

Standing Orders, Standing Financial Instructions & Scheme of Delegation – Amendments

Public Board

27 January 2022

Presented for:	Approval
Presented by:	Jo Bray, Company Secretary
Author:	Jo Bray, Company Secretary, Martin Campbell Smith Associate Director of Finance
Previous Committees:	Cross ref to item 14.2 Non-Executive Director Champion Roles Standing Orders and Standing Financial Instructions, 2 December 2021 Audit Committee

Trust Goals	
The best for patient safety, quality and experience	✓
The best place to work	✓
A centre for excellence for research, education and innovation	✓
Seamless integrated care across organisational boundaries	✓
Financial sustainability	✓

Trust Risks (Type & Category)				
Level 1 Risk		Level 2 Risks	(Risk Appetite Scale)	Risk
Workforce Risk			Choose an item	Choose an item.
Operational Risk			Choose an item	Choose an item.
Clinical Risk			Choose an item	Choose an item.
Financial Risk			Choose an item	Choose an item.
External Risk		Legal & Governance We will operate the Trust in compliance with the law and UK Corporate Governance Code, where applicable. Regulatory Risk	Averse	↔ (same)

	We will comply with or exceed all regulations, retain its CQC registration and always operate within the law.		
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Key points	
<p>The Board is asked,</p> <ul style="list-style-type: none"> • Minor amendments to the QAC in respect of the new guidance and focus of NED Champion roles • To approve the establishment of a new Committee for the Innovation District • Minor amendments to Standing Orders and Standing Financial Instructions along with the Scheme of Delegation (supported by the Audit Committee) 	Approval

1. Summary and Background

Standing Orders and Standing Financial Instructions along with the Scheme of Delegation are the rule and governance framework that underpins the Board and its Assurance Committee structures.

2. Proposal

2.1 Quality Assurance Committee - Amendments

In response to the changes in Non-Executive Director Champion roles, and delegation to Committees to provide assurance (cross ref item 14.2), the following amendment is required to update the Terms of Reference for the Quality Assurance Committee at section 13.3;

In response to the publication to redefine the NED Champion roles NHS England » Enhancing board oversight: a new approach to non-executive director champion roles the Committee will consider and review on behalf of the Board the following;

- *Hip fracture, falls and dementia, Learning from Deaths (noting the duty for the report be in the public domain)*
- *Palliative Care & End of Life*
- *Safeguarding (reporting to Board)*
- *Resuscitation (requiring policy sign off by QAC on behalf of the Board)*
- *Children & Young People (Core Service Inspection Framework for Children and Young People refers to an interview with the NED in the Board with responsibility for CYP, noting oversight – likely to be Chair of QAC)*
- *Health & Safety (aspects include patient safety, employee safety and system leadership)*
- *Safety & Risk (should be integral to all Committees – demonstrating Well-led)*

Other aspects of this new guidance and required focus by Board Committees are already defined with their respective Terms of Reference.

2.2 Establishment of a New Assurance Committee – Innovation District Committee

The Board is requested to support the establishment of a new Assurance Committee, with a focus to the development of the Innovation District of the City with the key role of the Trust as an Anchor Institution. However this will be a critical development for LTHT in driving inward investment and working with external partners for our own research and innovation agenda.

It is therefore noted that the new Committee will liaise closely with both the Building Development Committee and the Research & Innovation Management Committee, with potential for overlaps in agenda items which will require careful management. Therefore, with this in mind there has been careful consideration to the membership of this Committee for this cross fertilisation.

The terms of Reference are set out as cited as Appendix J (as per their reference within Standing Orders).

2.3 Amendments to Standing Financial Instructions and Scheme of Delegation

NB this information was reported to 2 December 2021 Audit Committee and was supported.

A review of the Standing Financial Instructions has been undertaken, benchmarking the contents against the Standing Financial Instructions of; NHS England & Improvement, Liverpool University Hospitals NHS Foundation Trust, Barts Health NHS Trust, Nottingham University Hospitals NHS Trust, Sheffield Teaching Hospitals NHS Foundation Trust and King's College Hospital NHS Foundation Trust.

The amendments are summarised in Appendix 1 of this report.

