

# SCHEME OF RESERVATION AND DELEGATION

**All thresholds include the cost of non-recoverable VAT**

	SO/SFI Ref		Financial Limits (subject to budget)	Responsibility
1.		<b>GOVERNANCE</b>		
1.1	SO 2.1	<b>Standing Orders/Standing Financial Instruments</b>		
		Audit Committee		Approves
		Chair		Final authority in interpretation of SOs on which advice should be provided by the Chief Executive or Trust Secretary; and for SFIs by the Chief Finance Officer
		Chief Executive		Responsible for creation/submission of SOs or through delegation to Trust Secretary
		Chief Finance Officer		Responsible for creation/amendment of SFIs and submission for approval
1.2	SO 5.2	<b>Emergency Powers</b>		
		Chair		Exercises emergency powers in conjunction with Chief Executive and reports to the next Board of Directors' meeting
1.3	SO 6.8 SFI 2	<b>Audit Arrangements</b>		
		Board of Directors		Approval through Audit Committee. Action on points raised by External Auditors
		Chief Finance Officer		Manages the arrangements for the provision of external and internal audit. Advises Chair/CE on points raised by auditors

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1.4	SFI 2.3 & 2.4	<b>External/Internal Audit</b>		
		Board of Directors		Takes necessary action on external audit reports and internal audit provision
		Chief Executive		Considers submissions to Board of Directors
		Chief Finance Officer		Monitors audit issues
1.5	SO 9.1 & 14.1	<b>Standards of Personal &amp; Business Conduct</b>		
		Board of Directors		Approves overall policy
		Chair		Approval of attendance at conferences or similar visits by Non-Executive Directors and Chief Executive
		Chief Executive		Overall responsibility for the arrangements for Director/officer hospitality in line with Trust policy and national guidance
		Chief People Officer		Ensures that the Trust's Code of Conduct for Directors and employees is brought to the attention of all staff including new starters
1.6		<b>Fit and Proper Persons Test</b>		
		Chair		Responsibility to discharge the Fit and Proper Persons Regulations, to ensure all directors meet the fitness test and not the unfit criteria, and to declare to the CQC that the Trust complies with the requirements of Regulation 5. Board Secretary to provide support to the Chair.
		Directors		Directors to complete an annual Fit and Proper Persons Test declaration and notify the Board Secretary of any change in circumstances during the course of their employment / office.

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				Non-Executive Directors & Executive Directors to ensure they comply with and continue to comply with the requirement of the Fit and Proper Persons Test and the supporting policy.
		Chief People Officer		Ensures all relevant and appropriate Fit and Proper Persons Test checks are completed and advise the Chair and Trust Board Secretary of any exceptions following the annual checks.
1.7	SO 7	<b>Maintenance of the Registers of Interest for Directors, Governors and Senior Staff</b>		
		Chief Executive		Responsible for arrangements or through delegation to Board Secretary
1.8	SFI 3, 4	<b>Operational Plan, Annual Business Plan, Budget, Annual Report and Accounts</b>		
		Board of Directors		Approves reports submitted by the Chief Executive/Chief Finance Officer. Approves the Annual Report & Accounts
		Audit Committee		Recommends approval of Annual Report and Accounts to the Board of Directors
		Chief Finance Officer		Submits annual accounts to Audit Committee and budget and financial reports to Board of Directors
		Director Corporate Governance/Trust Secretary		Submits Annual Report and Quality Report to the Audit Committee
2.		<b>PERSONNEL AND PAY</b>		
2.1	SO 8	<b>Remuneration &amp; Terms of Service for Executive Directors</b>		
		Board of Directors		To be advised by the Remuneration Committee in respect of executive directors.
		Nomination & Remuneration Committee		Determines the remuneration policy and approves the remuneration and terms of office for vacant executive director posts

