget holders will be issued with their allocated budgets at the commencement of each financial year. Allocated budgets will be deemed to have been accepted unless the budget holder has informed the Director of Finance of non-acceptance.

16.1.6 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 successfully.

## **16.2 Budgetary Delegation**

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

- (i) the amount of the budget;
- (ii) the purpose(s) of each budget heading;
- (iii) individual and group responsibilities;
- (iv) authority to exercise virement;
- (v) achievement of planned levels of service; and
- (vi) the provision of regular reports.

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

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

16.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive.

16.2.5 Budgets shall only be used for the purpose for which they were established.

## **16.3 Budgetary Control and Reporting**

16.3.1 The Director of Finance will devise and maintain systems of budgetary control. These will include:

- (a) monthly financial reports to the Board in a form approved by the Board containing:
  - (i) income and expenditure to date showing trends and forecast year-end position;
  - (ii) balance sheet to date showing trends and forecast year-end position;
  - (iii) movements in cash and projected outturn against plan;
  - (iv) capital project spend and projected outturn against plan;

- (v) explanations of any material variances from plan;
  - (vi) details of any corrective action where necessary and the Chief Executive's and/or Director of Finance's view of whether such actions are sufficient to correct the situation;
- (b) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;
  - (c) investigation and reporting of variances from financial, workload and manpower budgets;
  - (d) monitoring of management action to correct variances; and
  - (e) arrangements for the authorisation of budget transfers.

16.3.2 Each Budget Holder is responsible for ensuring that:

- (a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Director of Finance;
- (b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement; and;
- (c) no permanent employees are appointed without the approval of the Chief Executive other than those provided for within the available resources and manpower establishment as approved by the Board.

16.3.3 The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the annual business plan and a balanced budget.

16.3.4 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.

## **16.4 Capital Expenditure**

16.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure.

## **16.5 Monitoring Returns**

16.5.1 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation e.g. the Independent Regulator of NHS Foundation Trust's.

# **17. ANNUAL ACCOUNTS AND REPORTS**

## **17.1 Governance Process**

17.1.1 The Director of Finance, on behalf of the Foundation Trust, will:

- (a) prepare financial returns in accordance with the accounting policies and guidance given by the Independent Regulator of NHS Foundation Trust's, the Trust's accounting policies, and generally accepted accounting practice;
- (b) prepare and submit annual financial reports to the Independent Regulator of NHS Foundation Trusts, certified in accordance with current guidelines;
- (c) submit financial returns to the Independent Regulator of NHS Foundation Trust's, for each financial year in accordance with the timetable prescribed by the Independent Regulator.

17.1.2 The Trust's annual accounts must be audited by an auditor appointed by the Council of Governors. The Trust's audited annual accounts must be presented to a public meeting of the Council of Governors and made available to the public.

17.1.3 The Trust will publish an annual report, in accordance with guidelines on local accountability, and present it at a public meeting. The document will comply with the Independent Regulator's Manual for Accounts.

17.1.4 The Trust's Annual Report and audited Annual Accounts must be presented to a public meeting on or before 30 September each year.

## **18. BANK AND OPG ACCOUNTS, INVESTMENT AND EXTERNAL BORROWING**

### **18.1 General**

18.1.1 The Director of Finance is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance/ Directions issued from time to time by the Independent Regulator

18.1.2 The Board shall approve the banking arrangements.

### **18.2 Bank and OPG Accounts**

18.2.1 The Director of Finance is responsible for:

- (a) Government Banking Service (GBS) accounts;
- (b) establishing separate bank accounts for the Trust's non-exchequer funds; and
- (c) ensuring that GBS accounts do not become overdrawn; and

### **18.3 Banking Procedures**

18.3.1 The Director of Finance will prepare detailed instructions on the operation of GBS and other bank accounts which must include:

- (a) the conditions under which the GBS and other bank accounts are to be operated;
- (b) the limit to be applied to any overdraft; and
- (c) those approved to sign cheques or other orders drawn on the Trust's accounts.

- 18.3.2 The Director of Finance must advise the Trust's bankers in writing of the conditions under which the account will operate.
- 18.3.3 All funds shall be held in accounts in the name of the Trust. No officer other than the Director of Finance shall open any bank account in the name of the Trust.
- 18.3.4 The Director of Finance shall be authorised to make payments using BACS and CHAPS and to establish appropriate procedures in accordance with locally agreed arrangements.
- 18.3.5 All payment instruments shall be treated as controlled stationery, with appropriate records being maintained.
- 18.3.6 Where payments are made by direct debit, each mandate shall be approved by the Director of Finance.

#### **18.4 Investments**

- 18.4.1 The Director of Finance will comply with the Treasury Management Policy, as approved by the Board of Directors for the investing of surplus funds.

#### **18.5 External Borrowing**

- 18.5.1 The Director of Finance will advise the Board concerning the Trust's ability to pay interest on, and repay, both Public Dividend Capital and any proposed new borrowings, within the limits set by the Independent Regulator.
- 18.5.2 Any application for a loan or overdraft will only be made by the Director of Finance or an employee so delegated by him/her.
- 18.5.3 All short term borrowings should, if in the best interests of the Trust, be kept to the minimum period of time possible, consistent with the overall cash flow position.
- 18.5.4 All long term borrowings must be consistent with the plans outlined in the current Business Plan.

#### **18.6 Tendering and Review**

- 18.6.1 The Director of Finance will review the banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust's banking business.
- 18.6.2 Competitive tenders for commercial banking services should be sought at least every five years. The results of the tendering exercise should be reported to the Board.

### **19. INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS**

#### **19.1 Income Systems**

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

## **19.2 Raising Invoices**

19.2.1 All invoices must be raised by the Directorate of Finance's Debtors Section, unless specifically agreed otherwise by the Director of Finance.

## **19.3 Fees and Charges**

19.3.1 The Foundation Trust shall follow the Department of Health's advice in the "Costing" Manual in setting prices for NHS service agreements.

19.3.2 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined 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 Commercial Sponsorship – Ethical Standards in the NHS shall be followed. Responsibility for approving the level of receivable rentals and for regularly reviewing rental and other charges shall rest upon the Director of Finance.

19.3.3 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.

## **19.4 Parent Company Guarantees**

19.4.1 The Director of Finance is responsible for the giving of parent company guarantees to suppliers on behalf of any wholly owned subsidiary.

19.4.2 Any such guarantee issued by the Director of Finance shall be reported to the next meeting of the Audit Committee.

19.4.3 No parent company guarantees shall be given on behalf of any joint venture company without the permission of the other shareholder(s).

## **19.5 Debt Recovery**

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

19.5.2 The Director of Finance is responsible for establishing and maintaining procedures for the issuing of credit notes and the write-off of debt, within delegated limits, after all reasonable steps have been taken to secure payment.

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

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

19.5.5 A list of amounts written off shall be submitted by the Director of Finance to the Audit Committee at least twice a year.

## **19.6 Security of Cash, Cheques and other Negotiable Instruments**

19.6.1 The Director of Finance is responsible for:

- (a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
- (b) ordering and securely controlling any such stationery;
- (c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and
- (d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust. Wherever practicable, the services of a specialist security firm or security personnel shall be used.

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

19.6.3 Any loss or shortfall of cash, cheques or other negotiable instruments, however occasioned, shall be reported to the Director of Finance. Any significant trends should also be reported. Where there is prima facie evidence of fraud, bribery or corruption this should be reported in accordance with the Trust's Fraud and Corruption Reporting Arrangements and the guidance provided by NHS Protect. The referral will be investigated by the Trust counter fraud specialist. Where there is no evidence of fraud or corruption the loss should be dealt with in line with the Trust's Losses and Compensations Procedures.

19.6.4 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.

19.6.5 The opening of incoming post should wherever possible be undertaken by two officers, unless otherwise formally agreed by the Director of Finance. All cash, cheques, postal orders and other forms of payment received by an officer other than a cashier shall be entered immediately in an approved form of register. The remittances shall be passed to the cashier from whom a signature shall be obtained.

19.6.6 An official receipt shall be made out by the cashier for all cash received, together with a reason for the payment. Receipts for cheque payments etc. will be issued on demand.

19.6.7 The opening of cash tills, telephone and other coin operated machines, and the counting and recording of the takings shall be undertaken by two officers together.

19.6.8 The Director of Finance shall ensure that there is a system for recording the transfer of custody of cash, cheques and other negotiable instruments from one person to another, and in what circumstances such records should be made.

19.6.9 Any employee who has any indication that the safe custody of cash etc. on the Trust's premises or in transit may be at risk, must immediately notify the Director of Finance.

19.6.10 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.

## **20. TENDERING AND CONTRACTING PROCEDURE**

The Trust's wholly owned subsidiary, AGH Solutions Limited ('AGHS') is contracted to undertake tendering and contracting work on behalf of the Trust. The directors of AGHS are bound to act in accordance with the Trust's SO's as stated in the Articles of Association of AGHS. For the avoidance of doubt the procedures set out in this clause are replicated in the SO's applicable to AGHS.

### **20.1 Duty to comply with Standing Orders and Standing Financial Instructions**

The DoH requires NHS bodies to comply with the requirements of the Bribery Act 2010, insofar as they must ensure that they have adopted 'adequate procedures' to prevent bribery. Failure to do so may, in the event of a prosecution against a Trust employee for a bribery offence, result in the Trust also being liable for prosecution of a corporate offence under section 7 of the Act. 'Adequate procedures' extends to ensuring that sufficient and appropriate due diligence has been undertaken in respect of every potential and actual Trust supplier, regardless of how their services have been procured. Further advice and guidance may be obtained from the Trust counter fraud specialist.

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. 3.17 Suspension of Standing Orders is applied).

### **20.2 EU Directives Governing Public Procurement**

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.

### **20.3 Capital Investment Manual and other Department of Health Guidance**

The Trust shall comply as far as is practicable with the requirements of the Department of Health "Capital Investment Manual" and "Estatecode" in respect of capital investment and estate and property transactions. In the case of management consultancy contracts the Trust shall comply as far as is practicable with Department of Health guidance "The Procurement and Management of Consultants within the NHS".

### **20.4 Formal Competitive Tendering**

#### **20.4.1 General Applicability**

The Trust shall ensure that competitive tenders are invited for:

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

#### 20.4.2 **Health Care Services**

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 procedure and need to be read in conjunction with Standing Financial Instruction No. 21.

#### 20.4.3 **Exceptions and instances where formal tendering need not be applied**

Formal tendering procedures **need not be applied** where:

- (a) the estimated expenditure or income does not, or is not reasonably expected to exceed £30k excluding VAT for each tender either for the full contract period or within the financial year;
- (b) where the supply is proposed under special arrangements negotiated by the DoH in which event the said special arrangements must be complied with;
- (c) regarding disposals as set out in Standing Financial Instructions No. 26;
- (d) where national/regional public sector contracts or contract frameworks are in place;
- (e) 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;
- (f) where the requirement is covered by an existing contract;

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

- (g) 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;
- (h) where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
- (i) where specialist expertise is required and is available from only one source;
- (j) when the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;
- (k) there is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;
- (l) for the provision of legal advice and services providing that any legal firm or partnership commissioned by the Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned.

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

- (m) where allowed and provided for in the Capital Investment Manual;

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;

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.

- (n) Contracts awarded by the Nominated Officer in conjunction with points (d), (e) and are not required subject to authorisation in accordance with 20.7, as contracts awarded in these circumstances have been left through nationally negotiated contracts which have demonstrated best value and have been let through open competition in accordance with national procurement legislation. The Nominated Officer is not required to document and report this to the Board of Directors.

#### **20.4.4 Fair and Adequate Competition/Single Tender**

Where the exceptions set out in SFI No. 20.4.3 apply, the Trust shall endeavour to invite tenders from a number of firms/individuals to provide fair and adequate competition as appropriate, from at least three firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required unless the goods required are from a sole manufacturer, or monopoly supplier then single tender is permitted subject to 20.4.3 (i) (k).

