

Royal Cornwall Hospitals NHS Trust Standing Orders

**Including: Standing Financial Instructions,
Schedule of Matters Reserved to the Trust
Board and Scheme of Delegation**

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Foreword to Standing Orders

NHS Trusts are required by law to make Standing Orders (SOs), which regulate the way in which the proceedings and business of the Trust will be conducted. Regulation 19 of the NHS Trusts (Membership and Procedure) Regulations, 1990 (as amended) requires the meetings and proceedings of an NHS trust to be conducted in accordance with the rules set out in the Schedule to those Regulations and with Standing Orders made under Regulation 19(2).

These Standing Orders and associated documents are extremely important. High standards of corporate and personal conduct are essential in the NHS. As the NHS is publicly funded, it is accountable to Parliament for the services it provides and for the effective and economical use of taxpayers' money. Standing Orders, Standing Financial Instructions and the procedures, rules and instructions made under them provide a framework and support for the public service values, which are essential to the work of the NHS, of:

- **Accountability** – the ability to stand the test of Parliamentary scrutiny, public judgements on propriety and professional codes of conduct;
- **Probity** – an absolute standard of honesty in dealing with the assets of the Trust; integrity in decisions affecting patients, staff and suppliers, and in the use of information acquired in the course of NHS duties; and
- **Openness** – transparency about NHS activities to promote confidence between the organisation and its staff, patients and the public.

Additional documents, which form part of these “extended” Standing Orders, are:

- **Annex 1** - Standing Financial Instructions, which detail the financial responsibilities, policies and procedures to be maintained by the Trust;
- **Annex 2** – Schedule of Decisions Reserved to the Trust Board of Directors; and
- **Annex 3** – Scheme of Delegation, which sets out delegated levels of authority and responsibility.

These extended Standing Orders set out the ground rules within which Board Directors and staff must operate in conducting the business of the Trust. Observance of them is mandatory. Such observance will mean that the business of the Trust will be carried out in accordance with the law, Government policy, the Trust's statutory duties and public service values. As well as protecting the Trust's interests, they will also protect staff from any possible accusation of having acted less than properly.

The Trust Board of Directors operates as a unitary board meaning that the Trust's directors, comprising both executive and non-executive directors, act as a single body who are all collectively responsible for decisions taken.

All Executive and Non-Executive Directors and senior staff are expected to be aware of the existence of these documents, understand when they should be referred to and, where necessary and appropriate to their role, make themselves familiar with the detailed provisions.

If difficulty arises regarding the interpretation or application of these Standing Orders, advice should be taken from the Company Secretary **BEFORE** any action is taken.

Introduction

- I. The Royal Cornwall Hospitals NHS Trust (the Trust) is a statutory body which came into existence on 1 November 1991 under [The Royal Cornwall Hospitals & West Cornwall Hospital NHS Trust \(Establishment\) Order 1991 No 2391](#), (the Establishment Order). The Trust's name was changed to the Royal Cornwall Hospitals NHS Trust on 9 June 1992 under the Royal Cornwall Hospitals and West Cornwall Hospitals Trust (Change of Name) Order 1992 No 1276.
- II. The principal places of business of the Trust are the Royal Cornwall Hospital, Truro, West Cornwall Hospital, Penzance and St Michael's Hospital, Hayle.
- III. NHS trusts are governed by statute, mainly the [National Health Service Act 2006](#) and the [Health and Social Care Act, 2012](#).
- IV. The statutory functions conferred on the Trust are set out in the [NHS Act 2006](#) (Chapter 3 and Schedule 4) and in the Establishment Order.
- V. As a body corporate, the Trust has specific powers to contract in its own name and to act as a corporate trustee. In the latter role it is accountable to the Charity Commission for those funds deemed to be charitable as well as to the Secretary of State for Health and Social Care. The Trust also has a common law duty as a Bailee for property held by the Trust on behalf of patients.
- VI. The Code of Accountability for NHS Boards (Department of Health, revised April 2013) requires that boards draw up a schedule of decisions reserved to the board and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior managers. The Code of Accountability makes various requirements concerning possible conflicts of interest of board directors. The Membership and Procedure Regulations, 1990 require the establishment of audit and remuneration committees with formally agreed terms of reference.
- VII. The Code of Practice on Openness in the NHS (NHS Executive, 1995), as revised by the Freedom of Information Act, 2000 and the Environmental Information Regulations, 2004 sets out the requirements for public access to information on the NHS.
- VIII. Through these Standing Orders, the Board exercises its powers to make arrangements for the exercise, on behalf of the Trust, of any of its functions by a Committee or Sub-Committee appointed by virtue of the Standing Orders; or by an officer of the Trust, in each case subject to such restrictions and conditions as the Board thinks fit or as the Secretary of State for Health and Social Care may direct.

1. Interpretation

- IX. The Chair of the Trust is the final authority in the interpretation of Standing Orders on which the Chief Executive, guided by the Company Secretary, shall advise them and in the case of Standing Financial Instructions by the Director of Finance.
- X. The following definitions apply for this document.

Legislation definitions:

- the **2006 Act** is the National Health Service Act, 2006; and
- the **2012 Act** is the Health and Social Care Act, 2012.

Membership and procedure regulations:

- the National Health Service Trust (Membership and Procedure) Regulations 1990 (SI(1990)2024), as amended.

Other definitions:

- **Associate Non-Executive Director** is a person identified through NHS Improvement using their selection process but appointed by the Trust. They provide additional advice and support to the Board and senior committees in relation to identified needs, complementing or enhancing the skills already in place. Although not legally a member of the Board and not participating in any formal vote, they are integral members of the wider Board team, attend Board and key committee meetings as required and play a key role in influencing the decisions of the Board.
- **Accountable Officer** is the officer responsible and accountable for funds entrusted to the Trust and is responsible for ensuring the proper stewardship of public funds and assets. The Chief Executive, or their appointed replacement, is the Accountable Officer for this Trust.
- **Budget** is the plan, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.
- **Chair of the Trust** is the person appointed by the Secretary of State for Health and Social Care, acting through NHS Improvement, to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression “the Chair of the Trust” shall, if the Chair is absent from the meeting or otherwise unavailable, be deemed to include the **Vice-Chair of the Trust**, or other Non-Executive Director as is appointed, in accordance with Standing Order 3.
- **Chief Executive** is the chief officer of the Trust.
- **Committee** is a committee appointed by the Trust Board.
- **Committee Members** are formally appointed by the Trust Board to sit on or chair specific committees.
- **Clinical Directors** are triumvirate clinical leads. They are **excluded** from the term “Director” for the purposes of this document, unless specifically stated otherwise.
- **Company Secretary** is the officer appointed to provide advice on corporate governance issues to the Board and Chair and to monitor the Trust’s compliance with the law, Standing Orders and Department of Health and Social Care guidance.
- **Directors** are the Non-Executive Directors and the Executive Directors.
- **Director of Finance** is the chief finance officer of the Trust.
- **Establishment Order** is The Royal Cornwall Hospitals & West Cornwall Hospital NHS Trust (Establishment) Order 1991 No 2391, (the Establishment

Order). The Trust's name was changed to the Royal Cornwall Hospitals NHS Trust on 9th June 1992 under the Royal Cornwall Hospitals and West Cornwall Hospitals Trust (Change of Name) Order 1992 No 1276. An amendment to the Establishment Order was made in 2004 under the Royal Cornwall Hospitals and West Cornwall Hospitals National Health Service Trust (Establishment) Amendment Order 2003 No 2434.

- **Executive Director** is an officer of the Trust Board, appointed in accordance with the Membership and Procedure Regulations, 1990. Up to five executive directors will be voting members of the Trust Board.
- **Funds Held on Trust** are 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 Part 11 (eleven) of the NHS Act 2006 and Health and Social Care Act 2012. Such funds may or may not be charitable.
- **Motion** is a formal proposition to be discussed and voted on during the course of a Trust Board or Committee meeting.
- **NHS Improvement (NHSI)** is responsible for the oversight of NHS trusts, excluding NHS foundation trusts, and has delegated authority from the Secretary of State for Health and Social Care for the appointment of the Non-Executive Directors, including the Chair of the Trust.
- **Nominated Officer** is an officer charged with the responsibility for discharging specific tasks within the Standing Orders and Standing Financial Instructions.
- **Non-Executive Director** is a person appointed by the Secretary of State for Health and Social Care, exercised through the authority vested in NHS Improvement, to help the Trust Board to deliver its functions.
- **Officer (or staff)** means an employee of the Trust or any other person holding a paid appointment or office with the Trust. (This includes all employees or agents of the Trust, including medical and nursing staff and consultants practising upon the Trust's premises, and shall be deemed to include employees of third parties contracted to the Trust when acting on behalf of the Trust).
- **SFIs** are the Standing Financial Instructions.
- **SOs** are the Standing Orders.
- The **Gifts, Hospitality, Sponsorship and Declarations of Interest Policy** is the Trust's policy incorporating anti-bribery and corruption policy and the recognition and treatment of conflicting interests, gifts and hospitality.
- **Trust** is the Royal Cornwall Hospitals NHS Trust.
- **Trust Board (or the Board)** comprises the Chair, Non-Executive Directors and Executive Directors.
- **Vice Chair** is the Non-Executive Director appointed by the Trust to take on the Chair's duties if the Chair is absent for any reason.

- xI. Any reference to an Act of Parliament, Statutory Instrument, Direction or Code of Practice shall be construed as a reference to any modification, replacement or re-enactment for the time being in force.
- xII. All reference to the masculine gender shall be read as equally applicable to the feminine gender and vice-versa.

Standing Orders for the regulation of the proceedings of Royal Cornwall Hospitals National Health Service Trust

Part I – Membership

1. Name and business of the Trust

- 1.1. All business shall be conducted in the name of Royal Cornwall Hospitals NHS Trust (“the Trust”).
- 1.2. All funds received in trust shall be in the name of the Trust as corporate trustee. The powers exercised by the Trust as corporate trustee, in relation to funds held on trust, shall be exercised separately and distinctly from those powers exercised as a Trust.
- 1.3. The Trust has the functions conferred on it by Schedule 4 of the 2006 Act.
- 1.4. Directors acting on behalf of the Trust as a corporate trustee are acting as quasi-trustees. Accountability for charitable funds held on trust is to the Charity Commission and to the Secretary of State for Health and Social Care. Accountability for non-charitable funds held on trust is only to the Secretary of State for Health and Social Care.
- 1.5. The Trust has resolved that certain powers and decisions may only be exercised or made by the Trust Board in formal session, which may include members participating by video or telephone. These powers and decisions are set out in the Schedule of Decisions Reserved to the Trust Board of Directors, in Annex 2 to these Standing Orders, and have effect as if incorporated into the Standing Orders.

2. Composition of the Trust Board

- 2.1. In accordance with the amended Establishment order No. 2434, (extract) “the Trust shall have in addition to the Chair 6 Non-Executive Directors and up to 5 Executive Directors”. The Board comprises the voting members.
- 2.2. At least half of the membership of the Trust Board, excluding the Chair, shall be independent Non-Executive Directors.
- 2.3. The Non-Executive Directors shall include:
 - Vice-Chair
 - Senior Independent Director
 - At least one NED with relevant financial expertise
- 2.4. In accordance with The National Health Service Trusts (Membership and Procedure) Amendment Regulations 1998, there shall be up to five voting officer members. These Executive Directors shall include:
 - Chief Executive;
 - Director of Finance;

- Medical Director;
 - Director of Nursing; and
 - Up to one other Executive Director to be awarded voting rights.
- 2.5. The Board may request additional Executive Directors, in crucial roles in the Trust, be in attendance at the Trust Board meetings. The Board may also appoint up to three Associate Non-Executive Directors, to be non-voting, associate members of the Trust Board meetings. One of those Associate Non-Executive Directors will be a representative from a Higher Education Institution.

3. Appointment of the Chair and Directors

- 3.1. The Chair and Non-Executive Directors of the Trust are appointed by NHS Improvement (NHSI), on behalf of the Secretary of State for Health and Social Care.
- 3.2. The Chief Executive shall be appointed by the Chair and the Non-Executive Directors via the Remuneration and Appointments Committee and ratified by NHS Improvement (NHSI).
- 3.3. Executive Directors shall be appointed by a committee comprising the Chair, the Non-Executive Directors and the Chief Executive.
- 3.4. Where more than one person is appointed jointly to an Executive Director post in the Trust, those persons shall become appointed as an Executive Director, jointly. Where the post has voting rights attached, the joint appointees will have the power of one vote and shall count for the purpose of Standing Order 2 as one person.
- 3.5. In the event an Executive Director position is made as a joint appointment with a partner organisation, the Executive Director shall be formally appointed by both organisations' in line with their appointment processes. It may be appropriate to hold a joint Remuneration and Appointments Committee meeting in order to achieve this (a meeting of both Committees held at the same time).

4. Chair

4.1 The Chair is responsible for the leadership and operation of the Board and Chair all Board meetings when present.

- 4.1. The Chair must comply with their terms of appointment and with these Standing Orders.
- 4.2. The Chair shall take responsibility either directly or indirectly for the Non-Executive Director's induction, their portfolios of interests and assignments, and their performance.
- 4.3. The Chair shall work in harmony with the Chief Executive and shall ensure that key and appropriate issues are discussed by the Board in a timely manner with all the necessary information and advice being made available to the Board to inform the debate and ultimate resolutions.

5. Vice-Chair

- 5.1. To enable the proceedings of the Trust to be conducted in the absence of the Chair, the Trust Board may elect by formal vote one of the Non-Executive Directors to be Vice-Chair, or external recruitment if there is a Non-Executive Director vacancy and no Vice-Chair in post, for a period that does not exceed the remainder of their appointed term as a Non-Executive Director of the Trust. This would follow a nomination process with the outcome to be ratified by the Chair.
- 5.2. Any Non-Executive Director so elected may at any time resign from the office of Vice-Chair by giving notice in writing to the Chair. The appointment as Vice-Chair will end with the termination for any reason of that Non-Executive Director's period of office as a Director. On such resignation or termination the Trust Board may then appoint another Non-Executive Director as Vice-Chair, in accordance with the provision of this Standing Order.
- 5.3. When the Chair is unable to perform their duties due to illness or absence for any reason, their duties will be undertaken by the Vice-Chair.

6. Senior Independent Director

- 6.1. The Non-Executive Directors can nominate, and appoint by vote, one from amongst them to act as the Senior Independent Director (SID) for such a period not exceeding the remainder of the individual's term of office as a Non-Executive Director. For the avoidance of doubt the SID shall not be the same individual as the Vice-Chair.
- 6.2. The Senior Independent Director will be available to members of the Trust Board if they have concerns which contact through the usual channels of Trust Chair, Chief Executive, Director of Finance and Company Secretary has failed to resolve or where it would be inappropriate to use such channels.
- 6.3. The SID will also lead in the process for evaluating the performance of the Chair. The SID shall lead a meeting of the Non-Executive Directors at least annually without the Chair to evaluate the Chair's performance, ensuring where relevant that NHS England/Improvement guidance is followed on such an evaluation.

7. Tenure of office

The regulations governing the period of tenure of office of the Chair and Non-Executive Directors and the termination or suspension of office of the Chair and Non-Executive Directors are contained in the NHS Trust Membership and Procedure Regulations 1990 (as amended) and are as directed by NHSI, under its delegated authority from the Secretary of State for Health and Social Care.

8. Executive Directors

Executive Directors shall exercise their authority within the terms of the NHS Constitution these Standing Orders, the Standing Financial Instructions and the Scheme of Delegation.

9. Code of Conduct and Accountability

9.1. All Directors shall subscribe and adhere at all times to the principles contained in:

- [The Nolan Principles of Public Life](#)
- All relevant Trust policies including (but not restricted to) the Trust's Conflicts of Interest Policy
- [Standards for members of NHS boards and Clinical Commissioning Group governing bodies in England](#), The Professional Standards Authority (2013)

9.2. The Trust Board has also resolved to adopt a Code of Meeting Etiquette which exists as a separate document to these Standing Orders and has effect as if incorporated within them.

10. Functions and roles of the Chair and Directors

The function and roles of the Chair and members of the Trust Board are described within these Standing Orders and within those documents that are incorporated into these Standing Orders.

11. Role of the Trust Board of Directors

11.1. The purpose of the Trust Board of Directors is to govern effectively to ensure the Trust provides safe, high quality, patient-centred acute care. The Board is accountable to NHS Improvement as the provider regulator, to the Care Quality Commission for the quality of care, and to the people of Cornwall as a public body.

11.2. In particular, the Trust Board is responsible for:

- Setting the vision, strategy and values of the organisation
- Providing proactive leadership of the Trust towards achievement of corporate objectives, and constructively challenging performance in that regard
- Ensuring a framework of sound internal controls, risk management and good governance that supports the Trust's strategic objectives and operational requirements
- Actively promoting human rights and the principles of equality and diversity in the Trust's culture and decision-making
- Ensuring appropriate use of public funds
- Ensuring effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs
- Undertaking all of its activities in line with the Nolan Principles of Public Life

11.3. Further details of the Board's responsibilities are set out in Appendix 2, Schedule of Decisions Reserved for the Trust Board. Subject to any directions to the contrary by NHS Improvement, regulation or the Trust itself, any of the powers of the Board of Directors may be delegated to a committee of directors or to an executive director.

- 11.4. The Trust Board acts as a unitary board and as such Directors have collectively responsibility for all decisions taken, regardless of their individual skills or status. This does not affect the particular responsibilities of the Chief Executive as the Trust's Accountable Officer.
- 11.5. Executive members shall exercise their authority within the terms of these Standing Orders, Standing Financial Instructions and Scheme of Delegation.

Part II – Meetings

12. Ordinary meetings of the Trust Board

- 12.1. All ordinary meetings of the Trust Board shall be held in public and shall be conducted in accordance with relevant legislation, including the Public Bodies (Admission to Meetings) Act 1960, as amended, and guidance issued by the Secretary for State for Health and Social Care. Members of the public and representatives of the press shall be afforded facilities to attend.
- 12.2. Ordinary meetings of the Trust Board shall be held at regular intervals at such times and places as the Trust Board may from time to time determine. A minimum of six meetings shall be held each year.
- 12.3. The Chair shall give such directions as they think fit in regard to the arrangements for meetings, and accommodation of the public and representatives of the press, to ensure that the Trust Board's business may be conducted without interruption and disruption.
- 12.4. Without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public and representatives of the press will be required to withdraw upon the Trust 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".
- 12.5. Nothing in these Standing Orders shall require the Trust Board to allow members of the public or representatives of the press to record proceedings in any manner whatsoever, other than in writing, or to make any oral report of proceedings as they take place, without the prior agreement of the Trust Board.
- 12.6. If the Trust chooses to record its meetings in public, it will make available online a copy of the recording for a period of one month or until the next meeting of the Board in public and then deleted. Due regard will be given to accessibility in making the recordings available.
- 12.7. The Chair may invite any member of staff of Royal Cornwall Hospitals NHS Trust, any other NHS organisation, an officer of the local council(s), or any other individual acting in an advisory capacity to attend meetings. These invitees shall not count as part of the quorum or have any right to vote at the meeting.
- 12.8. An annual public meeting shall be held on or before 30 September in each year for the purpose of presenting audited accounts, annual reports and any report on the accounts.

