

Governance Report

Trust Board Meeting	Item: 19
5th June 2019	Enclosure: 0
Purpose of the Report: To confirm elements of the Trust's governance structure following recent changes in the Board, and to seek approval for amendment of the Scheme of Delegation.	
FOR: Information <input type="checkbox"/> Assurance <input checked="" type="checkbox"/> Discussion and input <input type="checkbox"/> Decision/approval <input checked="" type="checkbox"/>	
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Risk Implications – Link to Assurance Framework or Corporate Risk Register:	Process documented in Standing Orders
Link to Relevant CQC Domain: Safe <input type="checkbox"/> Effective <input type="checkbox"/> Caring <input type="checkbox"/> Responsive <input type="checkbox"/> Well Led <input checked="" type="checkbox"/>	
Link to Relevant Corporate Objective:	N/A
Document Previously Considered By:	Scheme of Delegation - Executive Management Committee
Recommendations and actions required by the Trust Board: The Board is asked to: <ol style="list-style-type: none"> a) confirm membership of Trust Board Committees and note special responsibilities assigned to individual directors; b) note use of the Trust seal since the last report to the Board; c) note the confirmed membership of the Executive Management Committee; d) approve amendment of the Scheme of Delegation as described in this report. 	

1. Board Committees

1.1. The Board is asked to confirm Committee membership shown below and to note the special responsibilities assigned to individual directors.

Committee	Constitution	Membership
Audit Committee	1 x NED Chair	Joan Mulcahy
	2 x NEDs	Dr Rita Harris Dame Cathy Warwick
Charitable Funds Committee (CFC)	1 x NED Chair	Sylvia Hamilton
	1 x NED	Sian Bates
	Interim Chief Executive	Jo Farrar
	Director of Nursing & Quality	Sally Brittain
	Interim Director of Finance	Tracey Cotterill
	Non-voting advisor	Serge Lourie
Equality & Diversity Committee	1 x NED Chair	Dr Rita Harris
	1 x NED	Sian Bates
	Director of Workforce	Kelvin Cheatle
	Chief Operating Officer	Mairead McCormick
	Other members: 2 x Governors; Deputy Director of Nursing; Assistant Director of Workforce - Development; Trust Chaplain; Trust Partnership Forum rep.; Patient Experience & Quality Improvement Lead; External partners.	
Finance & Investment Committee (FIC)	1 x NED Chair	Jonathan Guppy
	2 x NEDs	Sylvia Hamilton Dame Cathy Warwick
	Interim Director of Finance	Tracey Cotterill
	Interim Chief Executive	Jo Farrar
	Chief Operating Officer	Mairead McCormick
	Either Medical Director or Director of Nursing & Quality	Jane Wilson Or Sally Brittain
Quality Assurance Committee (QAC)	1 x NED Chair	Dame Cathy Warwick
	3 x NEDs	Sian Bates Dr Rita Harris Dr Nav Chana
	Medical Director	Jane Wilson
	Director of Nursing & Quality (or Deputy Director of Nursing)	Sally Brittain
	Chief Operating Officer	Mairead McCormick
Remuneration Committee	Chaired by Chairman	Sian Bates
	All NEDs	All NEDs
Workforce Committee	1 x NED Chair	Sylvia Hamilton
	2 x NEDs	Sian Bates Vacancy
	Director of Workforce	Kelvin Cheatle
	Chief Operating Officer	Mairead McCormick
	Director of Nursing & Quality	Sally Brittain
	Medical Director	Jane Wilson

Executive Director	Special Responsibilities
Sally Brittain	Director of Infection Prevention & Control
Tracey Cotterill	Director for Health & Safety Senior Information Risk Officer (SIRO) Security Management Director (SMD)
Jo Farrar	Accounting Officer Senior Responsible Officer (SRO) for Fire Safety Executive Lead for Human Tissue Act regulation
Mairead McCormick	Accountable Emergency Officer SRO for EU Exit Preparedness
Jane Wilson	Caldicott Guardian Executive Lead for Organ Donation Patient Safety Director

