

<b>Title of Meeting:</b>	<b>Governing Body</b>	<b>Agenda Item: 9.3</b>									
<b>Date of Meeting:</b>	<b>6 December 2018</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="background-color: #4F81BD; color: white;">Session (Tick)</th> </tr> <tr> <td style="width: 50%;"><b>Public</b></td> <td style="width: 50%;"></td> </tr> <tr> <td><b>Private</b></td> <td></td> </tr> <tr> <td><b>Workshop</b></td> <td></td> </tr> </table>		Session (Tick)		<b>Public</b>		<b>Private</b>		<b>Workshop</b>	
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<b>Workshop</b>											
<b>Paper Title:</b>	<b>HaRD CCG Operational Scheme of Delegation</b>										
<b>Responsible Governing Body Member Lead</b> Dilani Gamble, Chief Finance Officer		<b>Report Author and Job Title</b> Alec Cowell, Had of Finance									
<b>Purpose (this paper if for)</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: #4F81BD; color: white;">Decision</th> <th style="background-color: #4F81BD; color: white;">Discussion</th> <th style="background-color: #4F81BD; color: white;">Assurance</th> <th style="background-color: #4F81BD; color: white;">Information</th> </tr> <tr> <td style="text-align: center;">X</td> <td></td> <td></td> <td></td> </tr> </table>			Decision	Discussion	Assurance	Information	X			
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X											
<p><b>Has the report (or variation of it) been presented to another Committee / Meeting?</b>  <b>If yes, state the Committee / Meeting:</b> Yes, the Operational Scheme of Delegation has been reviewed at the Senior Management Team meeting and also the Finance, Performance and Commissioning Committee.</p>											
<p><b>Executive Summary</b>  The following changes have been made to the CCG’s Operational Scheme of Delegation:</p> <ul style="list-style-type: none"> <li>• References to ‘Partnership Commissioning Unit’ have been removed</li> <li>• Heads Of Service posts have been updated to reflect current establishment</li> <li>• Approval of non-primary care business cases / quotes and tender limits / capital investments and disinvestments, can take place at SMT to a revised limit of £50,000. This is subject to being within existing budget / additional income received / within savings generated</li> <li>• Approval of primary care business cases / quotes and tender limits / capital investments and disinvestments, must be noted at FPCC prior to approval at PCCC</li> <li>• Approval of GP rent reviews – up to 4% at PCSG, over 4% at FPCC, noted at PCCC.</li> <li>• Recognition of CHC/FNC/VP day to day commitments undertaken by S&amp;R CCG on our behalf.</li> <li>• Recognition of the Integrated Care System joint committee and they delegated authority (alongside West Yorkshire Healthy Futures).</li> <li>• Recognition of the day to day commitments undertaken through the HSCN national programme by the Head of Finance.</li> <li>• Updated procurement thresholds and guidance in line with, and to complement, the updated Procurement Policy.</li> <li>• Recognition of SRBI day to day commitments undertaken by VoY CCG on our behalf.</li> <li>• Updated budget holder areas to reflect the current financial year’s delegations.</li> </ul> <p>Please refer to Appendix A for the full version of the revised and updated Operational Scheme of Delegation.</p>											
<p><b>Recommendations</b>  The Governing Body is asked to approve the Operational Scheme of Delegation.</p>											
<p><b>Monitoring</b>  The monitoring of compliance to the Operational Scheme on Delegation is undertaken by the Finance team with further compliance checking completed by the Internal Auditors. The Governing Body is required to approve the Operational Scheme of Delegation.</p>											

**CCGs Strategic Objectives supported by this paper**

	<b>CCG Strategic Objective</b>	<b>X</b>
1	Quality, Safety and Continuous Improvement	<b>X</b>
2	Better Value Healthcare	<b>X</b>
3	Well Governed and Adaptable Organisation	<b>X</b>
4	Health and Wellbeing	<b>X</b>
5	Active and Meaningful Engagement	<b>X</b>

**CCG Values underpinned in this paper**

	<b>CCG Values</b>	<b>X</b>
1	Respect and Dignity	<b>X</b>
2	Commitment to Quality of Care	<b>X</b>
3	Compassion	<b>X</b>
4	Improving Lives	<b>X</b>
5	Working Together for Patients	<b>X</b>
6	Everyone Counts	<b>X</b>