#### **20.4.5 List of Approved Firms**

The Trust shall ensure that the firms/individuals invited to tender are technically competent to undertake to fulfil the supply of goods and services. Contracts should only be awarded to firms/individuals who are financially and technically competent. For building and engineering contract works a specialist approval list should be held and maintained as per 21.5.9.

#### **20.4.6 Building and Engineering Construction Works**

Competitive Tendering cannot be waived for building and engineering construction works and maintenance (other than in accordance with the Capital Investment Manual) without Department of Health approval.

#### **20.4.7 Items which subsequently breach thresholds after original approval**

Items estimated to be below the limits set in this Standing Financial Instruction for 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 on the Trust's tender summary report.

### **20.5 Contracting/Tendering Procedure**

#### **20.5.1 Invitation to tender**

- (a) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- (b) In the case of a paper based tender return all invitations to tender shall state that no paper based tender will be accepted unless:

- (i) 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;
- (ii) 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;
- (iii) every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable; and
- (iv) every tender for building or engineering works (except for maintenance work, when 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 in accordance with Procure 21+ amended to comply with 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 projects.

#### 20.5.2 **Receipt and safe custody of tenders**

- (i) Chief Executive or their nominated representative will be responsible for the receipt, endorsement and safe custody of paper based 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. All envelopes/packages must be kept within the destruction period (i.e. one year).

- (ii) **The Electronic Return of Tenders**

Tenders may be sought and returned electronically via an external service system approved by the Chief Executive/Director of Finance, provided that:

- Such systems will be configured so that responses are secure and visible to the delegated staff only, upon the expiry of the published response deadline only.
- The electronic system will not detract in any way from the provisions of this document in any other way.

Tender responses will be accessed electronically by approved/delegated staff, whereupon all offers will be printed and recorded in the same way as hard copy tenders.

### 20.5.3 **Opening tenders and Register of tenders (Paper Based Responses)**

- (i) As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened by two approved officers.
- (ii) A member of the Board of Directors will be required to be one of the two approved persons present for the opening of tenders estimated above £30k (exc VAT). The rules relating to the opening of tenders will need to be read in conjunction with any delegated authority set out in the Trust's Scheme of Delegation.
- (iii) 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.
- (iv) All Executive Directors 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 for paper based tenders.

The Trust's Company Secretary will count as a Director for the purposes of opening tenders.

- (v) Every tender received shall be marked with the date of opening and initialled by those present at the opening on the pricing document.
- (vi) A register shall be maintained by the Chief Executive, or a person authorised by him, to show for each set of competitive tender invitations despatched:
  - the name of all firms individuals invited;
  - the names of firms individuals from which tenders have been received;
  - the nature and extent of due diligence undertaken
  - the date the tenders were opened;
  - the persons present at the opening;
  - the price shown on each tender;
  - a note where price alterations have been made on the tender;
  - declaration of interests/gifts and hospitality for those involved in the opening/evaluation process, if required.

Each entry to this register shall be signed by those present. 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.

- (vii) 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.

### 20.5.4 **Opening tenders and Register of tenders (Electronic Responses)**

- (i) As soon as practicable after the release date of the tender, they shall be opened and printed by designated staff from the originating Department.
- (ii) The 'originating' Department will be taken to mean the Department sponsoring or commissioning the tender.

- (iii) Two senior supplies staff employed by AGH Solutions Limited (AGHS) will be required to be present for the releasing of the tenders estimated above £30k. In the case where the Assistant Director Commercial Services, AGHS or the Deputy Head of Procurement and Supplies, AGHS is the tender originator, a separate senior delegated officer will need to be present. The rules relating to the opening of tenders will need to be read in conjunction with any delegated authority set out in the Trust's scheme of delegation.
- (iv) A register shall be maintained by the Assistant Director, Commercial services, AGHS, or a person authorised by them, to show for each set of competitive tender invitations despatched:
  - the name of all firms individuals invited;
  - the names of firms individuals from which tenders have been received and for electronic tenders:
  - the date the tenders were opened;
  - the persons present at the opening;
  - the price shown on each tender;
  - a note where price alterations have been made on the tender.

A note shall be made in the register if any one tender submission has had so many re-submissions that it cannot be readily read or understood.
- (v) 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 tendered 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.

#### **20.5.5 Admissibility**

- i) 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.
- (ii) Except in the circumstances of 20.4.4 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.

#### **20.5.6 Late tenders**

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

### 20.5.7 Acceptance of formal tenders

- (i) Any discussions with a tenderer which are deemed necessary to clarify the technical aspects of his tender before the award of a contract will not disqualify the tender.
- (ii) The lowest tender, if payment is to be made by the Foundation 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.

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.

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

- (iii) The Assistant Director, Commercial Services, AGHS and Managing Director, AGHS may enter into post tender negotiations on terms of costs provided that the reasons for, and the results of, such negotiations are maintained in a permanent record.
- (iv) 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.
- (v) 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.
- (vi) All tenders should be treated as confidential and should be retained for inspection.

### 20.5.8 Tender reports to the Board of Directors

Reports to the Board of Directors will be made on an exceptional circumstance basis only. The Audit Committee at each meeting shall receive a report from AGHS summarising tenders received and awarded.

## 20.5.9 List of approved firms

### (a) **Responsibility for maintaining the list**

An AGHS manager nominated by the Chief Executive shall on behalf of the Trust ensure that only approved contractors are used by the Trust. Such lists shall include all contractors whose technical and financial competence the Trust is satisfied who have undergone sufficient due diligence checks by the Trust and who themselves have demonstrated that they maintain adequate anti-bribery procedures, as is required of all commercial organisations by the Bribery Act 2010. All suppliers must be made aware of the Trust's terms and conditions of contract.

### (b) **Building and Engineering Construction Works**

(i) Invitations to tender shall be made only to firms included on the approved list of tenderers compiled in accordance with this Instruction or on the separate maintenance lists compiled in accordance with current DoH guidance.

(ii) Firms included on the approved list of tenderers shall ensure that when engaging, training, promoting or dismissing employees or in any conditions of employment, shall not discriminate against any person because of colour, race, ethnic or national origins, religion or sex, and will comply with the provisions of the Equality Act 2010 (Regulations 2017) and the Disabled Persons (Employment) Act 1994, and any amending and/or related legislation.

(iii) Firms shall conform at least with the requirements of the Health and Safety at Work Act and any amending and/or other related legislation concerned with the health, safety and welfare of workers and other persons, and to any relevant British Standard Code of Practice issued by the British Standard Institution. Firms must provide to the appropriate manager a copy of its safety policy and evidence of the safety of plant and equipment, when requested. Contractors must submit site specific risk assessments and method statements.

### (c) **Financial Standing and Technical Competence of Contractors**

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

### (d) **Supplies/Procurement and Building and Engineering Construction Works**

The Assistant Director, Commercial Services, AGHS should seek to ensure that all firms who the Trust enters into a contract with are technically and financially competent to undertake to fulfil the supply of goods, services or Works, making use of national and regional public sector contractors and NHS Supply Chain Constructionline and Trust approved contractors.

### (e) **Pharmacy**

The purchase or procurement of all medicines by the Trust is made through the pharmacy under the control of the Chief Pharmacist. The majority of medicines are licensed through the Medicine Control Agency, and, as such, are purchased directly from the licensed manufacturer or through their authorised wholesaler outlets.

Unlicensed produces, 'specials', and materials for clinical research are also procured by the pharmacy department, but with appropriate procedures in place to recognise the specific responsibilities of the Trust in relation to produce liability, and, in certain cases, the need for informed consent by patients before these products can be used.

The procurement of medicines is part of the overall medicines' management strategy, which also includes the use of patients' own medicines whilst in hospital, the preparation of patient specific medicines, and the overt links with policies for prescribing in the community the Trust serves.

## **20.6 Quotations: Competitive and non-competitive**

### **20.6.1 General Position on quotations**

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income does not exceed, or is not reasonably expected to exceed £30k excluding VAT. The requirements of the Bribery Act 2010 (evidencing sufficient due diligence and confirmation of prospective suppliers anti-bribery arrangements) must still be complied with.

### **20.6.2 Competitive Quotations**

- (i) Quotations should be obtained from at least (3) firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the Trust.
- (ii) 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.
- (iii) All quotations should be treated as confidential and should be retained for inspection.
- (iv) The Chief Executive or the 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.

### **20.6.3 Non-Competitive Quotations**

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

- (i) the supply of proprietary or other goods of a special character and the rendering of services of a special character, for which it is not, in the opinion of the responsible officer, possible or desirable to obtain competitive quotations;
- (ii) the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts;
- (iii) miscellaneous services, supplies and disposals;
- (iv) where the goods or services are for building and engineering maintenance the responsible works manager must certify that the first two conditions of this SFI (i.e. (i) and (ii) of this SFI) apply.

#### 20.6.4 Quotations to be within Financial Limits

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

#### 20.7 Authorisation of Tenders and Competitive Quotations

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

|   |                    |
|---|--------------------|
| Budget holder level 1   | up to £5k          |
| Budget holder level 2   | up to £30k         |
| Budget holder level 3   | between £30k-£250k |
| (if on contract, see section 2.5 of the scheme of delegation) |                    |
| Director of Finance   | up to £250k        |
| Board of Directors  | over £250k         |

These levels of authorisation may be varied or changed and need to be read in conjunction with the Board of Director's Scheme of Delegation, see section 2.6 of the scheme of delegation.

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

#### 20.8 Instances where formal competitive tendering or competitive quotation is not required

Where competitive tendering or a competitive quotation is not required ie value under £30k (exc VAT) the Trust should adopt one of the following alternatives:

- (a) The Trust shall use the NHS Supply Chain or Constructionline for procurement of goods and services where appropriate, unless the Chief Executive or nominated officers deem it inappropriate. Where more appropriate use of the public purse can be obtained alternative sources of supply should be considered. The decision to use alternative sources must be documented.
- (b) The Trust shall use National and Regional Public Sector Contracts and for Estates contracts.
- (c) If the Trust does not use the options in (a) and (b) - where tenders or quotations are not required, because expenditure is below £30k, the Trust shall procure goods and services in accordance with procurement procedures as specified in the Standing Orders.

#### 20.9 Private Finance for capital procurement

The Trust should normally market test for PFI and PPI (Private Finance Initiative funding) when considering a capital procurement. When the Board proposes, or is required, to use finance provided by the private sector the following should apply:

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

- (b) Where the sum exceeds delegated limits, a business case must be referred to the appropriate Department of Health for approval or treated as per current guidelines.
- (c) The proposal must be specifically agreed by the Board of Directors.
- (d) The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

#### **20.10 Compliance requirements for all contracts**

The Board may only enter into contracts on behalf of the Trust within the statutory powers delegated to it by the Secretary of State and shall comply with:

- (a) The Trust's Standing Orders and Standing Financial Instructions;
- (b) EU Directives and other statutory provisions;
- (c) Any relevant directions including the Capital Investment Manual, Estatecode and guidance on the Procurement and Management of Consultants;
- (d) Such of the NHS Standard Contract Conditions as are applicable.
- (e) Contracts with Trust's must be in a form compliant with appropriate NHS guidance.
- (f) Where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited.
- (g) In all contracts made by the Trust, the Board shall endeavour to obtain best value for money by use of all systems in place. The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.

#### **20.11 Personnel and Agency or Temporary Staff Contracts**

The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.

#### **20.12 Healthcare Service Contracts**

Service contracts with NHS commissioners for the supply of healthcare services shall be drawn up in accordance with the National Health Service Act 2006.

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

#### **20.13 Disposals**

Competitive tendering or quotation procedures shall not apply to the disposal of:

- (a) any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his nominated officer;
- (b) obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;
- (c) items to be disposed of with an estimated sale value of less than £20k, this figure to be reviewed on a periodic basis;
- (d) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- (e) land or buildings concerning which DH guidance has issued but subject to compliance with such guidance.