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<b>3</b>		<b>FINANCIAL CONTROL</b>		
3.1	SFIs	<b>Operation of all detailed Financial Matters</b>		
		Chief Finance Officer		<p>Responsible for management arrangements to be in place to enable responsibility to be clearly delegated to senior executives.</p> <p>Responsible for drawing up locally generated rules and instructions, including financial procedural notes, for use within the Trust which must comprehensively cover all aspects of financial management and control</p>
3.2	SFI 3.2	<b>Delegation of Budgets and Approval to Spend Funds</b>		
		Board of Directors		Approves delegated budgets through the Financial Plan and Revenue Budget
		Chief Finance Officer		<p>To draw up proposals for individual budgets within the limits and plans of the Board. Individual Directors to accept responsibility for budgets allocated to them, to operate within SFIs, and to delegate to individual budget holders as required.</p> <p>Approves virement according to SFIs.</p>
3.3	SFI 5	<b>Banking</b>		
		Board of Directors		All banking arrangements must be approved by the Trust Board.
		Chief Finance Officer		<p>To advise the Board on banking needs, the provision of banking services and the need for re-tendering.</p> <p>To stipulate operational and day-to-day controls.</p>

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4		<b>CHARITABLE FUNDS</b>		
4.1	SFI 6	<b>Management of Charitable Funds</b>		
		Board of Directors		Approves the Charitable Funds Committee Terms of Reference and the Annual Report and Financial Statements. The powers delegated to the Charitable Funds Committee are documented in their Terms of Reference.
		Charitable Funds Committee		Ensures the requirements of the Charity Commission and other relevant regulatory and statutory frameworks are complied with, and that charitable donations are administered efficiently and appropriately.
		Chief Finance Officer <i>with operational finance functions delivered by the Site Director of Finance</i>		Acts as Treasurer to the Charitable Funds Committee. Responsible for ensuring accounting arrangements are in place which must comply with legislation.
		Executive Managing Director for LHCH Site		Responsible for ensuring management arrangements are in place which must comply with legislation.
5		<b>LOSSES AND SPECIAL PAYMENTS</b>		
5.1		<b>Losses, Compensation and Ex-Gratia Payments</b>		
		Board of Directors		Regular reports on losses and compensation payments are reported to Audit Committee and referred to the Board in exceptional circumstances
		Audit Committee		Regular reports on losses and compensation payments are submitted to Audit Committee and referred to the Board in exceptional circumstances
		See Table A for limits		

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5.2		<b>Special Payments – Clinical Negligence</b>		
		All Clinical negligence litigation payments are made by the NHS Resolution through the Clinical Negligence Scheme for Trusts.	No excesses apply	Reported to the Audit Committee
5.3		<b>Special Payments – Non-Clinical Negligence</b>		
		Non-clinical negligence payments made by the NHS Resolution, subject to scheme excesses as follows:		All reported to the Audit Committee
		• Employers' Liability	£10,000 excess for each and every claim	
		• Public Liability	Excess £3,000 for each and every claim	
		• Products Liability	Excess £3,000 for each and every claim	
		• Professional Indemnity	Excess £3,000 for each and every claim	

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6		<b>ASSET MANAGEMENT</b>		
6.1	SFI 11	<b>Management of Land and Buildings</b>		
		Board of Directors		Approves the general policy in respect of acquisitions, sale, exchange or reservation of land and buildings and also the apportionment of proceeds as required
		Executive Managing Director		Responsible for the design and management of capital schemes, surveys, land and building acquisition and disposal.  Responsible for the day-to-day management of land and buildings.
6.2	SFI 11	<b>Control of Land and Buildings</b>		
		Board of Directors	Over £1,000,000	Approves purchase or sale of capital assets exceeding £1,000,000
		Chief Executive	Up to £1,000,000	Authorises purchase/sale within delegated limit of £1,000,000 or determines submission to Board of Directors on the purchase/sale of capital assets.
6.3	SFI 11	<b>Management of Other Significant Assets</b>		
		Executive Directors		Individual Executive Directors responsible for assets within their delegated control and in accordance with the policy asset disposal.
6.3	SFI 9, 11	<b>Management and Control of Stocks</b>		
		Chief Finance Officer		Defines what is to be classed as stock and the controls and records required in accordance with accounting policies.  Individual Directors are responsible for stocks under their control but may delegate day-to-day control to General Managers/Heads of Department



