







**Trust Board Report**

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| <b>Meeting Date:</b>   | 23 May 2011   |
| <b>Title:</b>  | Standing Financial Instructions - Authorised Limits   |
| <b>Executive Summary:</b>  | See below   |
| <b>Action Requested:</b>   | To approve the revised Authorised Limits  |
| <b>Report of:</b>  | Director of Finance and Information   |
| <b>Author:<br/>Contact Details:</b>                                  | Kevin Stringer, Director of Finance and Information<br>01902 695954<br>Email: <a href="mailto:kevin.stringer@nhs.net">kevin.stringer@nhs.net</a>  |
| <b>Resource Implications:</b>  | None  |
| <b>Public or Private:<br/>(with reasons if private)</b>              | Public  |
| <b>References:<br/>(eg from/to other committees)</b>                 | N/A   |
| <b>Appendices/References<br/>Background Reading</b>                  | The Board are asked to approve the Authorised Limits as presented   |
| <b>NHS Constitution:<br/>(How it impacts on any decision-making)</b> | In determining this matter, the Board should have regard to the Core principles contained in the Constitution of:<br><ul style="list-style-type: none"> <li> Equality of treatment and access to services</li> <li> High standards of excellence and professionalism</li> <li> Service user preferences</li> <li> Cross community working</li> <li> Best Value</li> <li> Accountability through local influence and scrutiny</li> </ul> |

**Background Details**

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| <b>1</b> | Following the integration of community services the Authorised limits within the Trust's SFIs need to be updated to reflect the new services in community. This is tightening the control arrangements in community as the proposed limits are lower than currently in place. |
| <b>2</b> | The Authorised limits have also been updated to reflect capital limits delegated from the SHA as we are responsible to the SHA as an NHS Trust for capital.   |
| <b>3</b> | In order to resolve day to day issues changes are also proposed to staff supporting the Director of Pharmacy Services and HR Director.  |

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| <b>4</b> | The changes within the updated authorised limits attached are shown in red. The equivalent job titles for PCT staff transferring are also included in red |
| <b>5</b> | The Board should note these limits will be reviewed in July 2011 to ensure they meet the needs of the revised structures within the Trust                 |
| <b>6</b> | The Board should note there will be a wholesale review of SFIs when the Trust achieves FT status.   |

## AUTHORISED LIMITS

### TENDERING, ORDERING, CONTRACTING

### LEVELS

Competitive quotations to apply £10,000 to £50,000  
Competitive tendering to apply above £50,000

Authority to waive competitive process:-  
- Head of Procurement/Estates up to £25,000  
- Chief Executive/Deputy Chief Executive/Director of Finance above £25,000

Authority to accept other than lowest quote:-  
- Head of Procurement/Estates up to £50,000  
- Chief Executive/Deputy Chief Executive up to £250,000  
- Trust Board above £250,000

Approval to contract awards (including extensions):-  
- Head of Procurement/Estates up to £50,000  
- Chief Executive/Deputy Chief Executive up to £250,000  
- Trust Board above £250,000

NB – All contract awards above £50,000 to be reported to Trust Board for information.

Evaluation panel to include a non-executive director £1m and above

Note – The above limits apply equally to asset disposals.

### REQUISITIONS

#### **Revenue:-**

- Budget Holder (PCT budget manager) up to £5,000

- Clinical Directors }  
- Directorate Managers (PCT Budget holder) }  
- Matrons/Head of Midwifery } up to £15,000  
- Heads of Estates, Hotel Services and Medical Physics }  
- Deputy HR Director }  
- Head of Education & Development }

- Divisional Director }  
- Divisional Manager } up to £50,000  
- Head of IT Services }  
- Director of Community Services }

- Senior pharmacist/ Principal Pharmacist (drugs only) up to £15,000  
- Deputy and Assistant Director of Pharmacy (drugs only) up to £50,000  
- Director of Pharmacy Services (drugs only) up to £100,000

- Executive Director up to £100,000  
- Director of Finance up to £100,000  
- Chief Executive } up to £100,000  
- Chief Executive and Director of Finance } over £100,000

#### **Capital:-**

- Team Manager (Capital)/Team Manager (Projects & Estates) up to £15,000  
- Director of Finance up to £750,000  
- Director of Estates Development up to £750,000  
- Chief Executive and Director of Finance over £750,000

NB – Above capital limits are subject to agreement of business cases (where applicable) and inclusion within a Board approved Capital Programme

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| Capital schemes requiring business cases to be approved by Trust Board | £500,000 capital value and/or £500,000 revenue cost, (whether non-recurrent or recurrent), and above |
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| Capital schemes requiring business cases to be approved by SHA | £3,000,000 capital value and above (this limit may be reduced to £1,000,000 by the SHA should the Trust go into deficit or may be suspended if the business case is considered 'complicated and contentious') |
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Note – Officers will need to judge where schemes below this level will require Board approval, because of other issues of significance.

**REQUISITIONS cont'd**

**LEVELS**

**Charity Funds:**

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| (i) <u>Divisional/Directorate Funds</u><br>Divisional Directors or Divisional Managers<br>Director of Finance<br>Chief Executive<br>Chief Executive and Director of Finance | up to £5,000<br>up to £5,000<br>up to £5,000<br>up to £20,000 |
| (ii) <u>General Funds</u><br>Chief Executive and Director of Finance  | up to £20,000   |
| (iii) <u>All Funds</u><br>Trust Board, acting as Trustees   | above £20,000   |

**PAY**

All payroll documentation impacting on expenditure (starter, change and termination forms) to be authorised by:-

- |                                       |  |
|---------------------------------------|--|
| Clinical Directorates and Divisions - | <ul style="list-style-type: none"> <li>- Clinical Directors</li> <li>- Directorate Managers</li> <li>- Matrons/Head of Midwifery</li> <li>- Heads of Estates, Hotel Services and Medical Physics</li> <li>- Divisional Directors</li> <li>- Divisional Managers</li> </ul> |
| Corporate Functions                   | - Executive Director (or delegated to Deputies at Executive Directors discretion)  |

Subject to:-

- (i) Consultant appointments to be countersigned by Medical Director

- (ii) Any appointment/changes outside agreed Trust policy to be countersigned by HR Director or Deputy HR Director

**LOSSES, COMPENSATIONS & SPECIAL PAYMENTS**

|                                       |              |
|---------------------------------------|--------------|
| Approval limit of Director of Finance | £5,000       |
| Trust Board                           | above £5,000 |

Note – All losses, compensation and special payments to be reported to the Trust Board

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