**Does this paper provide evidence of assurance against the Governing Body Assurance Framework?**

<b>YES</b>		<b>NO</b>	<b>X</b>
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If yes, please indicate which principle risk and outline

<b>Principle Risk No</b>	<b>Principle Risk Outline</b>

<b>Any statutory / regulatory / legal / NHS Constitution implications</b>	The CCG is required to have an Operational Scheme of Delegation that supports good governance and the CCG's constitution.
<b>Management of Conflicts of Interest</b>	No conflicts of interest have been identified prior to the meeting.
<b>Communication / Public and Patient Engagement</b>	Not applicable.
<b>Financial / resource implications</b>	Not applicable.
<b>Outcome of Impact Assessments completed (e.g. Quality IA or Equality)</b>	Not applicable.

**Alec Cowell, Head of Finance**

# **OPERATIONAL SCHEME OF DELEGATION**

(Version 4)

## **1. ANNUAL REVIEW**

This operational scheme of delegation was revised in November 2018 and approved by Governing Body on the 6th December. It replaces version 3 (dated September 2017).

## **2. INTRODUCTION**

This scheme of delegation is a supporting document to the CCG's constitution and should be read in conjunction with it. This document provides guidance for staff of the CCG (for the avoidance of doubt, this also includes staff who are working for us through the Partnership Commissioning Unit and the North Yorkshire Medicines Management team hosted by the CCG), and the term 'CCG' used within this document applies to all staff noted above.

Decision making with a financial impact must be carried out in accordance with the CCG's Standing Orders, Prime Financial Policies and detailed financial procedures. All financial limits in this schedule of matters delegated to officers are subject to sufficient budget being available.

The CCG remains ultimately accountable for all of its functions, including those that it has delegated within this document.

## **3. SCHEME OF DELEGATION TO EMPLOYEES**

The Standing Orders (SOs) and Prime Financial Policies set out in some detail the financial responsibilities of the accountable officer, the chief finance officer and other executive directors of the CCG.

The scheme of delegation covers only matters delegated by the Governing Body, through the constitution, as set out in detail within this document. Further delegation may be approved as required for areas not covered by the constitution by the Governing Body in approving specific management policies.

Each budget holder will need to consider the arrangements for authorisation of expenditure against delegated budgets and further delegation of management/professional responsibilities.

#### **4. FINANCIAL CONTROL ENVIRONMENT**

In accordance with prime financial policies the Governing Body exercises financial supervision and control by:

- (i) Authorising the operational plan;
- (ii) Requiring the submission and approval of budgets within approved resource allocations / overall income;
- (iii) Defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money);
- (iv) Defining specific responsibilities placed on members of the governing body, committees, members and employees as indicated in the scheme of delegation.

Once the Governing Body has reviewed and approved the Operating Plan and any supporting financial plan / budget the Governing Body delegates' approval through this operational scheme of delegation.

For the avoidance of doubt this delegation (subject to the limits outlined in this document) includes:

- Approval of contracts including the signing of appropriate contract documentation;
- Approval of contract variations and subsequent amendments to contract payments;
- Approval of invoices against approved contracts;
- Approval of business cases for investment and disinvestment decisions;
- Approval of quotes and tenders limits;
- Approval of capital investments and disinvestments;
- Approval of GP practice rent reviews;
- Approval of non-pay non-contracted single orders;
- Approval of QIPP Schemes;
- Approval of payroll claim forms;
- Approval of new drug prescribing;
- Approval of prescribing rebate schemes;
- Approval of sales invoices and credit notes;
- Approval of budget virement limits;
- Approval of disposals, condemnations, bad debt, losses and special payments.

#### **5. FINANCIAL LIMITS / THRESHOLDS**

This operational scheme of delegation clarifies the financial limits of CCG employees to commit or approve expenditure on behalf of the CCG.

No individual is authorised to approve expenditure which exceeds the total of their delegated budget, or which is not in line with the purpose and strategy of the CCG.