Non-Executive Director	Special Responsibilities	Links to Committees of the Council of Governors and the Patient Experience Committee
Sian Bates	Healthwatch Forum End of Life Care Dementia Champion Equality & Diversity Strategic Communication Private Patients Unit Integration Remuneration Committee Chair	Nominations & Remuneration Committee (Chairman) Membership & Engagement Committee Strategy Committee Patient Experience Committee
Sylvia Hamilton	Staff engagement Estates Whistleblowing Workforce Committee Chair	Membership & Engagement Committee
Joan Mulcahy	IM&T Audit Committee Chair	Quality Scrutiny Committee
Dr Rita Harris	Senior Independent Director Children and Young People Mental Health Learning Disabilities Equality & Diversity Committee Chair Mortality & Learning from deaths	Patient Experience Committee Nominations & Remuneration Committee
Dr Nav Chana	Quality & Safety System Transformation Integration	Quality Scrutiny Committee
Jonathan Guppy	Security/Emergency Preparedness Productivity Private Patients Unit Finance & Investment Committee Chair	Strategy Committee
Dame Cathy Warwick	Quality Improvement & Quality Report Maternity Champion FIP/Improvement Quality Assurance Committee Chair	Quality Scrutiny Committee

2. Register of Use of the Trust Seal

- 2.1. The Board is asked to note the use of the Trust seal on three occasions since the last report to the Board in October 2018.

Register No.	Date of Board or Board Committee approval	Date of Sealing	Document Details	Signatories
99. and 101.	Trust Board 5 th December 2018	17 th December 2018	Third deed of amendment relating to the Project Agreement for the development of Phase 5 at Kingston Hospital and provision of services dated 23 November 2004	Chief Executive Director of Corporate Governance
100.	Trust Board 5 th December 2018	17 th December 2018	Deed of amendment to Soft FM Provider's Collateral Agreement relating to Kingston Hospital.	Chief Executive Director of Corporate Governance
102.	Trust Board 5 th December 2018	17 th December 2018	Charity services agreement for the provision of support for families and young people with cancer and other life-limiting conditions.	Chief Executive Director of Corporate Governance
103.	Trust Board Pt2 30-01-2019/10.5 Decision by email 04-03-2019	13 th March 2019	Contract for the sale of Regent Wing and associated land	Director of Finance Director of Integration Medical Director

3. Executive Management Committee

- 3.1. The Board is asked to note that the membership of EMC agreed as a temporary measure following the recent restructure has been confirmed as the permanent membership. The membership is as shown overleaf:

Chief Executive (Chair)
 Director of Finance
 Director of Nursing & Quality

Medical Director
Chief Operating Officer
Director of Workforce
Director of Integration
Director of IM&T
Director of Estates & Facilities
Director of Corporate Governance
Deputy Medical Director
Deputy Director of Nursing
Chief of Medicine (Planned)
Chief of Medicine (Unplanned)
Associate Director (Planned)
Associate Director (Unplanned)
Head of Nursing (Planned)
Head of Nursing (Unplanned)
Head of Communications

4. Scheme of Delegation

- 4.1. The Board is asked to approve a revision to the scheme of delegation to support the new governance structure for capital and revenue projects.
- 4.2. The Standing Financial Instructions (SFI) are approved annually by the Board. The SFIs include the scheme of delegation (SD). The Board approved the current SFIs in October 2018.
- 4.3. The current scheme of delegation levels are relatively high, and all non-business as usual spend is currently being captured in business cases for approval through committees. It is recommended that the scheme of delegation is set at a level that negates the need for business cases to be approved through committee if they are less than £50k AND if the item is included within the agreed budgets and business plans. Any changes to plan must be approved, even if the expenditure is within the approved resources
- 4.4. The enclosures below demonstrate the current scheme of delegation in the SFIs, and the proposed revision. The relevant SFI excerpts relating to budgetary management are included for information. Any expenditure that is not within the budget must be approved at Executive or Board level.