## **20.14 In-house Services**

- 20.14.1 The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis. The Trust may also determine from time to time that in-house services should be market tested by competitive tendering.
- 20.14.2 In all cases where the Board determines that in-house services should be subject to competitive tendering the following groups shall be set up:
- (a) Specification group, comprising the Chief Executive or nominated officer/s and specialist.
  - (b) In-house tender group, comprising a nominee of the Chief Executive and technical support.
  - (c) Evaluation team, comprising normally a specialist officer, Assistant Director, Commercial Services, AGHS and a Director of Finance representative. For services having a likely annual expenditure exceeding £100k, a non-officer member should be a member of the evaluation team.
- 20.14.3 All groups should work independently of each other and individual officers may be a member of more than one group but no member of the in-house tender group may participate in the evaluation of tenders.
- 20.14.4 The evaluation team shall make recommendations to the Board.
- 20.14.5 The Chief Executive shall nominate an officer to oversee and manage the contract on behalf of the Trust.

## **20.15 Applicability of SFIs on Tendering and Contracting to funds held in trust**

These Instructions shall not only apply to expenditure from Exchequer funds but also to works, services and goods purchased from the Trust's trust funds and private resources.

The Director of Finance may make or institute any enquiries deemed appropriate concerning the financial standing and financial suitability of approved contractors. The Director with lead responsibility for clinical governance will similarly make such

enquiries as is felt appropriate to be satisfied as to their technical / medical competence.

## **20.16 Cancellation of Contracts**

Except where specific provision is made in model Forms of Contracts or Standing Schedules of Conditions approved for use within the National Health Service and in accordance with SO 11.2, there shall be inserted in every written contract a clause empowering the Trust to cancel the contract and to receive from the contractor the amount of any loss resulting from such cancellation if:

- (a) the contractor shall have offered, or given or agreed to give, any person any gift or consideration of any kind as an inducement or reward (contrary to the Bribery Act 2010) for doing or forbearing to do or having done or forborne to do any action in relation to the obtaining or execution of the contract or any other contract with the Trust; or
- (b) for showing or forbearing to show favour or disfavour to any person in relation to the contracts or any other contract with the Trust; or
- (c) if the like act as shall have been done by any person employed by him/her or acting on his/her behalf (whether with or without the knowledge of the contractor); or
- (d) if in relation to any contract with the Trust the contractor or any person employed by him/her or acting on his/her behalf shall have committed any offence under the Bribery Act 2010 and other appropriate legislation.

## **20.17 Determination of Contracts for Failure to Deliver Goods or Materials**

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

# **21. NHS SERVICE AGREEMENTS FOR PROVISION OF SERVICES**

## **21.1 Standard NHS Contracts**

21.1.1 The Chief Executive, as the Accounting Officer, is responsible for ensuring the Trust enters into suitable legally binding Service Level Agreements (SLA) with service commissioners for the provision of NHS services.

All SLAs should aim to implement the agreed priorities contained within the Local Delivery Plan (LDP) 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 licence from the Independent Regulator;
- 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; and
- that contracts are based on integrated care pathways.

## **21.2 Involving Partners and jointly managing risk**

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 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.

## **21.3 Reports to Board on Contracts**

The Chief Executive, as the Accounting 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 tariff arrangements, which increasingly should be based upon Healthcare Resource Groups (HRGs). Where HRGs are unavailable for specific services, all parties should agree a common currency for application across the range of contracts.

## **22. TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF EXECUTIVE DIRECTORS, ASSOCIATE DIRECTORS AND COMPANY SECRETARY OF THE BOARD INCLUDING GOVERNORS**

### **22.1 Remuneration and Terms of Service**

22.1.1 In accordance with Standing Orders the Board shall appoint a remuneration committee of Non-Executive Directors. The Chief Executive shall also be a member. The remuneration committee shall have delegated responsibility for setting remuneration for all Executive Directors, Associate Directors and the Company Secretary, including compensation payments.

22.1.2 The Committee will:

- (a) approve remuneration and terms of service for the Chief Executive, and other Executive Directors and Associate Directors employed by the Trust 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) recommend and monitor the level and structure of remuneration for senior management, including the Company Secretary;

- (c) monitor and evaluate the performance of Executive Director and Associate Directors (and other senior employees including the Company Secretary of the Trust and AGH Solutions Limited); 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.

22.1.4 The Committee shall report in writing to the Board the basis for its decisions.

22.1.5 The LNC will consider and need to approve proposals presented by the Chief Executive for the setting of remuneration and conditions of service for other employees and officers covered by national terms and conditions. Terms and conditions for staff outside of the committees remit and not covered by national terms and conditions are the responsibility of the Chief Executive and can be delegated to the Associate Director of HR and Workforce

## **22.2 Staff Appointments**

22.2.1 No Executive Director 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:

- (a) unless authorised to do so by the Chief Executive (but can be delegated to an Executive Director or the Deployment Group): and
- (b) is within the limit of their approved budget and funded establishment.

22.2.2 Pay and terms and conditions for staff are set by national or local agreements. Requests for new starter pay or other terms outside of national terms shall be approved by the Associate Director of HR & Workforce and Director of Finance.

22.2.3 All time records, pay sheets and other pay records and notifications shall be in a format approved by the Director of Finance and Associate Director of HR & Workforce, and shall be certified and submitted in accordance with instructions issued by the Director of Finance.

22.2.4 A signed copy of the appointment form and other such documents as they may require shall be sent to Directorates of the Director of Finance and Associate Director of HR & Workforce immediately upon a new employee commencing duty.

22.2.5 The Director of Finance and Associate Director of HR & Workforce shall be notified immediately and in a prescribed format, upon the effective date of change in the state of employment or personal circumstances of an employee being known.

## **22.3 Processing Payroll**

22.3.1 The Director of Finance is responsible for:

- (a) specifying timetables for submission of properly authorised time records and other notifications;
- (b) the final determination of pay and allowances;
- (c) making payment on agreed dates; and

- (d) agreeing method of payment.

22.3.2 The Director of Finance will issue instructions regarding:

- (a) verification and documentation of data;
- (b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances;
- (c) maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- (d) security and confidentiality of payroll information;
- (e) checks to be applied to completed payroll before and after payment;
- (f) authority to release payroll data under the provisions of the Data Protection Act;
- (g) methods of payment available to various categories of employee and officers;
- (h) procedures for payment by cheque, bank credit, or cash to employees and officers;
- (i) procedures for the recall of cheques and bank credits;
- (j) pay advances and their recovery;
- (k) maintenance of regular and independent reconciliation of pay control accounts;
- (l) separation of duties of preparing records and handling cash; and
- (m) 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.

22.3.3 Appropriately nominated managers have delegated responsibility for:

- (a) submitting time records, and other notifications in accordance with agreed timetables;
- (b) completing time records and other notifications in accordance with the Director of Finance's instructions and in the form prescribed by the Director of Finance;
- (c) submitting termination forms and other such documents as the Director of Finance and Associate Director of HR & Workforce may require in the prescribed form immediately upon knowing the effective date of an employees 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 Finance must be informed immediately.
- (d) maintaining detailed and accurate records of shift and hours worked which will result in enhanced payments (e.g. overtime, unsocial hours, call outs, etc); and
- (e) maintaining detailed absence records for all employees and completing absence returns as specified by the Associate Director of HR & Workforce.

22.3.4 Regardless of the arrangements for providing the payroll service, the Director of Finance shall ensure that the chosen method is supported by appropriate (contracted)

terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

22.3.5 The Associate Director of HR & Workforce shall be responsible for the determination of pay, including the verification that rate of pay and relevant conditions of service are in accordance with current agreements. The Director of Finance shall be responsible for the proper compilation of the payroll, and for payments made.

22.3.6 All employees shall be paid by bank credit transfer, unless otherwise agreed by the Director of Finance.

22.3.7 Payment of staff expenses shall be made by the Director of Finance, or an authorised agent, in accordance with the current regulations, upon receipt of a prescribed claim form, duly completed and signed by a designated signatory. It is the duty of designated signatories to assure themselves that the claims they certify are genuine and correct.

## **22.4 Contracts of Employment**

22.4.1 The Board shall delegate responsibility to the Associate Director of HR & Workforce for:

- (a) ensuring that all employees are issued with a Contract of Employment in a form which complies with employment legislation; and
- (b) dealing with variations to, or termination of, contracts of employment.

22.4.2 The Associate Director of HR & Workforce will prepare detailed procedures for the preparation, variation to and termination of contracts of employment, and ensure these are notified to managers

## **23. NON-PAY EXPENDITURE**

### **23.1 Delegation of Authority**

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

23.1.2 In accordance with the Director of Finance's instructions:

- (a) the Trust will issue controlled stationery requisition books or computer passwords to authorised requisitioners within the Trust. Each department will be responsible for the safe keeping of access to requisition books, and be responsible for their proper use within the organisation; and
- (b) authorisation levels will be agreed by each department and the staff employed within that department, in accordance with 23.2.1 below.

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

### **23.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services**

23.2.1 It shall be the duty of all budget holders to ensure that all goods and services they requisition or purchase are necessary for the efficient working of the Trust. The requisitioner, in choosing the item to be supplied (or the service to be performed) shall

always obtain best value for money for the Trust. In so doing, the advice of the Assistant Director, Commercial Services, AGHS, Managing Director, AGHS or other appropriate specialist shall be sought. Where this advice is not acceptable to the requisitioner, the Director of Finance shall be consulted.

23.2.2 All purchases of goods and services must be supported by appropriately certified requisitions, unless the Director of Finance agrees otherwise.

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

23.2.4 The Director of Finance will:

- (a) advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in Standing Orders and Standing Financial Instructions and regularly reviewed;
- (b) prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds;
- (c) be responsible for the prompt payment of all properly authorised accounts and claims;
- (d) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
  - (i) A list of Board directors (including specimens of their signatures) authorised to certify invoices.
  - (ii) Certification that:
    - goods have been duly received, examined and are in accordance with specification and the prices are correct;
    - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
    - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
    - where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
    - the account is arithmetically correct;
    - the account is in order for payment.

- (iii) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
- (iv) Instructions to employees regarding the handling and payment of accounts within the Finance Department; and
- (e) be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in SFI No. 23.2.5 below.

### 23.2.5 Prepayments

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

- (a) Prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using the National Loans Fund (NLF) rate plus 2%).
- (b) The appropriate officer must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;
- (c) The Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold);
- (d) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered; and
- (e) In the case of contracts which require payments to be made on account during progress of the work / delivery of equipment, the Director of Finance shall make progress payments on receipt of a certificate / invoice signed by the Head of Facilities, Head of Estates or Supplies Manager. Prior to payment of the final account, the Director of Finance may arrange a financial examination of the project as he thinks appropriate.

### 23.2.6 Official orders

Official Orders must:

- (i) be consecutively numbered;
- (ii) be in a form approved by the Director of Finance;
- (ii) state the Trust's terms and conditions of trade; and
- (iv) only be issued to, and used by, those duly authorised by the Chief Executive.

### 23.2.7 Duties of Managers and Officers

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

- (a) all contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a

liability are notified to the Director of Finance in advance of any commitment being made;

- (b) contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;
- (c) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health/Independent Regulator;
- (d) no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:
  - (i) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
  - (ii) conventional hospitality, such as lunches in the course of working visits;

**(This provision needs to be read in conjunction with Standing Orders and the principles outlined in the national guidance contained in HSG 93(5) “Standards of Business Conduct for NHS Staff”);**

- (e) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive;
- (f) all goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash;
- (g) verbal orders must only be issued very exceptionally - by an employee designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";
- (h) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- (i) goods are not taken on trial or loan in circumstances that could commit the Foundation Trust to a future uncompetitive purchase;
- (j) changes to the list of directors / employees authorised to certify invoices are notified to the Director of Finance;
- (k) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance; and
- (l) petty cash records are maintained in a form as determined by the Director of Finance.

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

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

### 24.1 Capital Investment

#### 24.1.1 The Chief Executive:

- (a) shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
- (b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
- (c) shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences, including capital charges.