- 12.9. The Trust Board may, by resolution, exclude the public from a part or the whole of a meeting whenever publicity would be prejudicial to public interest by reason of the confidential nature of the business to be transacted.
- 12.10. Anyone invited to be in attendance at a Trust Board in Private must respect the confidential nature of the business and not disclose any information without prior agreement of the Chair.
- 12.11. The Board may meet in person or virtually via audio or video link.
- 12.12. The provisions of these Standing Orders relating to meetings of the Trust Board shall refer only to formal Trust Board meetings, whether ordinary or extraordinary meetings. The provisions shall not apply to seminars, workshops or other meetings attended by members of the Trust Board.

13. Extraordinary meetings of the Trust Board

- 13.1. The Chair may call a meeting of the Trust Board at any time. Directors may ask the Chair to call a meeting of the Trust Board at any time.
- 13.2. A meeting may be called forthwith by the Directors who are eligible to vote, if the Chair refuses to call a meeting after such a request has been presented to them, signed by at least one third of the whole number of Directors who are eligible to vote (including at least one Executive and one Non-Executive Director) and has been presented to them at the Trust's principal place of business. The Directors who are eligible to vote may also call a meeting forthwith if, without refusing, the Chair does not call a meeting within seven days after receipt of such request.

14. Notice of meetings

- 14.1. The Trust shall set dates and times of regular Trust Board meetings for the forthcoming financial year by the end of September of each year.
- 14.2. A notice of the meeting, specifying the business proposed to be transacted, shall be posted before each meeting of the Trust Board. This notice shall be signed by the Chair, or by a Director or officer of the Trust authorised by the Chair to sign on their behalf. The notice shall be delivered to every Director by the most effective route, including being sent by post to the usual place of residence of the Director, or sent electronically to the usual e-mail address of the Director. The notice shall be delivered to each Director at least three working days before the meeting. Notice shall be presumed to have been served two days after posting and on the day of being sent out via e-mail.
- 14.3. Lack of service of such notice on any individual Director shall not affect the validity of a meeting. However, failure to serve such a notice on at least three Directors who are eligible to vote will invalidate the meeting.
- 14.4. In the case of a meeting called by Directors in default of the Chair (see Standing Order 13.2), the notice shall be signed by those Directors and no business shall be transacted at the meeting other than that specified in the notice.
- 14.5. Where a part or the whole of a meeting is to be open to the public, official notice of the time, place and agenda of the meeting shall be announced in public. Notice will

be given by one or more of: an announcement in the local press and on the Trust's internet website; displaying the notice in a conspicuous place in the Trust's hospitals or other facilities; displaying the notice in other public places. The Trust Board may decide to limit publication to details of the items on the meeting agenda that will be considered in the part of the meeting to be held in public. A copy of the notice including the agenda may also be sent to local organisations that will have an interest in the decisions of the Trust Board. These organisations include bodies responsible for commissioning acute NHS services locally, patient and public representative groups and local councils.

- 14.6. Notice of a Trust Board meeting held in public will be given at least three days (including weekends) before the meeting. Failure to do so will render the meeting invalid. The Chair may call a meeting of the Board to be held in private at any time.

15. The agenda

- 15.1. The Trust Board may determine that certain matters will appear on every agenda for an ordinary meeting of the Trust Board and that these will be addressed prior to any other business being conducted at the discretion of the Chair. On agreement by the Trust Board, these matters may change from time to time.
- 15.2. A Director may request that a matter is included on an agenda. This request should be made in writing, including by electronic means, to the Chair, Chief Executive or Trust Secretary at least seven working days before the meeting, subject to Standing Order 13. Requests made less than seven working days before the meeting may be included on the agenda at the discretion of the Chair, or to the extent that this discretion is delegated to the Chief Executive and the Trust Secretary.
- 15.3. Notwithstanding Standing Order 15.2 a Director may, with the consent of the Chair of the meeting, add to the agenda of any meetings any item of business relevant to the responsibilities of the Trust, under "Any Other Business".
- 15.4. Papers will be published at least seven days (including weekends) before a meeting; any requests to send a paper less than seven days before the meeting (e.g. because of timing of data availability or unexpected event) would require prior approval of the relevant Chair.

16. Chair of meetings

- 16.1. The Chair shall preside at any meeting of the Trust Board, if present. In their absence, the Vice Chair shall preside.
- 16.2. If the Chair and Vice-Chair are absent, the Directors present who are eligible to vote shall choose a Non-Executive Director who shall preside. An Executive Director may not take the chair.
- 16.3. The decision of the Chair of the meeting on questions of order, relevancy and regularity (including procedure on handling motions) and their interpretation of the Standing Orders shall be final. In this interpretation shall be advised by the Chief Executive and the Company Secretary and in the case of Standing Financial Instructions shall be advised by the Director of Finance.

17. Voting

- 17.1. The Trust Board shall usually make its decisions by consensus and as such it is not a requirement for decisions to be subject to a vote. The necessity of a vote shall be indicated by the agreement of at least one third of those attending and eligible to vote. The Chair shall be responsible for deciding whether a vote is required and what form this will take.
- 17.2. Where it is necessary to take a vote to determine an issue, the decision shall be determined by a majority of the votes of the Directors present and eligible to vote. If the result of the vote is equal, the Chair of the meeting shall have a second or casting vote.
- 17.3. 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 be held if a majority of the Directors present and eligible to vote so request. Unless specifically agreed beforehand, the voting record of each individual Director will not be made public or recorded.
- 17.4. The voting record, other than by paper/electronic ballot, of any question will be recorded to show how each Director present voted or did not vote, if at least one third of the Directors present and eligible to vote so request.
- 17.5. If a Director so requests, their vote will be recorded by name. Such a request will not be accepted if doing so would reveal the votes of other Directors that do not wish to have their vote recorded.
- 17.6. In no circumstances may an absent Director vote by proxy.
- 17.7. An officer who has been appointed formally by the Trust to act as an Executive Director during a period of incapacity, or to temporarily fill an Executive Director vacancy, shall be entitled to exercise the voting rights of that Executive Director. In this context, formal appointment would be made by the Remuneration and Appointments Committee on the recommendation of the Chief Executive. An officer attending the Trust Board to represent an Executive Director during a period of incapacity or temporary absence, but without formal acting up status, may not exercise the voting rights of that Executive Director. An officer's status when attending a meeting shall be recorded in the minutes.
- 17.8. Where the office of a Director who is eligible to vote is shared jointly by more than one person:
- either or both of those persons may attend and take part in the meetings of the Trust Board;
 - if both are present at a meeting they will cast one vote if they agree;
 - in the case of disagreement no vote will be cast; and
 - the presence of either or both of those persons will count as the presence of one person for the purpose of establishing a quorum.
- 17.9. Where necessary, a Director may be counted as present when available constantly for discussions through an audio or video link and may take part in voting on an open basis.

18. Quorum

- 18.1. No business shall be transacted at a meeting of the Trust Board unless at least four of the Directors (at least two Non-Executive Directors and two Executive Directors) who are eligible to vote are present, excluding the Chair or Vice-Chair.
- 18.2. An officer in attendance for an Executive Director but without formal acting status may not count towards the quorum.
- 18.3. A Director will not count towards the quorum on a matter where he is ruled to be ineligible to participate in the discussion, or vote, due to the declaration of a conflict of interest (see Standing Order 26 and 27). If a quorum is not available for the passing of a resolution on any matter, that matter may be discussed further at the meeting but no resolution can be made. That position shall be recorded in the minutes of the meeting. The meeting shall then proceed to the next business.

19. Record of attendance

- 19.1. The names of the Directors and others invited by the Chair, in accordance with Standing Order 2, to be present at the meeting shall be recorded in the minutes.
- 19.2. If a Director is not present for the entirety of the meeting, the minutes shall record the items that were considered whilst they were present.

20. Minutes

- 20.1. The minutes of the proceedings of a meeting shall be drawn up, entered in a record kept for that purpose and submitted for agreement at the next meeting.
- 20.2. There should be no discussion on the minutes, other than as regards their accuracy, unless the Chair considers discussion appropriate.
- 20.3. Any amendment to the minutes as to their accuracy shall be agreed and recorded at the next meeting and the amended minutes shall be regarded as the formal record of the meeting.
- 20.4. Minutes shall be circulated in accordance with the Chair's 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](#)) and will be made available on the Trust's website.

21. Notice of motion

Subject to the provision of Standing Order 24, a Director of the Trust desiring to move a motion shall give notice of this to the Company Secretary, at least ten clear working days before the meeting. The Company Secretary shall insert all such notices that are properly made in the agenda for the meeting. This Standing Order shall not prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.

22. Chair's Ruling

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

23. Motions

23.1. When a motion is under discussion, or immediately prior to the 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 item of business;
- the appointment of an ad hoc committee to deal with a specific item of business;
- that the motion be now put, or
- a motion resolving to exclude the public (including the press).

23.2. The proposer may withdraw a motion or amendment once moved and seconded with the concurrence of the seconder and the consent of the Chair.

24. Right of reply

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

25. Motion to rescind a decision of the Trust Board

25.1. Notice of a motion to rescind any decision of the Trust Board (or general substance of any decision), which has been passed within the preceding six calendar months, shall bear the signature of the Director who gives it and also the signature of four other Directors who are eligible to vote.

25.2. When the Trust Board has debated any such motion, it shall not be permissible for any Director, other than the Chair, to propose a motion to the same effect within a further period of six calendar months.

26. Declaration of interests and Register of Interests

Declaration of interests

26.1. In addition to the statutory requirements relating to pecuniary interests dealt with in Standing Order 27, the Trust's Gifts, Hospitality, Sponsorship and Declaration of Interest Policy requires Directors to declare interests which are relevant and material to the Trust Board. All existing Directors and any senior officers who may act up into an Executive Director post should declare such interests on an annual basis, or as otherwise recommended in the Policy. Any Directors and senior officers appointed subsequently should declare these interests on appointment.

26.2. Interests which would be regarded as “relevant and material” are:

- directorships, including Non-Executive Directorships held in private companies or PLCs (with the exception of those of dormant companies);
- any interest which may result in the individual or a close associate benefiting in a financial or non-financial way from the outcome of the matter where they are involved in making the decision
- ownership or part-ownership of private companies, businesses or consultancies likely, or possibly seeking, to do business with the NHS;
- majority or controlling shareholdings in organisations likely, or possibly seeking, to do business with the NHS;
- a position of authority in a charity or voluntary organisation in the field of health and social care; and
- any connection with a voluntary or other organisation contracting for NHS services.

26.3. Subject to the requirements stated in Standing Order 26, there is no requirement for the interests of Directors’ spouses, partners or other family members to be disclosed.

26.4. If Directors have any doubts about the relevance of an interest, this should be discussed with the Chair and/or the Company Secretary. International Accounting Standard 24 (IAS 24), (issued by the International Accounting Standards Board) specifies that the potential level of influence, rather than the immediacy of the relationship, is more important in assessing the relevance of an interest.

26.5. Annual declarations of interests should be considered by the Trust Board and retained as part of the record of the Trust Board meeting. Any changes in interests should be declared at the next Trust Board meeting following the change occurring.

26.6. If a conflict of interest is established during the course of a Trust Board meeting, whether arising from a declared interest or otherwise, the Director concerned should withdraw from the meeting and play no part in the relevant discussion or decision. The declared conflict of interest should be recorded in the minutes of the meeting.

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

[Register of Interests](#)

26.8. The Company Secretary will ensure that a Register of Interests is established and maintained to formally record declarations of interests of Directors. The Register of Interests will include details of all directorships and other relevant and material interests which have been declared by both Executive and Non-Executive Directors.

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

26.10. The Register of Interests will be published to the Trust’s website and also be available to the public and open to inspection at the Trust’s usual place of business at any time during normal business hours (between 09:00am and 17:00pm on any

working day). The Company Secretary will take reasonable steps to publicise the existence of the Register.

26.11. With the exception of the requirement to report interests in the Annual Report (Standing Order 26.7), this Standing Order also applies in full to any Committee or Sub-Committee or group of the Trust Board, and to any member of such Committee or Sub-Committee or group (whether or not they are a Director).

27. Disability of Directors in proceedings on account of pecuniary interest

27.1. Subject to Standing Order 26 and the provisions of this Standing Order, if a Director has any financial 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.

27.2. The Secretary of State may, subject to such conditions as he may think fit to impose, remove any disability imposed by this Standing Order, in any case where it appears to him to be in the interests of the NHS that the disability should be removed.

27.3. The Trust Board, or any Committee or Sub-Committee, may, if it thinks fit, provide for the exclusion of a Director from a meeting while any contract, proposed contract or other matter in which that person has a financial interest, direct or indirect, is under consideration.

27.4. Any remuneration, compensation or allowances payable to a Director by virtue of paragraph 233, Part 11 of the NHS Act 2006 shall not be treated as a financial interest for the purpose of this Standing Order.

27.5. For the purpose of this Standing Order a Director shall be treated, subject to Standing Order 2, as having an indirect financial interest in a contract, proposed contract or other matter, if:

- they, or a nominee of theirs, 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
- they are 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 persons living together as a couple, whether married or not, the interest of one person shall, if known to the other, be deemed for the purposes of this Standing Order to also be an interest of the other.

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

- their membership of a company or other body, if they have no beneficial interest in any securities of that company or other body; or

- an interest in any company, body or person with which they are connected as mentioned in Standing Order 27.5 above which is so remote or insignificant that it cannot reasonably be regarded as likely to influence a Director in the consideration or discussion of, or in voting on, any question with respect to that contract or matter.

27.7. This Standing Order shall not prohibit a Director from taking part in the consideration or discussion of the contract or other matter, or from voting on any question with respect to it, if:

- they have an indirect financial 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**
- the total nominal value of those securities does not exceed £5,000 or one-hundredth of the total nominal value of the issued share capital of the company or body, whichever is the less; **and**
- the share capital is of more than one class and the total nominal value of shares of any one class in which they have a beneficial interest does not exceed one-hundredth of the total issued share capital of the class.

This does not affect their duty to disclose the interest.

27.8. This Standing Order also applies in full to any Committee or Sub-Committee or group of the Trust Board and to any member of such Committee or Sub-Committee or group (whether or not they are a Director).

28. Conflicts of interest

28.1. All staff must comply with the Trust's current adopted Gifts, Hospitality, Sponsorship and Declaration of Interest Policy, which reflects national guidance, including 'Managing Conflicts of Interest in the NHS: Guidance for staff and organisations', February 2017, 'Standards of Business Conduct Policy' July 2017, 'Code of Conduct for NHS Managers' October 2002 and 'The Seven Principle of Public Life' May 1995. The following provisions should be read in conjunction with the Trust Policy.

28.2. All staff shall declare any relevant and material interest, such as those described in Standing Order 26. The declaration should be made on appointment or, if the interest is acquired, recognised subsequently at that time to the Executive Director, Clinical Director, or senior manager to whom they are accountable. Such Director or senior manager shall ensure that such interests are entered in a Register of Interests, kept for that purpose.

28.3. Officers who are involved in, have responsibility for, or are able by virtue of their role or functions to influence the placing of contracts by the Trust, may be required by the Trust to give statements from time to time, or in connection with particular contracts, confirming that they have no relevant or material interest to declare.

28.4. If an officer becomes aware of a potential or actual contract in which they have an interest of the nature described in Standing Orders 26 and 27 and this Standing Order, they shall immediately advise the Director of Finance formally in writing. This requirement applies whether or not the officer is likely to be involved in administering the proposed or awarded contract to which they have an interest.

- 28.5. Gifts and hospitality shall only be accepted in accordance with the Trust's Gifts, Hospitality, Sponsorship and Declaration of Interest Policy. Officers of the Trust shall not ask for any rewards or gifts, nor shall they accept any rewards or gifts of significant value.
- 28.6. All gifts and hospitality, other than those that are of clearly minimal value (as determined in the Trust Policies), should be declared in a Register of Gifts and Hospitality kept by the Company Secretary for that purpose. Acceptance of gifts by way of inducements or rewards is a criminal offence under the Fraud Act, 2006 and the Bribery Act 2010.
- 28.7. In addition to Standing Orders 26 and 27 and this Standing Order, an officer must also declare to the Chief Executive any other employment, business or other relationship of theirs or of a cohabiting spouse that conflicts, or might reasonably be predicted could conflict, with the interests of the Trust, unless specifically allowed under that officer's contract of employment.

Part III – Arrangements for the exercise of functions by delegation and Committees

29. Exercise of functions

- 29.1. Subject to Standing Order 3 and any such directions as may be given by the Secretary of State for Health and Social Care, the Trust Board may delegate any of its functions to a Committee or Sub-Committee appointed by virtue of Standing Order 30, or to a Director or an officer of the Trust. In each case, these arrangements shall be subject to such restrictions and conditions as the Board thinks fit.

Emergency powers

- 29.2. The powers which the Trust Board has retained to itself within these Standing Orders may in emergency (for example, immediate threat to life; immediate critical risk) be exercised by the Chief Executive and the Chair acting jointly and, if possible, after having consulted with at least two Non-Executive Directors. In the unlikely event that at least two Non-Executive Directors cannot be consulted, the Chair and Chief Executive will be required to explain why that was the case. The exercise of such powers by the Chief Executive and the Chair shall be reported to the next formal meeting of the Trust Board.

Delegation to Committees

- 29.3. The Trust Board shall agree from time to time the delegation of specific powers to be exercised by Committees or Sub-Committees which it has formally constituted. The Trust Board shall approve the constitution and terms of reference of these committees and their specific powers.

Delegation to officers

- 29.4. Those functions of the Trust which have not been retained as reserved by the Trust Board (see Annex 2) or delegated to a Committee of the Trust Board shall be exercised on behalf of the Trust Board by the Chief Executive. The Chief Executive shall determine which functions he will perform personally and shall nominate officers

to undertake the remaining functions for which he will still retain accountability to the Trust Board.

Schedule of Decisions Reserved for the Trust Board

- 29.5. The Trust Board shall adopt a Schedule of Decisions Reserved for the Trust Board, setting out the matters for which approval is required by the Trust Board. The Schedule that is current at the date of adoption of these Standing Orders is contained in Annex 2 and shall be regarded as forming part of these Standing Orders.
- 29.6. Subject to Standing Order 50, the Trust Board shall review this Schedule at such times as it considers appropriate and shall update this Schedule after each review.
- 29.7. The Schedule of Decisions Reserved for the Trust Board shall take precedence over any terms of reference or description of functions of any Committee or Sub-Committee established by the Trust Board. The powers and functions of any Committee or Sub-Committee shall be subject to, and qualified by, the reserved matters contained in that Schedule.

Scheme of Delegated Authorities

- 29.8. The Trust Board shall adopt a Scheme of Delegation (Annex 3) setting out details of the Directors, bodies and officers of the Trust to whom responsibility has been delegated for deciding particular matters and, in a Director's or officer's absence, the Director or officer who may act for them. The Schedule that is current at the date of adoption of these Standing Orders shall be regarded as forming part of these Standing Orders.
- 29.9. Subject to Standing Order 50, the Trust Board shall review this Schedule at such times as it considers appropriate and shall update this Schedule after each review.
- 29.10. The direct accountability to the Trust Board of the Director of Finance and other Executive Directors, to provide information and advise the Trust Board in accordance with any statutory requirements, shall not be impaired in any way by the delegations set out in the Scheme of Delegated Authorities.

E-governance (written resolution)

- 29.11. The Trust Board may confirm their response to any proposal in writing via e-mail ('e-governance'). Such decisions will have the same authority as if the same decision had been made within a formal Trust Board meeting. Whilst e-governance may be used to approve any proposal within the scope of the Board's decision-making powers, this is underpinned by a set of principles:
- e-Governance is suitable where an issue requires Board approval as a formality and does not require a significant degree of discussion. This may particularly apply where a Board Committee or previous Board meeting has already discussed the item in detail or where the only reason an item has been escalated to the Trust Board is due to pure financial value (to satisfy the requirements of the Scheme of Delegation).
 - In each individual case, the Chair must approve the use of e-governance as a means of exercising Board decision-making powers.

