

Board Meeting in Public

Tuesday, 28 March 2023

Title of Report	Scheme of Delegation (SofD)		Agenda No.	4.3.5
Nature of Report (tick one)	<input checked="" type="checkbox"/> Official		<input type="checkbox"/> Official Sensitive	
Author(s)	Mark Taylor, Assistant Finance Director Gabriel Recalde, Head of Financial Accounting and Control			
Lead Executive	Carl Vincent, Chief Financial Officer			
Non-Executive Director Sponsor (if applicable)	n/a			
Presented for (tick all that applies)	<input checked="" type="checkbox"/> Approval		<input type="checkbox"/> Information	
	<input type="checkbox"/> Assurance		<input type="checkbox"/> Update	
Purpose of the report and key issues				
<p>The SofD (including Standing Orders) is one of the key governance documents which underpin NHSBT operating framework, Policies and regulations - NHS Blood and Transplant (nhsbt.nhs.uk). These documents are maintained on a central SharePoint, and are updated annually. The SofD are now supplemented by the SCAP (Spending Control Assurance Panel) approvals process, which is a subcommittee of the Executive Team (ET).</p> <p>As part of our annual review, and looking at these documents in turn:</p> <ul style="list-style-type: none"> i) SofD sections 1 to 9: the tracked changes made are predominantly administrative in nature, with no fundamental revisions being recommended for approval. ii) SofD section 10: key changes here relate to new internal controls for approving professional services, consultancy, and contingent labour (the SFIs are aligned with these) – Communicated/approved by the ET. <p>It is also important to note that our delegations are likely to be updated by DHSC as part of the wider efficiency initiatives being asked of ALB's. We do not have a date as to when these revised delegations will be "live" from. Once there is clarity, this will be communicated out to NHSBT and the respective documents iterated to incorporate any required changes.</p>				
Previously Considered by				
The SofD has been reviewed by the Executive Team on 8 March 2023. The SofD was approved with minor changes being suggested by the ET. These changes are of an administrative nature.				

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<p>The SofD has now also been reviewed by the Audit, Risk and Governance Committee on 14 March 2023 and was approved with no material concerns being raised (requested that for the Board the SofD was included in the reading room, rather than the main papers, and a check list of all key changes be included in the cover paper (see below), so that the reader does not have to review the primary document in detail).</p>	
<p>Recommendation</p>	<p>The Board is asked to approve the SofD sections 1 to 9, and section 10, noting that changes are according to extant DHSC delegated limits which have been applied with input from NHSBT key stakeholders. Please see the table at the bottom of this paper so the reader does not have to review the primary document in detail.</p>
<p>Risk(s) identified (Link to Board Assurance Framework Risks)</p>	
<p>n/a</p>	
<p>Strategic Objective(s) this paper relates to: [Click on all that applies]</p>	
<p> <input type="checkbox"/> Collaborate with partners <input type="checkbox"/> Invest in people and culture <input type="checkbox"/> Drive innovation <input type="checkbox"/> Modernise our operations <input type="checkbox"/> Grow and diversify our donor base </p>	
<p>Appendices:</p>	<p>Scheme of Delegation sections 1-9 Scheme of Delegation section 10</p>

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Suggested changes to **SofD sections 1 to 9**. (Highlighted in yellow is the new text being added/amended)

Current version 2021	Revised version 2023	Comments
<p>6.POWERS DELEGATED TO THE NHSBT CHIEF EXECUTIVE</p> <p>6.3 Workforce</p> <p>6.3.1 Approve organisational re-structuring proposals of a significant and fundamental nature to Directorates/departments.</p> <p>6.3.2 Approval of appointment and grading of all staff who report to officers having a direct reporting line to the Chief Executive.</p> <p>6.3.3 Approval of all new posts appointed to Senior Manager Pay scales above AfC Band 8a or equivalent.</p>	<p>6.POWERS DELEGATED TO THE NHSBT CHIEF EXECUTIVE</p> <p>6.3 Workforce</p> <p>6.3.1 Approve organisational re-structuring proposals of a significant and fundamental nature to Directorates/departments.</p> <p>6.3.2 Approval of appointment and grading of all staff who report to officers having a direct reporting line to the Chief Executive. This can be delegated to the People and Culture Partners in conjunction with Executive Directors.</p> <p>6.3.3 Approval of all new posts appointed to Senior Manager Pay scales above AfC Band 8a or equivalent. This can be delegated to the People and Culture Partners in conjunction with Executive Directors.</p>	<p>Feedback from the Executive's Team on 8 March 2023 to apply delegated limits accordingly.</p>
<p>Other Minor changes</p> <p>These are mainly in relation to naming convention i.e.</p> <ul style="list-style-type: none"> -Finance Director replaced with Chief Financial Officer. -Director of People replaced with Chief People Officer. -NHSX replaced with NHSTD <p>Other minor tweaks to include cross references to SofD section 10 where appropriate.</p>		