3. Financial Implications

N/A

4. Risk

The changes set out will support and maintain the Boards averse risk tolerance for legal & governance and regulatory risk appetite.

5. Communication and Involvement

Standing Orders are held on Sharepoint and can be accessed by all staff via the intranet.

6. Equality Analysis

There are no equality issues to raise. Standing Orders are applicable to all staff.

7. Publication Under Freedom of Information Act

This paper has been made available under the Freedom of Information Act 2000.

8. Recommendation

The Board is asked to approve;

- Minor amendments to the QAC in respect of the new guidance and focus of NED Champion roles
- To approve the establishment of a new Committee for the Innovation District
- Minor amendments to Standing Orders and Standing Financial Instructions along with the Scheme of Delegation (supported by the Audit Committee)

9. Supporting Information

- Appendix J – Terms of Reference for Innovation District Committee
- Appendix 1 – Summary of Changes to Standing Financial Instructions and Scheme of Delegation

Jo Bray
Company Secretary
20 January 2022

Martin Campbell Smith
Associate Director of Finance

Appendix J

Innovation District Committee (IDC) – Terms of Reference

Terms of Reference – Innovation District Committee (IDC)

1. Main Authority / Limitations

- 1.1 The Board has resolved to establish a Committee of the Board to be known as the Innovation District Committee (“the Committee”). The Committee is Chaired by the Chair of the Trust, accounts to the Board and shall have Non-Executive responsibilities, powers, authorities and discretion as set out in these terms of reference. Committee membership shall be drawn from key Board Directors, employees of the Trust or third parties (outside of the Trust with specialist skills and expertise). The Innovation District Committee shall be responsible for providing independent assurance to the Trust Board regarding the processes, procedures and management of the LGI Development Site (LDS) Project to support the successful achievement of the Project Investment Objectives and realisation of the stated benefits. It shall provide independent assurance that the LDS Project is being effectively managed, controlled and delivering the stated benefits, which are value for money and ultimately affordable. The Committee shall be responsible for providing assurance to the Trust Board on all key decisions (as defined in the Project Implementation Plan) prior to their consideration and approval by the Trust Board.
- 1.2 The Committee is authorised by the Board to investigate any activity within its terms of reference. The Committee may invite any Director, Executive, external or internal auditor, or other person to attend any meeting(s) of the Committee as it may from time to time consider desirable to assist the Committee in the attainment of its objective. The Committee may appoint, employ or retain such professional or legal advisors the Committee consider appropriate. Any such appointment shall be made through the Company Secretary. All Board Members shall be entitled, should they wish to do so, to see the advice received from the Committee’s advisors.