#### 24.1.2 For every capital expenditure proposal the Chief Executive shall ensure:

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

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

#### 24.1.4 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 HMRC guidance.

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

#### 24.1.6 The approval of a capital programme shall not constitute approval for expenditure on any scheme.

The Chief Executive shall issue to the manager responsible for any scheme:

- (a) specific authority to commit expenditure;
- (b) authority to proceed to tender (see overlap with SFI No. 20.6);
- (c) approval to accept a successful tender (see overlap with SFI No. 20.7).

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

24.1.7 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. This guidance is contained within the Trust's document 'Business Case/Procurement Guidance 2010-11'.

## **24.2 Private Finance**

24.2.1 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:

- (a) 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.
- (b) The proposal must be specifically agreed by the Board.

## **24.3 Asset Registers**

24.3.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Finance concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year. All discrepancies revealed during the verification exercise shall be notified to the Director of Finance.

24.3.2 The Trust shall maintain an asset register recording fixed assets. The minimum data set to be held within this register shall be as specified in the Guidance issued by the Independent Regulator.

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

- (a) properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
- (b) stores, requisitions and wages records for own materials and labour including appropriate overheads;
- (c) lease agreements in respect of assets held under a finance lease and capitalised.

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

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

24.3.6 The value of each asset shall be indexed to current values in accordance with methods specified in the *Capital Accounting Manual* issued by the Independent Regulator.

24.3.7 The value of each asset shall be depreciated using methods and rates as specified in the *Capital Accounting Manual* issued by the Independent Regulator.

24.3.8 The Director of Finance shall calculate and pay capital charges as specified in the *Capital Accounting Manual* issued by the Independent Regulator.

#### **24.4 Security of Assets**

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

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

- (a) recording managerial responsibility for each asset;
- (b) identification of additions and disposals;
- (c) identification of all repairs and maintenance expenses;
- (d) physical security of assets;
- (e) periodic verification of the existence of, condition of, and title to, assets recorded;
- (f) identification and reporting of all costs associated with the retention of an asset;
- (g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

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

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

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

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

24.4.7 Assets valued at more than £5,000 shall be recorded in the Asset Register, and under this value should be entered in ward and department inventories.

## **25. STORES AND RECEIPT OF GOODS**

The Trust's wholly owned subsidiary, AGH Solutions Limited ('AGHS') is contracted to undertake the storage and receipt of goods on behalf of the Trust. The directors of AGHS are bound to act in accordance with the Trust's SO's as stated in the Articles of Association of AGHS. For the avoidance of doubt the procedures set out in this clause are replicated in the SO's applicable to AGHS.

## **25.1 General position**

25.1.1 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.

## **25.2 Control of Stores, Stocktaking, condemnations and disposal**

25.2.1 Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by them 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 control of any fuel oil and coal of the Managing Director, AGH Solutions Ltd.

25.2.2 The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the Managing Director, AGH Solutions Ltd/Pharmaceutical Officer. Wherever practicable, stocks should be marked as health service property.

25.2.3 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.

25.2.4 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, to coincide with the financial year end (unless a continuous stock checking system is in operation). The physical check shall involve at least one officer other than the person responsible for the stock / store. Stocktaking records shall be in a format prescribed by the Director of Finance, be numerically controlled and signed by the officers undertaking the check.

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

25.2.6 The Managing Director, AGH Solutions Ltd/Pharmaceutical Officer shall be responsible for a system approved by the Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the Director of Finance any evidence of significant overstocking and of any negligence or malpractice. Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

25.2.7 Any surpluses or deficiencies revealed on stocktaking shall be reported to the Director of Finance who may investigate if appropriate. Known losses of stock items not subject to stores control shall be reported to the Director of Finance.

25.2.8 Stocks which have been damaged, deteriorated or are not usable for any other reason than their intended purpose, or may have become obsolete, shall be written down to

their net realisable value. Managers seeking to write off such values should follow procedures for reporting losses as laid down by the Director of Finance.

25.2.9 All goods received shall be entered onto an appropriate goods received / stock record on the day of receipt. A delivery note shall be obtained from the supplier at the time of delivery and shall be signed by the person receiving the goods.

25.2.10 All goods received shall be checked as regards quantity and / or weight and be inspected as to quality and specification. If goods received are unsatisfactory, the record shall be marked accordingly. Where goods received are seen to be unsatisfactory, or short delivery, they shall only be accepted on the authority of the departmental manager or the Managing Director, AGH Solutions Ltd, and the supplier shall be notified immediately.

25.2.11 The issue of stocks shall be supported by an authorised requisition note. Where a 'top up' system is used, a record shall be maintained as approved by the Director of Finance.

### **25.3 Goods Supplied by NHS Logistics**

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

## **26. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS**

### **26.1 Disposals and Condemnations**

#### **26.1.1 Procedures**

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

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

26.1.3 All unserviceable articles shall be:

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

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

## **26.2 Losses and Special Payments**

### **26.2.1 Procedures**

The Director of Finance must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.

26.2.2 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. Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Director of Finance must inform the relevant LCFS and CFSMS regional team in accordance with Secretary of State for Health's Directions.

The Director of Finance must notify the Counter Fraud and Security Management Services (CFSMS) and the External Auditor of all frauds.

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

26.2.4 The Board shall approve the writing-off of losses.

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

26.2.6 For any loss, the Director of Finance shall consider whether any insurance claim can be made.

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

26.2.8 No special payments exceeding delegated limits advised by the Department of Health shall be made without prior approval of the Board of Directors.

26.2.9 All losses and special payments must be reported to the Audit Committee on a regular basis.

## **27. INFORMATION TECHNOLOGY**

### **27.1 Responsibilities and duties of the Director of Finance**

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

- (a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which 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;
- (b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy,

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

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

27.1.2 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.

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

## **27.2 Responsibilities and duties of other Directors and Officers in relation to computer systems of a general application**

27.2.1 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.

## **27.3 Contracts for Computer Services with other health bodies or outside agencies**

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.

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.

## **27.4 Risk Assessment**

The Director of Finance shall ensure that risks to the Foundation 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.

## **27.5 Requirements for Computer Systems which have an impact on corporate financial systems**

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; and
- (d) such computer audit reviews as are considered necessary are being carried out.

## 28. PATIENTS' PROPERTY

**28.1** The Trust has a responsibility to provide safe custody for money and other personal property (hereafter referred to as "property") handed in by patients, in the possession of unconscious or confused patients, or found in the possession of patients dying in hospital or dead on arrival.

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

- (a) by notices and information booklets; (***notices are subject to sensitivity guidance***)
- (b) by hospital admission documentation and property records;
- (c) by the oral advice of administrative and nursing staff responsible for admissions; and
- (d) that the Trust will not accept responsibility or liability for patients' property brought into Health Service premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.

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

**28.4** Where Department of Health instructions require the opening of separate accounts for patients' monies, these shall be opened and operated under arrangements agreed by the Director of Finance.

**28.5** 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.

**28.6** 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.

- 28.7** 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.

## **29. FUNDS HELD ON TRUST**

### **29.1 Corporate Trustee**

- (1) The Trust has responsibilities as a Corporate Trustee for the management of funds it holds on trust, and needs to comply with the Charities Commission latest guidance and best practice.
- (2) 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.

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.

### **29.2 Accountability to Charity Commission and Secretary of State for Health**

- (1) The Trustee's 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.
- (2) The Schedule of Matters Reserved to the Board and the Scheme of Delegation make clear where decisions regarding the exercise of discretion regarding the disposal and use of the funds are to be taken and by whom. All Board Directors and Trust officers must take account of that guidance before taking action.

### **29.3 Applicability of Standing Financial Instructions to funds held on Trust**

- (1) In so far as it is possible to do so, most of the sections of these Standing Financial Instructions will apply to the management of funds held on Trust.
- (2) 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.

## **30. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT**

The Director of Finance shall ensure that all staff are made aware of the Trust's policy on acceptance of gifts, hospitality and sponsorship and other benefits in kind by staff. This policy follows the guidance contained in the Department of Health circular HSG (93) 5 'Standards of Business Conduct for NHS Staff' and is also deemed to be an integral part of these Standing Orders and Standing Financial Instructions. The Code of Conduct for NHS Managers shall also apply.

A separate Code of Conduct policy applies to the Board of Directors.

## **31. RETENTION OF RECORDS**

- 31.1** The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with Department of Health guidelines.
- 31.2** The records held in archives shall be capable of retrieval by authorised persons.
- 31.3** Records held in accordance with latest Department of Health guidance shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed.

## **32. RISK MANAGEMENT AND INSURANCE**

### **32.1 Programme of Risk Management**

The Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with the terms of the licence issued by the Independent Regulator, which must be approved and monitored by the Board.

The programme of risk management shall include:

- a) a process for identifying and quantifying risks and potential liabilities;
- b) engendering among all levels of staff a positive attitude towards the control of risk;
- c) management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk;
- d) contingency plans to offset the impact of adverse events;
- e) audit arrangements including; Internal Audit, clinical audit, health and safety review;
- f) a clear indication of which risks shall be insured; and
- g) arrangements to review the risk management programme.

The existence, integration and evaluation of the above elements will assist in providing a basis to make the Annual Governance Statement within the Annual Report and Accounts as required by the Independent Regulator.

### **32.2 Insurance: Risk Pooling Schemes administered by NHSLA**

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.

### **32.3 Insurance arrangements with commercial insurers**

32.3.1 In exceptional circumstances it may be considered in the best interests of the Trust to engage commercial insurers. Examples when Trust's may enter into insurance arrangements with commercial insurers include:

- (1) Trust's may enter commercial arrangements for **insuring motor vehicles** owned by the Trust including insuring third party liability arising from their use;
- (2) The Trust may provide an **indemnity** to any member of the Council of Governors, the Board of Directors or the Secretary. The Trust may purchase and maintain insurance against this liability for its own benefit;
- (3) 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
- (4) 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 Independent Regulator.

#### **32.4 Arrangements to be followed by the Board in agreeing insurance cover**

- (1) Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority, the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance shall ensure that documented procedures cover these arrangements.
- (2) Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for one or other of the risks covered by the schemes, the Director of Finance shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. 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.
- (3) 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.

#### **32.5 Legal Proceedings**

The Chief Executive shall ensure that the Trust has an effective systems process for the management of claims. The Chief Executive may delegate the signing of documents where this is a necessary step in legal proceedings involving the Trust, to any Executive Director or the Company Secretary.

### 33. MENTAL HEALTH ACT 1983

In this section ‘The Act’ means the Mental Health Act 1983 as amended and ‘The Code’ means the Mental Health Act Code of Practice (DH 2008 ISBN 9780113228096). The term “Hospital Managers” means Airedale NHS Foundation Trust.

The purpose of this section is to clearly identify to whom the Hospital Managers delegate responsibilities under the Act in compliance with the MHA 1983 as amended. In England, NHS hospitals are managed by NHS Trusts, NHS Foundation Trusts and Clinical Commissioning Groups. For these hospitals, the Trusts themselves are defined as the Hospital Managers for the purposes of the Act [The Code 30.2].

The Hospital Managers have the authority to detain patients under the Act. They have the primary responsibility for ensuring that the requirements of the Act are followed. In particular, they must ensure that patients are detained only as the Act allows, that their treatment and care accord fully with its provisions and they are fully informed of, and supported in exercising their statutory rights.

In practice, most of the decisions of the Hospital Managers are actually taken by individuals (or groups of individuals) on their behalf [The Code 30.5]. In this scheme of delegation, unless otherwise stated, “Hospital Managers” **includes** anyone authorised to take decisions on their behalf [The Code 30.6].

#### 33.1 Scope/Governance Arrangements

The Executive Medical Director has responsibility for issues pertaining to the Mental Health Act in the Trust. The operational delivery of the Act is the responsibility of the Chief Operating Officer. The Executive Assurance Group (EAG), chaired by the Chief Executive Officer oversees and reviews the operation of the applicable sections of the Mental Health Act. EAG provides an annual report to the Trust’s Board of Directors.

In the acute Trust setting and in the majority of circumstances, use of the Act is limited to section 5(2). Infrequently, specialist mental health providers will enact section 2, section 3 or section 5(4) on Trust patients according to their schemes of delegation.

