

## Update to Standing Financial Instructions and Scheme of Delegation

**Public Board**  
**29 January 2026**

<b>Presented for:</b>	Discussion and Approval
<b>Presented by:</b>	Jenny Ehrhardt, Director of Finance
<b>Author:</b>	Martin Campbell Smith, Associate Director of Finance
<b>Previous Committees:</b>	Audit Committee, 8 January 2026

<b>Link to Strategic Objective</b>	All
<b>Link to Provider Capability Assessment</b>	Governance, risk and regulatory
<b>Link to CQC Well-led Statement</b>	Governance, Management and Sustainability
<b>Regulatory Impact</b>	Regulation 17: Good governance

<b>Key points</b>	
1. In line with the Standing Financial Instructions, the Board is requested to approve the proposed amendments as per the recommendation of the Audit Committee	Decision

<b><u>Risk Appetite Framework</u></b>			
<b>Level 1 Risk</b>	<b>Level 2 Risks</b>	<b>(Risk Appetite Scale)</b>	<b>Impact</b>
Financial Risk	Financial Reporting Risk - We will deliver sound financial management and reporting for the Trust, with no material misstatements or variances to forecast.	Cautious	Moving Towards
External Risk	Legal & Governance Risk - We will operate the Trust in compliance with the Law and UK Corporate Governance Code, where applicable.	Averse	Moving Towards

## **1. Summary**

It is good governance and cited within LTHT Standing Orders and delegated to the Audit Committee, that there is an annual review of Standing Orders, Standing Financial Instructions and Scheme of Delegation. The purpose of which is to ensure that the rules that govern the Trust are fit for purpose, accurate and therefore are adhered to.

These are maintained as living documents and any amendments are required to be reported to the Board for approval within a public meeting.

Also, as part of the Trust's governance around policies and procedures, the Standing Financial Instructions and Scheme of Delegation were due for review by 30 November 2025.

An in-depth review has been undertaken of the Trust's Standing Financial Instructions and Scheme of Delegation, including benchmarking against other equivalent Trusts, taking into consideration the new Procurement Act, with revised Single Tender Action form, and revised approval limits.

Each of the Committees within their Annual Reports received by the March Audit Committee are also required to review their terms of reference (which are part of Standing Orders) and ensure these are fit for purpose.

## **2. Background**

The Standing Financial Instructions, which include the Scheme of Delegation, detail the financial responsibilities adopted by the Trust. They have been designed to reflect the public sector values of integrity, accountability and openness to ensure the proper use of public funds.

The Standing Financial Instructions were last updated in November 2024 by the Board.

An in-depth review has been undertaken of the Trust's Standing Financial Instructions and Scheme of Delegation in light of the new Procurement Act 2023 and also revising approval limits. As part of the review a benchmarking exercise was undertaken against other equivalent Trusts.

The changes to the Standing Financial Instructions and Scheme of Delegation are outlined in appendix c of the document. However, the main changes are:

- Amending directives in relation to public procurement:
- Updating to take into consideration the provisions of the Procurement Act 2023 (now in force):
- Updating reference to the Government 10-year Health plan:
- Updating composition of approval levels in the Scheme of Delegation for clarity:
- Amending approval limits to enhance grip and control but also increasing the approval limit from £1m to £2.5m for level 6 to take into consideration inflation and to reduce delays by needing Finance & Performance Committee or Board approval:
- Updating to clarify that all approval limits include VAT; and
- Removal of Infrastructure Committee.

Variations to Standing Financial Instructions shall only be made by the Board, and normally, on the recommendation of the Trust's Audit Committee.

### **3. Proposal**

In line with the Standing Financial Instructions, the Audit Committee has considered proposed changes and is recommending these to the Board for approval. In relation to the increase in limit for Level 6, the Audit Committee will receive a report of the first 6 months of this change to understand the practical application.

### **4. Financial Implications**

Not applicable.

### **5. Risk**

The changes maintain the strong financial governance framework within the Trust and provide assurance to the audit committee of the framework in place to maintain the current risk appetite.

### **6. Communication and Involvement**

The Standing Financial Instructions are available on the intranet and on the external internet site for the Trust.

### **7. Equality Analysis**

These governing documents apply to all staff.

### **8. Publication Under Freedom of Information Act**

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

### **9. Recommendation**

The Board is requested to approve the proposed amendments following a recommendation of approval by the Audit Committee.

### **10. Supporting Information**

The following papers make up this report:

*Appendix 1 – Updated Standing Financial Instructions and Scheme of Delegation*