Current Revenue delegated authority schedule:

APPENDIX 1: Budgetary Control Authorisation, & Contract Approval and Signing – NON-Capital

Authority Level	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8	Level 9	Level 10	Level 11	Level 12
Vested Authority/ Approvers	Board Two of – Chairman, Chief Executive, Secretary to the Board	Board Sub-committee Chief Executive OR Director of Finance AND One of – Voting Executive Director on the Board	Chief Executive OR Director of Finance AND One of – Voting Executive Director on the Board	Any Voting Executive Director on the Board	Any Executive Director on the Board	A Director authorised to sign on the relevant cost centre	Manager authorised to sign on the relevant cost centre	Principal Budget Holder	Principal Budget Holder	Principal Budget Holder	Budget Holder	Budget Holder
No of signatories	2	2	2	1	1	1	1	1	1	1	1	1
Notes	Board minute must be referenced	Committee minute must be referenced										
Spending Level	>£500,000	to £500,000	to £250,000	to £150,000	to £100,000	to £75,000	to £50,000	to £20,000	to £15,000	to £10,000	to £5,000	to £1,000

Notes

- The “Spending Level” relates to all original spending e.g. electronic requisitions from the Trust’s Procurement System and all contracts (by definition over one year). The “whole life” value of a contract is relevant, not the annual spend. The authority levels operate within the rules set out in Appendix 3.
- The Level 1 authority by the Board is an approval that is evidenced by being properly minuted at a formal Board meeting. If in any doubt, contact the Secretary to the Board to confirm.
- There is no authority to spend at level 2 by any Committee, sub-Committee or working group below the level of a Trust Board sub-Committee.
- For Levels 6, 7, 8, 9, 10, 11 and 12, any new employees given such authority must have been set up on the Proactis electronic system for the relevant cost centres. This is only achieved by completion of the relevant form to set up a new signatory. In addition, in the case of Level 8, 9 and 10, this must be supported by a written authority to sign, duly authorised by their relevant principal Budget Holder.
- A Principal Budget Holder must be a direct report to a Divisional Director, Corporate Director or Deputy Director. Thus, this category will typically cover Departmental Managers who are direct reports to a Director.
- See also “Purchasing Non-Stock Goods and Services – A guide for Budget Holders” on the Trust’s intranet.

Current Capital delegated authority schedule:

APPENDIX 2: Capital Expenditure Approval Limits

The Capital Plan is approved by the Board at the beginning of the Financial Year. The Board then delegate authority to Investment Committee (IC) to ensure delivery of the Capital Program.

Authority Level	Level 1	Level 2	Level 4	Level 5
Vested Authority	Board	Finance and Investment Committee	Investment Committee	Medical Equipment Committee
Authorisation Document	Quote Board minutes	Quote Committee minutes	Quote Committee minutes	Quote Committee minutes
Spending Level	Over £1,000,000	Up to £1,000,000	Up to £500,000	Medical Equipment Up to £100,000
Purchase Order Approver	Director of Finance OR Deputy Director of Finance	Director of Finance OR Deputy Director of Finance	Director of Finance OR Deputy Director of Finance	Director of Finance OR Deputy Director of Finance

Notes

- The limits above principally relate to capital but also include any revenue impact that may occur as a result of the capital proposal.
- Any spend of capital or business development must be supported by a business case for cases over £100,000 the full business case template must be completed, for all others the summary business case template must be completed.
- All capital expenditure must be endorsed by the Investment Committee. If greater than £500,000 the cases will then be referred to the appropriate Committee for approval. Capital job codes are only provided after the appropriate authorisation has been received.
- Any additional Revenue expenditure presented to the Committee as part of Capital projects must be approved by the Executive Management Committee (EMC).
- The membership of the Investment Committee (IC) includes: Director of Finance, Director of Strategy, Medical Director, Director of Nursing, Deputy Director of Finance, Director of IT, Director of Estates and Facilities, Associate Directors of Operations, Head of Procurement, Head of Financial Services.

Proposed Capital and Revenue Delegations Schedule

Approval levels for spends agreed within budgets and business plans

All signatures up to the delegated value should be collected within the workflow

Delegated Body (Cumulative)	Board	FIC	CEO	DoF	Exec Director and DDoF	2 of Directorate Triumverate plus FBP	2 of Cluster Triumverate plus FBP	Budget Holder
Delegated Value	>£1m	>£500k	upto £500k	upto £250k	upto £100k	upto £50k	upto £10k	upto £3k

SFI Excerpts

3.2.2 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board.
3.2.3 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.
3.3.2 Each budget holder is responsible for ensuring that:
3.3.2.1 Any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board.
3.3.2.2 The amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement, and
3.3.2.3 No permanent employees are appointed without the approval of the Chief Executive other than those provided for within the available resources and manpower establishment as approved by the Board.