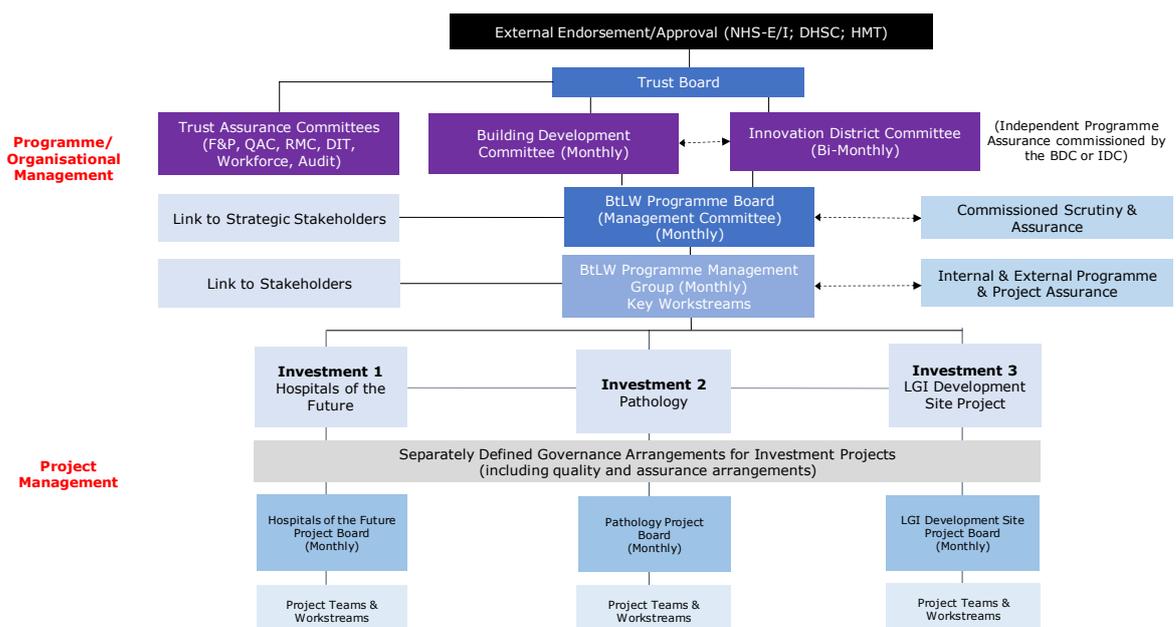
- 1.3 The Committee will report annually on the delivery of its work programme. Reports will specifically comment on assurance of delivery against key timelines set out in the overall project plan, risks, mitigations and deviation from plans.
- 1.4 Approved minutes of the Committee are circulated to the Board for information at the first formal meeting of the Board after approval. The minutes are also circulated to those regularly in attendance. The Committee Chair will provide the Board with a brief summary of the Committee’s work at the first available Board meeting opportunity after each Committee meeting. The Chair of the Committee will escalate matters to the Board as deemed appropriate and, if necessary, prior to a Board meeting.
- 1.5 Trust Standing Orders and Standing Financial Instructions apply to the operation of this Committee.

2. Objective

- 2.1 The Committee shall be accountable to the Board and examine assurances relating to the LDS Project.

3. Project Governance

- 3.1 The LDS Project is one of three main projects that collectively comprise the Building the Leeds Way (BtLW) Programme. Its place within the overall structure is shown in the diagram below detailing the governance arrangements from the LGI Development Site Project Board to the BtLW Programme Board, the Innovation District Committee and the Trust Board.



4. Primary Duties and Responsibilities

- 4.1 Establish independent assurance to ensure that the LDS Project is managed and delivered in a controlled way.
- 4.2 Receive reports from the BtLW Programme Board that address delivery progress, which includes costs, key risks, outcome of assurance activities and actions to address recommendations, key decisions with reference to the Innovation District Committee Key Decisions Forward Plan as well as specific items as requested by the Innovation District Committee from time-to-time.
- 4.3 Ensure that robust and effective governance arrangements are implemented to oversee the delivery of the LDS Project.
- 4.4 Ensure that effective control and risk management arrangements are implemented to manage the delivery of the LDS Project.
- 4.5 Oversight on behalf of the Board for the LDS Project's overall revenue and capital plans, current position, forecast risk and mitigations.
- 4.6 Authorise transactions in respect of the LDS Project as defined in Scheme of Delegation (and in keeping with thresholds aligned with the Finance & Performance Committee and BDC). Noting that the Chair of the Innovation District Committee would be conflicted to approve any request for Chairs Action as defined in Standing Orders under Use of Emergency Powers (see SO 2.23), thus Deputy Chairs would be used to support any such requests.
- 4.7 Prior to their formal approval (where appropriate via Capital Planning Group on related Business Cases, or via Innovation District Committee for pre-Board assurance), confirm that appropriate processes have been implemented and assurance activities completed on key Project documents to include:
 - Outline Business Cases ("OBC");
 - Full Business Case ("FBC");
 - Contract and Procurement Strategies; and
 - Contract and Works Procurement Documentation
- 4.8 Ensure that the appropriate internal and external due diligence has been completed prior to appointment of a Preferred Purchaser/Developer in connection with the purchase/ development of the LDS.
- 4.9 Ensure the appropriate specialist external advice and assurance has been completed prior to the signing of the main contracts for the LDS Project.
- 4.10 Provide advice and support to the identification and effective control of key Project risks.
- 4.11 Monitor, review and provide assurance that the LDS Project is, as far as practically possible, delivering against the expectation of the New Hospital Programme with respect to the sale of the LDS.