- In the event that any voting Board member objects to the use of e-governance, the item in question will instead be deferred to the next scheduled Trust Board meeting.
- Where it is proposed that a proposal be approved via e-governance, the Company Secretariat will write to all members via email summarising the nature of the proposal with any supporting documentation. Board members will, unless agreed otherwise by the Chair, have 7 days to notify the Company Secretariat of their response to the proposal.
- A decision via e-governance will only be made when the Company Secretariat has received the approval in writing (via email) of a majority of voting Board members.
- Any decisions so passed via e-governance shall be noted at the next Trust Board meeting.

30. Appointment of Committees

- 30.1. Subject to Standing Order 3 and such directions as may be given by, or on behalf of, the Secretary of State for Health and Social Care, the Trust may, and if directed by him, shall appoint Committees of the Trust, consisting wholly or partly of Directors of the Trust or wholly of persons who are not Directors of the Trust. Committees will be subject to review by the Trust Board from time to time.
- 30.2. A Committee appointed under Standing Order 30 may, subject to such directions as may be given by, or on behalf of, the Secretary of State for Health and Social Care or the Trust Board, appoint Sub-Committees consisting wholly or partly of members of the Committee (whether or not they include Directors of the Trust) or wholly of persons who are not members of the Committee (whether or not they include Directors of the Trust).
- 30.3. The Standing Orders of the Trust, as far as they are applicable, shall apply, with appropriate alteration, to meetings of any Committee or Sub-Committee.
- 30.4. The Trust Board shall approve the terms of reference of each such Committee. Each Committee shall approve the terms of reference of each Sub-Committee reporting to it. The terms of reference shall include details of the powers vested and conditions, including reporting back to the Committee or Trust Board. Such terms of reference shall have effect as if incorporated into the Standing Orders and be subject to review at least every two years by that Committee and adoption by the Trust Board.
- 30.5. Committees may not delegate their powers to a Sub-Committee unless expressly authorised by the Trust Board.
- 30.6. The Board shall approve the appointments to each of the Committees and Sub-Committees that it has formally constituted. Where the Board determines that a Committee shall include members who are neither Directors nor officers, the Board shall determine the terms of such appointment. The payment of travelling and other allowances shall be in accordance with the rates as may be determined by the Secretary of State for Health and Social Care, with the approval of the Treasury (see Part 11, paragraph 233 of the 2006 Act).

- 30.7. Minutes, or a representative summary of the issues considered and decisions taken, of any Committee appointed under this Standing Order are to be formally recorded and submitted for inclusion onto the agenda of the next possible Trust Board meeting. Minutes, or a representative summary of the issues considered and decisions taken, of any Sub-Committee shall be submitted for inclusion onto the agenda of the next Committee meeting to which it reports.
- 30.8. The Committees to be established by the Trust will consist of statutory and mandatory and non-mandatory Committees.

Statutory and mandatory Committees

Role of Audit & Risk Assurance Committee

- 30.9. The Trust Board shall appoint a Committee to undertake the role of an audit committee. This role shall include providing the Trust Board with a means of independent and objective review of the financial systems and of general control systems that ensure that the Trust achieves its objectives, the reliability of the financial information used by the Trust and of compliance with law, regulations, guidance and codes of conduct. This Committee will pay due regard to good practice guidance, including, in particular, the NHS Audit Committee Handbook, HMFA.
- 30.10. The Audit & Risk Assurance Committee is nominated to act as the Trust's auditor panel and, under the *Local Audit and Accountability Act 2014 (the Act 2014)*, has the responsibility for advising the Trust Board on the selection and appointment of an external auditor.
- 30.11. The terms of reference of the Audit & Risk Assurance Committee shall have effect as if incorporated into these Standing Orders and their approval shall be recorded in the appropriate minutes of the Trust Board and may be varied from time to time by resolution of the Trust Board.

Role of Remuneration and Appointments Committee

- 30.12. The Trust Board shall appoint a Committee to undertake the role of a remuneration and appointments committee. In line with Regulations 17-18 of the Membership and Procedure Regulations, the requirements of the NHS Codes of Conduct and Accountability, and the Higgs report 2003, a Remuneration and Appointments Committee will be established and constituted. In line with governance best practice as set out in the UK Corporate Governance Code, the Committee will comprise only of Non-Executive Directors. The Trust Chair shall not be the Chair of the Committee. The Chair of the Committee shall be the Senior Independent Director.
- 30.13. The Remuneration and Appointments Committee will advise the Board on terms of service, including remuneration, of the Chief Executive and other Executive Directors and other very senior managers (as determined by the committee) ensuring that Trust policies are applied consistently and fairly to all individuals and NHS Improvement policies adhered to where relevant. The Committee will approve of compromise agreements/severance pay or other occasional payments to individuals and out of court settlements, taking account of national guidance

- 30.14. The Committee shall advise the Trust Board on the size, structure and membership and succession plans for the Trust Board and maintain oversight of the performance of the Chief Executive and Executive Directors.
- 30.15. The terms of reference of the Remuneration Committee shall have effect as if incorporated into these Standing Orders and their approval shall be recorded in the appropriate minutes of the Trust Board and may be varied from time to time by resolution of the Trust Board.

Role of Charitable Funds Committee

- 30.16. The Trust Board shall appoint a Committee to be known as the Charitable Funds Committee, whose role shall be to advise the Trust on the appropriate receipt, use and security of charitable monies.
- 30.17. The terms of reference of the Charitable Funds Committee shall have effect as if incorporated into these Standing Orders and their approval shall be recorded in the appropriate minutes of the Trust Board, acting as Corporate Trustee, and may be varied from time to time by resolution of the Trust Board.

Non-mandatory committees

- 30.18. The Trust Board shall appoint such additional non-mandatory committees as it considers necessary to support the business and inform the decisions of the Trust Board (Regulations 15-16, Membership and Procedure Regulations).
- 30.19. The terms of reference of these committees shall have effect as if incorporated into these Standing Orders. The approval of the terms of reference shall be recorded in the appropriate minutes of the Trust Board and may be varied from time to time by resolution of the Trust Board.
- 30.20. The membership of these committees may comprise Non-Executive Directors or Executive Directors, or a combination of these, so long as the Non-Executive Directors are in the majority. The membership and voting rights shall be set out in the terms of reference of the Committee and shall be subject to approval by the Board.
- 30.21. At the time of adoption of this version of Standing Orders, the following Non-Executive Director led, non-mandatory Committees are in place:
- Finance and Performance Committee;
 - People and Organisational Development Committee; and
 - Quality Assurance Committee.

These are subject to change at the discretion of the Trust Board. All new or amended non-mandatory committees will have the same standing and will be subject to the same Standing Orders.

31. Proceedings in Committee to be confidential

- 31.1. There is no requirement for meetings of Trust Board Committees and Sub-Committees to be held in public, or for agendas or records of these meetings to be made public. However, the records of any meetings may be required to be disclosed, should a valid request be made under the rights conferred by the Freedom of Information Act, 2000 and there is no legal justification for non-disclosure.
- 31.2. A summary report highlighting any issues for escalation from each Committee shall be presented to the next available Board in Public meeting.
- 31.3. Committee members should normally regard matters dealt with, or brought before, the Committee as being subject to disclosure, unless stated otherwise by the Chair of the Committee. The Chair shall determine whether specific matters should remain confidential until they are reported to the Trust Board.
- 31.4. A Director of the Trust or a member of a Committee shall not disclose any matter reported to the Trust Board, or otherwise dealt with by the Committee, if the Trust Board resolves that it is confidential.
- 31.5. Regardless of this Standing Order, individual Directors and officers of the Trust have a right and a duty to raise with the Trust any matter of concern they may have about health service issues concerned with the delivery of care or services.

32. Election of Chair of Committee

- 32.1. The Chair of the Board shall appoint the Chairs of the Committees. The terms of reference of the Committee shall describe any specific rules regarding who the Chair should be. Meetings of the Committee will not be recognised as quorate if the Chair or Vice-Chair or other suitably qualified, nominated member of the Committee is not present to undertake the role.
- 32.2. Each Committee shall review the appointment of its Chair, as part of the annual review of the Committee's role and effectiveness.

33. Special meetings of Committee

The Chief Executive shall require any Committee to hold a special meeting on the request of the Chair or on the request in writing of any two members of that Committee.

Part IV – Custody of seal and sealing of documents

34. Custody of seal

The common seal of the Trust shall be kept by the Chief Executive in a secure place.

35. Sealing of documents

- 35.1. The Seal of the Trust shall only be attached to documents where the sealing has first been approved by the Trust Board or the Chair or the Chief Executive or their designated acting replacement, in accordance with the Scheme of Delegation.

35.2. The seal shall be affixed in the presence of the signatories.

36. Bearing witness to the affixing of the Seal

A recommended wording for the witnessing of the use of the Seal is, “The Common Seal of the Royal Cornwall Hospitals National Health Service Trust was hereunto affixed in the presence of...”

37. Register of sealing

37.1. An entry of every sealing shall be made and numbered consecutively in a book provided for that purpose. The entry shall be signed by the persons who approved and authorised the sealing of the document and who attested the seal.

37.2. A report of all sealing shall be made annually to the Trust Board by the Company Secretary, or a Committee delegated to oversee the register at periods of its discretion. The report shall contain details of the seal number, the description of the document and date of sealing.

Part V – Appointment of Directors and officers of the Trust

38. Canvassing of, and recommendations by, Directors

38.1. Canvassing of any Director of the Trust or member of a Committee of the Trust, directly or indirectly, for any appointment under the Trust shall disqualify the candidate from such appointment. Where the Chair or any Director or Committee member is so canvassed they shall notify the Chief Executive in writing. The purpose of this Standing Order shall be included in any form of application or otherwise brought to the attention of candidates.

38.2. No Director of the Trust shall solicit for any person any appointment under the Trust or recommend any person for such appointment; but this shall not preclude a Director from sharing knowledge about the availability of potential candidates prior to the commencement of recruitment, nor from giving a written testimonial of a candidate’s ability, experience or character for submission to the appropriate panel or Committee of the Trust Board.

39. Relatives of Directors or officers of the Trust

39.1. Candidates for any appointment under the Trust shall, when making application, disclose in writing to the Trust whether they are related to any Director or senior officer of the Trust. Failure to disclose such a relationship is likely to disqualify a candidate and, if appointed, render them liable to instant dismissal.

39.2. Every Director and senior officer of the Trust shall disclose to the Chief Executive any relationship between themselves and a candidate of whose candidature that Director or senior officer is aware. It shall be the duty of the Chief Executive to report to the Committee with responsibility for oversight of remuneration and terms of service any such disclosure made.

- 39.3. Where the relationship to the Director or senior officer of the Trust is disclosed, Standing Order 26 (Interest of Directors in contracts and other matters) shall apply.
- 39.4. This Standing Order applies to circumstances where a candidate, or candidate's partner or spouse, is an immediate family relation or dependent of the Director or senior officer of the Trust, or their partner or spouse.

Part VI – Tendering and contracting procedures

40. General

- 40.1. The Trust will adopt and maintain a procurement strategy. This may be developed by the Trust's Head of Procurement and Supplies.
- 40.2. Every contract made by, or on behalf of, the Trust shall comply with the procedures and requirements of:
- these Standing Orders;
 - the Trust's Standing Financial Instructions; and
 - any direction by the Trust Board.
- 40.3. Wherever possible, and provided it protects the Trust's position adequately, contracts made will reflect the most up to date and relevant model Standard Conditions that are provided by the Department of Health and Social Care. These models may be amended to develop bespoke contracts.
- 40.4. Directives of the Government for awarding all forms of contracts shall take precedence over all other procedural requirements and guidance and shall have effect as if incorporated in these Standing Orders. The Public Contracts Regulations 2015 apply to public authorities. The rules set out detailed procedures for contracts where the value equals or exceeds specific thresholds. These thresholds are exclusive of VAT and relate to the full life of the contract.
- 40.5. The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided under contract or in-house. The Trust Board may also determine from time to time that those in-house services should be market tested by competitive tendering.
- 40.6. Contract procedures shall take account of the Trust's Conflicts of Interest Policy and the necessity to avoid any possibility of collusion or allegations of collusion between contractors and suppliers, or between contractors and suppliers and staff of the Trust.
- 40.7. The application of the provisions of this part of the Standing Orders to contracts and purchases may be varied by resolution of the Trust Board from time to time.

41. Delegated authority to enter into contracts

- 41.1. The Trust Board shall have power to accept tenders and to authorise the conclusion of contracts. It may delegate such authority subject to financial limits set in accordance with Standing Order 40.2 to:

- a Committee appointed under sections 29 and 30 of these Standing Orders;
- the Chief Executive;
- the Chief Executive jointly with the Chair;
- the Directors or nominated officers; or
- officers of the Trust's Procurement and Supplies team, in accordance with standard operating procedures.

41.2. The financial limits determining whether quotations (competitive or otherwise) or sealed bid tenders must be obtained shall be set in accordance with the procedure in the Standing Financial Instructions.

42. Competition in purchasing or disposals – procedures

42.1. The Trust Board shall from time to time adopt procedures which shall be regarded as being incorporated into these Standing Orders and which shall take account of Standing Financial Instructions, the Trust's Procurement Policy and Rules and relevant Regulations , and which shall deal with:

- tender process selection;
- methods for inviting tenders;
- the manner in which tenders are to be submitted;
- the receipt and safe custody of tenders;
- the opening of tenders;
- evaluation;
- re-tendering; and
- such other matters in connection with tendering as the Board considers appropriate.

43. Disposals of land and buildings

Land and buildings that are owned by the Trust, or are otherwise recorded as being part of the estate of the Trust, shall be disposed of in accordance with the most recent rules and guidance issued by the Department of Health and Social Care. Disposal will require the approval of the Trust Board.

Part VII – Miscellaneous

44. Suspension of Standing Orders

44.1. Except where this would contravene any statutory provision or any direction made by the Secretary of State for Health and Social Care, any one or more of the Standing Orders, except for this Standing Order which may not be suspended, may be suspended at any meeting, provided that at least two-thirds of the Directors of the Trust are present and the majority of those present vote in favour of suspension.

- 44.2. A decision to suspend Standing Orders shall be recorded in the minutes of the meeting.
- 44.3. A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Directors.
- 44.4. No formal business may be transacted while Standing Orders are suspended.
- 44.5. The Audit & Risk Assurance Committee shall review every decision to suspend Standing Orders.

45. Variation of Standing Orders

- 45.1. These Standing Orders shall be varied only if:
- A notice of motion under Standing Order 21 has been given; **and**
 - no fewer than half of the appointed Non-Executive Directors vote in favour of such variation; **and**
 - at least two-thirds of the Directors who are eligible to vote are present; **and**
 - the variation proposed does not contravene a statutory provision or direction made by the Secretary of State for Health and Social Care.
- 45.2. Standing Order 45 (this Standing Order) may not be varied.
- 45.3. Any financial limits in these Standing Orders and the Schedule of Decisions Reserved for the Trust Board and the Scheme of Delegated Authorities may be varied by resolution of the Trust Board at any time.
- 45.4. Where financial limits are varied, the Director of Finance will advise the Audit & Risk Assurance Committee and Internal and External Audit.

46. Availability of Standing Orders

- 46.1. The Company Secretary shall make available a copy of the Standing Orders to each Director of the Trust and to such other employees as the Chief Executive considers appropriate.
- 46.2. A copy of these Standing Orders will be held, with unrestricted access to all staff, on the Trust's intranet site.

47. (Left blank intentionally)

48. Signature of documents

- 48.1. Where any document will be a necessary step in legal proceedings on behalf of the Trust, it shall be signed by the Chief Executive, or by any Executive Director of the Trust duly authorised for that purpose by the Board in accordance with the Scheme of Delegated Authorities, unless any enactment otherwise requires or authorises differently.
- 48.2. The Chief Executive or nominated Directors shall be authorised, by resolution of the Board, to sign on behalf of the Trust any agreement or other document (not required to be executed as a deed), the subject matter of which has been approved by the

Board or Committee or Sub-Committee to which the Board has delegated appropriate authority.

49. Standing Financial Instructions

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

50. Review of Standing Orders

- 50.1. Standing Orders shall be reviewed annually, or earlier if developments within or external to the Trust indicate the need for a significant revision to the Standing Orders. The requirement to review extends to all documents having the effect as if incorporated in Standing Orders.
- 50.2. Any substantive change (i.e. non-administrative change) will be reviewed by the Audit & Risk Assurance Committee before a recommendation is made to the Trust Board for adoption.

END

Annex 1 – Standing Financial Instructions

1. Interpretation

1.1. The Chair of the Trust is the final authority in the interpretation of Standing Orders on which the Chief Executive shall advise him/her. In the case of the Standing Financial Instructions, he/she will be advised by the Director of Finance.

1.2. The definitions applied to the Standing Orders also apply for these Standing Financial Instructions. The following additional definitions apply:

Legislation definitions:

No additional legislation.

Other definitions:

- **Budget Manager/Holder** is the Director or employee with delegated authority to manage the finances (income and expenditure) and resources for a specific area of the Trust.
- **Commissioning** is the process for determining the need for, and for obtaining the supply of, healthcare and related services by the Trust within available resources.
- **Contracting and procuring** is the process of obtaining the supply of goods, materials, manufactured items, services, building and engineering services, and works of construction and maintenance, and for disposal of surplus and obsolete assets.
- **Associate Director/Departmental Manager (Corporate Manager)** are the senior operational managers and their formally nominated deputies, for the directorate or specialty, as designated by the Executive Director.
- **Procurement Service Provider** is the group that manages the Trust's procurement strategy and processes. The Trust's Procurement Department is its internal provider.

1.3. Any reference to an Act of Parliament, Statutory Instrument, Direction or Code of Practice shall be construed as a reference to any modification, replacement or re-enactment for the time being in force.

1.4. Unless stated otherwise, all monetary values quoted within the Standing Financial Instructions and associated tables of delegated limits include irrecoverable VAT where applicable.

2. Introduction

2.1. These Standing Financial Instructions (SFIs) are issued for the regulation of the conduct of the Trust, its Directors and officers in relation to all financial matters with which they are concerned.

2.2. The SFIs explain the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are

carried out in accordance with the law and with Government policy, in order to achieve probity, accuracy, economy, efficiency and effectiveness.

- 2.3. They identify the financial responsibilities which apply to everyone working for the Trust; and shall be used in conjunction with the Schedule of Decisions Reserved to the Trust Board (Annex 2) and the Scheme of Delegation (Annex 3), which both also form part of the Trust's Standing Orders.
- 2.4. Detailed procedural advice, which shows how the SFIs should be applied, is maintained in departmental and financial procedure notes. All financial procedures must be approved by the Director of Finance and must be reviewed no less than every three years.
- 2.5. These SFIs do not refer to all legislation or regulations and advice issued by the Department of Health and Social Care applicable to the Trust. Any uncertainty regarding the application of these SFIs should be discussed with the Director of Finance, prior to action.
- 2.6. The SFIs apply to all staff, including temporary contractors, volunteers and staff employed by other organisations to deliver services in the name of the Trust. Failure to comply with the SFIs could lead to disciplinary action, up to and including dismissal.

