

Mid, Southend and Basildon Hospitals

Harmonised key aspects of the Schemes of Delegation across the three trusts

Executive Lead – James O’Sullivan, Chief Financial Officer

Project Lead – Andrew Stride, Corporate Secretary (BTUH)

Following approval by the Finance and Resources Committees in Common, the Joint Working Board and the 3 Trust Boards, the following aspects of the schemes of delegation of BTUH, MEHT and SUHT have been harmonised. These changes take effect across all 3 Trusts from the dates shown below and should be considered along with the corporate governance manual for the relevant organisation until a harmonised document has been formally approved.

WITH EFFECT FROM 16TH JUNE 2017 :

Tendering and Quotation Limits (all limits quoted include VAT where it is non recoverable)

Up to £7,499 – verbal quote only

£7,500 to £24,999 – at least two written quotes required

£25,000 to £74,999 – at least 4 written quotes required

£75,000 to OJEU limit – formal tender required

NB - OJEU thresholds are different for the three Trusts with the two FTs having higher limits

WITH EFFECT FROM 23RD AUGUST 2017 :

Key Principles

- Trust Boards approve capital plans;
- Trust Boards approval annual plans and budgets;
- Trust Boards therefore delegate authority to spend within the approved budgets to those officers set out below;
- Expenditure outside the approved budgets to be approved by Trust Boards, in line with the current thresholds in the SFIs of each Trust;
- Capital to revenue virements above £500k to be approved by Trust Boards

Expenditure Approval Thresholds

- Up to £100k – approval delegated to the relevant site director;
- Up to £250k – approval delegated to the Managing Director or the relevant executive director;
- Up to £0.5m – approval delegated to the relevant joint executive **plus** either the Chief Executive or the Chief Financial Officer;
- Up to £1m *per Trust* – approval delegated to Chief Executive and Chief Financial Officer (acting together);
- Over £1m – approval by Trust Board;
- Over £1.5m in aggregate – approval delegated to Joint Working Board

VAT

The expenditure approval thresholds and the tendering and quotation limits set out above relate to the **actual cost to the organisation**. Some items of expenditure will incur VAT charge to the Trust(s). Where VAT is not reclaimable this will need to be factored into the thresholds above as this is a total cost to the organisation. Where VAT is reclaimable this need not be included in the cost when applying these limits and thresholds. Advice on which items are VAT reclaimable and which are not can be obtained from the Finance Departments.

Governance

There is an expectation that the Managing Directors and the joint executives will consult relevant members of the site leadership teams before approving contract awards, waivers, requisitions and other items of expenditure of high value.

In exceptional circumstances, Trust Board approval may be through “virtual” meetings using email or through Chairman’s action/emergency powers.

All other aspects of the Schemes of Delegation of each Trust remain unchanged and will be subject to the normal governance process at this time.

Any queries or questions, please contact James O’Sullivan or Andrew Stride.

James O’Sullivan

Chief Financial Officer

23rd August 2017

(Updated regarding VAT and reissued 11th January 2018)