Training in use of the Act Section 30.10 of The Code states: *Organisations in charge of hospitals retain responsibility for the performance of all hospital managers’ functions exercised on their behalf and must ensure that the people acting on their behalf are competent to do so. It is for the organisation concerned to decide what arrangements to put in place to monitor and review the way that functions under the Act are exercised on its behalf – but many organisations establish a Mental Health Act steering or scrutiny group especially for that task.* The Trust will monitor training provision in the MHA through the Executive Assurance Group.

#### 33.2 Definitions

“Sections” are in the Mental Health Act 1983 as amended.

“Regulations” are in the Mental Health (Hospital, Guardianship and Consent to Treatment) Regulations 2008.

AMHP – Approved Mental Health Professional.

#### 33.3 Duties / Responsibilities/Scheme of Delegation

The Scheme of Delegation which outlines duties and responsibilities in relation to the Mental Health Act including training requirements is shown in the Scheme of Delegation section 7.9.

### 33.4 Monitoring Compliance

The following table outlines how the Trust will monitor compliance with the contents of this document.

| <b>Element to be monitored</b>   | <b>Lead</b>                              | <b>Tool</b> | <b>Frequency</b>   | <b>Reporting arrangements</b>                   |
|--|--|-------------|--|---|
| Patients subject to a section of the Mental Health Act* whilst an inpatient          | Assistant Director Healthcare Governance | MHA Audit   | On-going and real time monitoring of all uses of the Act | Annual report to EAG and exceptions as required |
| Provision of information to patients (and their nearest relatives where appropriate) | Assistant Director Healthcare Governance | MHA Audit   | On-going and real time monitoring of all uses of the Act | Annual report to EAG and exceptions as required |

### 33.5 Receipt & Scrutiny of Statutory forms under the MHA 1983

The procedure for the reporting of all section 5(2) events is described in the *SOP for detaining a patient under Section 5(2) Mental Health Act* (SOP TW- 120). Completed forms are returned to the quality and safety team where they will be scrutinised by the Assistant Director Healthcare Governance for compliance with the Act.

\*Monitoring systems will capture patients subject to sections 2 and 3 of the MHA using SystemOne data capture mechanisms.

### 33.6 Policy Review

A review of relevant and associated policies and procedures will be undertaken on a 3 yearly basis or sooner if necessary.

#### **Associated Documents**

- MHA 1983 Code of Practice
- Section 5(2) Standard Operating Procedures (ANHSTrust reference TW-120).

#### **Supporting References – Statutory and Secondary Legislation**

- Mental Health Act 1983 (as amended)
- Mental Health Act Code of Practice (DH 2008)

## 34. JOINT VENTURES (CONTRACTUAL AND CORPORATE) AND SUBSIDIARY COMPANIES

The Executive Directors shall be authorised to develop commercial opportunities which may (or may not) lead to the establishment of a joint venture, either contractual or corporate or the formation of a subsidiary company. The Executive Directors shall keep the Board apprised of the subject matter via the Chief Executive (or nominated officer).

A joint venture, either contractual or corporate or a subsidiary company shall not be entered in to or incorporated unless authorised by the Board.

# SCHEME OF DELEGATION

Author: Company Secretary  
Owner: Chief Executive  
Date of Issue: March 2018  
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## 1. FUNDAMENTAL PRINCIPLES

### 1.1 General enabling provision

The Board may determine any matter (for which it has delegated or statutory authority) it wishes in full session within its statutory powers.

### 1.2 Redelegation of powers

For reasons of practicality, or to cover holidays or other periods of absence, directors and others named in the Scheme may wish to re-assign some or all of their delegated powers. In these circumstances, the following principles apply:

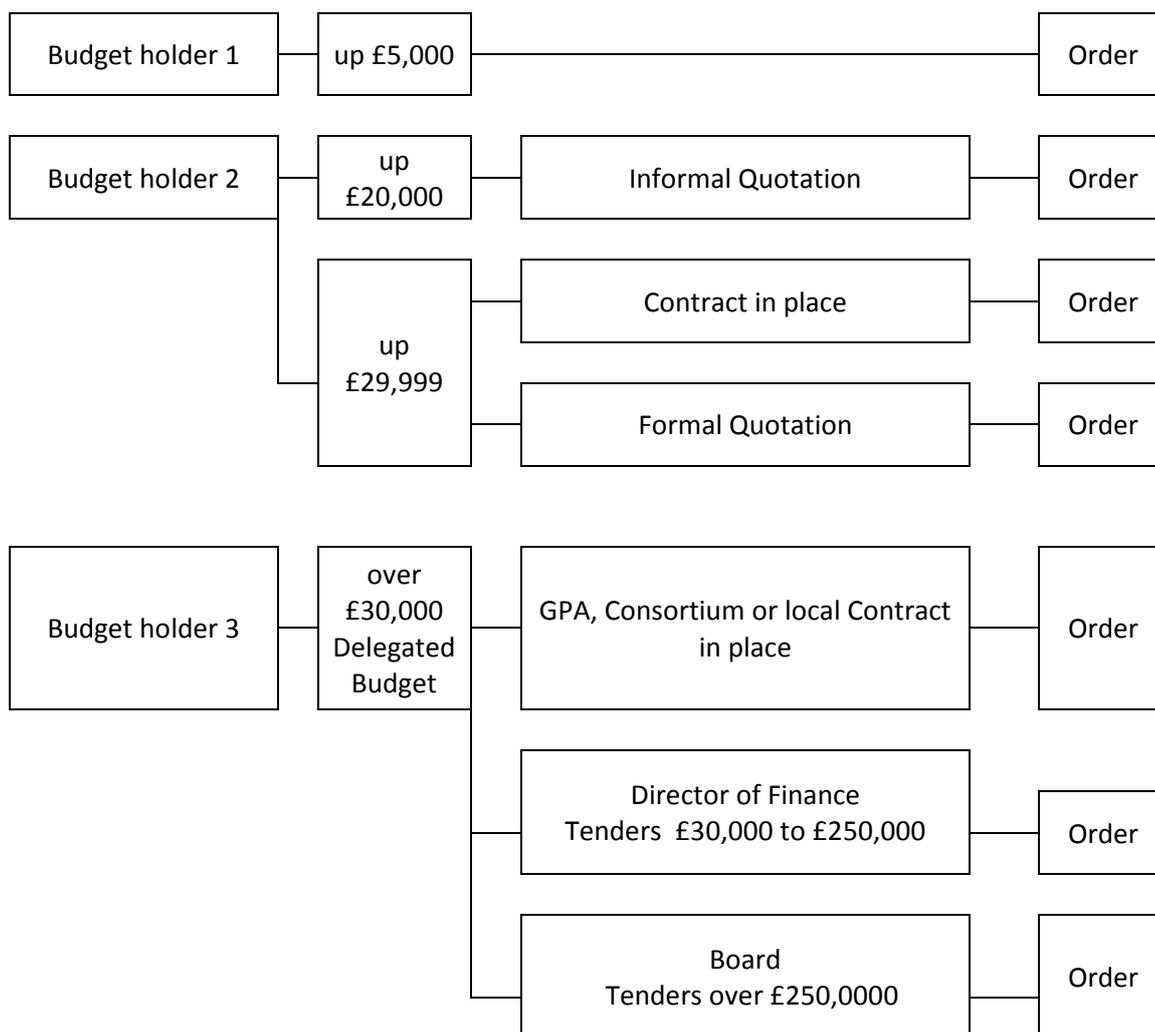
1. No financial or approval powers can be delegated to a subordinate officer in excess of the powers already invested in the delegating officer.
2. Powers may only be delegated to officers within the organisational control of the delegating officer.
3. All powers of delegation must be authorised by the delegating officer and provided in writing to the subordinate officer, and to the Chief Executive (or, in his absence, the Director of Finance) who retains the right to veto inappropriate re-delegations.
4. All short term powers of delegation, such as holiday cover, must be provided in writing as above prior to the period for which approval is sought
5. Powers are delegated on the condition that they cannot be further delegated. Where this is not the case the extent of the authority to delegate onwards must be included in the written authorisation described above.

## 2. FINANCE

| Delegated matter  | Responsibility of                      | Can be delegated to | Related SFI, SO, Trust Policies |
|---|--|---------------------|---------------------------------|
| <b>2.1 Accountability</b>   |  |                     |                                 |
| 1. Accountable through NHS Accounting Officer to Parliament for stewardship of Trust resources  | Chief Executive                        |                     |                                 |
| 2. Ensure that expenditure by the Trust complies with Parliamentary requirements  | Chief Executive                        |                     |                                 |
| 3. To ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.                                   | Chief Executive or Director of Finance |                     |                                 |
| <b>2.2 Strategy and plans</b>   |  |                     |                                 |
| 1. Approve the strategic aims and objectives of the Trust.  | Board of Directors                     |                     |                                 |
| 2. Approve WYAAT proposals and business cases in accordance with WYAAT's Decision Gateway process.  | Board of Directors                     |                     |                                 |
| 3. Approve the Trust's participation in joint ventures – contractual and corporate and formation of subsidiary companies  | Board of Directors                     |                     |                                 |
| 4. 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 and Regulatory Body. | Board of Directors                     |                     |                                 |
| 5. Approve the Trust's policies and procedures for the management of risk.  | Board of Directors                     |                     |                                 |
| 6. Approve annual budgets.  | Board of Directors                     |                     |                                 |

| <b>Delegated matter</b>  | <b>Responsibility of</b>                           | <b>Can be delegated to</b> | <b>Related SFI, SO, Trust Policies</b>                        |
|--|--|----------------------------|---|
| 7. Approve annually the Trust's organisational development proposals.  | Board of Directors                                 |                            |   |
| 8. Approve proposals for action on litigation against or on behalf of the Trust.                                     | Board of Directors                                 | Chief Executive            |   |
| 9. Review use of NHSLA risk pooling schemes  | Board of Directors                                 | Chief Executive            |   |
| <b>2.3. Management of budgets - responsibility for keeping expenditure within budgets:</b>                           |  |                            |   |
| 1. For the totality of services  | Chief Executive                                    | Director of Finance        | Budget Manual   |
| 2. At Directorate level  | Assistant Director of Operations / Head of Service | Delegated Budget Holders   | Budget Manual   |
| 3. At individual budget level (pay and non-pay)  | Delegated Budget Holder                            |                            | Budget Manual   |
| <b>2.4 Virement (planned transfer) of resources between directorate or specialty/department budgets (per annum):</b> |  |                            |   |
| 1. Up to £250K   | Director of Finance                                |                            | SFI 16<br>Budget Manual                                       |
| 2. More than 250K  | Board of Directors                                 |                            | SFI 16<br>Budget Manual                                       |
| <b>2.5 Bank accounts and loans</b>   |  |                            |   |
| 1. Maintenance and operation of bank accounts  | Director of Finance                                |                            | SFI 18  |
| 2. Loan arrangements   | Director of Finance                                |                            | Authorisation of ANHSFT document "Prudential Borrowing Limit" |