Compliance with these SFIs

- 2.7. These SFIs prevail over any directorate and its service guidance or procedural documents. They also prevail over any guidance or instruction issued by other organisations conducting business with the Trust. All staff should notify the Director of Finance of any conflicts between the local guidance and instruction and the SFIs, if the conflict cannot be resolved satisfactorily locally.
- 2.8. **All staff** have a duty to notify, as soon as possible, the Director of Finance of any potential failure to comply with these SFIs. Full details of the non-compliance, including an assessment of the potential impact and any mitigating factors, shall be reported by the Director of Finance to the next formal meeting of the Audit & Risk Assurance Committee for referring action or ratification.
- 2.9. Failure to comply with the SFIs may in some instances be regarded as a disciplinary matter that could result in dismissal. If breach is a criminal offence, it may be subject to a criminal investigation.

Responsibilities and delegations

- 2.10. These SFIs have been compiled under the authority of the Trust Board. They are reviewed by the **Audit & Risk Assurance Committee** and approved by the Trust Board.
- 2.11. **The Trust Board** exercises financial supervision and control by:
 - 2.11.1. approving the financial strategy and annual plan;
 - 2.11.2. requiring the submission and approval of budgets that deliver the financial targets set for the Trust within approved allocations and overall income;

- 2.11.3. approving specific responsibilities placed on Directors and employees as indicated in the Scheme of Delegated Authorities; and
- 2.11.4. approving the method of providing financial services.
- 2.12. 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 Schedule of Decisions Reserved to the Trust Board (Annex 2). All other powers have been delegated to the Board's appointed Committees and the Directors and officers of the Trust.
- 2.13. **The Chief Executive** is the Accountable Officer of the Trust and:
 - 2.13.1. is legally accountable to Parliament for all the actions of the Trust;
 - 2.13.2. is accountable to the Trust Board for ensuring that the Board of Directors meets its obligation to perform the Trust's functions within the available financial resources;
 - 2.13.3. holds overall executive responsibility for the Trust's activities and is responsible to the Board for ensuring that its financial obligations and targets are met;
 - 2.13.4. holds overall responsibility for the maintenance of the Trust's systems of internal control; and
 - 2.13.5. is responsible for ensuring that all members and staff of the Trust are aware of and understand their responsibilities within these SFIs.
- 2.14. Save for the decisions and actions reserved to the Trust Board, the Chief Executive has full operational authority to approve the financial transactions of the Trust and to delegate such powers to post holders within the Trust management. The Chief Executive will, as far as possible, delegate detailed responsibilities as described in these SFIs, the Schedule of Decisions Reserved to the Trust Board (Annex 2) and the Scheme of Delegation (Annex 3).
- 2.15. **The Director of Finance** is responsible for:
 - 2.15.1. maintaining and implementing the Trust's financial policies 'and for coordinating any updates necessary to these policies;
 - 2.15.2. maintaining an effective system of internal financial control, including ensuring that adequate and effective financial procedures and systems incorporating the principles of segregation of duties and internal checks are prepared, documented and maintained;
 - 2.15.3. ensuring that sufficient records are maintained to show and explain the Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time; and
 - 2.15.4. 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.
- 2.16. **All staff and representatives**, including Board members are responsible for:
 - 2.16.1. the security of the property of the Trust;
 - 2.16.2. avoiding loss;

- 2.16.3. achieving economy and efficiency in the use of resources; and
- 2.16.4. conforming with the requirements of Standing Orders, Standing Financial Instructions, financial procedures and the Scheme of Delegation.

3. Financial framework

The **Director of Finance** shall ensure that members of the Board, and staff with a key financial responsibility (Level C and above on the Scheme of Delegation) , are aware of the financial and accountability framework in which the Trust is required to operate.

4. Business and budget plans

- 4.1. The **Chief Executive** shall submit to the Board, and external regulators as required, strategic and operational plans as suggested by relevant guidance, to meet the needs of the Board. These plans will include an Trust's Strategic Plan and Annual Financial Plan which takes into account financial targets and forecast limits of available resources.
- 4.2. The plans will include:
 - 4.2.1. a description of the significant assumptions on which planning is based; and
 - 4.2.2. details of activity and delivery plans and the resources required to achieve the financial and operational and plans.
- 4.3. Prior to the start of each financial year, the **Director of Finance** shall prepare and submit a budget for approval by the Board. Such budgets will:
 - 4.3.1. be in accordance with and reconcilable, at a summary level, to the aims and objectives set out in the Trust's strategic plan and any approved system strategy and system financial framework;
 - 4.3.2. reconcile to system financial plans and those submitted to the to the Trust's regulators;
 - 4.3.3. reflect resource plans, including activity and workforce plans;
 - 4.3.4. set out when available funds will be exceeded;
 - 4.3.5. show how the plans will deliver against the financial targets and obligations set externally by the Secretary of State and relevant regulatory bodies and set internally by the Trust;
 - 4.3.6. provide a forecast of the Trust's performance over the year against key financial indicators, as determined by the Trust and by relevant regulatory bodies;
 - 4.3.7. have due consideration of the impact of the quality and safety of patient care
 - 4.3.8. consider the need to enter into contracts with third parties and the process required to do so, including time required
 - 4.3.9. include summary financial projections for the medium term; and
 - 4.3.10. identify and assess significant financial risks.

- 4.4. All **staff** who have been given delegated authority to manage and administer budgets shall be expected to contribute to the preparation of the annual budget.

5. Management of the financial resource

- 5.1. The **Chief Executive** shall require **Directors** and authorised **Budget Managers** to seek to deliver the financial outturn targets set by the Trust Board within the approved annual budget plan and the adjustments to those targets reflected in the re-forecasts performed during the year.
- 5.2. The **Chief Executive** may change the financial outturn targets of any directorates, or services.
- 5.3. 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.
- 5.4. **Directors** and authorised **Budget Holders** shall seek to deliver their service responsibilities within the limits of the financial outturn targets set for them. Financial and other resources shall only be used for the purposes for which they are provided, as approved by the Chief Executive and the Board.

Setting the annual financial plan

- 5.5. The **Chief Executive** shall be responsible for providing the Trust Board with the annual financial plan, taking into account financial targets and forecast income and service developments. The plan will identify the significant assumptions on which it is based; and provide details of significant changes to service and workforce plans and how these will impact on the Trust's financial targets. The plan will identify how the Trust will achieve the annual efficiency savings set by the Department of Health and Social Care.
- 5.6. The Director of Strategy and Performance is responsible overall for the design and delivery of the Trust's annual operating plan.
- 5.7. The **Director of Finance** shall be responsible overall for the design and delivery of the annual financial plan.
- 5.8. All **Executive Directors** shall be responsible for contributing to the integrated planning process, which shall incorporate plans for workforce, service delivery and quality, service capacity and activity, and efficiency planning.
- 5.9. **Budget Holders** shall provide all financial, statistical and other relevant information, including service, capacity, workforce and efficiency plans, as required by the Director of Finance to enable budgets to be compiled.
- 5.10. All Care Group and corporate management teams should sign up to their allocated budgets, as being deliverable, at the start of each financial year.

Managing and reporting the financial position during the year

- 5.11. The **Director of Finance** shall be responsible overall for the design and delivery of adequate systems of financial budgetary control. These systems will include processes for:
- 5.11.1. identifying the level of earned income;
 - 5.11.2. identifying the target (gross or net) allowable expenditure for each budget area, that will enable each Budget Holder to deliver their annual financial target contribution to the overall Trust target;
 - 5.11.3. updating the forecast income and expenditure during the year to reflect changes in contracted income, service capacity and delivery;
 - 5.11.4. monitoring and reporting financial performance against plans and forecasts; and
 - 5.11.5. delivering monthly financial reports to meet the requirements of the Finance and Performance Committee and the Trust Board, in a form approved by the Board.
- 5.12. All **Executive Directors** shall be responsible for establishing monitoring and reporting systems for workforce, service delivery and quality, service capacity and activity, and efficiency planning to enable Budget Holders to deliver an integrated analysis of their service performance.
- 5.13. **All staff** to whom responsibility is delegated to incur expenditure, or generate income, shall comply with the requirements of those systems.
- 5.14. Designated **Budget Holders** shall be responsible for maintaining expenditure within the limits agreed at the start of the financial year.
- 5.15. Designated **Budget Holders** shall monitor and analyse the financial performance of their service during the year. This shall include assessment of:
- 5.15.1. progress towards delivering the required financial position for the budget area;
 - 5.15.2. the impact of resources used, including workforce, progress of service delivery and achievement of efficiency plans;
 - 5.15.3. trends and projections; and
 - 5.15.4. where relevant, plans and proposals to recover adverse performance.
- 5.16. The **Director of Finance** shall ensure that Budget Holders are provided with advice and support from suitably qualified finance staff, to enable them to perform their budget management role adequately.
- 5.17. The **Director of Finance** shall be required to compile and submit to the Board of Directors such financial estimates and forecasts, on both revenue and capital account, as may be required from time to time.
- 5.18. The **Director of Finance** shall keep the Trust Board informed of:
- 5.18.1. significant in-year variance from the business plan and advise the Board on actions to be taken to address the variance;
 - 5.18.2. financial consequences of changes in Trust policy; and

5.18.3. financial implications of external determinations, such as national pay awards and changes to the pricing of clinical services.

5.19. The **Director of Finance** shall:

5.19.1. ensure that Budget Managers receive adequate training on an on-going basis to help them comply with expectations and manage successfully; and

5.19.2. issue timely, accurate and comprehensible advice and financial reports to each Budget Manager, covering the areas for which they are responsible

5.20. Capital Expenditure - 'the general rules applying to delegation and reporting shall also apply to capital expenditure.

6. Annual accounts, reports and returns

6.1. The **Director of Finance** shall:

6.1.1. prepare financial returns in accordance with the accounting policies and guidance provided by the Department of Health and Social Care and the Treasury, the Trust's accounting policies, and generally accepted accounting practice as determined by the accounting bodies in the UK and applied in the NHS.

6.1.2. prepare and submit annual financial reports to the Department of Health and Social Care, certified in accordance with current guidelines;

6.1.3. submit financial returns to the Department of Health and Social Care for each financial year in accordance with the timetable prescribed by it; and

6.1.4. submit periodic monitoring and financial returns to external organisations, such as NHSEI, in accordance with the timetables set by those organisations.

6.2. The Trust's annual accounts must be audited in accordance with the Local Audit & Accountability Act 2014. The Trust's audited annual accounts shall be presented to a public meeting and made available to the public, within the timescales set by the Department of Health and Social Care.

6.3. The Chief Executive shall publish an annual report, in accordance with guidelines on local accountability, and present it at a public meeting. The document will comply with the current Department of Health and Social Care requirements and guidance.

7. Income, including contracts for the provision of healthcare, fees and charges

7.1. The **Director of Finance** is responsible for:

7.1.1. designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due; and

7.1.2. the prompt banking of all monies received.

Fees and charges for the provision of healthcare

7.2. The **Director of Finance** shall:

7.2.1. follow the up-to-date Department of Health and Social Care guidance and regulations for setting prices for providing NHS services;

- 7.2.2. approve and regularly review the level of all fees and charges other than those determined by the DHSC or by Statute. Independent professional advice on matters of valuation shall be taken as necessary. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered, the guidance in the DHSC Commercial Sponsorship – Ethical Standards in the NHS shall be followed; and
- 7.2.3. take independent professional advice on matters of valuation, as necessary.
- 7.3. The **Director of Finance** shall approve all property and non-clinical equipment leases, property rentals and tenancy agreements.
- 7.4. **All employees** shall inform the Finance Department promptly of money due to the Trust arising from transactions which they initiate, or deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

Debt Recovery

- 7.5. The **Director of Finance** is responsible for the appropriate recovery action on all outstanding debts.
- 7.6. Debt not recovered should be dealt with in accordance with losses procedures and as set out in the Scheme of Delegation.
- 7.7. Overpayments should be detected (or preferably prevented) and recovery initiated.

NHS service agreements for the provision of services

- 7.8. The **Chief Executive** is responsible for ensuring that the Trust enters into commissioning contracts and suitable Service Level Agreements (SLAs) with commissioners for the provision of NHS services , in accordance with NHS guidance and the Trust's business plan. This includes arrangements for recovery of income in relation to providing services for Non-Contractual Activity. The **Director of Finance** shall provide up to date advice on:
 - 7.8.1. standard NHS contractual terms and conditions, issued by the Department of Health and Social Care;
 - 7.8.2. costing and pricing of services;
 - 7.8.3. payment terms and conditions; and
 - 7.8.4. amendments to contracts, SLAs and extra-contractual arrangements.
- 7.9. The **Chief Executive** as the accountable officer is responsible for ensuring the Trust enters into suitable contracts with service commissioners for the provision of NHS services. All contracts should aim to implements the agreed priorities contained within the Trust Business Plan and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:
 - 7.9.1. The standards of service quality expected
 - 7.9.2. The relevant national service framework (if any)

- 7.9.3. NHS Standard Contract
 - 7.9.4. The provision of reliable information on cost and volume of services
 - 7.9.5. The NHS Service and Financial Framework
 - 7.9.6. The NHS National Performance Assessment Framework
 - 7.9.7. That contracts build where appropriate on existing partnership arrangements
 - 7.9.8. That contracts are based on integrated care pathways and
 - 7.9.9. The NHS Constitution which has the force of law.
- 7.10. The **Chief Executive**, as the Accountable Officer, will need to ensure that regular reports are provided to the Board detailing actual and forecast contractual income. This will be supplemented by reports on profitability of individual services based on the costing activity in line with latest guidance.
- 7.11. The **Director of Finance** shall ensure that SLAs and other contractual and extra-contractual arrangements:
- 7.11.1. are devised so as to limit the risk to the Trust, whilst enabling opportunities to generate income; and
 - 7.11.2. are financially robust, and that any contractual arrangements are approved by the Director of Finance and reported to the Trust Board.
- 7.12. The **Director of Finance** is responsible for ensuring that systems and processes are in place to record patient activity, raise invoices and collect monies due under the agreements for the provision of healthcare services.
- 7.13. The **Director of Finance** shall produce regular reports to the Trust Board or its Committees detailing the Trust's forecast financial performance.
- 7.14. **Budget Holders** with responsibilities for managing delivery against service agreements must ensure they understand and use the contract monitoring information for the financial management of their service areas.

[Research and development](#)

- 7.15. All applications for research funding shall be considered by the **Research and Development Senior Management Team**. The team shall recommend approval of applications to the Director of Finance. This applies to applications to NHS institutions such as grant requests to the National Institute for Health Research, and non-NHS organisations, including commercial sponsorship, charitable bodies and research councils.

[Sponsorship and concession agreements](#)

- 7.16. The **Company Secretary** or a nominated deputy shall maintain a record of sponsorship received by the Trust.
- 7.17. Sponsorship arrangements may be entered into subject to the limits set out in the Scheme of Delegated Authorities. Where sponsorship income (including items in

kind such as clinical goods or loans of equipment) is considered, the Department of Health and Social Care guidance on managing conflicts of interest and sponsorship.

- 7.18. The **Director of Estates** shall review and propose plans for all concession agreements proposed for the Trust, including arrangements that do not incur an immediate direct cost for the Trust, but can expose it indirectly to significant liability. The **Director of Finance** shall authorise all concession agreements entered into by the Trust.

8. Procurement, tendering and contracting procedure

- 8.1. The Trust may enter into contracts within the statutory powers delegated to it. The procedure for setting contracts shall comply with those powers and these SFIs. Delegated powers of authorisation are granted to Trust officers according to the Scheme of Delegated Authorities.

Government directives regarding public procurement

- 8.2. The Trust shall comply with all Government directives regarding public sector purchasing and the procedures set out for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders and Standing Financial Instructions.
- 8.3. Contracts above specified thresholds for supply and service contracts (awarded by central government bodies subject to the World Trade Organisation Government Procurement Agreement) shall be advertised and awarded in accordance with Government directives and government legislation. Works contracts above separate specified thresholds shall also be awarded in accordance with Government directives and government legislation.
- 8.4. The Trust shall comply as far as is practicable with all guidance and advice issued by the Department of Health and Social Care and NHS Improvement in respect of procurement, capital investment, estate and property transactions and management consultancy contracts.

Competitive tendering and quotations

- 8.5. The **Director of Finance** shall advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise), or formal tenders must be obtained. Once approved, the thresholds shall be incorporated in Standing Orders through the Scheme of Delegated Authorities and shall be reviewed regularly.
- 8.6. The thresholds are currently set and described as follows:
- 8.6.1. Up to £10,000 including VAT: Best value assured
 - 8.6.2. £10,001 - £50,000 including VAT: Minimum 3 quotations
 - 8.6.3. £50,001 including VAT – Public Contracts Regulations (PCR) Limit:
Minimum 3 tenders

- 8.7. The **Trust Board** shall ensure that, wherever possible, competitive tenders or quotations are invited, in line with the thresholds set out in the Scheme of Delegated Authorities, for:
- 8.7.1. the supply of goods, materials and manufactured articles;
 - 8.7.2. services, including management consultancy services from non-NHS organisations; and
 - 8.7.3. design, construction and maintenance of building and engineering works, including construction and maintenance of grounds and gardens.
- 8.8. The Trust Board shall allow for exceptions to the requirement for formal tendering procedures where:
- 8.8.1. the estimated contract value is not reasonably expected to exceed £10,000 over the anticipated term of the contract and best value can be obtained through normal procurement routes.
 - 8.8.2. the estimated contract value is between £10,000 and £50,000 over the anticipated term of the contract and will be determined through formal quotations.
 - 8.8.3. the supply is proposed under special arrangements negotiated by the Department of Health and Social Care (DHSC), in which event the special arrangements must be complied with.
- 8.9. The Trust Board shall allow for the requirement for formal tendering procedures to be waived where:
- 8.9.1. the supply requirement is covered by an existing contract.
 - 8.9.2. where the supply is property rent, business and domestic rates and utilities
 - 8.9.3. NHS or Government procurement agreements are in place and their use is in accordance with the Trust's Procurement Policy.
 - 8.9.4. a consortium arrangement is in place and a member organisation has been appointed to carry out tendering activity on behalf of the consortium members.
- 8.10. The Trust Board shall allow for the requirement for formal tendering procedures to be waived, and these instances will be reported to the Audit & Risk Assurance Committee with appropriate evidence, where:
- 8.10.1. the Chief Executive or Director of Finance decides that formal tendering procedures would not be practicable;
 - 8.10.2. available timescales genuinely mean that competitive tendering is not a realistic option. Failure to plan the work properly should not be regarded as a justification for waiving tendering procedures;
 - 8.10.3. specialist expertise, goods or services are is-required and is available from only one source;
 - 8.10.4. the task is essential to complete a project and arises as a consequence of an existing or recently completed assignment, and engaging different suppliers for the new task would be counter-productive;

- 8.10.5. there is a clear benefit to be gained from maintaining continuity with an earlier supply. In such cases, the benefits of such continuity must outweigh any potential advantage to be gained from competitive tendering; and
- 8.10.6. where an evidenced bargain situation exists (a short-term offer of a genuinely low price) and a failure to act would lead to a foreseeable fundamental loss to the Trust.
- 8.11. The Trust Board shall give delegated authority, within limits specified in the Scheme of Delegated Authorities, to the Chief Executive to agree contracts and framework arrangements for the provision of legal advice and services, through a suitable competitive tendering process. The legal service provider commissioned by the Trust must be 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 be generally recognised as having sufficient expertise in the area of work for which they are commissioned.
- 8.12. The **Chief Executive** shall provide formal approval, which may be retrospective where time constraints apply, in each instance where competitive tendering requirements are waived. These instances will be recorded by the Chief Procurement Officer and reported to each meeting of the Audit & Risk Assurance Committee.
- 8.13. The **Director of Finance** shall ensure that:
- 8.13.1. any fees paid to an organisation to administer the competitive tendering exercise are reasonable and within commonly accepted rates for such work;
- 8.13.2. waivers to competitive tendering procedures are not used to avoid competition, for administrative convenience, or to award further work to a supplier originally appointed through a competitive procedure; and
- 8.13.3. contracts that were initially expected to be below the value limits set in this SFI and for which formal tendering procedures were not used, which subsequently prove to have a value above such limits, shall be reported to the Audit & Risk Assurance Committee and be recorded in an appropriate Trust record.
- 8.14. The Estates Department will refer to the Department of Health and Social Care's procurement "Best Practice", issued from time to time e.g., using Procure "22, 2020 or future designations" and other competent contractors, who are assessed.
- 8.15. All suppliers invited to submit quotations or tenders shall be informed that they are expected to comply with: the Human Rights Act, 1998; the Equality Act, 2010; the Health and Safety at Work Act, 1974; procurement sustainability, fair and equitable trade policy and all other legislation concerning employment and the health, safety and welfare of workers and other persons.
- 8.16. The **Director of Finance** shall, through the Trust's Procurement Department, ensure that:
- 8.16.1. invitations to tender are sent to a sufficient number of suppliers to promote fair and adequate competition as appropriate. Unless specifically approved, no fewer than three suppliers shall be invited to tender, having regard to

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

- 8.16.2. the suppliers invited to tender, or provide a quote, are deemed suitable by the Procurement Department, after taking advice as required. Procurement exercises are conducted either through a mini competition against a Framework Agreement or direct procurement, both of which ensure that the suppliers are fully assessed.
- 8.16.3. the tender process and rules are in accordance with up to date and relevant specialist guidance, which is recognised or recommended by the Department of Health and Social Care.