A breach of delegated authority limits is a disciplinary offence for employees of the CCG.

A commitment relates to any agreement which creates a current or future financial liability for the CCG. The most common examples would be a requisition to place a purchase order, a contract or SLA agreement.

Notwithstanding the financial limit any commitment of strategic significance should either be approved or noted by the Governing Body at the discretion of CCG Executive Directors.

The CCG Budget Holder and Budget Manager responsibilities for each budget (Programme & Running Costs) are detailed within the annual budget book and the responsibility of each role is set out below:

A **Budget Holder** is the Chief Officer/Chief Finance Officer/Executive Director/Head of Service with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.

A **Budget Manager** is the employee who has been given delegated authority by the Budget Holder to manage finances (Income and Expenditure) on their behalf for a specific area of the CCG. Although a particular budget may have a nominated Budget Manager it is still the Budget Holder who is accountable and responsible for that budget.

A Budget Holder or a Budget Manager's responsibilities are;

- To ensure that any overspending or reduction of income is met within their overall budget allocation or through approved budget virement from another budget holder;
- To ensure that the approved budget is only used for the specific purpose that it was allocated for;
- To manage staffing numbers within the authorised and funded establishment. Any proposal to vary the staffing numbers, skill mix or the employment of temporary staff must be approved in writing by the Chief Finance Officer and managed within available resources.

For the avoidance of doubt, the Executive Director post applies to;

- Director of Quality & Governance
- Director of Transformation & Delivery

For the avoidance of doubt, the Head of Service post applies to;

- Head of Business Change
- Head of Commissioning
- Head of Contracting
- Head of Finance
- Head of Integration
- Head of Medicines Management
- Head of Nursing & Quality
- Head of Quality & Performance

For the avoidance of doubt, the abbreviations in the following table relate to the following committees/meetings;

FPCC – Finance, Performance and Commissioning Committee

PCCC – Primary Care Commissioning Committee

PCSG – Primary Care Steering Group

SMT – Senior Management Team

## HARROGATE AND RURAL DISTRICT CLINICAL COMMISSIONING GROUP SCHEME OF DELEGATION AUTHORISATION LIMITS

	Chief Officer	Chief Finance Officer	Executive Director	Head of Service	Budget Manager	Committee
Approval of contracts including the signing of appropriate contract documentation (within agreed budgets)	£100 million (FPCC for noting)	£5 million (FPCC for noting)	£0.5 million (FPCC for noting)	nil	nil	n/a
Approval of contract variations and subsequent amendments to contract payments (within agreed budgets)	£100 million (FPCC for noting)	£5 million (FPCC for noting)	£0.5 million (FPCC for noting)	nil	nil	n/a
Approval of invoices against approved contracts	£100 million	£15 million	£15 million	£15 million	£10,000	n/a

	Chief Officer	Chief Finance Officer	Executive Director	Head of Service	Budget Manager	Committee
Approval of <b>non-primary care</b> business cases for investment & disinvestment decisions	nil	nil	nil	nil	nil	SMT - £50,000 – within existing budgets/income allocation/savings generated (FPCC for noting)  FPCC - £1 million
Approval of <b>primary care</b> business cases for investment & disinvestment decisions	nil	nil	nil	nil	nil	FPCC for PRIOR notification  PCCC - £1 million
Approval of <b>non-primary care</b> quotes and tenders limits	nil	nil	nil	nil	nil	SMT - £50,000 (FPCC for noting)  FPCC - £1 million
Approval of <b>primary care</b> quotes and tenders limits	nil	nil	nil	nil	nil	FPCC for PRIOR notification PCCC - £1 million
Approval of <b>non-primary care</b> capital investments and disinvestments	nil	nil	nil	nil	nil	SMT - £50,000 (FPCC for noting)  FPCC - £1 million
Approval of <b>primary care</b> capital investments and disinvestments	nil	nil	nil	nil	nil	FPCC for PRIOR notification  PCCC - £1 million