## 1. REVENUE AND CAPITAL EXPENDITURE



| <b>2.6 Non-pay (revenue and capital expenditure)</b>  |                     |   |        |
|---|---------------------|---|--------|
| 1. All other expenditure for which no specific budget has been established and which is not subject to funding under delegated powers of virement. (Subject to the limits specified above). | Chief Executive     | Director of Finance   | SFI 16 |
| 2. Purchasing Cards: Authority to issue purchasing cards and setting of limits  | Director of Finance | Deputy Director of Finance or Assistant Director of Finance |        |
| <b>2.7 Business cases</b>   |                     |   |        |
| Delegated limits relate to capital schemes within the agreed annual programme, annual revenue costs or the combination of capital and revenue cost in the first full year.                  |                     |   | SFI 16 |

|  |   |  |  |
|--|---|--|--|
| <b>REVENUE (annual or average)</b>   |   |  |  |
| 1. Up to £300k Annual Revenue  | Executive Directors Group (EDG)   | Chief Executive Director of Finance                                      | <i>All consultant appointment business cases require agreement by the Clinical Directors (via CEG)</i> |
| 2. £300k-£1m Annual Revenue  | Finance Committee   |  |  |
| 4. Over £1m Annual Revenue (and all PFI proposals)   | Board of Directors  | Finance Committee  |  |
| <b>CAPITAL (annual or average)</b>   |   |  |  |
| 1.To £75k  | EDG (requires confirmation of available funds Capital Investment Group) |  |  |
| 2. £75k to £300k   | Capital Investment Group  |  |  |
| 3.£300k to £1m   | Finance Committee   |  |  |
| 4. Over £1m  | Board of Directors  | Finance Committee  |  |
| <b>2.8. Asset register</b>   |   |  |  |
| Maintenance of the asset register  | Chief Executive   | Director of Finance  | SFI 24   |
| <b>2.9 Quotation, tendering and contract procedures</b>  |   |  |  |
| 1. Obtaining a minimum of 3 written quotations (via multiquote if appropriate) for goods, services and maintenance contracts over £20k net to £30k net | Director of Finance   | Assistant Director, Commercial Services AGHS                             | SFI 20   |
| 2. Obtaining a minimum of 3 written competitive tenders for goods/services over £30K net   | Director of Finance   | Assistant Director, Commercial Services, AGHS<br>Managing Director, AGHS | SFI 20   |
| 3. Waiving of quotations and tenders subject to SFIs and SOs (including approval of single tenders)  | Chief Executive Director of Finance                                     | Deputy Director of Finance   | SFI 20   |
| 4. Opening of paper tenders and quotations   | Director of Finance   | Two directors or One director + Co Sec                                   | SFI 20   |
| 5 Opening of electronic Tenders and  |   | Assistant Director, Commercial   | SFI 20   |

|   |  |  |            |
|---|--|--|------------|
| Quotations  | Director of Finance  | Services, AGHS   |            |
| 6. Acceptance of quotations/ permission to consider late quotations up to 30k   | Director of Finance  | Assistant Director, Commercial Services, AGHS                    | SFI 20     |
| 7. Acceptance of tenders/ permission to consider late tenders over £30k   | Director of Finance  | Assistant Director, Commercial Services, AGHS /Managing Director | SFI 20     |
| <b>2.10 Expenditure variations on capital schemes</b>   |  |  |            |
| 1. Up to £75K   | Capital Investment Team  | Director of Finance  | SFI 20     |
| 2. £75K - £300K   | CEG  |  | SFI 20     |
| 3. Over £300K   | Board of Directors   |  | SFI 20     |
| <b>2.11 Setting of fees and charges</b>   |  |  |            |
| 1. Private Patients, Overseas Visitors. Income Generation and other patient related services.   | Director of Finance  |  | SFI 19     |
| 2. Pricing of NHS Contracts   | Director of Finance  |  |            |
| 3. Approval of healthcare contracts and other agreements resulting in income to the Trust<br><br>Approval of non-health care contracts and other resulting in income to the Trust | Chief Executive<br><br>Director of Finance                       | Director of Finance<br><br>Deputy Director of Finance            |            |
| 4. Approval of variations to healthcare contracts:<br>▪ Up to £250K<br>▪ Over £250K   | Chief Executive or Director of Finance<br><br>Board of Directors |  |            |
| <b>2.12 Expenditure on charitable and endowment funds</b>   |  |  |            |
| See separate Terms of Reference for Charitable Funds  |  |  | SO /SFI 29 |
| <b>2.13 Acceptance of charitable funds and legacies</b>   |  |  |            |
| See separate Terms of Reference for Charitable Funds  |  |  | SO /SFI 29 |
| <b>2.14 Property transactions</b>   |  |  |            |
| 1. Disposal and acquisition of land and buildings<br>• Up to £50K<br>• Above £50K   | Chief Executive<br><br>Board of Directors                        | EDG  | SFI 24     |

|   |                          |   |                                     |
|---|--------------------------|---|-------------------------------------|
| 2. Change of use of land or buildings   | Board of Directors       |   |                                     |
| 3. Lets and leases:   |                          |   |                                     |
| (i) Preparation and signature of all tenancy agreements/licenses for all staff subject to Trust Policy on accommodation for staff.  | Director of Finance      | Deputy Director of Finance  |                                     |
| (ii) Extensions to existing leases  | Director of Finance      | Deputy Director of Finance  |                                     |
| (iii) Letting of premises to outside organisations  | Director of Finance      | Deputy Director of Finance  |                                     |
| (iv) Approval of rent based on professional assessment  | Director of Finance      | Deputy Director of Finance  |                                     |
| <b>2.15 Condemning and disposal</b>   |                          |   |                                     |
| Items obsolete, obsolescent, redundant, and irreparable or cannot be repaired cost effectively.<br><br>Note: For disposals including those for sale the tendering and quotation limits shall apply. | Director of Finance      | Assistant Director, Commercial Services, AGHS or<br><br>Managing Director , AGHS          | SFI 26                              |
| <b>2.16 Losses and compensation</b>   |                          |   |                                     |
| Note: All losses, compensation and special payments shall be in accordance with FDL (98)2 & details of all such payments shall be presented to the Audit Committee.                                 |                          |   | SFI 26                              |
| 1. Maintain a losses and special payments register  | Director of Finance      |   | SFI Authorisation of NHSFT document |
| 2. Clinical cases settled by NHS Litigation Authority   | Board of Directors       | Assistant Director Healthcare Governance/Legal Services (with Trust's Solicitors & NHSLA) |                                     |
| 3. Non-clinical cases   |                          |   |                                     |
| ▪ up to £15K  | Director of Finance      |   |                                     |
| ▪ over £15K   | Board of Directors       |   |                                     |
| 4. Review schedules of losses and compensations and make recommendations to the Board   | Audit and Risk Committee |   |                                     |

| <b>2.17 Write-offs</b>   |  |  |        |
|--|--|--|--------|
| Authorisation to write-off debts<br>Note: Write-offs must be reported to the Audit Committee as part of losses and compensation payments<br>Individual debts: <ul style="list-style-type: none"> <li>• Up to £15K</li> <li>• £15K and above</li> </ul> | Director of Finance<br><br>Board of Directors              |  | SFI 26 |
| <b>2.18 Petty cash disbursements (not applicable to Central Cashiers Office)</b>   |  |  |        |
| 1. Expenditure up to £15 per item  | Budget Holder  | Assistant Director of Finance                            | SFI 23 |
| 2. Expenditure over £15 per item   | Director of Finance  | Deputy Director of Finance                               | SFI 23 |
| 3. Repayment of patients monies up to £250   | Deputy Director of Finance / Assistant Director of Finance |  | SFI 28 |
| 4. Repayment of patients monies in excess of £250  | Deputy Director of Finance                                 |  | SFI 28 |
| <b>2.19 Maintenance and update of Trust's financial procedures</b>   |  |  |        |
| Maintenance and update of Trust's financial procedures   | Director of Finance  | Deputy Director of Finance                               | SFI 14 |
| <b>2.20 Investment of funds</b>  |  |  |        |
| Investment of funds (revenue)  | Director of Finance  | Deputy Director of Finance/Assistant Director of Finance | SFI 18 |
| Investment of funds (charitable)   | Board of Directors acting as Corporate Trustee             | Charitable Sub Committee                                 |        |
| <b>2.21 Provision of services to other organisations</b>   |  |  |        |
| Legal and financial arrangements for the provision of services to other organisations  | Director of Finance  |  | SFI 18 |
| <b>2.22 External borrowing</b>   |  |  |        |
| Provide advice on proposed new borrowings, loans and overdrafts  | Board of Directors   |  | SFI 18 |
| <b>2.23 Parent company guarantees</b>  |  |  |        |
| Issue of parent company guarantees to other organisations  | Director of Finance  |  | SFI 19 |

| Delegated matter  | Responsibility of                      | Can be delegated to            | Related SFI, SO, Trust Policies   |
|---|--|--------------------------------|---|
| <b>3.1 Audit</b>  |  |                                |   |
| 1. Approve the appointment (and where necessary dismissal) of External Auditors.  | Council of Governors                   | Charitable Funds sub-committee | SFI 14<br>"Guide for Governors: Audit Code for Foundation Trusts" - NHS Improvement |
| 2. 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 will take appropriate action. | Board of Directors                     |                                |   |
| 3. Receive the annual management letter from the external auditor and agree proposed action, taking account of the advice, where appropriate, of the Audit Committee.                         | Board of Directors                     |                                |   |
| 4. Receive an annual report from the Internal Auditor and agree action.   | Audit and Risk Committee               |                                |   |
| 5. Approve all non-audit work undertaken by external auditors   | Audit and Risk Committee               |                                |   |
| <b>3.2 Annual reports and accounts</b>  |  |                                |   |
| 1. Receipt and approval of the Trust's Annual Report and Annual Accounts.   | Board of Directors                     |                                | SFI 17  |
| 2. Receipt and approval of the Annual Report and Accounts for funds held on Trust.  | Board of Directors                     |                                |   |
| 3. Ensure the accounts of the Trust are prepared under principles and in a format directed by NHS Improvement.  | Chief Executive or Director of Finance |                                |   |
| 4. Sign the annual accounts on behalf of the Board.   | Chief Executive                        |                                |   |
| <b>3.3 Implementation of internal and external audit recommendations</b>  |  |                                |   |
| Implementation of internal and external audit recommendations   | Director of Finance                    | Deputy Director of Finance     | SFI 15  |

| Delegated Matter  | Responsibility of  | Can be delegated to | Related SFI, SO, Trust Policies |
|---|--------------------|---------------------|---------------------------------|
| <b>4.1 Regulations and control</b>  |                    |                     |                                 |
| 1. Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business. | Board of Directors |                     | SO 5                            |
| 2. Suspend Standing Orders (all decisions to suspend will be reviewed by the Audit Committee).  | Board of Directors |                     | SO 3                            |
| 3. Vary or amend the Standing Orders.   | Board of Directors |                     | SO 3                            |
| 4. Ratify any urgent decisions taken by the Chair in public session.  | Board of Directors |                     | SO 5                            |
| 5. Approve a scheme of delegation of powers from the Board to committees.   | Board of Directors |                     | SO 5                            |
| 6. Consider the declaration of members' and officers interests that may conflict  | Board of Directors |                     | SO 7                            |

| Delegated Matter   | Responsibility of  | Can be delegated to                   | Related SFI, SO, Trust Policies   |
|--|--|---------------------------------------|---|
| <p>with those of the Trust and determine the extent to which that member may remain involved with the matter under consideration.</p> <p>7. Approve arrangements for dealing with complaints.</p> <p>8. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto.</p> <p>9. Receive reports from committees including those that the Trust is required by the Secretary of State/NHS Improvement or other regulatory organisation to establish and to take appropriate action on.</p> <p>10. Confirm the recommendations of the Trust's committees where the committees do not have executive powers.</p> <p>11. Approve arrangements relating to the discharge of the Trust's responsibilities as a Corporate Trustee for funds held on trust.</p> <p>12. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board.</p> <p>13. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property.</p> <p>14. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention.</p> <p>15. Discipline members of the Board or employees who are in breach of statutory requirements or SOs.</p> <p>16. Final authority in interpretation of Standing Orders</p> | <p>Board of Directors</p> <p>Chair</p> |                                       | <p>PALS policy /<br/>Complaints policy</p> <p>SO 6</p> <p>SO 6</p> <p>Terms of Reference<br/>Charitable Funds</p> <p>SO 6</p> <p>SFI 28</p> <p>SO 5</p> <p>SO 5</p> <p>SO 5</p> |
| <b>4.2 Integrated Governance</b>   |  |                                       |   |
| <p>1. Review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the Trust's activities (both clinical and non-clinical), that supports the achievement of the Trust's objectives</p> <p>2. NHS Improvement compliance with Standing Orders and Standing Financial Instructions</p>   | <p>Board of Directors</p> <p>Audit and Risk Committee</p>  | <p>Audit Committee</p>                |   |
| <b>4.3 Retention of records</b>  |  |                                       |   |
| <p>Retention of records</p>  | <p>Chief Executive</p>   | <p>Information Governance Manager</p> | <p>SFI / Management and Maintenance of records Policy</p>   |
| <b>4.4 The keeping of a Declaration of Board Members and Officers' Interests and Sponsorship Register</b>  |  |                                       |   |