Tendering procedure

- 8.17. The **Director of Finance** shall ensure that procedural guidance from the Procurement is kept up to date. The guidance will include the rules, requirements and records to be maintained for each key stage of the tendering process. Separate procedural guidance and rules shall be maintained for:
 - 8.17.1. contracts awarded through the Procurement Department's electronic tendering assessment and award system, which will be subject to the controls built into the system regarding the receipt and safe keeping of tenders and records; and
 - 8.17.2. contracts awarded through more traditional, paper-based processes, whether managed by the Procurement Department, or by staff within the Trust.
- 8.18. These procedures shall include, but not be limited to, requirements for:
 - 8.18.1. recording of issue of invitations to tender;
 - 8.18.2. submission, safe-keeping and recording of receipt of tenders;
 - 8.18.3. process and recording of opening tenders;
 - 8.18.4. initial assessment of tenders (completeness, accuracy, compliance with prescribed format etc);
 - 8.18.5. admissibility of tenders, including treatment of tenders received after the deadline but prior to other bids being "opened"; and
 - 8.18.6. reasons behind decision to award the contract.

Reverse eAuctions

- 8.19. The Trust should have policies and procedures in place for the control of all tendering activity carried out through Reverse eAuctions.

Quotations: competitive and non-competitive

- 8.20. The **Trust Board** shall approve the value range whereby formal tendering procedures are not adopted, but quotations will be required. This range is currently for intended expenditure that is reasonably expected to exceed £10,000 but not exceed £50,000.

- 8.21. The **Director of Finance** shall determine the procedures to be followed in respect of competitive and non-competitive quotations. These will include:
- 8.21.1. types of service or supply to be sought through quotations;
 - 8.21.2. minimum number of competitive quotes to seek, currently set at three;
 - 8.21.3. requirement for written quotations;
 - 8.21.4. retention of records;
 - 8.21.5. treating all records of the process as confidential; and
 - 8.21.6. recording the decision to go to contract.

Temporary suspension of procedures in exceptional circumstances

- 8.22. The **Trust Board** shall allow the SFIs to be suspended temporarily or temporarily modified in exceptional circumstances, where the circumstance is:
- 8.22.1. Under national guidance;
 - 8.22.2. a specific trust-wide issue agreed by the Board;
 - 8.22.3. of sufficient scale that failure to act quickly and decisively would put the Trust at significant financial and reputational risk;
 - 8.22.4. unforeseen and rapidly developing; and
 - 8.22.5. such that following normal procedures would hinder the recovery of the situation.
- 8.23. The **Director of Finance** shall report the suspension of the SFIs to the Trust Board.

9. Contracts and purchasing

- 9.1. The **Trust Board** shall only enter into contracts on behalf of the Trust that are within the statutory powers delegated to it by the Secretary of State and shall comply with:
- 9.1.1. the Trust's Standing Orders and Standing Financial Instructions;
 - 9.1.2. Government Directives and other statutory provisions;
 - 9.1.3. any relevant directions issued or recognised by the Department of Health and Social Care; and
 - 9.1.4. such NHS standard contract conditions as are applicable, including those designed for use with NHS Trusts and NHS Foundation Trusts
 - 9.1.5. NHS guidance in relation to capital investment, estates requirements and the use of management of consultants.
- 9.2. In all contracts made by the Trust, the Trust Board shall:
- 9.2.1. seek to obtain best value for money; and
 - 9.2.2. for contracts subjected to tendering, or quotation, ensure that the contracts contain the same terms and conditions of contract as was the basis on which tenders or quotations were invited.
- 9.3. The **Chief Executive** and **Executive Directors** shall nominate managers to oversee and manage each contract on behalf of the Trust.

- 9.4. The **Chief Executive** and **Executive Directors** shall nominate officers with delegated authority to enter into contracts of employment regarding staff, agency staff or temporary staff service contracts.
- 9.5. The Procurement Department shall maintain a record of the details of all requisitions and orders placed via the electronic procurement system. Budget Holders are responsible for ensuring that no requisition or order shall be placed for items for which there is no provision in an authorised budget.
- 9.6. The Trust expectation is that, where possible, any procurement is accompanied by a Royal Cornwall Hospitals NHS Trust purchase order number.

Longer term commitments

- 9.7. All contracts, leases, tenancy agreements and other commitments which might result in a long-term liability must be notified to and authorised by individuals in accordance with the limits set out in the Scheme of Delegation, in advance of any commitment being made.

Healthcare Service Agreements

- 9.8. The **Director of Finance** shall ensure that NHS contracts or Non-Contractual activity arrangements agreed with other NHS trusts, for provision of services to the Trust, are agreed in accordance with the current guidance set out by the Department of Health and Social Care.

In-house services

- 9.9. The **Trust Board** shall determine which in-house services should be market tested by competitive tendering and the frequency with which this should be done. In instances where competitive tendering is required, the Board shall nominate suitably qualified staff to administer the process and ensure that Government procurement and competition laws, legislation and Department of Health and Social Care guidance are applied correctly, including:
 - 9.9.1. setting clearly defined specifications for the service;
 - 9.9.2. clear separation between the in-house service provider tender team and the Trust's commissioning team; and
 - 9.9.3. an independent evaluation process.
- 9.10. The **Chief Executive** shall ensure that best value for money can be demonstrated for all services provided on an in-house basis and shall nominate officers to oversee and manage the contract on behalf of the Trust, separate from those that are providing the service.

10. Non-pay expenditure

- 10.1. Requisitions and orders are subject to the delegations and limits set out in these Standing Financial Instructions (SFI 8 and SFI 9).
- 10.2. The **Director of Finance** shall:

- 10.2.1. maintain the list of managers who are authorised to place requisitions and orders for the supply of goods and services;
 - 10.2.2. set the maximum value of each requisition or order and the system for authorisation above that level; and
 - 10.2.3. set out procedures for seeking professional advice regarding the supply of goods and services.
- 10.3. These delegation limits are maintained in the Scheme of Delegation.

Requisitioning and ordering goods and services

- 10.4. The **Director of Finance** shall maintain adequate systems and procedures for the ordering (including requisitions) of goods and services. These shall include:
- 10.4.1. procedural instructions and guidance on the obtaining of goods, works and services incorporating the thresholds identified in the Scheme of Delegation;
 - 10.4.2. recognition of the Trust's approved supply arrangements, including, but not limited to the following:
 - recognised Trust wide procurement systems, which incorporate automatic system controls to ensure adherence to approval and authorisation requirements;
 - other recognised controlled ordering systems for specific service areas (Pharmacy, Estates, Catering, Disablement Services); and
 - framework agreements made by the Trust or by the Procurement Department, including approved suppliers of temporary, locum and interim staff placements and contractual arrangements for on-going ad-hoc support from chosen service suppliers (e.g., emergency maintenance and repair services for medical equipment); and
 - 10.4.3. requirements for goods and services purchased through other, non-approved arrangements.
- 10.5. **Employees** responsible for placing requisitions and orders; and **Managers** responsible for authorising the orders shall ensure that:
- 10.5.1. approval is obtained in advance from the Director of Finance for any contractual arrangement that may involve taking on an ongoing obligation, or legal responsibility;
 - 10.5.2. sufficient budget exists to pay for the item ordered, or if insufficient budget is available the Director of Finance has authorised the purchase;
 - 10.5.3. spoken, including telephone, orders are only made in exceptional circumstances and are approved, in writing, by an employee with authority delegated from the Chief Executive to approve them. Such orders are to be confirmed with an official "confirmation order" as soon as possible thereafter;
 - 10.5.4. orders are not split or otherwise manipulated to circumvent authorisation and delegation limits; and

10.5.5. goods and equipment are not accepted on trial or on loan where there is an associated risk or commitment to current or future expenditure, unless specifically approved by the Director of Finance.

10.6. Employees shall use the Trust's approved procurement processes.

Ordering and purchasing using non-approved supply arrangements

10.7. The **Director of Finance**, or their nominated deputy, shall maintain adequate systems and controls, and procedural rules for commitments and purchases made outside of the Trust's approved supply arrangements.

10.8. **Employees** should seek to minimise the use of non-approved supply arrangements. Where this is unavoidable, they should ensure that any expenditure incurred through non-approved supply arrangements delivers value for money and is controlled so that there are no additional or consequential financial risks to the Trust.

Receipt of goods and services and system of payment and payment verification

10.9. 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 with national guidance (such as the Better Payments Practice Code).

10.10. The Director of Finance shall:

10.10.1. ensure the prompt payment of all properly authorised accounts and claims;

10.10.2. maintain an adequate system of verification, recording and payment of all amounts payable, including relevant thresholds. The system will include:

- a record of Trust employees authorised to raise requisitions and certify invoices, including specimens of their signatures and/or facilities for secure electronic certification;
- certification that:
 - goods have been duly received, examined, are in accordance with specification and the prices are correct;
 - work done or services rendered have been satisfactorily completed in accordance with the order and, where applicable, the materials used are of the requisite standard and the charges are correct;
 - contractual measurement units, such as time, materials or expenses are accurate, meet contractual requirements, are supported by appropriate confirmation and are charged at the agreed rates;
 - where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
 - the account is arithmetically correct; and
 - the account is in order for payment;

10.10.3. identify procedures to follow for the early submission of accounts subject to cash discounts or otherwise requiring early payment; and

10.10.4. maintain instructions to employees regarding the handling and payment of accounts within the Finance Department.

Prepayments and payments on account

10.11. The **Director of Finance** shall specify the circumstances under which goods and services can be paid in advance of receipt, through the use of prepayments. These circumstances will include instances where one or more of the following apply:

10.11.1. Under national guidance from regulators;

10.11.2. the Director of Finance has approved that the pre-payment, in part or in full, is specified in the agreed contractual arrangement;

10.11.3. the proposed arrangement is compliant with Government public procurement rules, where the contract is above a stipulated financial threshold;

10.11.4. the financial advantages are shown to outweigh the disadvantages and risks; and

10.11.5. it is customary for the payment in advance for a service that is provided for a specific period of time (e.g., rentals, service and maintenance contracts, insurance, utilities standing charges).

10.12. The **Budget Holder** shall confirm that the goods and services due under a prepayment arrangement are received satisfactorily and in accordance with the contractual arrangements.

Payments to contractors by instalments

10.13. The **Director of Finance** shall identify adequate procedures to address interim payments made on account in contracts for building and engineering works. These will include arrangements for receipt of independent and appropriate certificates and confirmations of work completed to the required standards.

10.14. Final payment certificates shall only be issued after the Trust's nominated contract manager has certified the accuracy and completeness of the value of the final account submitted by the contractor and has confirmed that the procedure set out in the contract terms has been followed properly.

10.15. Overruns to contracts shall be reported in accordance with the Scheme of Delegation.

Variations and extensions to contracts

10.16. Contracts may be designed to allow for variations to the sum agreed or the goods and services to be delivered. These variations shall be clearly identified and subject to specific limits and shall be approved as part of the contract process. Further or new variations shall be subject to the authorisation process in place for new contracts. Variations shall be authorised in advance of commencement.

10.17. Where variations are needed in an emergency, approval should be sought from a relevant authorising officer; and shall be confirmed and authorised using the relevant contract procedure on the next working day.

10.18. Extensions to contracts shall be confirmed in writing and authorised in accordance with the Scheme of Delegation. Contract extensions should not exceed the

maximum term permitted under the terms of the contract defined when the contract was let.

Joint finance arrangements with local authorities and voluntary bodies

10.19. Payments to local authorities and voluntary organisations shall comply with procedures laid down by the Director of Finance which shall be in accordance with current legislation.

11. Terms of service and payment of members of the Trust Board and employees Board members, Directors and specified very senior managers

11.1. The **Trust Board** shall be accountable for taking decisions on the remuneration and terms of service of Directors and very senior managers not subject to Agenda for Change terms and conditions. The Board shall establish a Remuneration Committee responsible for determining the remuneration and appointment of Directors and senior staff in accordance with Standing Orders.

11.2. The **Remuneration Committee** shall:

11.2.1. advise the Board about appropriate remuneration and terms of service for the Chief Executive, other Directors and any staff remunerated outside of the Agenda For Change arrangements (as described in the terms of reference of the Committee) employed by the Trust, including:

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

11.2.2. advise the Board on the remuneration and terms of service of Directors and any staff remunerated outside of the Agenda for Change or Medical & Dental arrangements to ensure they are fairly rewarded for their contribution to the Trust, whilst having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate;

11.2.3. monitor and evaluate the performance of Directors and very senior employees;

11.2.4. 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; and

11.2.5. ensure that NHSEI guidance on terms and conditions of very senior managers are applied in relation to remuneration and as advised by the Director of People and OD.

- 11.3. The Trust shall pay allowances to the Chair and Non-Executive Directors of the Board in accordance with instructions issued by the NHSEI.

Other employees

- 11.4. The Trust Board shall consider and approve proposals presented by the **Chief Executive** for the setting of remuneration and conditions of service for those employees outside of Agenda for Change or Medical & Dental arrangements not covered by the Remuneration Committee.

Funded establishment and staff appointments

- 11.5. The staff establishment plans incorporated within the annual plans approved by the Trust Board shall be regarded as the funded establishment. The funded establishment of any department should reflect the Trust's approved workforce plans, which form part of the Trust's annual plan submitted to NHSEI.
- 11.6. The funded establishment of any department may only be varied if existing resources are available and that available funding is confirmed by the Director of Finance. Where no funding exists then the funded establishment may not be varied without the approval of the Chief Executive.
- 11.7. The **Director of People and Organisational Development** shall ensure adherence to the Agenda for Change or Medical & Dental rules and approved policies and procedures and terms and conditions for employees paid on alternative contractual arrangements, including the consultant contract. These procedures shall address:
- 11.7.1. setting starting pay rates and conditions of service for employees;
 - 11.7.2. approving plans to engage or re-engage employees, either on a permanent or temporary nature, or to hire agency staff;
 - 11.7.3. agreeing to changes in any aspect of remuneration, including re-grading, within the Agenda for Change or Medical & Dental allowed rules; and
 - 11.7.4. ensuring that all employees are issued with a contract of employment in a form which complies with employment legislation.
- 11.8. The **Budget Holder** shall ensure that the cost of the appointment, or change in conditions, can be met within the limit of their approved budget and funded establishment.

Processing payroll

- 11.9. The **Director of People and Organisational Development** shall maintain procedural instructions for delivery of the Trust's payroll function. These procedures shall be compliant with employment legislation, the General Data Protection Regulation (GDPR) and HM Revenues and Customs regulations.
- 11.10. The **Director of People and Organisational Development**, in association with the **Director of Finance**, shall ensure that the arrangements for providing the payroll service are 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.

- 11.11. Under the delegated authority of the **Director of People and Organisational Development**, the **Head of Payroll** shall:
- 11.11.1. specify timetables for submission of properly authorised time records and other notifications;
 - 11.11.2. agree the final determination of pay and allowances;
 - 11.11.3. arrange to make payment on agreed dates; and
 - 11.11.4. agree allowed methods of payment.
- 11.12. **Nominated Managers** shall ensure that the electronic staff record, including the approved staff establishment, is kept up to date. **Nominated Managers** shall ensure that all staff keep their records complete, including requirements to:
- 11.12.1. submit time records and other notifications in accordance with agreed timetables;
 - 11.12.2. complete time records and other notifications in accordance with the **Director of People and Organisational Development's** instructions; and
 - 11.12.3. submit forms notifying change in circumstances and termination of employment in the prescribed form, as soon as such changes are reported to them.
- 11.13. 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.

[Travel and subsistence expenses](#)

- 11.13. Reimbursement of expenses incurred by Trust staff shall be made by the payroll service in accordance with the Trust's relevant current policy and procedures, subject to verification and authorisation of the claim by an officer with delegated authorisation for this purpose.

[Use of self-employed management consultants and contractors](#)

- 11.14. The **Director of People and Organisational Development** shall establish procedures to ensure that the Trust's interests are protected in the contractual arrangements entered into with self-employed consultants and contractors. These procedures shall:
- 11.14.1. ensure that the contractual arrangements do not contravene HM Revenue and Customs' requirements regarding the avoidance of tax and national insurance contributions through the use of intermediaries, such as service companies or partnerships, known as Intermediaries Legislation or "IR 35";

11.14.2.that NHSEI guidance on the use and approval of consultancy engagements is followed; and

11.14.3.ensure that timely and appropriate monitoring is in place to identify length of contractual undertaking in accordance with national guidance.

11.15. All Trust officers responsible for procuring services from self-employed individuals shall ensure that they comply with the procedures established and any other relevant guidance or rules imposed on the Trust by its regulatory body.

12. Insurance, including risk pooling schemes administered by NHS Resolution

12.1. The **Trust Board** shall determine the Trust's arrangements for insurance cover, including the option to insure through the risk pooling schemes administered by NHS Resolution or to self-insure for some or all of the risks covered by the risk pooling schemes.

12.2. If the Trust Board decides not to use the risk pooling schemes for any of the risk areas (clinical, property and employers and third-party liability), this decision shall be reviewed annually.

12.3. The **Director of Finance** shall ensure that:

12.3.1. documented procedures cover the Trust's insurance arrangements, including for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed;

12.3.2. the arrangements entered into are appropriate and complementary to the risk management programme; and

12.3.3. the Trust Board is informed of the nature and extent of the risks that are self-insured, in the event that the Board decides not to use the risk pooling schemes administered by NHS Resolution for one or other of the risks covered by the schemes.

