

Change to Revenue Purchasing requirements, Level 5 SFIs

Board
26 March 2026

Presented for:	Information
Presented by:	Paul Ralston - Director, Commercial & Procurement
Author:	Ben Womack - Director, Commercial & Procurement
Previous Committees:	Audit Committee, 5 March 2026

2025/26 Commitments	Category	✓
Support our patients to get home a day sooner	Care	
Be in the top 25% trusts for patient experience and efficiency in outpatient	Quality	
Support each other to act with kindness and compassion	Team	
Recognise and act upon moments that matter to our patients	Compassion	
Support our staff to spend every pound wisely	Finance	✓
Make best use of our estate, equipment and digital assets	Resources	✓
Reduce our carbon footprint by creating greener patient pathways	Sustainability	

Risk Appetite Framework				
Level 1 Risk	(✓)	Level 2 Risks	(Risk Appetite Scale)	Impact
Workforce Risk		Choose an item.	Choose an item	Choose an item.
Operational Risk		Choose an item.	Choose an item	Choose an item.
Clinical Risk		Choose an item.	Choose an item	Choose an item.
Financial Risk		Supply Chain Risk - We will manage suppliers in a manner that protects the Trust's interests and service to our patients.	Minimal	Moving Towards
External Risk		Choose an item.	Choose an item	Choose an item.

Key points	
1. Recent changes to revenue purchasing, level 4 of the SFIs reduce from £750k to £100k as the SFIs are written, has reduced the requirement for 2 Executive Directors from £750k to £100k, creating a bottleneck of requests.	Information

1. Summary

In the recent updates to the SFIs, the authority of Level 4 has been reduced from £750k to £100k for revenue purchases, while Level 5 continues to require approval from two Executive Directors.

Currently Oracle does not support dual approval of purchase orders from a best practice perspective. To enforce the previous SFI requirement, Executive Directors are restricted to the Level 4 approval limit, allowing requisitions to escalate to a second Executive Director within the Oracle system. With the significant reduction in the Level 4 limit, this has highlighted an issue that didn't have as a significant impact prior to the new levels coming into effect. This step effectively means that Level 5 Executive Directors do not have functional approval authority within the hierarchy, they simply act as a pass through, because approval would always require an approver at both Level 4 and Level 6 to complete the sign-off.

The new reduction of Level 4 authority will significantly increase the number of approvals required at senior levels. Therefore, we are requesting removal of the requirement for two Executive Director approvals at Level 5 under revenue purchasing only. This would also align Level 5 approval with other areas of the SFIs, including Authorisation of quotations, tenders and contracts and Contract variations.

2. Background

Our Oracle approval hierarchy operates on a cost centre manager basis. This allows users to create requisitions against any cost centre, with Oracle routing the approval initially to the relevant cost centre manager. It then progresses through the hierarchy of cost centre managers until the appropriate approval level is reached.

Previous versions of the SFIs required, under revenue purchasing Level 5, approval from two Executive Directors. Oracle does not support dual approval as our system provider has configured Oracle. To enforce this, Executive Directors were limited to Level 4 approval, enabling escalation to a second Executive Director, the Director of Finance.

Due to the number of requests that achieved the old finance value this only required a small number of orders to be escalated to the second Executive Director. Reducing the limit means there will be 120+ requisitions annually which now require second executive approval and to enable this within the Oracle system all Executive Directors will have to have their individual limit reduced to £100k to enable the system to escalate all to the Director of Finance. As we expand the no Purchase Order no Pay policy it is also likely this number will increase over time.

3. Proposal

The proposal is to remove the requirement for approval of two Executive Directors at level 5 of the Revenue Purchasing within the Standing Financial Instructions. The current and proposed change is below.

Current	
upto £2.5k	Level 1
upto £10k	Level 2
upto £30k	Level 3
upto £100k	Level 4
upto £750k	Level 5 (two Executive Directors)
upto £5m	Level 6
£5m+	Level 7

Proposed	
upto £2.5k	Level 1
upto £10k	Level 2
upto £30k	Level 3
upto £100k	Level 4
upto £750k	Level 5
upto £5m	Level 6
£5m+	Level 7

This proposal will align and match with other areas of the SFIs for 'Authorisation of quotations, tenders and contracts' and 'Contract variations'.

4. Financial Implications

This proposal does not introduce any financial implications. Several additional controls are in place to provide governance such as no self approval of requisitions and cost centre hierarchy, meaning by the time it is being approved by an Executive Director, it has already been through several levels of approval within the CSUs (Levels 1 through 4).

There also further approvals when a requisition is fully approved but before it is converted into a purchase order. Once a requisition has been approved by the relevant cost centre manager and the correct authorisation level, it becomes available to Procurement. Additional checks are carried out with trust policies, before converting into a purchase order. This process has a separate approval hierarchy, routed through the applicable contract managers and ultimately to the Director of Commercial & Procurement.

5. Risk

The risk of not making this change, for requisitions over £100k would require several levels of approvals, including levels 4,5 and 6. Increasing the time to approve requisitions, keeping redundant approval steps.

6. Communication and Involvement

If approved, changes will be made in the Oracle hierarchy to reflect this and a communication will go to the users to inform them of the new levels and changes to approval steps.

7. Equality Analysis

Equality Analysis is not undertaken for approval hierarchy in Oracle. The relevant policies, including Standing Financial Instructions, are applicable to all staff.

8. Publication Under Freedom of Information Act

This paper is available under the Freedom of Information Act 2000.

9. Recommendation

The committee is asked to approve the removal of the requirement for approval of two Executive Directors under revenue purchasing, Level 5.

10. Supporting Information

The following papers make up this report:

N/A