

Cover Sheet

Public Trust Board Meeting: Wednesday 12 May 2021

TB2021.32

Title: Amendments to Scheme of Delegation

Status: For Decision

History: TME2021.98 and TME2021.99
AC2018.70, AC2021.32 and AC2021.31

Board Lead: Chief Finance Officer

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Confidential: No

Key Purpose: Policy

Executive Summary

1. This report sets out proposals to update the Limits of Delegation Policy to ensure that it is aligned with the controls built into the “Fusion” system and to incorporate a number of other changes required. It also proposes an amendment to the Scheme of Delegation in relation to policy determination.
2. The significant changes proposed to the Limits of Delegation Policy are:-
3. To align with the controls built into the Fusion system.
4. To incorporate the latest Single Tender Waiver form following the replacement of OJEU tender system and clarification of the role of Procurement in relation to research projects and clinical trials involve the contracting, supply and use of medical devices.
5. To align the policy with changes within the Finance department and other management changes.
6. To add in a new section setting out the process for approving variations to previously approved Capital and Revenue Business Cases.
7. To add in a new section setting out the process for the approval of commercial sponsorship arrangements and specific delegation arrangements in respect of small commercial sponsorship in relation to “The Hill”.
8. These proposals were considered and endorsed by the Trust Management Executive [TME] at its meeting on 8 April, and subsequently by the Audit Committee at its meeting on 21 April
9. The amendment proposed to the Scheme of Delegation is in relation to Policy Determination, reserving power to the Board to determine which policies will require its approval, defined by reference to the Policy Management Framework in force at the time in the Trust.
10. The Audit Committee (at its meeting held on 21 April) has confirmed its support for such amendment, in alignment with an update to the Policy on Developing and Managing Policies and Procedural Documents that was approved by TME at its meeting held on 8 April.

Recommendations

11. The Trust Board is asked to approve the proposed changes to the Limits of Delegation Policy and amendment to the Scheme of Delegation.

Amendments to Scheme of Delegation

1. Purpose

- 1.1. This paper sets out proposals to update the current Limits of Delegation Policy, which was last updated in September 2018 (AC2018.70) to ensure that it is aligned with the controls built into “Fusion” system that was implemented earlier this financial year. It also proposes an amendment to the Scheme of Delegation in relation to policy determination.

2. Background

- 2.1. The implementation of Fusion earlier this financial year enabled a number of controls relating to the requisitioning and approval of expenditure to be built into the computer system.
- 2.2. The Fusion system has a number of different approval limits (value) but each individual can only be assigned to one of those limits.
- 2.3. Consequently, the implementation of Fusion introduced a number of changes in the control environment which did not align with the extant Limits of Delegation Policy and the proposed update addresses this issue.
- 2.4. A number of other changes to the policy, including the need to align the policy with the revised management structure of the Trust have also been identified and these are also incorporated within the update.
- 2.5. Prior to the amendment now proposed to the OUH Scheme of Delegation, power is currently reserved to the Board to approve “management policies including personnel policies incorporating the arrangements for the appointment, removal and remuneration of staff”.
- 2.6. It is considered that it is neither necessary nor desirable (given the potential for ‘congestion’ of business to be conducted by the Board) to require that all personnel policies as defined must be approved at board level. Board approval should only be required for “personnel policies” where it is proposed to make a significant, substantive change in policy that will affect arrangements for the appointment, removal and remuneration of staff. Ambiguity should be removed as to what other policies should be reserved for approval by the Board.

3. Proposed Changes to the Limits of Delegation Policy

- 3.1. The implementation of Fusion and the introduction of controls within the system impacts four sections within the policy.
- 3.2. These are:-

- 3.2.1. Section A.1 – Approval of Revenue Business cases and Service Developments not part of previously agreed plans.
- 3.2.2. Section C.1 - Requisitioning within approved financial plans or business cases.
- 3.2.3. Section C.2 - Non-contract revenue expenditure
- 3.2.4. Section c.7 – Capital Works and expenditure.
- 3.3. The policy also needs to be aligned with the revised management structure introduced since September 2018 and as a result; for instance, references to Interim Associate Director of Financial Services and Capital need to be replaced by Deputy Director of Finance – Technical and Developments.
- 3.4. The policy has also been updated to reflect:-
 - 3.4.1. The current Single Tender Waiver (STW) form which has been updated to reflect the replacement of the OJEU system.
 - 3.4.2. Clarifying the role of Procurement in relation to research projects and clinical trials involve the contracting, supply and use of medical devices.
 - 3.4.3. Adding a new section on the process for approving variations to previously approved Capital & Revenue Business Cases.
 - 3.4.4. Adding a new section on the approval of commercial sponsorship arrangements and specific delegation arrangements in respect of small commercial sponsorship in relation to “The Hill”.
- 3.5. The full revised draft Limits of Delegation Policy is available on request.

4. Proposed amendment to the Scheme of Delegation

- 4.1. Under the recommended amendment to the OUH Scheme of Delegation, power will be reserved to the Board to determine which policies require its approval, defined by reference to the Policy Management Framework in force at the time in the Trust.
- 4.2. The Trust’s Policy Management Framework currently rests on adherence to the *Developing and Managing Policies and Procedural Documents Policy*, an update of which has been approved by TME, to include outline criteria for determining which policies should be reserved for approval by the Board.
- 4.3. The updated *Policy* provides by way of illustration a list of current policies which satisfy the criteria, and the Board will have further opportunity to consider a definitive schedule of reserved policies.
- 4.4. The full Scheme of Delegation, incorporating the proposed amendment, is available on request as is the full revised draft Policy on Developing and Managing Policies and Procedural Documents.

5. TME and Audit Committee considerations

- 5.1. The proposals set out herein were discussed at Trust Management Executive on 8 April and the Audit Committee on 21 April.
- 5.2. Both TME and the Audit Committee endorsed the recommendations and recommended that the Trust Board approve the proposals.

6. Recommendations

- 6.1. The Trust Board is asked to approve the proposed changes to the Limits of Delegation Policy and the Scheme of Delegation.