12.4. The **Director of Finance** shall determine the level of insurance cover to be held by the Trust in the three discrete areas where the Trust can use commercial insurers. These are:

12.4.1. insuring motor vehicles owned by the Trust, including insuring third party liability arising from their use;

12.4.2. where the Trust is involved with a consortium in a PFI contract and the other consortium members require that commercial insurance arrangements are entered into; and

12.4.3. where income generation activities take place, which are not covered by the NHS Resolution risk pool.

13. Capital investment, private financing, fixed asset registers and security of assets

- 13.1. The **Director of Finance** is responsible for compiling and submitting for Board approval an annual capital programme set within national planning guidance, which is affordable within available resources over the lifetime of the investment.
- 13.2. The **Director of Finance** shall report to the Board the progress of delivery of the capital programme, against plan, during the year.
- 13.3. The **Chief Executive** shall ensure that:
 - 13.3.1. there is an adequate appraisal and approval process in place for determining capital expenditure priorities and supporting systems to identify and assess the financial effect of each proposal on business plans;
 - 13.3.2. all stages of capital schemes are managed and controlled adequately, and schemes are delivered on time and to cost;
 - 13.3.3. capital investment is risk assessed against the declared commissioning strategic plans of significant commissioning organisations and is consistent with the Trust's strategic plans; and
 - 13.3.4. capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences, including capital charges.
- 13.4. For every capital expenditure scheme with either initial costs over £500,000 or lifetime capital cost over £500,000 if leased, the **Chief Executive** shall ensure that a business case is produced in accordance with the Trust's approved procedures and is considered by the **Finance and Performance Committee**. The business case shall set out, as a minimum:
 - 13.4.1. an option appraisal of potential benefits compared with known costs, to determine the option with the highest ratio of benefits to costs;
 - 13.4.2. the involvement of appropriate Trust personnel and external agencies; and
 - 13.4.3. appropriate project management and control arrangements.
- 13.5. The approval of a capital programme shall not constitute approval for expenditure on any scheme.
- 13.6. The **Director of Finance** shall:
 - 13.6.1. review the cost and revenue analysis, including revenue consequences included in the business case; and
 - 13.6.2. ensure that, in higher cost or higher risk investments, advice has been sought from NHSEI and appropriate risk evaluation has been completed.
- 13.7. For approved capital schemes, the **Director of Finance** shall:
 - 13.7.1. issue procedures governing the financial management of capital investment projects, including variations to contract, and valuation for accounting purposes;
 - 13.7.2. agree arrangements for managing stage payments; and

- 13.7.3. maintain procedures for monitoring and reporting on the progress of delivery of contracts, comparing capital expenditure and commitments against plans and against the Trust's capital programme.
- 13.8. The Trust's **Director of Finance** should review the requirement for the operation of the construction industry tax deduction scheme in accordance with HM Revenue and Customs guidance.
- 13.9. Authorisations issued to the manager(s) responsible for any scheme shall be made in accordance with the value limits set out in the Scheme of Delegated Authorities and cover:
- 13.9.1. specific authority to commit expenditure;
 - 13.9.2. authority to proceed to tender; and
 - 13.9.3. approval to accept a successful tender.
- 13.10. The Trust's **Director of Finance** should review **the substance of transactions to ensure that leases are appropriately accounted for in accordance with relevant accounting guidance.**

Property, plant and equipment registers

- 13.11. The **Director of Finance** ~~Chief Executive~~ shall maintain registers of property, plant and equipment and shall maintain procedures for keeping the registers up to date, including provision for arranging for physical confirmation of the existence of property, plant and equipment against the asset register to be conducted once a year.
- 13.12. The **Director of Finance** shall maintain procedures for verifying additions and amendments to the property, plant and equipment recorded in the asset register. These procedures and records will include:
- 13.12.1. additions to the fixed asset register, clearly identified to an appropriate Budget Manager;
 - 13.12.2. properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence, in respect of purchases from third parties;
 - 13.12.3. records of costs incurred within the Trust on stores, requisitions and labour, including appropriate overheads; and
 - 13.12.4. lease agreements.
- 13.13. The **Director of Finance** shall maintain procedures for controlling the disposal of assets and updating asset registers and financial records to reflect the event. These procedures will include the requirement for the authorisation and validation of the de-commissioning and disposal of the asset.
- 13.14. The **Director of Finance** shall approve procedures for:
- 13.14.1. applying depreciation charges and indexation valuation adjustments to assets, using methods and rates as specified in the Group Accounting Manual issued by DHSC; and

13.14.2.reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

Security of property, plant and equipment

- 13.15. The **Director of Finance** shall maintain procedures for controlling the security of property, plant and equipment, including non-current assets, cash, cheques and negotiable instruments. The procedures will include:
- 13.15.1.recording managerial responsibility for each asset;
 - 13.15.2.identification of additions and disposals;
 - 13.15.3.identification of all repairs and maintenance expenses;
 - 13.15.4.physical security of assets;
 - 13.15.5.periodic verification of the existence of, condition of, and title to, assets recorded;
 - 13.15.6.identification and reporting of all costs associated with the retention of an asset; and
 - 13.15.7.reporting, recording and safekeeping of cash, cheques, and negotiable instruments.
- 13.16. **All employees** are responsible for the security of Trust property and for following such routine security practices in relation to NHS property as may be determined by the Board. Any breach of agreed security practices, or damage and losses to Trust property, shall be reported in accordance with agreed procedures. The Board and senior employees are responsible for applying routine security practices.
- 13.17. Where practical, assets should be marked as Royal Cornwall Hospitals NHS Trust's property.

Disposals and condemnations

- 13.18. The **Director of Finance** shall prepare procedures for the disposal of assets, including condemnations, and ensure that these are notified to managers. The procedures will include arrangements to be followed for:
- 13.18.1.condemning and disposing of unserviceable and redundant property, plant and equipment;
 - 13.18.2.maintaining records of assets disposed of, including confirmation of destruction of condemned property, plant and equipment assets;
 - 13.18.3.specific processes to be followed in instances where assets are passed on for future use to another organisation; and
 - 13.18.4.the sale of property, plant and equipment, including through competitive bids and negotiated bids, and sales linked to larger contracts for work, such as assets arising from works of construction, demolition or site clearance.
- 13.19. The **Manager** responsible for the proposal to dispose of property, plant and equipment shall advise the **Director of Finance** of the estimated market value of

the property, plant and equipment, taking account of professional advice where appropriate.

14. Bank accounts and Government Banking Service accounts

14.1. The Trust Board shall:

- 14.1.1. approve the banking arrangements for the Trust;
- 14.1.2. following NHS guidance on banking arrangements; and
- 14.1.3. approve separate banking arrangements for the Trust's charitable funds, as the Corporate Trustee.

14.2. The Director of Finance is responsible for managing the Trust's banking arrangements and advising the Trust on the provision of banking services and operation of bank accounts. This advice will take into account guidance and Directions issued by the Department of Health and Social Care.

14.3. The Director of Finance shall:

- 14.3.1. establish and maintain necessary commercial bank accounts and Government Banking Service (GBS) accounts;
- 14.3.2. establish separate bank accounts for non-exchequer funds, including charitable funds;
- 14.3.3. advise the Trust's bankers, formally in writing, of the conditions under which each account will be operated (the bank mandate);
- 14.3.4. seek to limit the use of commercial bank accounts and the value of cash balances held within them;
- 14.3.5. conduct the Trust's main banking services and financial transactions using accounts provided by the GBS; and
- 14.3.6. report to the Board on all arrangements made with the Trust's bankers for accounts to be overdrawn.

14.4. Only the Director of Finance, or their nominated representative, is authorised to open, operate and control a bank account, where monies owned by the Trust, including charitable funds, are received or expended. All such accounts must be held in the name of the Trust. It is a disciplinary offence for any other officer of the Trust to establish and operate such an account.

14.5. The Director of Finance shall:

- 14.5.1. ensure that payments made from bank accounts or GBS accounts do not exceed the amount credited to the account; and
- 14.5.2. monitor compliance with DHSC guidance on the level of cleared funds.

Banking procedures

14.6. The Director of Finance shall prepare detailed instructions on the operation of bank accounts and GBS accounts which shall include:

- 14.6.1. the conditions under which each bank account and GBS account is to be operated;
- 14.6.2. details of those authorised to sign cheques or other orders drawn on the Trust's accounts; and
- 14.6.3. details of limits to delegated authority, including the number of authorised signatories required and arrangements for authorising alternative mechanisms for 'signing' cheques and orders.

[Tendering and review](#)

- 14.7. The **Director of Finance** shall review the banking arrangements of the Trust at regular intervals to ensure they continue to reflect best practice and represent best value for money.
- 14.8. Competitive tenders should be sought at least every five years and the Director of Finance shall report to the Trust Board the reason(s) for continuing existing banking arrangements for longer than five years, without competitive review.
- 14.9. The Director of Finance shall report the results of any tendering exercise to the Board. This review is not necessary for GBS accounts.

[Trust credit cards](#)

- 14.10. The **Director of Finance** shall approve the allocation and operation of credit cards on behalf of the Trust, implement arrangements to monitor whether the credit cards are being used appropriately and take action where inappropriate use is identified.

[Security of cash, cheques and other negotiable instruments](#)

- 14.11. The **Director of Finance** shall:
 - 14.11.1. approve the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
 - 14.11.2. maintain adequate systems for ordering and securely controlling any such stationery;
 - 14.11.3. provide adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes and procedure notes for the safe storage of keys and for coin operated machines; and
 - 14.11.4. prescribe systems and procedures for handling cash and negotiable securities on behalf of the Trust.
- 14.12. The Trust's money shall not under any circumstances be used for the encashment of private cheques.
- 14.13. 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.

14.14. 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 organisations or individuals absolving the Trust from responsibility for any loss. The exception to this will be at the discretion of the Director of Finance, for the three Leagues of Friends linked to the Trust.

15. Investments

- 15.1. Temporary cash surpluses must be held only in such public or private sector investments as notified by the Secretary of State and authorised by the Board. The current rules require that surplus funds are held in the Trust's GBS accounts.
- 15.2. The **Director of Finance** is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of any investments held.
- 15.3. The **Director of Finance** will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.
- 15.4. The **Director of Finance** shall advise the Charitable Funds Committee on investments made with endowment funds held.

16. Management of debtors

- 16.1. The **Director of Finance** shall:
 - 16.1.1. maintain effective processes for the appropriate recovery action on all outstanding debts;
 - 16.1.2. deal with instances of income not received, in accordance with losses procedures; and
 - 16.1.3. maintain effective processes to prevent or detect overpayments and initiate recovery when this occurs.

17. Stores and receipt of goods

- 17.1. The **Director of Finance** shall determine procedures for the management of stocks of resources, defined in terms of controlled stores and departmental stores. These will address the procedures and systems to regulate the stores, including records for receipt of goods, issues, returns to stores and losses, and include the principles that stocks are:
 - 17.1.1. managed so that best value for money can be achieved whilst maintaining minimum safe stock levels;
 - 17.1.2. subjected to an annual stock take as a minimum, where rolling stock checks are not in place; and
 - 17.1.3. valued at the lower of cost and net realisable value.

17.2. The **Director of Finance** shall:

- 17.2.1. delegate responsibility for the management of stores to relevant, suitably qualified departmental managers;
- 17.2.2. (taking expert advice where necessary) define the security arrangements and the custody of keys for any stores and locations in writing. Wherever practicable, stocks should be marked as health service property;
- 17.2.3. approve alternative arrangements for the management of stores where a complete system of stores control is not justified; and
- 17.2.4. identify those authorised to requisition and accept goods supplied.

17.3. The **Inventory Manager** shall:

- 17.3.1. maintain stocks in line with clearly defined local procedures that are consistent with the overall requirements set out by the Trust;
- 17.3.2. implement periodic review of slow moving and obsolete items, and condemnation, disposal and replacement of all unserviceable articles; and
- 17.3.3. report to the Director of Finance any evidence of significant overstocking and any negligence or malpractice in the management and use of stocks.

18. External borrowing and Public Dividend Capital

18.1. The **Director of Finance** shall advise the Board on the Trust's ability to pay dividend on, and repay, Public Dividend Capital (PDC) and any proposed new borrowing, within the limits set by the Department of Health and Social Care. The Director of Finance shall also provide periodic reports to the Board concerning the PDC debt and all loans and overdrafts.

18.2. The **Trust Board** shall agree the list of employees authorised to make short term borrowings on behalf of the Trust. This shall include the Chief Executive and the Director of Finance.

18.3. The **Director of Finance** shall prepare detailed procedural instructions concerning applications for loans and overdrafts and shall ensure that:

- 18.3.1. all short-term borrowings are kept to the minimum period of time possible, consistent with the Trust's overall cash flow position, represent good value for money and comply with the latest guidance from DHSC; and
- 18.3.2. the Trust Board is made aware of all short-term borrowings (borrowing repayable within a 12-month timeframe) at the next meeting.

18.4. The **Finance and Performance Committee** shall ensure that all proposed medium term (1-5 years) and long term (over 5 years) borrowing is consistent with the Trust's financial plans and is approved by the Trust Board.

19. Losses and special payments

19.1. The **Director of Finance** shall prepare procedural instructions for maintaining a register of losses and special payments (including write-offs, condemnations and ex-

gratia payments) and the recording of and accounting for losses and special payments. The records will include:

- 19.1.1. the nature, gross amount (or estimate, if an accurate value is not available) and cause of each loss;
 - 19.1.2. the action taken, total recoveries and date of write-off where appropriate; and
 - 19.1.3. the category in which each loss is to be noted.
- 19.2. The **Director of Finance** shall determine the nature and/or value of losses which must be reported immediately to the **Chief Executive**:
- 19.2.1. where fraud or corruption is suspected, and this shall be reported to the Local Counter Fraud Specialist in accordance with the Trust's Counter Fraud and Corruption Policy;
 - 19.2.2. where a criminal offence is suspected, and the Director of Finance must immediately inform the Local Counter Fraud Specialist who may then inform the Police if theft or arson is involved;
 - 19.2.3. where losses, other than those that are clearly trivial, are apparently caused by theft, arson, neglect of duty or gross carelessness, and the Director of Finance must immediately notify the internal and external auditor and Trust Board; and
 - 19.2.4. Comply with the Government-prescribed reporting thresholds for losses and special payments
- 19.3. **Any employee** discovering or suspecting a loss of any kind shall immediately inform their head of department and ensure that the loss is recorded in accordance with instructions.
- 19.4. The **Audit & Risk Assurance Committee** shall approve the write off of losses, compensations and ex-gratia payments within the limits delegated to it by the Department of Health and Social Care.
- 19.5. The **Audit & Risk Assurance Committee** shall receive regular reports of losses, compensations and ex-gratia payments made.
- 19.6. The **Director of Finance** shall be authorised to:
- 19.6.1. take any necessary steps to safeguard the Trust's interests in the event of bankruptcies and company liquidations; and
 - 19.6.2. investigate whether any insurance claim can be made.

20. Patients' property

- 20.1. 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. (See "Guidance for NHS Organisations on the Secure Management of Patients' Property", NHS Protect, July 2012 and the Health and Social Care Act 2008, (Regulated Activities) regulations 2014.

- 20.2. The **Director of Integrated Governance** shall ensure that patients or their guardians, as appropriate, are clearly and suitably informed before or on admission into hospital that the Trust will not accept responsibility or liability for patients' property brought into NHS premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.
- 20.3. The **Director of Finance** shall provide procedural instructions on the collection, custody, banking, 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. These instructions will include arrangements for:
- 20.3.1. managing large amounts of money handed over by longer stay patients; and
- 20.3.2. restricting the use of patients' monies for purposes specified by the patient, or their guardian.
- 20.4. In all cases where property of a deceased patient is of a total value in excess of £5,000, 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.
- 20.5. **Departmental and senior managers** shall inform staff of their responsibilities and duties for the administration of the property of patients.

21. Funds held on Trust (Charitable Funds)

- 21.1. The **Trust Board**, as Corporate Trustee, is responsible for the management of funds it holds on trust and for meeting the requirements of the Charity Commission.
- 21.2. The Trust Board'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.
- 21.3. Trustee responsibilities for non-exchequer funds for charitable and non-charitable purposes shall be discharged separately and full recognition shall be 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.
- 21.4. The **Charitable Funds Committee** shall ensure that each trust fund for which the Corporate Trustee is responsible is managed appropriately in terms of its purpose and requirements.
- 21.5. The **Director of People and Organisational Development**, with the support of the **Director of Finance** will ensure that each charitable fund within the remit of the Trust is managed appropriately with regard to its purpose and the fund's use.

22. Retention of records

- 22.1. The **Chief Executive** is responsible for managing all NHS records, regardless of how they are held, and shall require policy and procedures to be followed that

ensure compliance with current DHSC best practice guidelines on records management. These procedures will include arrangements for:

- 22.1.1. identification of records that need to be retained in accordance with the Trust's retention schedule, and managing archives of all records required to be retained in accordance with DHSC guidelines;
- 22.1.2. records held in archives to be accessible for retrieval by authorised persons; and
- 22.1.3. destruction of records in accordance with the DHSC's "Records Management: NHS Code of Practice" Part 1 (30 March 2006) and Part 2 (8 January 2009), and that records identified for archival purposes are passed to the person responsible for maintaining the department's records.

23. Information Technology (IT) and data security

23.1. The **Director of Strategy and Performance** shall be responsible for the accuracy and security of the performance data of the Trust and shall devise and implement any necessary procedures to ensure:

- 23.1.1. computer assets and data programs are protected from theft or damage;
- 23.1.2. adequate and reasonable protection of the Trust's data from deletion, modification and accidental or intentional disclosure to unauthorised persons, having due regard for the Data Protection Act 1998 (as replaced on 25 May 2018 by the General Data Protection Regulation, GDPR);
- 23.1.3. adequate controls operate over data entry, processing, storage, transmission and output, to ensure security, privacy, accuracy, completeness and timeliness of the data;
- 23.1.4. controls exist such that computer operation is separated from development, maintenance and amendment; and
- 23.1.5. adequate audit trails exist through the computerised system and these are subjected to periodic reviews as the Director may consider necessary.

23.2. The **Director of Finance** shall be responsible for the accuracy and security of the financial data of the Trust and shall devise and implement any necessary procedures to ensure:

- 23.2.1. computer assets and data programs are protected from theft or damage;
- 23.2.2. adequate and reasonable protection of the Trust's data from deletion, modification and accidental or intentional disclosure to unauthorised persons, having due regard for the Data Protection Act 1998 (as replaced on 25 May 2018 by the General Data Protection Regulation, GDPR);
- 23.2.3. adequate controls operate over data entry, processing, storage, transmission and output, to ensure security, privacy, accuracy, completeness and timeliness of the data;
- 23.2.4. controls exist such that computer operation is separated from development, maintenance and amendment; and

- 23.2.5. adequate audit trails exist through the computerised system and these are subjected to periodic reviews as the Director may consider necessary.
- 23.3. Where computer systems have an impact on corporate financial systems, the **Director of Finance** shall ensure that new systems and amendments to existing financial systems are developed in a controlled manner and thoroughly tested prior to implementation. The Director of Finance shall gain assurance that:
- 23.3.1. systems acquisition, development and maintenance are delivered in line with contractual agreements and Trust procedures;
 - 23.3.2. new systems that have an impact on, or are replacing, existing financial systems are developed in a controlled way and thoroughly tested before they are put into practice. External organisations providing this service will need to provide assurances that what they do is adequate;
 - 23.3.3. data produced for use with financial systems is adequate, accurate, complete and timely, and that a management audit trail exists;
 - 23.3.4. finance staff have the necessary levels of access to such data; and
 - 23.3.5. such computer audit reviews as are considered necessary are carried out.
- 23.4. The **Director of Integrated Governance** shall maintain a Freedom of Information (FOI) Publication Scheme, consistent with models approved by the Information Commissioner.

