

Trust Board – 25th July 2023

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

Purpose of the report

The purpose of this report is to make Trust Board aware of the proposed changes to the Trust's Standing Financial Instructions and Scheme of Delegation (SORD), following approval by the Audit & Risk Committee on the 9th of June 2023.

Analysis of the issue

The SFIs and SORD 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 Executive Board on the 6th of June and approved by the Audit & Risk Committee on the 9th of June 2023.

SFI Changes –2023

		SFI Description	Current	Proposal	Rationale for change	Ref
1.	SFI/SORD	Capital Investment	<p>Capital Investments falling within the criteria below, will require the production of different types of business case documentation before being approved to proceed, depending on estimated capital cost of the proposal:</p> <ul style="list-style-type: none"> OBC, FBC and NHS England checklist for schemes >£5m <p>See separate Capital Investment procedures and NHS England guidance for details of the appropriate documentation to be completed and approval routes, including the capital investment manual.</p>	<p>For all NHS England (NHSE) national capital programmes, guidance specified in ‘Capital investment and property business case approval guidance for NHS trusts and foundation trusts – 13 February 2023’ must be followed https://www.england.nhs.uk/publication/capital-investment-and-property-business-case-approval-guidance-for-nhs-trusts-and-foundation-trusts/</p> <p>This guidance sets out the overarching principles relating to delegated limits and the business case approval process for capital investment and property transactions. This guidance is applicable to all NHS trusts and foundation trusts.</p>	NHSE changes to capital delegation limits from October 2022	13.1
2.	SFI/SORD	Business Planning, Budgets, Budgetary Control & Monitoring	<p>4.2.2. The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set out below:</p> <ul style="list-style-type: none"> Appropriate Budget Manager or designated deputy Up to £5k Appropriate Budget Holder & Finance Manager (Band 7) Up to £25k Appropriate Head of Service (Band 8c/d) & Heads of Finance Up to £50k Deputy Director of Finance Up to £100k Executive Director Up to £250k* Director of Finance Up to £400k 2 x Executive Directors (inc CEO) Up to £500k Trust Board Over £500k 	<p>4.2.2. The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set out below:</p> <ul style="list-style-type: none"> Appropriate Budget Manager or designated deputy Up to £5k Appropriate Budget Holder & Finance Manager (Band 7) Up to £25k Appropriate Head of Service (Band 8c/d) & Heads of Finance Up to £50k Deputy Director of Finance Up to £100k* Executive Director Up to £250k* Director of Finance over £250k * <p>* Approval is not required for internal housekeeping budget movements within the same directorate, which have no impact on the net control total. This only relates to budget virements - delegation of authority for invoice approvals must follow the delegated limits included at 12.1.2.</p>	Senior management to focus on areas that need more senior oversight rather than normal budgetary housekeeping.	4.2.2
3.	SFI/SORD	Tender Submission and Contracting for the Provision of NHS Services	<p>10.2.2 Designated officers can sign income contracts and associated contract variations in line with delegation levels for non-pay expenditure (12.1.1) and tenders and competitive quotations (9.8.1):</p> <ul style="list-style-type: none"> Appropriate Budget Manager or designated deputy Up to £5k Appropriate Budget Holder & Finance Manager (Band 7) Up to £25k Appropriate Head of Service (Band 8c/d) & Heads of Finance Up to £50k Deputy Director of Finance Up to £100k Executive Director Up to £250k Director of Finance Up to £400k 2 x Executive Directors (inc CEO) Up to £500k Trust Board Over £500k 	<p>10.2.2 Designated officers can sign income contracts and associated contract variations in line with delegation levels for non-pay expenditure (12.1.1) and tenders and competitive quotations (9.8.1).</p> <ul style="list-style-type: none"> Appropriate Budget Manager or designated deputy Up to £5k Appropriate Budget Holder & Finance Manager (Band 7) Up to £25k Appropriate Head of Service (Band 8c/d) & Heads of Finance Up to £50k Deputy Director of Finance Up to £100k Executive Director Up to £250k Director of Finance Up to £400k 2 x Executive Directors (inc CEO) Up to £500k Trust Board Over £500k * <p>* Trust Board approval over £500k is only required for income relating to new business, not for the renewal of contracts for existing/established services.</p>	Trust Board need to be sighted on new business rather than the renewal of contracts for established services.	9.8.1, 10.2.2 & 12.1.2
4.	SFI/SORD	All delegation limits	New	Group roles that have budgetary responsibilities in LPT, but are also employed in NHFT, have delegated authority in line with LPT employees.	Governance to support Partnership working between Trusts.	4.2.2, 9.8.1, 10.2.2, 12.1.2, & 12.5.1.6

Governance table

For Board and Board Committees: Paper sponsored by:	Trust Board – 25 th July 2023	
	Sharon Murphy, Director of Finance & Procurement	
Paper authored by:	Jackie Moore, Financial Controller	
Date submitted:	26 th June 2023	
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):	ARC - 9 th June 2023	
	Executive Board - 6 th June 2023	
If considered elsewhere, state the level of assurance gained by the Board Committee or other forum i.e. assured/ partially assured / not assured:	Approved	
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	Final report	
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	All Finance risks
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	