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7.		<b>REQUISITIONING GOODS AND SERVICES</b>		
7.1		<b>Revenue Expenditure authorisation limits</b>		
		See Table A for limits		Approval of requisition for goods and/or services, Subject to approved and available budget.
7.2		<b>Capital Expenditure</b>		
		Board of Directors		Approves the Capital Resources annually and delegates the management of the programme to the Capital Planning Group. Where budgets have been agreed, tenders to be taken to the Medical Equipment Committee or Finance & Performance Committee for approval, with ratification by the Board of Directors.
8		<b>QUOTATIONS (Tendering and Contracting)</b>		
	SO 10.9	See Table B for limits		Approval for raising tenders and quotations
9		<b>TENDERING</b>		
9.1	SO 10	<b>General</b>		
		Board of Directors		Approves SFIs regarding tendering
		Chief Executive		Ensures compliance with SFIs
		Chief Finance Officer		Advises Chief Executive on SFI requirements
9.2	SO 2:6.6	<b>Financial Standing and Technical Appraisal of Contractors</b>		
		Chief Finance Officer		Undertakes financial appraisal; other Executive Directors to undertake technical/clinical appraisal as appropriate

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9.3	SO 10	<b>Waiving of Competitive Tendering</b>		
		Audit Committee		Where it is decided that competitive tendering is not applicable and should be waived the reasons should be documented and reported by the Finance Director to the Audit Committee in a formal meeting.
		See Table B for limits		
9.4	SO 2:2, 2.4 & 3	<b>Receipt and Opening of Tenders</b>		
		Chief Executive		Nominates and authorises officers to the tender opening process Decides on admissibility and acceptance of tenders.
		Executive Directors		An auditable tender opening process (both electronic and manual) is in place to cover the opening and receipt of tenders.
9.5	SO 2:5.3	<b>Post Tender Negotiations</b>		
		Chief Executive		Agrees to post tender negotiations taking place.
		Executive Directors		Advise Chief Executive in writing that post tender negotiations are to take place or are being considered.
9.6	SO 2:5	<b>Approval of Tenders</b>		
		See Table B for limits		

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10		<b>CONTRACTS</b>		
10.1		<b>Shared Service Agreements (and amendments thereto)</b>		
		Board of Directors		Approval of decisions to participate in a joint venture/agreement with a view to providing a shared service for the benefit of the Trust and other participants in the joint venture/agreement and the terms of any such joint venture/agreement. Approvals of any subsequent decisions to amend or vary any such joint venture/agreement.
10.2	SO10,12	<b>Signing and Sealing of Documents including Leases</b>		
		Audit Committee		Receives an annual report on all documents signed and sealed on behalf of the Trust
		See Table A for limits		
10.3	SO 10.2	<b>Contracts for the Provision and Supply of Healthcare (excluding joint ventures/arrangements)</b>		
		See Table A for limits		
10.4		<b>Approval of Post Contract Variations</b>		
		See Table A for limits		
10.5		<b>Approval of Trust Research and Innovation (R&amp;I) Contract only</b>		
		See Table A for limits		Approved contracts to be either cost neutral or within approved budgets.
12		<b>INSURANCE</b>		
12.1		<b>Insurance</b>		
		Board of Directors		Delegates insurance portfolio management to the Chief Finance Officer
		Chief Finance Officer		Responsible for appropriate insurance portfolio arrangements in place

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13		<b>BUSINESS CASES</b>		
13.1		<b>Approvals</b>		
		See Table A for limits		
14		<b>MENTAL HEALTH ACT 1983</b>		
		Hospital Managers' Review Panel of Mersey Care		Trust Board delegated its functions as to discharge under section 23 of the Mental Health Act 1983 to Mersey Care's hospital managers
		Medical Director		Responsible for monitoring progress through the Clinical Effectiveness ELG

<b>Table A: Authorisation Limits (annualised value)</b>	<b>SoD reference</b>	<b>£'000s</b>
<b>Losses, Compensation and Ex-Gratia Payments</b> Trust Board Chief Executive + 1 other Executive Director Chief Finance Officer + 1 other Executive Director Chief Finance Officer	<b>5.1; 5.4</b>	>100 >50 to 100 >10 to 50 10
<b>Control of Land and Buildings</b> Trust Board Chief Executive	<b>6.2</b>	>3,000 3,000
<b>Requisitioning Goods &amp; Services</b>  <b>Revenue expenditure approval limits - WITHIN APPROVED AND AVAILABLE BUDGET</b> Trust Board Chief Executive Chief Finance Officer Executive Directors	<b>7.1</b>	>3,000 3,000 2000 1000
<b>Signing and Sealing of Documents including Leases</b> Trust Board Chief Executive Chief Finance Officer Site Director of Finance or Executive Managing Director	<b>10.2</b> -	>3,000 3,000 2,000 1000
<b>Contracts for the Provision and Supply of Healthcare from LHCH (excl core commissioner contracts)</b> Chief Executive Chief Finance Officer Site Director of Finance or Executive Managing Director	<b>10.3</b>	>3,000 <2,000 <1,000
<b>Approval of Contract Variations</b> Trust Board Chief Executive Chief Finance Officer Site Director of Finance or Executive Managing Director	<b>10.4</b>	>3,000 3,000 2,000 1000
<b>Approval of Trust Research and Innovation (R&amp;I) Contracts only</b> Trust Board Chief Executive Chief Finance Officer Executive Managing Director R&I Manager	<b>10.5</b>	>3,000 3,000 2,000 1,000 40
<b>Business Cases (requiring new budget following defined process)</b> Trust Board Chief Executive Chief Finance Officer Executive Directors	<b>13</b>	>3,000 3,000 2,000 250