	Chief Officer	Chief Finance Officer	Executive Director	Head of Service	Budget Manager	Committee
Approval of GP practice rent reviews	nil	nil	nil	nil	nil	PCSG – up to 4% increases (PCCC for noting)  FPCC – over 4% increases (PCCC for noting)
Approval of non-pay non-contracted single orders	£500,000	£500,000	nil	nil	nil	n/a
Approval of QIPP Schemes/ amendments	nil	nil	nil	nil	nil	FPCC - £10 million total (reported to Governing Body)
Approval of payroll claim forms	£10,000	£5,000	£5,000	£5,000	n/a	n/a
Approval of new drug prescribing	nil	nil	nil	nil	nil	Area Prescribing Committee - £15,000 (to FPCC to note)  FPCC - £1 million
Approval of prescribing rebate scheme	nil	nil	nil	nil	nil	FPCC - £100,000 (to Audit Committee to note)
Approval of sales invoices	£100 million	£100 million	£15 million	£15 million	£10,000	n/a

	Chief Officer	Chief Finance Officer	Executive Director	Head of Service	Budget Manager	Committee
Approval of sales credit notes	£100 million	£100 million	£1 million	£1 million	n/a	n/a
Approval of budget virement limits	£5 million	£5 million	£50,000	£50,000	£10,000	n/a
Approval of disposals, condemnations, bad debt, losses and special payments	nil	nil	nil	nil	nil	FPCC - £50,000 (to Audit Committee to note & review)
Approval of research contracts including the signing of appropriate contract documentation	£500,000 (FPCC for noting)	£100,000 (FPCC for noting)	£10,000 (FPCC for noting)	n/a	n/a	n/a

## **Appointment & Termination of Staff**

Delegation for appointing and terminating staff is granted to the Chief Officer. The Chief Officer has delegated the operational responsibility of this to each of the CCG's Directors for the budgeted staff posts under their responsibility.

## **Approval of Single Tender Waivers**

Delegation for approving single tender waivers is granted to the Chief Finance Officer. The Chief Finance Officer will report such waivers to both FPCC and Audit Committee for transparency.

## **Continuing Health Care (CHC) / Funded Nursing Care (FNC) / Vulnerable People (VP)**

The day to day contractual management, including sourcing placements for new patients, reviewing existing patients, and discharge arrangements, are delegated to NHS Scarborough & Ryedale CCG. Monthly information is to be provided by this CCG for financial reporting purposes.

## **Freedom of Information**

Delegation for approving Freedom of Information requests is granted to the Chief Officer. The Chief Officer has delegated the operational responsibility of this to the Director of Quality & Governance. If the Director of Quality & Governance is absent from the office the responsibility is passed to the Head of Nursing & Quality.

## **Healthy Futures / Integrated Care System (ICS)**

Delegation for approving the CCG's financial commitment to funding posts/consultancy costs for regional schemes is given to this joint committee (of which both our Chief Officer and Clinical Chair are members).

## **Human Resources Policies**

Ultimate responsibility for approving human resources policies lies with the Governing Body who, through this scheme of delegation, has granted approval to the Senior Management Team.

## **Hosted Medicines Management**

Head of Medicines Management is delegated to make non-pay decisions in line with requirements to ensure the service operates effectively and efficiently and within budget. Recruitment to vacant posts specific to an individual CCG should only be undertaken with the written approval of the CCG(s) affected by the vacancy.

Head of Finance, in partnership with Head of Medicines Management, to report the full medicines management expenditure to all the CCGs who contribute to the cost of this service on a quarterly basis.

## **GP System of Choice (GPSoC)**

Delegation for approving GPSoC orders for primary care is granted to the Head of Finance. Commitments must not exceed the annual allocation from NHS England.

## **GP Information Technology (GPIT)**

Delegation for approving GPIT orders for primary care is granted to the Head of Finance. Commitments must not exceed the annual capital allocation from NHS England and update reports presented to FPCC.

## **GP Health & Social Care Network (HSCN)**

Delegation for approving HSCN connections and BT N3 cease orders is granted to the Head of Finance. Commitments must not exceed the annual allocation from NHS England.