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The table below contains the key suggested changes to the SofD section 10 (*Highlighted in yellow is the new text being added/amended*)

<u>Current version 2021</u>	<u>Director Responsible</u>	<u>DHSC (CO/HMT)</u>	<u>NHSBT Board</u>	<u>Chief Executive</u>	<u>Directors / Director of Clinical Services/ Chief Financial Officer</u>	<u>Revised version 2023</u>	<u>Comments</u>
Projects (DHSC v8) (incl. VAT) (Where project contains capital spend also see Capital spend approvals required)	FD-CFO	£50m (HMT)	More than £3m	More than £0.5m	£0.5m Director (if on transformation portfolio) Plus Director DDTS (where contains IT spend)	NHS Board >£3m and up to £50m CEO up to £3m Up to £0.5m Director (if on transformation portfolio) Plus Director DDTS (where contains IT spend)	Added clarity by adding “up to” instead of “more than” when referring to financial thresholds.
Capital Spend within Projects (DHSC v8) (incl. VAT)	FD-CFO	£1m (HMT)	More than £1m	More than £0.5m	Up to £0.25m Director FD-CFO notified of all FD-CFO up to £0.5m Plus Director DDTS (where IT)	CEO - up to £1m	The Board will approve all projects above £1m. At the same time all projects above £1m will require HMT approval.
Asset Sales (DHSC v8) (incl. VAT)	FD-CFO	£5m (HMT)	£5m	More than £1m	Up to £1m	CEO - up to £5m Board - More than £5m	The Board will approve all assets disposal of £5m+ which at the same time will require HMT approval.

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Commercial Control (all procurement contracts OBC approval in advance to award, approval to extend, disputes) (DHSC v8)	FD-CFO	>£10m	>£10m	>£3m	Up to £3m Directors Plus: Up to £3m FD or Up to £2.5m CD	Up to £50k (ex VAT) by PO Up to £1m (ex VAT) CD Up to £3m (ex VAT) Directors plus CFO	Added "ex VAT".
Contingent Labour (OBC / FBC approval in advance to award, approval to extend, disputes)	CFO	More than £900/day (inc VAT) plus SCAP		More than £900/day (inc VAT) plus SCAP		Up to £900/day (inc VAT) Director + SCAP Below £245/day (inc VAT) Directors	New references to SCAP
Professional Services (OBC / FBC approval in advance to award, approval to extend, disputes)	CFO	More than £200k (ex VAT)		More than £200k (ex VAT)		Up to £50k (ex VAT) Directors Up to £200k (ex VAT) Director Plus SCAP	As above / new (per SCAP)
Execution of contract if no material changes from FBC approval	CFO					Up to £0.25m (ex VAT) Senior Commercial Lead Up to £0.5m (ex VAT) Commercial, Head of Up to £1m (ex VAT) Commercial, Associate Director Commercial Director unlimited	Newly proposed.

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Contracts for R&D, collaborations, sales, service agreements.	FD-CFO	More than £10m	More than £10m	More than £3m	Up to £3m Director	CEO – Up to £10m Up to £1m Head of Contracts Up to £3m Director plus CFO	Added clarity by adding “up to” instead of “more than” when referring to financial thresholds.
Redundancy and compensation (DHSC v8)	CPO	More than £100k or 10 cases				More than £100k or 10 or more cases	“or more” added for clarity.
PILON	CPO	More than £50k				£50k or more	“or more” added for clarity.
Clinical Negligence (DHSC v8)	CMO	More than £20m		Up to £20m	Up to £10m CMO	Below £10m CMO	Replaced the word “Up to” with “below”.
Professional/ consulting services (excluding capital except where consultants used to produce business cases, and excluding outsourced services) Professional and consulting services >£200k	CPO	more than £900 a day or more than £200k per annum DHSC PSBC		<£900 p/day		All contractors must be assumed inside IR35 and employment taxes paid, any exceptions require prior CFO approval (tax.assurance@nhsbt.nhs.uk) Below £245/day (inc VAT) Directors Above £245/day (inc VAT) SCAP Up to £900/day (inc VAT) Directors + SCAP (See responsibilities and flow below)	New per SCAP governance.

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Special Payments (as defined in Managing Public Money) (DHSC v8) (inc VAT). Must be approved in advance of payment	CPO / CFO	All payments	ARGC oversight				Working assumption is that DHSC will need to approve all special payments (will reconfirm once we are provided with new delegations).
Special severance payments (All severance payments above statutory or contractual requirements) (excludes PILON/ CILON see above)	CPO	HMT pre-approval ALL	ARGC oversight			People Committee oversight	Now aligned with current practice.
Other minor changes Replaced references to FD with CFO Replaced references to Finance Director with Chief Financial Officer Added references to the new panel SCAP and updated flow chart for consultancy and professional services approval.							