[Contracts for computer services with other health bodies or outside agencies](#)

- 23.5. The **Director of Finance** shall ensure that any contract 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 shall also ensure rights of access for audit purposes.
- 23.6. 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.

[Risk assessment](#)

- 23.7. The **Chief Information Officer** shall ensure that risks to the Trust arising from the use of IT are effectively identified and considered, and appropriate action is taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans.

24. Risk management

- 24.1. The **Chief Executive** shall ensure that the Trust has adequate procedures for managing risk and meeting current DHSC requirements for assurance frameworks, which shall be approved and monitored by the Trust Board.
- 24.2. The programme of risk management shall include:

- 24.1.1. arrangements for identifying and quantifying risks and potential liabilities;
 - 24.1.2. promotion, to all levels of staff, of a positive attitude towards the identification and management of risk;
 - 24.1.3. procedures to ensure all significant risks and potential liabilities are assessed and addressed, including through maintenance of effective systems of internal control, cost effective insurance cover and decisions on the acceptable level of retained risk;
 - 24.1.4. contingency plans to offset the impact of adverse events;
 - 24.1.5. arrangements for reviewing the effectiveness of the risk management processes in place, including internal audit, clinical audit and health and safety review; and
 - 24.1.6. arrangements for reviewing the risk management programme.
- 24.3. The **Chief Executive** shall ensure that the existence, integration and evaluation of the risk management system is used to inform the Annual Governance Statement within the Annual Report and Accounts, as required by current DHSC guidance.

25. Audit

- 25.1. In accordance with Standing Orders, the Board shall formally establish an **Audit & Risk Assurance Committee**, with clearly defined terms of reference. The Committee will seek assurance for the Board on a range of issues, in accordance with guidance from the NHS Audit Committee Handbook (2018), which will provide an independent and objective view of internal control by:
- 25.1.1. overseeing internal and external audit services;
 - 25.1.2. reviewing financial and information systems, monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;
 - 25.1.3. reviewing 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;
 - 25.1.4. monitoring compliance with Standing Orders, Standing Financial Instructions, delegations and reservations;
 - 25.1.5. reviewing schedules of losses and compensations and advising the Board where necessary; and
 - 25.1.6. reviewing the arrangements in place to support the application of the Assurance Framework on behalf of the Board and advising the Board accordingly.
- 25.2. Where the Audit & Risk Assurance Committee considers there is evidence of *ultra vires* transactions, or improper acts, or if there are other important matters that the Committee wishes to raise, the Chair of the Audit & Risk Assurance Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Department of Health and Social Care (to the Director of Finance in the first instance).

- 25.3. It is the responsibility of the Director of Finance to ensure an adequate internal audit service is provided. The Audit & Risk Assurance Committee shall be involved in the selection process when internal audit service provision is subjected to market testing.
- 25.4. The **Director of Finance** shall ensure that:
- 25.4.1. there are arrangements to review, evaluate and report on the effectiveness of internal financial, control including the establishment of an independent and effective internal audit function;
 - 25.4.2. the Head of Internal Audit is sufficiently qualified and experienced to perform that role, to facilitate the effective discussion of the results of internal audit work with senior management;
 - 25.4.3. the internal audit service is adequate and meets Public Sector Internal Audit Standards;
 - 25.4.4. the internal audit service provides the Audit & Risk Assurance Committee with an annual report of the coverage and results of the work of the service. The report must address, as a minimum:
 - a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health and Social Care;
 - major internal financial control weaknesses identified;
 - progress on the implementation of internal audit recommendations;
 - progress against plan over the previous year;
 - the strategic audit plan covering the forthcoming three years; and
 - a detailed audit plan for the next financial year.
 - 25.4.5. the police are informed at the right time, in cases of misappropriation and other irregularities not involving fraud or corruption; and
 - 25.4.6. there is effective liaison with the Trust's appointed Local Counter Fraud Specialist (LCFS), or the NHS Counter Fraud Authority, on all suspected cases of fraud and corruption and all anomalies which may indicate fraud or corruption.
- 25.5. The **Director of Finance** and designated auditors are entitled to require and receive, without necessarily giving prior notice:
- 25.5.1. access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
 - 25.5.2. access at all reasonable times to any land, premises or members of the Board or employees of the Trust;
 - 25.5.3. sight of any cash, stores or other property of the Trust under the control of any member of the Board or Trust employee; and
 - 25.5.4. explanations concerning any matter under investigation.

Internal Audit

- 25.6. The internal audit service shall:
- 25.6.1. provide an independent and objective assessment for the Chief Executive, the Board and the Audit & Risk Assurance Committee on the degree to which risk management, control and governance arrangements support the achievement of the Trust's objectives; and
 - 25.6.2. operate independently of the decisions made by the Trust and its employees, and of the activities which it audits. No member of the team providing the internal audit service will have executive responsibilities.
- 25.7. The **Head of Internal Audit** shall develop and maintain an Internal Audit Strategy for providing the Chief Executive with objective evaluation of, and opinions on, the effectiveness of the Trust's risk management, control and governance arrangements. The planned programme of work will inform the Head of Internal Audit's opinion. This will contribute to the framework of assurance that supports completion of the Annual Governance Statement, which forms part of the annual financial accounts.
- 25.8. The Head of Internal Audit shall ensure that the audit team is adequately staffed and qualified, and that there is access to the full range of knowledge, skills and experience needed to deliver the internal audit plan in line with Public Sector Internal Audit Standards.
- 25.9. The Head of Internal Audit will normally attend Audit & Risk Assurance Committee meetings and has an independent right of access to all Audit & Risk Assurance Committee members, the Chair and the Chief Executive of the Trust.
- 25.10. 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 & Risk Assurance Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in Public Sector Internal Audit Standards.
- 25.11. The internal audit service will review, appraise and report upon:
- 25.11.1. the extent of compliance with, and the financial effect of, relevant policies, plans and procedures;
 - 25.11.2. the adequacy and application of financial and other related management controls;
 - 25.11.3. the suitability of financial and other related management data;
 - 25.11.4. the extent to which the Trust's assets and interests are accounted for, and safeguarded from loss of any kind arising from:
 - fraud and other offences;
 - waste, extravagance and inefficient administration; and
 - poor value for money or other causes.
- 25.12. Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, other property or any suspected irregularity in the exercise

of any function of a pecuniary nature, the Director of Finance must be notified immediately.

- 25.13. If third party assurance from other auditors is obtained, the Head of Internal Audit should include assurances received within the annual Head of Internal Audit Opinion.

External Audit

- 25.14. The **External Auditor** is appointed in line with current legislation and paid for by the Trust. The Audit & Risk Assurance Committee shall ensure that a cost-effective service is provided and appointed. If the Trust Board has concerns about the service provided by the External Auditor, which cannot be resolved by the Board, this should be raised with the External Auditor and referred on to NHSEI via the Director of Finance.

Counter fraud and corruption services

- 25.15. In line with their responsibilities, the **Chief Executive** and **Director of Finance** shall monitor and ensure compliance with the Secretary of State's Directions on fraud and bribery.
- 25.16. In line with their responsibilities, the Board shall monitor and ensure compliance with the provisions of the Bribery Act 2010. Senior officers (including non-board level managers) can be individually held criminally liable for the Trust's bribery offences, irrespective of where in the world the bribery takes place.
- 25.17. The **Director of Finance** shall ensure that:
- 25.17.1. the Trust's Counter Fraud and Corruption Policy is maintained and remains up to date; and
 - 25.17.2. a qualified Local Counter Fraud Specialist is appointed to the Trust to deliver the requirements of the Policy, in accordance with the requirements of the NHS Standard Contract and in accordance with the NHS Counter Fraud Authority Standards.
- 25.18. The appointed **Local Counter Fraud Specialist (LCFS)** shall report to the Director of Finance and shall work with staff in the NHS Counter Fraud Authority, when required.
- 25.19. The **Local Counter Fraud Specialist** will provide a written report to the Audit & Risk Assurance Committee, on at least an annual basis, on the counter fraud work completed within the Trust.
- 25.20. The **Director of Finance** shall agree an annual plan of counter fraud work with the Local Counter Fraud Specialist at the outset of each year. This plan should be ratified by the Audit & Risk Assurance Committee.
- 25.21. The LCFS shall be granted access to any Trust document and /or staff member for the purpose of counter fraud work. Such access must be achieved within 7 days.

ENDS

Annex 2 – Schedule of Decisions Reserved for the Trust Board

Standing Order 1.5 provides that “the Trust has resolved that certain powers and decisions may only be exercised or made by the Trust Board in formal session.” These powers and decisions are set out in the following Schedule of Decisions Reserved for the Trust Board.

Reference	Decisions Reserved for the Trust Board
NA	<p>General enabling provision</p> <p>The Board may determine any matter it wishes, for which it has delegated or statutory authority, in full session within its statutory powers.</p>
NA	<p>Regulations and control</p> <ul style="list-style-type: none"> (i) Approve Standing Orders (SOs), the Scheme of Delegation, including a Schedule of Decisions Reserved for the Board, and Standing Financial Instructions for the regulation of its proceedings and business. (ii) Suspend Standing Orders. (iii) Vary or amend Standing Orders. (iv) Ratify any urgent decisions taken by the Chairman and Chief Executive outside of Board meetings (v) Approve Terms of Reference for the Board’s committees. Require and receive declarations of Board members’ interests that may conflict with those of the Trust and determine the extent to which that member may remain involved with the matter under consideration. (vi) Require and receive the declaration of officers’ interests that may conflict with those of the Trust. (vii) Approve arrangements for dealing with complaints. (viii) Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and agree modifications thereto. (ix) Receive reports from committees, including those that the Trust is required by the Secretary of State or other regulation to establish, and take appropriate action thereon. (x) Confirm the recommendations of the Trust’s committees where the committees do not have delegated powers. (xi) Approve arrangements relating to the discharge of the Trust’s responsibilities as a Corporate Trustee for funds held on trust. (xii) Establish the terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board.

Reference	Decisions Reserved for the Trust Board
	<p>(xiii) Approve arrangements relating to discharge of the Trust's responsibilities as a bailer for patients' property.</p> <p>(xiv) Authorise use of the seal.</p> <p>(xv) Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention.</p> <p>(xvi) Discipline members of the Board or employees who are in breach of statutory requirements or SOs.</p> <p>(xvii) Approve the Board Assurance Framework (strategic risks)</p> <p>(xviii) Approve policies including, but not limited to:</p> <ul style="list-style-type: none"> • Code of Conduct • Health and Safety Policy • Complaints Policy • Declaration of Interests Policy • Equality, Diversity and Inclusion Policy • Risk Management Policy (including Risk Appetite) • Freedom to Speak Up Policy • Disciplinary Policy • Policy for Policy Management • Clinical Governance Policy
NA	<p>Appointments/ dismissal</p> <p>(i) Appoint the Vice Chair of the Board.</p> <p>(ii) Appoint the Senior Independent Director.</p> <p>(iii) Appoint committees (and individual members) that are directly accountable to the Board and change the committee structure (ensuring statutory committees are maintained).</p> <p>(iv) Confirm appointment of members of any committee of the Trust as representatives on outside bodies.</p>

Reference	Decisions Reserved for the Trust Board
	<ul style="list-style-type: none"> (v) Appoint, appraise, discipline and dismiss the Company Secretary (if the appointment of a Company Secretary is required under Standing Orders).
NA	<p>Strategy, plans and budgets</p> <ul style="list-style-type: none"> (i) Define the strategic aims and objectives of the Trust. (ii) 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. (iii) Approve outline and final business cases for capital investment. (iv) Approve the annual financial plan. (v) Approve any extension of the Trust’s activities into new operational or geographic areas, ensuring appropriate consultation undertaken where required (vi) Decide to cease to operate all or any material part of the Trust’s business, ensuring appropriate consultation undertaken where required (vii) Approve any major changes to the Trust’s corporate structure (viii) Approve annually the Trust’s proposed organisational development proposals. (ix) Ratify proposals for acquisition, disposal or change of use of land and/or buildings. (x) Approve Private Finance Initiative proposals. (xi) Approve the opening of bank accounts. (xii) Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to, over £1m (inclusive of irrecoverable VAT and duties) over the period of the contract. Approve proposals for action on litigation against, or on behalf of, the Trust. (xiii) Review use of NHS Resolution risk pooling schemes (LPST/CNST/RPST). (xiv) Approve arrangements for risk sharing and/or risk pooling with other organisations.
NA	<p>Audit</p> <ul style="list-style-type: none"> (i) Approve the appointment (and where necessary dismissal) of external auditors, on recommendation of the Auditor Panel. Approve external auditors’ arrangements for the separate audit of funds held on trust, and the submission of reports to the Audit & Risk Assurance Committee who will take appropriate action. (ii) Receive the annual management letter from the external auditor and agree action on recommendations where appropriate, taking account of the advice of the Audit & Risk Assurance Committee.

Reference	Decisions Reserved for the Trust Board
	(iii) Receive the Head of Internal Audit's Opinion alongside the Trust's Annual Report and Accounts
NA	<p>Annual report and accounts</p> <ul style="list-style-type: none"> (i) Receive and approve the Trust's annual report and accounts, including the annual governance statement and remuneration report. (ii) Receive and approve the annual report and accounts for funds held on trust (charitable funds) in the capacity of Corporate Trustee. (iii) Receive and approve the Trust's Quality Account following recommendation by Quality Assurance Committee
NA	<p>Monitoring</p> <ul style="list-style-type: none"> (i) Review performance in light of the Trust's strategy, objectives, business plans and budgets and ensure any necessary corrective action is taken (ii) Undertake a formal and rigorous annual review of its own effectiveness and that of its committees. (iii) Receive annual reports from each Board committee in respect of their exercise of powers delegated and effectiveness. (iv) Continually appraise the affairs of the Trust by means of the provision of performance and monitoring information to the Board, as the Board may require, from directors, committees and officers of the Trust, (v) Receive reports from the Director of Finance on financial performance against the financial plan. (vi) Receive reports from the Director of Finance on actual and forecast income from NHS Improvement.

Standing Order 29.3 gives the Trust powers to make arrangements for the exercise, on behalf of the Trust, of any of their functions by a committee, sub-committee or joint committee appointed by virtue of Standing Order 30, or by an officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit or as the Secretary of State may direct.

These powers and decisions are set out in the following schedule and the Committee's Terms of Reference.

Reference	Committee	Purpose and Location of Terms of Reference
SFI 25.1	Audit & Risk Assurance Committee	<p>The purpose of the Committee is to review the establishment and maintenance of an effective system of governance, risk management and financial and non-financial internal controls that supports the achievement of the Trust's strategic objectives.</p> <p>The current Terms of Reference, including powers delegated by the Board, are available from the Company Secretary.</p>
SFI 11.2	Remuneration and appointments Committee	<p>The current Terms of Reference, including powers delegated by the Board, are available from the Company Secretary.</p>
SFI 21.4	Charitable Funds Committee	<p>The purpose of this Committee is to:</p> <ul style="list-style-type: none"> • ensure that charitable funds are spent in accordance with the original intention of the donor (if specified), and in respect of funds allocated via NHS Charities Together, within the stipulated requirements • oversee and review the strategic and operational management of the RCHT Charity (or non-exchequer funds as they are sometimes known) • ensure that all requirements of the Charity Commission are met and all legislation relating to charitable funds is adhered to in the administration and application of funds; and • ensure co-operation with the external auditors in the regulation of the funds. <p>The current Terms of Reference, including powers delegated by the Board, are available from the Company Secretary.</p>

Reference	Committee	Purpose and Location of Terms of Reference
	Quality Assurance Committee	<p>The purpose of the Committee is to rigorously keep under review all aspects of the Trust's quality and clinical governance. This includes, in particular:</p> <ul style="list-style-type: none"> • ensuring that the Trust meets all its duties and obligations under the NHS Constitution; plus all other statutory, regulatory, and best practice requirements by which it is bound as a public body; • ensuring that when an issue occurs which threatens the Trust's ability to deliver safe, high quality, patient-centred care and an excellent patient experience, that this is managed and escalated appropriately and actions are taken and followed through; and • assuring the Trust Board that the controls to mitigate risk within the areas of responsibility of the committee are in place and working within a regulatory and legislative framework. <p>The current Terms of Reference, including powers delegated by the Board, are available from the Company Secretary.</p>
	Finance and Performance Committee	<p>The purpose of the Committee is to provide assurance to the Board of the Trust's financial management and organisational performance, business planning, estate and facilities management and digital infrastructure.</p> <p>The current Terms of Reference, including powers delegated by the Board, are available from the Company Secretary.</p>
	People and Organisational Development Committee	<p>The purpose of the Committee is to provide assurance to the Board on all aspects of workforce and organisational development supporting the provision of safe, high quality, patient-centred care.</p> <p>The current Terms of Reference, including powers delegated by the Board, are available from the Company Secretary.</p>

Annex 3 – Scheme of Delegation

Introduction

The Scheme of Delegation outlined below should be read in conjunction with the Standing Orders of the Trust, and Schedule of Decisions Reserved to the Trust Board. Unless stated otherwise, all monetary values quoted include irrecoverable VAT and duties where applicable. The Limits outlined below represent the lowest level to which authority within the Trust is delegated.

The Finance Department will maintain a register of authorised signatories and will require sample signatures to support the register.

Upon appointment of new posts, the higher delegated authority must advise the new appointee of their delegated limit and this will be recorded as part of the Human Resources appointment process. Human Resources will inform the Finance Department officer responsible for the register of authorised signatories of the appointment and delegated limit and this will be recorded and a sample signature obtained.

Delegated duties must be carried out in accordance with the Standing Orders of the Trust.

Delegation to lower levels or to other officers is not permitted without the specific authority of the Chief Executive or Director of Finance.

Levels of delegated authority are expressed as follows:

Level A	Chief Executive (or in their absence their nominated deputy)
Level B	Director of Finance / Deputy Director of Finance on designated issues / Associate Directors of Finance when deputising for the Deputy Director of Finance only / Deputy Chief Executive
Level C	Executive Directors
Level D	Senior Manager
Level E	Budget Manager
Level F	Team Leader

Higher levels of delegated authority have delegated authority for all lower levels of delegation. In the absence of the relevant delegated officer, authorisation should be delegated up to the next level.