## **Primary Care Co-Commissioning**

The approval of journals and budgeted expenditure for the primary care co-commissioning budget is delegated to NHS England. This is to recognise the knowledge of NHS England's staff with regards to primary care and to ensure actions can be taken in a timely manner. Delegation is as follows;

Post	Journal	Expenditure	Payments
Senior Finance Manager (Primary Care, Yorkshire)	£5,000,000	£20,000	£500,000
Finance Manager (Primary Care, Yorkshire)	£5,000,000	£20,000	£500,000

Finance Analyst (Primary Care, Yorkshire)	£1,000,000	£20,000	£100,000
Finance Assistant (Primary Care, Yorkshire)	nil	£nil	£100,000

Please note that the above limits do not recognise the usual hierarchy approach. This is due to the way that the team operates and provides cross cover for each other.

### Procurement thresholds

Formal tenders are required where the intended expenditure exceeds the tender thresholds set out in the CCG's Procurement Policy.

Where formal tenders are not required, the following rules apply;

#### Non Healthcare Goods & Services

Total Cost of Goods/Services	Requirement	Decision Noted
Up to £10,000	2 written quotations	n/a
£10,001 to £50,000	3 written quotations	SMT
£50,000 to £181,302	5 written quotations	FPCC

#### Healthcare Goods & Services (excluding primary care)

Total Cost of Goods/Services	Requirement	Decision Noted
Up to £100,000	2 written quotations	SMT
£100,001 to £615,278	3 written quotations	FPCC

#### Healthcare Goods & Services - primary care

Total Cost of Goods/Services	Requirement	Decision Made	Decision Noted
Up to £100,000	2 written quotations	PCCC	PCCC
£100,001 to £615,278	3 written quotations	PCCC	PCCC & FPCC

The limits above relate to the total commitment being made by the CCG, so an award for 3 years needs to be considered as a total value of the 3 years and not the annual value.

## **Special Rehabilitation of Brain Injury (SRBI)**

The day to day contractual management, including sourcing placements for new patients, reviewing existing patients, and discharge arrangements, are delegated to NHS Vale of York CCG. Monthly information is to be provided by this CCG for financial reporting purposes.

## **On Call Arrangements**

The CCG has a formal on-call system in place to provide cover out-of-hours so that the CCG can respond to local/regional emergency situations. The on-call rota incorporates both Executive Director and Heads of Service posts. Through this scheme of delegation, anyone who undertakes on-call duties, whether an Executive Director or a Head of Service, has been granted approval to act in the best interest of the CCG's population. This is likely to result in a commitment to spend unbudgeted financial resources of the CCG above and beyond the limits delegated above. Such expenditure commitments must be reported to the Head of Finance or Chief Finance Officer

## Appendix A – Budget Holder Areas

PROGRAMME COSTS	RUNNING COSTS
<b>Chief Officer</b>	<b>Chief Officer</b>
<b>Primary Care</b>	<b>Running Costs</b>
GP IT	Governing Body
HSCN	Collaborations
Locally Enhanced Schemes	
Extended Access	
ERS - Referral Service	
£3 per head investment fund	
GP Collaborative Payments	
BCF - Care Home Support	
Referral Support Service	
<b>Co-Commissioning Primary Care</b>	
General Practice - GMS	
General Practice - PMS	
Dispensing/Prescribing Drs	
QOF	
Enhanced Services	
Other GP Services	
Premises Costs - reimbursement	
Premises Costs - other	
Delegated Contingency	

Director of Transformation & Delivery	Director of Transformation & Delivery
<b>Acute Services - NHS</b>	<b>Running Costs</b>
Harrogate & District NHS Foundation Trust	Commissioning Team
York Teaching Hospital NHS Foundation Trust	
South Tees NHS Foundation Trust	
Leeds Teaching Hospitals NHS Trust	
YAS - Blue Light	
YAS - PTS	
YAS Winter Vehicle & Non-Contracted transfers	
BMI	
Harrogate & District NHS Foundation Trust - Non Contracted	
Non Contracted Activity	
<b>Other</b>	
Marie Curie	
St Michael's Hospice	
St Michael's Drugs	
Martin House	
Voluntary Sector	
Age UK	
Carer's Resouce	
British Red Cross	
St Michaels Hospice	
Stroke Association	
NYCC Section 256	
NHS 111	