<b>Table B: Site Based Authorisation Limits (annualised value)</b>	<b>SoD reference</b>	<b>£'000s</b>
<b>Requisitioning Goods &amp; Services</b>  <b>Revenue expenditure approval limits - WITHIN APPROVED AND AVAILABLE BUDGET</b> Hospital Management Board Site Executive Managing Director Site Director of Finance <i>and</i> 1 other Site Director 2 Site Directors <i>or</i> Site Director of Finance Site Directors Divisional Managers, Head of Department Budget holders	<b>7.1</b>	    1,000 500 250 150 40 5
<b>Business Cases (within the authority to act as defined by SFIs)</b> Site Executive Managing Director	<b>13</b>	 250
<b>Charitable Funds</b>  <b>General-Purpose Fund</b> Charitable Funds Committee Chief Finance Officer or Executive Managing Director for LHCH Site Director of Nursing or Site Director of Finance  <b>Funds other than the General-Purpose fund</b> Charitable Funds Committee Chief Finance Officer or Executive Managing Director for LHCH Nominated Fund Holder <i>and</i> Site Director of Finance	<b>4.1</b>	   >40 40 20  >30 30 10

**Table B - Tendering and Contracting Procedures – Revenue Expenditure**

Value	Quotation or Tender for non-healthcare related goods/service	Quotation or Tender for healthcare related goods/services	Received and Opened By	Contract Authorisation	Order Signing Authority	Waiver Authorised By
Under £10,000	Obtain via contract source wherever possible. If not, single verbal or written quotation (or more if felt appropriate)	Requirements for the Provider Selection Regime:	N/A	As per SoD 7.1 Authorisation Limits	Chief Finance Officer	N/A
£10,001 - £40,000	3 written quotes required	Direct award processes (A, B, and C). These involve awarding contracts to providers when there is limited or no reason to seek to change from the existing provider; or to assess providers against one another, because:  the existing provider is the only provider that can deliver the health care services (direct award process A)  patients have a choice of providers, and the number of providers is not restricted by the relevant authority (direct award process B)  the existing provider is satisfying its existing contract, will likely satisfy the new contract to a sufficient standard, and the proposed contracting arrangements are not changing considerably (direct award process C).  Most suitable provider processes. This involves awarding a contract to providers without running a competitive process, because the relevant authority can identify the most suitable provider.  Competitive process. This involves running a competitive process to award a contract	Officer nominated by the Chief Executive		Chief Finance Officer	Director of Finance
£40,001 – Procurement threshold for supplies and services	Local competitive tender exercise required		2 persons who are not from the originating department and who are selected from a panel authorised by the Chief Executive		Chief Finance Officer	Director of Finance
Over Procurement threshold for supplies and services - £500,000	Procurement Act 2023		2 persons who are not from the originating department and who are selected from a panel authorised by the Chief Executive		Chief Finance Officer	Chief Finance Officer
£500,001 - £1,000,000	Procurement Act 2023		2 persons who are not from the originating department and who are selected from a panel authorised by the Chief Executive		Chief Executive Officer	Chief Executive Officer
Over £1,000,000	Procurement Act 2023		2 persons who are not from the originating department and who are selected from a panel authorised by the Chief Executive		Board of Directors give approval to sign and seal documents and to have the Common Seal fixed in the presence of the Chair (or a Non-Executive Director) and Chief Executive (or an Executive Director and Board Secretary)	Board of Directors