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Trust Board – 26th July 2022

Annual update of Standing Financial Instructions (SFIs), Scheme of Delegation (SORD), and Standing Orders (SOs)

Purpose of the report

This report is for information only, to make Trust Board aware of the changes to the Trust's SFIs, SORD, and SOs, following approval by the Audit & Assurance Committee on the 10th of June 2022.

Analysis of the issue

The SFIs, SORD and SOs are reviewed annually to make sure they are still fit for purpose and facilitate the changing needs of the Trust, whilst still ensuring robust governance procedures are embedded to support the Trust's strategic plan/objectives.

Proposal

Appendix 1 shows the required changes. It includes the current requirement, the proposed requirement and also the rationale for change.

Decision required

This report is for information only. These changes were presented to the Strategic Executive Board on 27th May 2022 and approved by the Audit & Assurance Committee on the 10th of June 2022. Note – the SO changes, relating to the Custody of Seal, Sealing of Documents and Signature of Documents, received virtual approval by the Audit & Assurance Committee after the meeting on the 10th of June 2022.

1. SFI Changes – June 2022

		SFI Description	Current	Proposal	Rationale for change	Ref
1.	SFI/SORD	15. LOSSES AND SPECIAL PAYMENTS	Report to NHS-I any losses or special payments that are novel, contentious or repercussive in nature	Proposed special payments that are either (i) above £95,000 and/or (ii) considered potentially novel, contentious or could cause repercussions elsewhere in the public sector, should be submitted for HM Treasury approval.	Updated NHSE&I guidance	15.2.11
2.	SFI/SORD	15. LOSSES AND SPECIAL PAYMENTS	All losses and special payments will be reported annually to the Audit and Assurance Committee.	All losses will be annually reported to the Trust's Audit and Assurance Committee (along with the special payments data). Any losses over £300,000 will be subject to additional disclosures including a note in the accounts as identified by HMT Document: Managing Public Money.	Updated NHSE&I guidance	15.2.10
3.	SFI/SORD	6. BANK AND GOVERNMENT BANKING SERVICE (GBS) ACCOUNTS	The Finance & Performance Committee shall approve the banking arrangements in line with the provisions of the Treasury Management Policy.	The Audit & Assurance Committee shall approve the banking arrangements in line with the provisions of the Treasury Management Policy.	Alignment with committee responsibilities	6.1.1
4.	SFI	9. TENDERING AND CONTRACTING FOR THE PURCHASE OF GOODS AND SERVICES	Formal tendering procedures may be waived in the following circumstances:	Formal tendering procedures may be waived in certain circumstances and a CE Waiver form must be raised for CE signature. The circumstances permitted for raising	By removing the specific reasons from the SFI's and including them on the relevant forms, it enables the Trust to amend and adapt these reasons accordingly,	9.5.3.2

		SFI Description	Current	Proposal	Rationale for change	Ref
			<p>9.5.3.2.1. in very exceptional circumstances, where Executive Directors decide 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; or</p> <p>9.5.3.2.2. where the requirement is covered by an existing contract; or</p> <p>9.5.3.2.3. where NHS Supply Chain, relevant contracts available to the public sector or other NHS agreements can be utilised; or</p> <p>9.5.3.2.4. where a consortium arrangement is in place and a lead organization has been appointed to carry out tendering activity on behalf of the consortium members; or</p> <p>9.5.3.2.5. 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; or</p> <p>9.5.3.2.6. specialist expertise, such as ongoing</p>	<p>a CE waiver are detailed on the waiver form.</p>	<p>rather than undertaking a full SFI review.</p>	

		SFI Description	Current	Proposal	Rationale for change	Ref
			<p>maintenance contracts, is required and is available from only one source; or</p> <p>9.5.3.2.7. 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; or</p> <p>9.5.3.2.8. there is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering; or</p> <p>9.5.3.2.9. 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</p>			

		SFI Description	Current	Proposal	Rationale for change	Ref
			value over £10,000, but less than £50,000	value over £10,000, but less than £50,000 (not inclusive of VAT)		
7.	SFI/SORD	BANK AND GOVERNMENT BANKING SERVICE (GBS) ACCOUNTS	The Finance & Performance Committee shall approve the banking arrangements in line with the provisions of the Treasury Management Policy.	Trust Board shall approve the banking arrangements in line with the provisions of the Treasury Management Policy.	Alignment with the Treasury Management Policy	6.1.1

2. SO CHANGES TO THE CUSTODY OF SEAL, SEALING OF DOCUMENTS AND SIGNATURE OF DOCUMENTS – June 2022

		SO Description	Current	Proposal	Rationale for change	Ref
1.	SO	Custody of Seal	The common seal of the Trust shall be kept by the Chief Executive, or a nominated Deputy, by him/her in a secure place.	The common seal of the Trust shall be kept by a nominated seal holder, or a nominated Deputy, in a secure place.	Alignment with more efficient operational processes	8.1
2.	SO	Register of Sealing	The Chief Executive shall keep a register in which he/she, or another manager of the Trust authorised by him/her, shall enter a record of the sealing of every document. A report of the use of the seal shall be made to the Board at least quarterly. The report shall contain details of the seal number, the description of the document and the date of sealing.	The nominated seal holder shall keep a register in which he/she, or another manager of the Trust authorised, shall enter a record of the sealing of every in-scope document. A report of the use of the seal shall be made to the Board each quarter. The report shall contain details of the seal number, the description of the document and the date of sealing.		8.3

		SO Description	Current	Proposal	Rationale for change	Ref
3.	SO	Use of Seal – General guide	<ul style="list-style-type: none"> (i) All contracts for the purchase/lease of land and/or building (ii) All contracts for capital works exceeding £100,000 (iii) All lease agreements where the annual lease charge exceeds £10,000 per annum and the period of the lease exceeds beyond five years (iv) Any other lease agreement where the total payable under the lease exceeds £100,000 (v) Any contract or agreement with organisations other than NHS or other government bodies including local authorities where the annual costs exceed or are expected to exceed £100,000 	<ul style="list-style-type: none"> (i) All contracts for the purchase/lease of land and/or building (ii) As and when a third-party contractor requests the use of the seal 		8.4

Governance table

For Board and Board Committees: Paper sponsored by:	Trust Board (26.07.2022)	
	Sharon Murphy, Director of Finance & Procurement	
Paper authored by:	Jackie Moore, Financial Controller	
Date submitted:	15.07.2022	
State which Board Committee or other forum within the Trust's governance structure, if any, have previously considered the report/this issue and the date of the relevant meeting(s): If considered elsewhere, state the level of assurance gained by the Board Committee or other forum i.e. assured/ partially assured / not assured: State whether this is a 'one off' report or, if not, when an update report will be provided for the purposes of corporate Agenda planning	SEB (27.05.2022) A&AC (10.06.2022)	
	Assured	
	Next report to be submitted to Trust Board for final approval	
STEP up to GREAT strategic alignment*:	High Standards	
	Transformation	
	Environments	
	Patient Involvement	
	Well Governed	X
	Reaching Out	
	Equality, Leadership, Culture	
	Access to Services	
	Trustwide Quality Improvement	
	Organisational Risk Register considerations:	List risk number and title of risk
Is the decision required consistent with LPT's risk appetite:	Yes	
False and misleading information (FOMI) considerations:	N/A	
Positive confirmation that the content does not risk the safety of patients or the public	Yes, there is no risk to patients or public	
Equality considerations:	No equality impact	