| <b>Delegated Matter</b>   | <b>Responsibility of</b>  | <b>Can be delegated to</b>                        | <b>Related SFI, SO, Trust Policies</b>                                   |
|---|---|---|--|
| The keeping of a Declaration of Interests and Commercial Sponsorship Register   | Chief Executive   | Company Secretary                                 | SO 7   |
| <b>4.5 Hospitality</b>  |   |   |  |
| 1. Approve procedures for declaration of hospitality and sponsorship<br>2. Maintenance of gifts and hospitality register<br>3. Approval of receipt of both individual and collective hospitality. | Board of Directors<br><br>Chief Executive<br><br>Executive Director or Chief Operating Officer    | Audit and Risk Committee<br><br>Company Secretary | Hospitality, Gifts and Sponsorship Policy/ Standards of Business Conduct |
| <b>4.6 Signing of legal documents</b>   |   |   |  |
| The signing of documents necessary in legal proceedings   | Chief Executive   | Executive Director/<br><br>Company Secretary      | SO 12  |
| <b>4.7 Attestation of sealing's in accordance with Standing Orders</b>  |   |   |  |
| Attestation of sealing's in accordance with Standing Orders   | Two Directors or Director and Company Secretary   |   | SO 11  |
| <b>4.8 The keeping of a Register of Sealings</b>  |   |   |  |
| The keeping of a Register of Sealings   | Chief Executive   | Company Secretary                                 | SO 11  |
| <b>4.9 Authorisation of sponsorship deals</b>   |   |   |  |
| Authorisation of sponsorship deals  | Chief Executive   | Director of Finance                               | Hospitality, Gifts and Sponsorship Policy/ Standards of Business Conduct |
| <b>4.10 Research and development</b>  |   |   |  |
| Prior approval of schemes required from R&D committee.<br><br>Approval of research and development contracts (including variations or extensions):  |   |   |  |
| <ul style="list-style-type: none"> <li>▪ Up to £30K</li> <li>▪ £30K to £250K</li> <li>▪ £250K and over</li> </ul>   | Medical Director/<br>Director of Finance/<br>Chief Executive<br><br>CEG<br><br>Board of Directors | Head of Research and Development                  |  |
| <b>4.11 Review of Trust's compliance with the Information Governance Standards</b>  |   |   |  |
| Review of Trust's compliance with the Information Governance Standards  | SIRO  | Head of IT and Information Governance             | Information Governance Policy and Strategy                               |
| <b>4.12 Freedom of Information Act</b>  |   |   |  |
| Release of information in line with the Freedom of Information Act  | Director of Finance   | Head of IT and IG                                 | Freedom of Information Policy  |

As a general principle, no Executive Director 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:

- (a) unless authorised to do so by the Chief Executive; and
- (b) Within the limit of his approved budget and funded establishment.

| Delegated Matter   | Responsibility of                         | Can be delegated to  | Related SFI, SO, Trust Policies            |
|--|---|--|--|
| <b>5.1 Policy determination</b>  |   |  |  |
| 1. Approve management policies including personnel policies incorporating arrangements for the appointment, removal and remuneration of staff.   | Board of Directors                        | Chief Executive and Associate Director of HR & Workforce/APG | SFI 22                                     |
| <b>5.2 Senior appointments and dismissals</b>  |   |  |  |
| 1. Appoint the Deputy Chair of the Board.  | Council of Governors                      |  | SO 2                                       |
| 2. Appoint, re-appoint and remove the Chair and Non-Executive Directors  | Council of Governors                      |  | SO 2                                       |
| 3. Ratify appointment of Chief Executive   | Council of Governors                      |  | Constitution                               |
| 4. Appoint the Senior Independent Director   | Board of Directors                        |  | SO 2                                       |
| 5. Appoint and dismiss committees (and individual members) that are directly accountable to the Board.   | Board of Directors                        |  | SO 6                                       |
| 6. Appoint, appraise, discipline and dismiss Executive Directors and Associate Directors (subject to Standing Orders).                           | Board of Directors                        | BART   |  |
| 7. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.  | Board of Directors                        | EDG  | SO 2                                       |
| 8. Appoint, appraise discipline and dismiss the Company Secretary (if the appointment of a Secretary is required under Standing Orders).         | Board of Directors                        |  | SFI 22                                     |
| 9. Approve proposals regarding directors and senior employees and those of the Chief Executive for staff not covered by the Committee.           | BART                                      |  |  |
| 10. AGH Solutions Ltd – appoint, remove and approve T&C's for Board Directors and Company Secretary  | Board of Directors                        | BART   | AGHS Articles of Association and AGHS SO's |
| <b>5.3 Personnel and pay</b>   |   |  |  |
| 1. Authorisation of timesheets (including agency timesheets)   | Chief Operating Officer/ Head of Service  | Delegated Budget Holder                                      | SFI 22                                     |
| 2. <u>Establishment posts</u><br>Authority to fill funded post on the establishment with permanent staff   | Chief Executive                           | Deployment Group/Executive Director                          | SFI 22                                     |
| 3. <u>Non-establishment posts</u><br>Authority to appoint staff to post not on the formal establishment  | Chief Executive                           | Associate Director of HR & Workforce                         | SFI 22                                     |
| 4. <u>Additional increments</u><br>Granting of additional increments to staff: <ul style="list-style-type: none"> <li>▪ within budget</li> </ul> | Chief Executive and Associate Director of | Director of Finance and Associate Director of HR & Workforce | SFI 22                                     |

| Delegated Matter  | Responsibility of  | Can be delegated to   | Related SFI, SO, Trust Policies  |
|---|--|---|--|
| <ul style="list-style-type: none"> <li>• in excess of budget</li> <li>▪ for Chief Executive and Director posts</li> </ul>   | <p>HR &amp; Workforce<br/>Chief Executive and Associate Director of HR &amp; Workforce</p> <p>Board</p>  | <p>Director of Finance &amp; Associate Director of HR &amp; Workforce</p> <p>BART</p> | <p>Agenda for Change Regulations</p>   |
| <p>6. <u>Pay</u></p> <ul style="list-style-type: none"> <li>i. Authority to authorise overtime</li> <li>ii. Authority to authorise travel and subsistence expenses</li> <li>iii. Authority to pay clinical excellence awards to Consultants</li> <li>iv. Authority to pay discretionary points to staff grade and associate specialist doctors</li> <li>v. Review of remuneration and terms of service of executive directors and associate directors and senior employees ensuring they are fairly rewarded for their individual contribution to the Trust, having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such staff</li> </ul> | <p>Chief Operating Officer/ Head of Service</p> <p>Chief Operating Officer / Head Of Service</p> <p>Chief Executive</p> <p>Medical Director</p> <p>BART</p>  | <p>Delegated Budget Holder</p> <p>Delegated Budget Holder</p> <p>Medical Director</p> | <p>SFI 22</p>  |
| <p>7. <u>Leave</u></p> <p>1. Approval of annual leave</p> <p>Annual leave – approval of carry forward</p> <ul style="list-style-type: none"> <li>▪ Up to a maximum of 5 days:</li> <li>▪ Over 5 days: <ul style="list-style-type: none"> <li>(i) Medical Staff</li> <li>(ii) Other Staff</li> </ul> </li> </ul> <p>2. Approval of compassionate leave</p> <ul style="list-style-type: none"> <li>(i) Up to 5 days</li> <li>(ii) Up to 10 days</li> </ul> <p>4. Special leave:</p>   | <p>Chief Operating Officer/Head Of Service</p> <p>Medical Director</p> <p>Chief Operating Officer/Head Of Service</p> <p>Director/Chief Operating Officer/Head of Service<br/>As above</p> <p>Director/Assistant Director of</p> | <p>Line Manager</p> <p>Clinical Director</p> <p>Line Manager</p> <p>Line Manager</p>  | <p>Annual Leave Policy</p> <p>Special Leave Policy</p> <p>Special Leave Policy</p> |

| Delegated Matter  | Responsibility of   | Can be delegated to  | Related SFI, SO, Trust Policies   |
|---|---|--|---|
| 5. Maternity/Paternity leave<br><br>6. Leave without pay<br><br>7. Medical staff leave of absence – paid and unpaid<br><br>8. Time off in lieu<br><br>9. Flexible working arrangements<br><br>11. Approval of sabbaticals | Operations /Head of Service<br><br>Director/Assistant Director of Operations/ Head of Service<br><br>Assistant Director of Operations/ Head of Service<br><br>Chief Executive<br><br>Director/Assistant Director of Operations/ Head Of Service<br><br>Director/Assistant Director of Operations/Head of Service<br><br>Chief Executive | <br><br><br><br><br><br><br><br><br><br>Medical Director   | Maternity Leave Policy<br>Paternity leave Policy<br><br>Special Leave Policy<br><br>Special Leave Policy<br><br>Special Leave Policy<br><br>Flexible Working Policy<br><br>Special Leave Policy |
| 8. <u>Sick leave</u><br><br>1. Extension of sick leave on half pay up to three months<br><br>2. Return to work part time on full pay to assist recovery<br><br>3. Extension of sick leave on full pay                     | Director/Associate Director of HR & Workforce<br><br>Director/Associate Director of HR & Workforce<br><br>Director/Associate Director of HR & Workforce   | Assistant Director of Operations/Head Of Service<br><br>As above<br><br>As above                         | Managing Sickness Absence Policy<br><br>As above<br><br>As above  |
| 9. <u>Study leave</u><br><br>1. Study leave outside the UK – medical<br><br>2. Study leave outside the UK – other<br><br>3. Medical staff study leave (UK)<br><br>4. All other study leave (UK)                           | Medical Director<br><br>Chief Executive (or Chair in the case of the Chief Executive)<br><br>Medical Director<br><br>Assistant Director of Operations   | Clinical Director<br><br>Delegated Budget Holder<br><br>Clinical Director<br><br>Delegated Budget Holder | Policy on Learning Leave<br><br>As above<br><br>As above<br><br>As above  |
| 10. <u>Removal expenses</u><br><br>Rent and House Purchases: Authorisation of payment of removal expenses incurred by officers taking up new appointments (providing consideration was promised at                        | Audit and Risk Committee  | Associate Director of HR & Workforce   | Relocation Expenses Policy  |

| <b>Delegated Matter</b>  | <b>Responsibility of</b>   | <b>Can be delegated to</b>           | <b>Related SFI, SO, Trust Policies</b> |
|--|--|--------------------------------------|--|
| interview)   |  |                                      |  |
| <p>11. <u>Grievance procedure</u></p> <p>Note: All grievance cases must be dealt with strictly in accordance with the Grievance Policy and the advice of a Human Resources Officer should be sought.</p> | Associate Director of HR & Workforce   |                                      | Grievance Policy                       |
| <p>12. <u>Authorised car and mobile phone users</u></p> <p>Requests for new posts to be authorised as car users or mobile phone users</p>  | Director/Assistant Director of Operations/Head of Service  |                                      | Lease Car and Mobile Phone Policies    |
| <p>13. <u>Renewal of fixed term contracts</u></p>  | Deployment Group   |                                      | Deployment Policy                      |
| <p>14. <u>Delayed retirement</u></p> <p>Authorisation of extensions of contract beyond normal retirement age in exceptional circumstances</p>  | Associate Director of HR & Workforce   |                                      | Retirement Policy                      |
| <p>15. <u>Ill health retirement</u></p> <p>Authorisation of retirement on the grounds of ill health.</p>   | Via the Associate Director of HR & Workforce(the decision can only be made by the NHS Pensions Agency) |                                      |  |
| <p>16. Retirement on grounds of 'Interests of Efficiency</p>   | Chief Executive  | Associate Director of HR & Workforce |  |