- 4.12 Communicate information about the LDS Project to key internal and external groups ensuring joined up alignment with the BtLW overall communication and engagement plan.
- 4.13 Actively champion internally and externally the investment objectives and benefits of the Project.
- 4.14 Review identified inter-dependencies across the Programme and its approved Projects (and external to the Programme) and ensure that controls are established to manage these effectively.
- 4.15 To consider and advise the Board on the risks associated with any material issues as required from time to time by any Director in consultation with the Chief Executive and Deputy Chairs of the Trust. In preparing such advice the Committee shall satisfy itself that a due diligence appraisal of the proposition is undertaken and is within the risk appetite and tolerance of the Trust, drawing on independent external advice where appropriate and available, before the Board takes a decision whether to proceed.
- 4.16 To work closely with and support the Audit Committee to review and oversee the effectiveness of the Trust's internal control framework.
- 4.17 To consider, within its agenda, material issues communicated to it by the Audit Committee arising from the work of the Internal Audit function relating to matters which fall within the scope of the objective and responsibilities of the Committee. The Committee shall provide feedback on its review of such referred internal audit work, in particular as to any shortcomings perceived in the scope or adequacy of the work. Additionally, the Committee shall respond to any other matters of an internal audit nature that are referred to it by the Audit Committee as appropriate.
- 4.18 To review and endorse the content of any description associated with the LDS Project within the Trust's annual report and accounts for submission to the Board.
- 4.19 To undertake or consider on behalf of the Board such other related tasks or topics as the Board may from time to time entrust to the Committee.
- 4.20 The Committee shall review annually the Committee's terms of reference and its own effectiveness and recommend to the Board any necessary changes arising therefrom.
- 4.21 To report to the Board on matters set out in these terms of reference and how the Committee has discharged its responsibilities.
- 4.22 The Chair of the Committee shall provide an annual report to the Chair of Audit Committee confirming the effectiveness of the Committee and fulfilment of its objective, and to the effect that the Committee has reported to the Board financial or

operational performance which could adversely affect achievement of corporate objectives.

- 4.23 Where there is a perceived overlap of responsibilities between the Trust's Finance & Performance, BDC, IDC, R&I Committee, Workforce, DIT or Quality Assurance Committees, the respective Committee Chair shall have the discretion to agree the most appropriate Committee to fulfil any obligation. To support this, information will be shared (and reported to more than one Committee) to maintain understanding particularly between BDC and the Innovation District Committee and the R&I management.
- 4.24 Where the Committee's monitoring and review activities reveal cause for concern or scope for improvement, it shall make recommendations to the Board on action needed to address the issue or to make improvements.

5. Duties and Etiquette

- 5.1 The duties of the Chair of the Committee shall be to:
- keep the Board informed regularly of any material matters which have come to the Committee's attention;
 - ensure that minutes of the Committee are an accurate reflection of discussion;
 - attend or designate another member of the Committee to attend public meetings of the Trust to answer any questions related to the work of the Committee;
 - submit an annual report on the work and effectiveness of the Committee to the Board; and
 - ensure that all significant risks are discussed and where necessary escalated in line with LTHT's Risk Management Policy.
- 5.2 The duties of members and attendees shall be to:
- attend and contribute;
 - have read the papers and materials in advance and be ready to work with them;
 - actively participate in discussions pertaining to Committee business ensuring that solutions and action plans have multidisciplinary perspectives and have considered the impact Trust-wide;
 - disseminate the learning and actions from the meetings; and
 - to attend at least 75% of meetings of the Committee per year.

6. Constitution

- 6.1 The Committee shall meet with such frequency and at such times as it may determine. It is expected that the Committee shall meet bi-monthly.
- 6.2 The quorum for meetings shall be two Directors, one of whom should be the Committee Chair, unless he or she is unable to attend due to exceptional

circumstances. In the absence of the Committee Chair a decision will be taken in advance of the meeting as to which independent Non-Executive Director who is a member of the Committee shall chair that particular meeting.