	Level							Notes
	Trust Board	A	B	C	D	E	F	
Revenue Budget								
Approval of the Financial Plan.	√							
Responsibility to keep expenditure within budget.		√		All other areas	Care Group / Corporate Dept level	Assigned Care Group / Corporate Dept	Assigned budgets	
Management of reserves.			√					
Virements of budgets within Care Group / Corporate Dept.			Over £100,000 per virement	Up to £100,000 per virement	Up to £50,000 per virement			
Banking								
Maintenance, opening and closing bank accounts.			Director of Finance only					

	Level							Notes
	Trust Board/ Committee	Finance and Performance Committee	Revenue Investments Group	Level A	Level B	Level C	Level D	
Authorising Revenue Expenditure – Commitment to Revenue Expenditure Not in the Financial Plan								
Commitment to revenue expenditure not already in the financial plan or the conversion of revenue reserves to budgets	Over £1m – following support from Finance and Performance Committee	Between £0.5m and £1m – following support from Executive Leadership Team	Between £250k and £0.5m following Revenue Investments Group agreement	Up to £250k for all budgets in conjunction with the DoF	Up to £100k for all budgets	Up to £50k for delegated budgets only	Up to £50k for delegated budgets only	The values are annual commitments per business case. Business cases or investment requests should be completed in accordance with the Trust's business case policy.
Commitment to increases in costs against revenue expenditure already included in the financial plan plus statutory or regulatory costs (i.e. inflationary changes, cost pressures etc)					√			A schedule of cost pressures over £100k should be reported to the Finance and Performance Committee when the financial plan is presented for approval. Any in-year transactions over £100k to be reported retrospectively to the Finance and Performance Committee

	Level							Notes
	Trust Board/ Committee	A	B	C	D	E	F	
Authorising Revenue Expenditure which has been Approved in Accordance with the Provisions Above								
Expenditure as covered by delegated budgets (individual orders and invoices).			Over £50,000	Up to £50,000	Up to £30,000	Up to £2,500	Up to £1,000	Value per transaction / commitment – reported as use of contingency
Allocation of reserves (note that commitment to new revenue expenditure is dealt with separately)			√					Value per transaction / commitment – reported as use of contingency.
Stock and Existing Contracts								
Automatic replenishment of Trust stock – approval of locations and stock types to be ordered electronically through the Trust stock management systems.			√ for non-pharmacy stock Chief Pharmacist for pharmacy orders					
Trust stock – maximum and minimum stock levels for each area as procured electronically through Trust stock management systems for approved locations. (Difference between max			√ for non-pharmacy stock Chief Pharmacist for		√ Draft stock levels			

	Level							Notes
	Trust Board/ Committee	A	B	C	D	E	F	
and min levels provides re-order quantities.)			pharmacy orders					
Covered by delegated budgets: Standing Orders and call-off orders against existing contracts (on the basis that the contract award has been previously awarded as per Scheme of Delegation).					√			
Covered by delegated budgets: renewal of existing maintenance contracts. (Funding previously approved.)					√			

	Level								Notes
	Trust Board	Finance & Performance Committee	A	B	C	D	E	F	
Revenue Income Generation and Grant Bids									
Bid for income generating activity or grant (no commitment to enter into a contract).	Over £1m	£0.5m to £1m		Up to £0.5m (and for £0.5m to £1m following Executive Leadership Team approval)	Up to £0.5m (and for £0.5m to £1m following Executive Leadership Team approval)	Up to £50k following Care Group/ Corporate Dept Board approval			
<u>Setting of Fees and Charges</u> Private Patient, Overseas Visitors, Income Generation and other patient related services Price of NHS Contracts – charges for all NHS Contracts, be they block, cost per case, cost and volume, or spare capacity				√					

	Trust Board	Finance & Performance Committee	A	B	C	D	E	Notes
Entering into Contracts and Leases on Behalf of the Trust								
The approval of leases (full cost of the commitment)	Over £1m	£500k to £1m	Up to £250k with DoF	Up to £100k				
All contracts, leases, agreements etc. (including managed services, contracts to provide services and grants).	Over £1m and accumulated value over £1m (following recommendation for approval from Finance & Performance Committee and agreement from Executive Leadership Team)	Over £1m and accumulated value over £1m (for recommendation to Trust Board following review and agreement by Executive Leadership Team)		Up to £1m	Up to £50,000 for delegated budgets	Senior Manager for delegated budgets or Chief Procurement Officer: Up to £50,000	Contract Manager-Supplies: Up to £50,000	Contract values as quoted on this row are inclusive of irrecoverable VAT and duties. The spend to which the contracts relate will already have been approved in accordance with the SFIs.

Contracts, leases, agreements, etc for over £1m (inclusive of VAT) that require approval before the next meeting of the Trust Board.			Over £1m and up to £10m jointly with a Level B and a Non-Executive Director					Retrospective Board approval required. Any contracts over £10m would require approval by the Board through a formal meeting.
Signing contracts / contract variations with Commissioners to provide services, following approval as set out above and in accordance with the SFIs. Any changes to other contracts should be approved in accordance with the limits for expenditure at the start of this section.				Over £1m		Associate Director of Contracting & Performance: Up to £1m		

	Level							Notes
	Trust Board/ Committee	Finance and Performance Committee	Executive Leadership Team	Capital Approvals Group	Capital-sub-group leads	Level A	Level B	
Authorising Capital Expenditure								
Developing and approving the Capital Programme	Following Finance and Performance Committee approval	Following Executive Leadership Team approval	Following Capital Approvals Group approval	√				<p>The Capital Approvals Group will develop the prioritised 5 year capital programme with support from capital sub-groups for medical equipment, E-Health, Building Brilliance / strategic estates and estates</p> <p>The Capital Programme will be prioritised and agreed by the Executive Leadership Team prior to being submitted to the Finance and Performance Committee.</p> <p>The delivery of the programme will be monitored by the Capital Approvals Group.</p>
Re-prioritisation of spend within the overall approved capital budget	Over £1m	£500k to £1m	Up to £500k	Up to £250k	£100k (excluding use of general contingency)	Up to £250k with the DoF	Up to £250K with one other voting Exec Director	<p>Values are per scheme and relate to the total value of the scheme, not the in-year value.</p> <p>Any decisions made to be reported to Executive Leadership Team, then Finance and</p>

	Level							Notes
	Trust Board/ Committee	Finance and Performance Committee	Executive Leadership Team	Capital Approvals Group	Capital-sub-group leads	Level A	Level B	
(Capital Departmental Expenditure Limit) including approval of overspends and the use of general contingency								Performance Committee at the next meeting within the finance report. All decisions to be supported by a clear rationale, consideration of risk and equalities and immediate and ongoing costs.
Approving capital expenditure or business cases as covered by the approved capital programme	Over £2m	£1m to £2m and all strategic and outline business cases up to £5m	Up to £1m	Up to £500k	£100k (excluding use of general contingency)	Up to £250k with the DoF	Up to £250K with one other voting Exec Director	<p>Expenditure over £15m is subject to NHSI review and approval, dependent on NHSI's latest guidance.</p> <p>Business cases or investment requests should be completed in accordance with the Trust's business case policy.</p> <p>Expenditure on medical capital equipment should be authorised initially by either the Medical Director, Deputy Medical Director</p>

	Level							Notes
	Trust Board/ Committee	Finance and Performance Committee	Executive Leadership Team	Capital Approvals Group	Capital-sub-group leads	Level A	Level B	
								or nominated lead for the Medical Equipment Board.
Urgent capital expenditure not included in the approved capital programme and resulting in a breach of the Capital Resource Limit	£1m to £15m	£100k to £1m		£100k		Up to £100k with the DoF	Up to £100K with one other voting Exec	<p>Any decisions made to be reported to Executive Leadership Team, then Finance and Performance Committee at the next meeting within the finance report. All decisions to be supported by a clear rationale, consideration of risk and equalities and immediate and ongoing costs.</p> <p>Expenditure on medical capital equipment should be authorised initially by either the Medical Director, Deputy Medical Director or Associate Medical Director.</p>

	Level						
	Trust Board/ Committee	Finance and Performance Committee	Executive Leadership Team	Capital Approvals Group	Level A	Level B	Notes
Authorising Capital Expenditure							
Entering into capital arrangements with contractors for projects within the approved capital programme but where the business case has not yet been approved	£1m to £15m	£0.5m to £1m			£250k to £0.5m - with support from two other Exec Directors 30% variation to pre-approved levels of spend or commitment with lead from capital sub-group	£100k to £250k per transaction – with lead from the Capital Approvals Group 20% variation to pre-approved levels of spend or commitment with lead from capital sub-group	<p>This section relates to projects where funding has been secured and they have been supported by the Trust Board, Finance and Performance Committee or relevant capital sub-group depending on value but have not been through the business case process.</p> <p>The expectation is that a Project Initiation Document or Strategic Outline Case will exist for these schemes although another type of briefing may have been provided. These will include requests (resolutions) to provide pre-approval, or delegated approval to commit expenditure or sign letters of intent for major contracts up to 3% of the project value to a maximum of £3m.</p>

	Level						Notes
	Trust Board/ Committee	Finance and Performance Committee	Executive Leadership Team	Capital Approvals Group	Level A	Level B	
							Decisions of £0.5m upwards to be retrospectively reported through F&P committee within the Capital Programme section of the Finance report.

	Level							Notes
	Trust Board/ Committee	A Chief Executive	B DoF / DDoF / DCE or equivalent	C Director	D Senior Manager	E Budget Manager	F Team Leader	
Authorising Capital Expenditure which has been Approved in Accordance with the Provisions Above								
Expenditure as covered by delegated budgets (individual orders and invoices).			Over £50,000	Up to £50,000	Up to £30,000	Up to £2,500	Up to £1,000	Value per transaction / commitment – reported as use of contingency

	Level							Notes
	Trust Board	A	B	C	D	E	F	
Tenders								
Opening of tenders.				Up to £250,000 Director and Senior Manager Over £250,000 2 x Director				
Opening of electronic tendering packages.				Opened by 2 independent procurement professionals				
Authority for single tender action and / or other than the lowest quotation.	Over £1m jointly with Chief Procurement Officer / Deputy	Between Government tendering threshold and £1m jointly with DoF and Chief Procurement Officer	Up to Government tendering threshold jointly with Chief Procurement Officer					All single tender awards to be reported to the Audit and Risk Assurance Committee
Sealing contracts for the purchase/lease of land/ buildings.				By 2 Level C Directors				
Sealing any contracts /agreements with non-NHS bodies.			Jointly with Level C Executive Director	Jointly with Level B DoF/Dep DoF/DCE				
Sealing contracts for capital works.			Jointly with Level C	Jointly with Level B				

	Level							Notes
	Trust Board	A	B	C	D	E	F	
			Executive Director	DoF/Dep DoF/DCE				
Sealing lease agreements.			√					
Disposal of assets.			For ALL disposals over £5,000. Quotation /sealed bid/auction process.		For ALL disposals under £5,000.			Chief Procurement Office and Deputy Director of Finance Department to be notified of all disposals

	Level							Notes
	Trust Board	A	B	C	D	E	F	
HR Issues								
Appointment of staff (excluding -Very Senior Managers)	New posts with no funding – outside of existing establishment	New posts with no funding		Booking of medical agency - Chief Operating Officer or Deputy Level C	Establishment Level (within existing budget or funding confirmed) Booking of non-medical Agency		Booking of bank	All vacant and new posts go to Finance to assess affordability. Once assessed, a new post is put through an Executive Vacancy Review Group (EVRG) chaired by a Director, for approval. Replacement posts are approved at Care Group/Corporate Dept level. After approval, authority levels are as shown here.
Very Senior Managers outside of Agenda for Change or other standard contracts								All Executive Director appointments, pay and expenses are approved by the Remuneration and Appointments Committee with onward approval to NHSEI/Treasury where relevant per national policy
Consultancy			Up to £50k					All consultancy appointments to be in accordance with NHSEI requirements

	Level							Notes
	Trust Board	A	B	C	D	E	F	
								Over £50k – Remuneration and Appointments Committee approval required with onward recommendation to NHSEI (note that Consultancy should not be engaged until relevant approvals given)
Interim Very Senior Manager appointments								Remuneration and Appointments Committee to approve and recommend forward to NHSEI for approval per Interim Very Senior Manager national policy
Pay and expenses.					Standing data forms - where there is a financial effect that is budgeted	Overtime	Standing data forms - where there is no increase in costs (including maternity leave) Time/attendance records Travel and subsistence	All re-gradings to be referred to Agenda for Change panel.

	Level							Notes
	Trust Board	A	B	C	D	E	F	
Redundancy.			√	√ HR				Remuneration and Appointments Committee to approve redundancy payments for very senior managers
Ill-health retirement.					√ HR			
Dismissal.					√ Senior Manager & HR Senior Manager			Remuneration and Appointments Committee for Very Senior Managers
Leave/absence.				Approval of carry forward of over 5 days (exceptional circumstances only)	Approval of carry forward of up to 5 days, special leave arrangements, study leave and training courses	Approval		
Removal expenses.		Over £8,000		HR: Up to £8,000				Remuneration and Appointments Committee to approve removal expenses for very senior managers
Granting/renewal of lease cars.			√					

	Level							Notes
	Corporate Trustee	A	B	C	D	E	F	
Charitable Funds (on behalf of the Corporate Trustee)								
Fund raising.			√					
Charitable funds expenditure.	Over £100,000 on recommendation from Charitable Funds Committee		From £5,000 to £25,000 with Executive Lead for the Committee		Associate Director: Up to £5,000	Fund Advisor: Up to £1,000 Charity Manager Up to £500		Charitable Funds Committee: Over £25,000 to £100,000
Submission of bid to outside funding agency.			Jointly with Level C Executive Director	Jointly with Level B DoF/DDoF/DCE				

	Level							Notes
	Trust Board	A	B	C	D	E	F	
Other								
Authorisation of losses and special payments, including ex-gratia payments.		Jointly with DoF: Over £10,000 to £50,000	Deputy DoF: Over £1,000 to £5,000 DoF Over £5,000 to £10,000 DoF jointly with CEO: Over £10,000 to £50,000			Up to £1,000		<p>Audit & Risk Assurance Committee: Over £50,000</p> <p>A summary of losses and special payments is reported to each Audit & Risk Assurance Committee. See also the Trust Policy on Losses and Special Payments: a checklist for all losses and special payments of over £1,000 (except where under legal obligation) is required to be completed.</p> <p>Remuneration and Appointments Committee to approve any special payments (e.g. pay in lieu of notice) for very senior managers</p>
Petty cash payments.					Financial Controller / Deputy: Over £100	Up to £100		
Hospitality received.				Over £25				To be registered as a Declaration of Interest on ESR, in line with the Trust's Declarations of Interests policy, with relevant approvals sought as required. As permitted within the provisions of the Bribery Act 2010. Recorded in the Trust's Hospitality Register.

Appendix 1. Governance Information

Document Title	Standing Orders, Standing Financial Instructions, Schedule of Matters Reserved to the Trust Board and Scheme of Delegation V8.0			
This document replaces (exact title of previous version):	Standing Orders, Standing Financial instructions & Scheme of Reservation and Delegation V7.0			
Date Issued/Approved:	Last approved by Trust Board: 1 July and 5 August 2021			
Date Valid From:	November 2021			
Date Valid To:	November 2024			
Directorate / Department responsible (author/owner):	Siân Millard, Company Secretary, Chief Executive's Office			
Contact details:	01872 256343			
Brief summary of contents	Standing Orders of the Trust regulate the proceedings and business of the organisation.			
Suggested Keywords:	Standing Orders, Standing Financial Instructions, Scheme of Delegation.			
Target Audience	RCHT	CFT	KCCG	
	✓			
Executive Director responsible for Policy:	Director of Finance			
Approval route for consultation and ratification:	Audit & Risk Assurance Committee Trust Board			
General Manager confirming approval processes	Karl Simkins Director of Finance			
Name of Governance Lead confirming approval by specialty and care group management meetings	Not required			
Links to key external standards	Key Governance Document			
Related Documents:	Standing Orders, Standing Financial Instructions, Scheme of Delegation			
Training Need Identified?	No			
Publication Location (refer to Policy on Policies – Approvals and Ratification):	Internet & Intranet	✓	Intranet Only	

Document Library Folder/Sub Folder	Finance / Finance General
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Version Control Table

Date	Version No	Summary of Changes	Changes Made by
April 2016	V1.0	Changes to presentation and format to ensure that all the information is captured in one place.	Sarah Gould, Financial Controller
August 2018	V2.0	Changes to presentation and updates to scheme of delegation. (Detailed changes contained within the Trust Board report of 02 August 2018).	Alexandra Bradshaw, Deputy Financial Accountant
July 2019	V3.0	Minor adjustments to reflect a changed Committee name, an expired corporate post and the Care Group structure. Authorisation levels adjusted for losses and special payments and set out for the Ass Dir of Contracting & Performance.	Alexandra Bradshaw, Deputy Financial Accountant
July 2020	V5.0	Amendments to Standing Orders including clarification of role of Trust Board, change of name of Remuneration Committee and alignment of Reserved Matters to the Board and to Committees	Siân Millard, Company Secretary
November 2020	V6.0	Amendments to Detailed Delegation Limits, particularly to capital expenditure	Adam Wheeldon, Deputy Director of Finance
August 2021	V7.0	Benchmark review of Standing Orders and Standing Financial Instructions. Amendments to the Scheme of Delegation including Matters Reserved to the Board'	Siân Millard, Company Secretary
November 2021	V8.0		Siân Millard, Company Secretary

All or part of this document can be released under the Freedom of Information Act 2000

This document is to be retained for 10 years from the date of expiry.
This document is only valid on the day of printing

Controlled Document

This document has been created following the Royal Cornwall Hospitals NHS Trust Policy for the Development and Management of Knowledge, Procedural and Web Documents (The Policy on Policies). It should not be altered in any way without the express permission of the author or their Line Manager

Appendix 2. Equality Impact Assessment

Section 1: Equality Impact Assessment Form

Name of the strategy / policy /proposal / service function to be assessed Standing Orders, Standing Financial Instructions, Schedule of Matters Reserved to the Trust Board and Scheme of Delegation V8.0						
Directorate and service area: Finance / Corporate			Is this a new or existing Policy? Existing			
Name of individual/group completing EIA Lynsey Neave, Deputy Company Secretary			Contact details: 01872 256343			
1. Policy Aim Who is the strategy / policy / proposal / service function aimed at?		To convey required regulations to all staff.				
2. Policy Objectives		To ensure all staff abide by the regulations concerning Trust business.				
3. Policy Intended Outcomes		That all Trust staff follow the procedural regulations.				
4. How will you measure the outcome?		The Governance arrangements determined by the Trust Board will effectively monitor.				
5. Who is intended to benefit from the policy?		The Trust, through improved managerial control.				
6a). Who did you consult with?		Workforce	Patients	Local groups	External organisations	Other
		X				
b). Please list any groups who have been consulted about this procedure.		Please record specific names of groups: Audit & Risk Assurance Committee Trust Board				
c). What was the outcome of the consultation?		The Trust Board approved the contents of this document.				

7. The Impact				
Please complete the following table. If you are unsure/don't know if there is a negative impact you need to repeat the consultation step.				
Are there concerns that the policy could have a positive/negative impact on:				
Protected Characteristic	Yes	No	Unsure	Rationale for Assessment / Existing Evidence
Age		X		
Sex (male, female non-binary, asexual etc.)		X		
Gender reassignment		X		
Race/ethnic communities /groups		X		
Disability (learning disability, physical disability, sensory impairment, mental health problems and some long term health conditions)		X		
Religion/ other beliefs		X		
Marriage and civil partnership		X		
Pregnancy and maternity		X		
Sexual orientation (bisexual, gay, heterosexual, lesbian)		X		
<p>If all characteristics are ticked 'no', and this is not a major working or service change, you can end the assessment here as long as you have a robust rationale in place.</p> <p>I am confident that section 2 of this EIA does not need completing as there are no highlighted risks of negative impact occurring because of this policy.</p>				
Name of person confirming result of initial impact assessment:			Lynsey Neave, Deputy Company Secretary	
<p>If you have ticked 'yes' to any characteristic above OR this is a major working or service change, you will need to complete section 2 of the EIA form available here:</p> <p>Section 2. Full Equality Analysis</p>				
<p>For guidance please refer to the Equality Impact Assessments Policy (available from the document library) or contact the Human Rights, Equality and Inclusion Lead india.bundock@nhs.net</p>				