| <b>Delegated Matter</b>   | <b>Responsibility of</b>   | <b>Can be delegated to</b>   | <b>Related SFI, SO, Trust Policies</b>   |
|---|--|--|--|
| <p>17. <u>Redundancy</u></p> <p>Authorisation of staff redundancy for staff covered within its terms of reference</p> <p>Authorisation of staff redundancy covered by Agenda for Change</p>   | <p>BART</p> <p>Associate Director of HR &amp; Workforce and Director of Finance</p>            | <p>Associate Director of HR &amp; Workforce</p>  | <p>Redundancy Policy</p> <p>As above</p> |
| <p>18. <u>Dismissal</u></p> <p>Authorisation of staff dismissal</p> <p>Note: All dismissal cases must be dealt with strictly in accordance with the Disciplinary Policy and the advice of a Human Resources Officer should be sought.</p> | <p>Chief Executive</p>   | <p>See Disciplinary Policy for cascade of delegated officers with authority to dismiss</p> | <p>Disciplinary Policy</p>               |
| <p>19. <u>Severance Payments</u></p> <p>Authorisation of severance payments</p>   | <p>BART (following approval by NHS Improvement/HM Treasury)</p>                                |  |  |
| <b>5.4 Engagement of staff not on the establishment</b>   |  |  |  |
| <p>1. Non-Medical Consultancy Staff</p>   | <p>Chief Executive</p>   |  | <p>SFI 22</p>                            |
| <p>2. Engagement of Trust's Solicitors<br/>(Based on Trust's list of approved Solicitors)</p>   | <p>Board Director,<br/>Company Secretary/<br/>Associate Director of<br/>HR &amp; Workforce</p> | <p>Assistant Director<br/>Healthcare<br/>Governance/Legal<br/>Services</p>                 |  |
| <p>3. Booking of Bank or Agency Staff pending implementation of NHS Professionals:</p> <ul style="list-style-type: none"> <li>• Medical Locums</li> <li>• Nursing</li> <li>• Clerical</li> </ul>  | <p>Chief Executive</p>   | <p>Assistant Director<br/>of Operations<br/>or<br/>HR Department<br/>or<br/>Matrons</p>    | <p>SFI 22</p>                            |
| <b>5.5 Facilities for staff not employed by the Trust to gain practical experience</b>  |  |  |  |
| <p>Professional recognition, honorary contracts and insurance of medical staff, work experience students</p>  | <p>Associate Director of HR &amp; Workforce or Medical Director</p>                            |  | <p>HR Policies</p>                       |

| Delegated Matter   | Responsibility of  | Can be delegated to   | Related SFI, SO, Trust Policies                     |
|--|--|---|---|
| <b>6.1 Security policy</b>   |  |   |   |
| 1. Corporate responsibility for implementation of the Security Policy  | Board of Directors   | Director of Finance   | Security Policy                                     |
| 2. Overall statutory responsibility for security management within the Trust   | Chief Executive  |   | Security Policy                                     |
| <b>6.2 Reporting of incidents to the police</b>  |  |   |   |
| 1. Where an offence is suspected   |  |   |   |
| • Criminal offence of a violent or clinical nature   | Chief Executive or Chief Operating Officer                       | Managing Director , AGH Solutions Ltd   | SFI 15<br>Anti-Fraud, Bribery and Corruption Policy |
| • Where a fraud or theft is involved   | Director of Finance or Chief Executive                           | Managing Director AGH Solutions Ltd (theft)/Local Counter-Fraud Specialist (fraud)  |   |
| 2. Other   | Chief Operating Officer  | Managing Director, AGH Solutions Ltd  |   |
| <b>6.3 Insurance policies and risk management</b>  |  |   |   |
| Risk Management and Legal Services   | Chief Executive  | Medical Director/<br>Assistant Director<br>Healthcare<br>Governance   | SFI 32<br>Claims Handling Policy                    |
| Insurance  | Chief Executive or Director of Finance                           | Deputy Director of Finance/<br>Assistant Director<br>Healthcare<br>Governance/<br>Company<br>Secretary/Assistant<br>Director,<br>Commercial<br>Services (AGH) | SFI 32  |
| <b>6.4 Review of all statutory compliance legislation and Health and Safety requirements including Control of Substances Hazardous to Health Regulations</b> |  |   |   |
| Review of all statutory compliance legislation and Health and Safety requirements including Control of Substances Hazardous to Health Regulations            | Chief Executive  | Health Safety & Emergency Planning Manager or Health & Safety Lead  | Health and Safety Policy                            |
| <b>6.5 ID and security badges</b>  |  |   |   |
| Authority for the issue of ID and security badges and car park passes  | Delegated Budget Holder  | List maintained by Facilities Management  | Security Policy<br>ID Badge policy                  |
| Authority for the issue of authorised visitor car park passes  | Director of Finance (contractors)/Company Secretary (FT members) | Managing Director, AGH Solutions Ltd (contractors)  | Security Policy<br>ID Badge policy                  |

| Delegated Matter   | Responsibility of   | Can be delegated to       | Related SFI, SO, Trust Policies   |
|--|---|---------------------------|---|
| <b>7.1 Authorisation of new drugs</b>  |   |                           |   |
| All new drugs should be approved from a clinical effectiveness point of view by the D&TC. Resourcing of approved drugs should then be subject to the business case approval process                            |   |                           |   |
| 1. Estimated total yearly cost per individual drug up to £25,000   | Clinical Director   | Directorate Managers      | Pharmaceutical Procurement Policy   |
| 2. Estimated total yearly cost per individual drug above £25,000   | D&TC approval, subject to business case procedure   |                           | Pharmaceutical Procurement Policy   |
| <b>7.2 Purchasing drugs</b>  |   |                           |   |
| <p>Authority to purchase/contract:</p> <ul style="list-style-type: none"> <li>▪ Up to £5K</li> <li>▪ £5K - £30K</li> <br/> <li>▪ £30K to £250K (unless on contract)</li> <br/> <li>▪ £250K and over</li> </ul> | <p>Senior Technician<br/>Countersigned by<br/>Principal Pharmacist</p> <p>Director of Finance or<br/>Chief Executive<br/>(countersigned by<br/>Chief Pharmacist for<br/>contract items)</p> <p>Board of Directors</p> |                           | SFI 20  |
| <b>7.3 Patients and relatives' complaints</b>  |   |                           |   |
| 1. Overall responsibility for ensuring that all complaints are dealt with effectively  | Chief Executive   | Complaints Manager        | Complaints Policy<br>PALS policy  |
| 2. Responsibility for ensuring complaints relating to a Directorate are investigated thoroughly  | Nominated Directorate Investigating Manager   |                           | Complaints Policy<br>PALS policy  |
| <b>7.4 Infectious diseases and notifiable outbreaks</b>  |   |                           |   |
| Infectious diseases and notifiable outbreaks   | Medical Director  | Consultant Microbiologist | Infection Control Policy  |
| <b>7.5 Patient group directives/prescribing</b>  |   |                           |   |
| Approval of nurses and others to administer and prescribe medication beyond the normal scope of practice   | Director of Nursing or Medical Director or Chief Pharmacist   |                           | <p>Nurse, Midwives, HV Act, Midwives Rules/Codes of Practice,</p> <p>NMC Code of Professional Conduct/CSP Rules of Professional Conduct</p> |

| Delegated Matter   | Responsibility of                              | Can be delegated to                      | Related SFI, SO, Trust Policies |
|--|--|--|---------------------------------|
| <b>7.6 Review of Medicines Inspectorate Regulations</b>                              |  |  |                                 |
| Review of Medicines Inspectorate Regulations   | Medical Director                               | Drugs & Therapeutic Committee            |                                 |
| <b>7.7 Clinical audit</b>  |  |  |                                 |
| Clinical Audit   | Medical Director                               | Assistant Director Healthcare Governance |                                 |
| <b>7.8 Waiting list initiatives</b>  |  |  |                                 |
| Authority to undertake and approval to pay waiting list initiatives                  | Director of Finance or Chief Operating Officer |  |                                 |
| <b>7.9 Mental Health Act 1983</b>  |  |  |                                 |
| Review the Trust's operation of the Act and governance arrangements (see appendix 1) | Medical Director                               | Chief Operating Officer                  | SFI 33                          |

**SCHEME OF DELEGATION IMPLIED BY STANDING ORDERS**

| <b>SO REF</b> | <b>DELEGATED TO</b>                  | <b>DUTIES DELEGATED</b>   |
|---------------|--------------------------------------|---|
| 3             | Chair                                | Final authority in interpretation of SO's.  |
| 3.3           | Chair                                | Calling meetings.   |
| 3.6           | Chair                                | Chair all board meetings and associated responsibilities.   |
| 7             | Chief Executive                      | Register(s) of interests.   |
| 9.2           | Chief Executive                      | Nominate an officer to oversee and manage contracts on behalf of the Trust.   |
| 10.1          | Chief Executive                      | Keep seal in safe place and maintain a register of sealing.   |
| 10.2          | Chair & Chief Executive              | Attestation of sealing of documents.  |
| 11            | Chief Executive                      | Approve and sign all documents which will be necessary in legal proceedings.  |
| 11            | Chief Executive or nominated officer | Sign on behalf of the Trust any agreement or document not requested to be executed as a deed.   |
| 12.1          | Chief Executive                      | Existing Directors and employees and all new appointees are notified of and understand their responsibilities within Standing Orders and SFI's. |



## APPENDIX 1 Mental Health Act 1983: Scheme of Delegation by the Hospital Managers

**Director with responsibility: Executive Medical Director**  
**Operational lead: Chief Operating Officer**

### FUNCTIONS WHICH CANNOT BE DELEGATED TO OFFICERS OF THE TRUST

| Function   | Legislative Reference | Code of Practice Reference | Authorised Person / Committee                  |
|--|-----------------------|----------------------------|--|
| Review the Trust's operation of the Act, governance arrangements & varying this scheme of delegation |                       | Chapter 37                 | Executive Assurance Group & Board of Directors |

### FUNCTIONS DELEGATED TO OFFICERS OF THE TRUST

| Function   | Legislative Reference                | Code of Practice Reference       | Authorised Person / Committee   |
|--|--------------------------------------|----------------------------------|---|
| Recording admission For section 5(2) – Form H1   | MHA sections 5(2) Regulation 4(1)(g) | Chapter 18: holding powers       | H1 Part 1: Medical Practitioner in Charge of Patient or nominated deputy<br>H1 Part 2: the designated authorised hospital manger which is the Bed Manager in hours and out of hours the Acute Care Team Sister. |
| Formal Receipt and Scrutiny of statutory forms   | MHA sections 5(2)                    | Chapter 18: holding powers       | Assistant Director, Healthcare Governance   |
| Provision of information on section 5(2) to patients and their nearest relative  | MHA sections 5(2)                    | Chapter 2                        | Bed Manager in hours and out of hours the Acute Care Team Sister will provide relative letter 5(2) and the rights leaflet S5 (2).   |
| Patient discharged from section 5(2) detention before the expiry of the 72 hours holding period (with clarity over start and finish times of the detention period) | MHA sections 5(2)                    | Chapter 18: 18.19, 18.20 & 18.35 | Medical Practitioner in Charge of Patient or nominated deputy or Approved Mental Health Practitioner (AMHP).  |

**APPENDIX 2 – Training provision**

| <b>Programme</b>                              | <b>Frequency</b> | <b>Course Length</b> | <b>Delivery Method</b>            | <b>Trainer(s)</b> | <b>Recording Attendance</b> | <b>Strategic &amp; Operational Responsibility</b> |
|---|------------------|----------------------|-----------------------------------|-------------------|-----------------------------|---|
| Mandatory MCA/MHA Training for clinical staff | Every 2 years    | 1 hour               | Currently delivered faced to face | Safeguarding team | Training team               | Associate Director of HR & Workforce              |

Medical Staff also receive specific training in the use of the MHA at induction sessions, foundation year programme training and department specific sessions,

including Emergency Department training.

Copies of Standard Operating Procedure TW-120 are col-located with the MHA section 5(2) forms for ease of access.