



Agenda Item No:

9b

Report to:	HNY Board
Date of Meeting:	9 July 2025
Subject:	Updated Scheme of Financial Delegation
Director Sponsor:	Des Irving Brown, Exec Director of Finance and Investment
Author:	Des Irving Brown, Exec Director of Finance and Investment

STATUS OF THE REPORT:

Approve ☒ Discuss ☐ Assurance ☐ Information ☐ A Regulatory Requirement ☒

SUMMARY OF REPORT:

The current scheme of financial delegation (SOFD) has been reviewed and revised to reflect both the changes during 2024/25 to the organisational structure, as well as to introduce enhanced controls and delegation limits to enable effective decision making and provide clarity on the responsibilities of various office holders within the organisation, and remove ambiguity around delegation limits, especially those relating to Place specific decisions.

The revised SORD introduces:

- 1) The various decisions reserved for the Board/NHSE/The ICB Chair, Board and various sub-committees and the Executive
- 2) Clear limits for various budget and office holders above which they cannot approve financial decisions
- 3) Introduces the limits for which Finance and Performance Committee can approve business cases as between £5m-£10m – The Executive Committee can approve up to £5m and anything over £10m has to go to Board
- 4) Confirms that any contract award above an annual value of £5m or cumulative value of £10m will need to go to Board for final approval (Noting Finance and Performance Committee's concern about volume which will need to be monitored).
- 5) Introduces the required delegations and processes relating to the new procurement Act of 2023
- 6) Formalises in section 15 the requirement for business cases to be produced for any expenditure not already committed via contracts, and for any contract renewal, and approved centrally via the Executive – no expenditure decisions can be made outside of this process.
- 7) Formalises in section 20.3 the requirement for all recruitment decisions to be made via the Establishment Control Panel via the delegation of the Executive Director of Finance
- 8) Introduces the ledger delegations required under IFSE 2 implementation in section 19

The paper has been to Audit Committee who provided the following feedback:

- 1) No delegation of approval of annual report & accounts to Audit & Risk Committee, so this will remain at the Board.
- 2) Requested a specific reference in the contract award section to say what happens to contracts with a cumulative value exceeding £10m

- 3) Requested a review of the thresholds at which contract awards are made – we are currently taking anything above £5m/year to Board, and cumulative value of > £10 and it was requested that this continues.
- 4) The Committee confirmed it did not need to see another version before this goes to Board provided there aren't significant changes, and that it goes through Exec and FPD ahead of going to Board

The paper was also presented at Finance, Performance and Delivery Committee which provided the following feedback:

- 1) Clarity to be provided on when Virements could be transacted under the delegations (done)
- 2) Concern that the contract awards limits may generate additional workload at Board – it was agreed that prior volumes would be assessed, and pipeline contracts reviewed to monitor this.
- 3) Noted that when the organisational change is implemented this (and all governance documents) would need to be revisited.

The Board is asked to approve the proposed Financial Scheme of Delegation with immediate effect.

ICB STRATEGIC OBJECTIVE

Leading for Excellence	<input checked="" type="checkbox"/>
Leading for Prevention	<input checked="" type="checkbox"/>
Leading for Sustainability	<input checked="" type="checkbox"/>
Voice at the Heart	<input type="checkbox"/>

IMPLICATIONS

Finance	Without a robust and unambiguous SOFD, the organisation will be vulnerable to potential breaches in financial control, the changes introduced in the updated SOFD seek to remove ambiguity and ensure that delegations are applied at appropriate levels of authorisation and that scrutiny and oversight can be effectively managed throughout the decision-making process.
Quality	The SOFD sets out delegations with respect to approval of system-level arrangements to minimise clinical risk, maximise patient safety and to secure continuous improvement in quality & patient outcomes
HR	The SOFD identifies roles with delegated authority.
Legal / Regulatory	It is a requirement to have a scheme of delegation in place to ensure effective decision making at appropriate levels of authorisation
Data Protection / IG	There are no IG implications identified within this paper.
Health inequality / equality	There are implications identified within this paper.
Conflict of Interest Aspects	No conflicts of interest have been identified at time of drafting this report. Conflicts of interest will be managed in accordance with the committee's terms of reference and the ICB Constitution and Standing Orders.
Sustainability	There are implications identified within this paper.

ASSESSED RISK:

There are no significant risks aligned to this paper; however, it should be recognised that the failure to maintain and apply processes and procedures in accordance with the Constitution and that failure to establish terms of reference for the committees of the Board, would significantly impair the ability of the ICB to achieve safe, effective, and efficient decision-making in its core duties. The ICB must ensure compliance with its Constitution to avoid NHS England intervention.

MONITORING AND ASSURANCE: Audit and Risk Committee is responsible for the approval of the SOFD and the ongoing monitoring of effectiveness and assurance to the Board.

ENGAGEMENT:

To date the finance team has worked with the Governance leads to ensure a consistent approach aligning to the Standing Financial Instructions (SFIs) and Scheme of operational Reservation and delegation (SORD). The proposed paper is now being circulated to Audit & Risk Committee for consideration before going to Finance and Performance Committee and then onto the Board.

REPORT EXEMPT FROM PUBLIC DISCLOSURE

No



Yes