7. Membership and attendance

7.1 The Membership shall be disclosed in the Annual Report and shall be two independent Non-Executive Directors of the Board. There shall be no deputies allowed in the absence of a member attending. Any member of the Committee who is able to speak and be heard by each of the other members shall be deemed to be present in person and shall count towards the quorum. The Members shall be:

- Linda Pollard (Chair)
- Bob Simpson
- Chris Schofield
- Georgina Mitchell
- Rachel Woodman
- Chief Digital and Information Officer or his Deputy
- Director of Strategy
- Communications Representative
- Assistant Director of Finance

7.2 The Project Sponsor, Project Director and Company Secretary shall be in attendance at all meetings except in relation to reserved business. They may send deputies to represent them in their absence, or invite specific colleagues to address the Committee where appropriate and agreed with the Committee Chair.

7.3 The Project Manager and invited third parties (outside of the Trust with specialist skills and expertise) may be in attendance.

7.4 In order for decisions taken by the Committee to be valid, the meeting must be quorate. This will consist of two members of the Committee being present at the point when any business is transacted. [See 7.1 above].

7.5 The Committee is serviced by Secretariat which organises meetings. Papers shall be available at least five clear days before each meeting. Papers shall not be tabled unless it is essential and only with the Committee Chair's prior agreement.

7.6 Terms of reference are reviewed annually or in the light of changes in practice or national/local guidance.

8. Version Control

Version Control	Date	Comments
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V1	23 November 2021	Draft 1
V2	23 January 2022	Draft 2: inclusion of the Assistant Director of Finance as a member
V3	27 January 2022	Formal Approval by Trust Board

Document Owner

The Company Secretary is the owner of this document and of any Board Minute authorising any amendment.

Appendix 1

Summary of Changes to Standing Financial Instructions and Scheme of Delegation

12.1	Update header to reflect version 12	December 2021
12.2	Add 1.1.4 All Executive Directors, Non-Executive Directors and all staff and contractors should be aware of the existence of these documents and be familiar with their detailed provisions. The SFIs will be made available on the intranet and internet website.	
12.3	Minor corrections to titles, grammar, paragraph numbering.	
12.4	Add 2.1.27 Within this document, words imparting any gender include any other gender. Words in the singular include the plural and words in the plural include the singular. Any reference to an enactment is a reference to that enactment as amended.	
12.5	Amend 4.3 to reflect current requirement for the appointment of External Audit	
12.6	Amend 5.1.2 d) be prepared within the limits of available funds	
12.7	Amend 7.5.5 to reflect money laundering regulations	
12.8	<p>Add 8.1.4 Business case approval limits are based on the anticipated whole lifetime cost of the contract including irrecoverable VAT. If irrecoverable VAT is excluded from the initial approved expenditure value, then a further business case will be required to cover these costs.</p> <p>All procurement limits stated in these SFIs are exclusive of all VAT.</p> <p>Officers must not divide a proposed contract into smaller contracts to avoid the provisions of these SFIs, the Procurement Policy and external approval thresholds.</p> <p>The length of the proposed contract must be based on a rigorous assessment of service need and value for money.</p>	
12.9	Amend 8.2.1 to The Trust shall take into account all legal requirements to comply with Public Contracts Regulations on public procurement. Further information on relevant tendering	

	thresholds and requirements can be found at Public procurement policy - GOV.UK (www.gov.uk)	
12.10	Amend 8.4.5 For Pharmaceuticals, this must be approved by the Clinical Director (Medicines Management & Pharmacy Services)	
12.11	Amend 8.7.1 to Public contracts Regulations and other statutory provisions	
12.12	Add 10.4.2n) a) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's resignation, termination or retirement	
12.13	Add 10.6.1 Where exceptional circumstances exist within a department and agency, self-employed workers or workers supplied via a third party are to be retained then contractual provisions shall be put in place which allow the Trust to seek assurance regarding the income tax and national insurance contribution obligations of the person engaged and the ability to terminate the contract if that assurance is not provided	
12.14	Add 19.1.2c management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk	
12.15	Amend Scheme of Delegation - Contracts (page 42) £25k to Public Contracts regulations level The financial limit is subject to revision every 2 years: see Public procurement policy - GOV.UK (www.gov.uk) for the current limit	
12.16	Amend Appendix A - Application to Waive Standing Orders to allow Single Tender Action	