

BERKSHIRE EAST CCG FINANCIAL SCHEME OF DELEGATION (FSoD) – AUTHORITY LIMITS

The Financial Scheme of Delegation (FSoD) lays down financial limits to the authority of CCG and CSU employees and others to commit or approve expenditure on behalf of the CCG.

Rules of Principle:

1. 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.
2. A breach of delegated authority limits is a disciplinary offence for employees, and complying with the FSoD is a contractual requirement for the CSU.
3. A commitment relates to any agreement which creates a current or future liability for the CCG. The most common examples would be a requisition to place a purchase order, a contract or SLA agreement.
4. Notwithstanding the financial limit any commitment of strategic significance should be either approved or noted by CCG Governing bodies at the discretion of CCG Leads and Executives.
5. As a rule of principle CSU staff are not authorised to commit the CCG to a financial liability. This means that the signing of contracts and the approval of purchase orders must always be by an officer of the CCG, within his or her delegated authority. Once a commitment is approved CSU officers will operate within delegated authority limits to approve invoices.
6. Employees are only authorised to make commitments on cost centres for which they have delegated authority, while CCG Chairs and Executives can approve commitments across all cost centres within the CCG.
7. Wherever possible, commitments should be made in the form of requisitions and purchase orders on the Purchase to Pay (P2P) system.
8. If an invoice has not been preceded by an authorised commitment then delegated authority is the same as if it were a commitment.
9. CCG Governing Bodies do not authorise payment of individual invoices.
10. The value limit relates to one transaction or invoice (eg one month's payment under a provider contract). However the artificial splitting of transaction or invoice values to avoid an authority limit is not permitted.
11. All Commitments for Capital Expenditure require Chief Finance Officer (CFO) approval.
12. All values exclude VAT (unless otherwise stated).

REF	DUTIES / RESPONSIBILITIES	DELEGATED TO	FINANCIAL LIMIT
DEBTOR AND CREDITOR BALANCES			
1.	Review schedules of debtor and creditor balances that are over three months old and exceed the specified financial limit.	Audit Committee	Over £10,000
VIREMENT LIMITS			
2.	Virement for non-recurring purposes within approved revenue budgets. See Section 13 for Reserves.	AfC Band 8c and above	Up to £10,000
		Individual Directors and Deputy Chief Finance Officer	Up to £100,000
		Chief Finance Officer	Up to £250,000
		Accountable Officer	Up to £500,000
		Governing Body	Over £500,000
QUOTATION AND TENDER LIMITS			
3.	Informal Price Testing Three Quotations Competitive Tendering EU procurement threshold		Up to £10,000
			£10,001 to £50,000
			Over £50,000
		For supply and service contracts / design contests	Over £111,676 excl. VAT for Part A Services
		For works contracts only	Over £4,322,012
AUTHORISATION OF TENDERS AND QUOTATIONS			
4.	Providing all the conditions and circumstances set out in the Prime Financial Policies have been fully complied with, formal authorisation and awarding of a contract may be decided by the delegated officers in accordance with their specified financial limit.	AfC Band 7 and above	Up to £1,000
		AfC Band 8a and above	Up to £10,000
		AfC Band 8b and above	Up to £50,000
		AfC Band 8c and above	Up to £100,000
		Individual Directors and Deputy Chief Finance Officer	Up to £500,000
		CCG Chair / Accountable Officer / Chief Finance Officer	Up to £5,000,000
		CCG Governing Body	Over £5,000,000
WAIVING OF TENDER / QUOTATIONS			
5.	Delegated authority to waive tender or obtain quotations (in accordance with Standing Orders and Prime Financial Policies), or to accept a tender or quotation which is not the lowest. Tenders subject to EU tender regulations cannot be waived . All waivers are to be reported to the Audit Committee.	Accountable Officer or Chief Finance Officer	Up to £500,000
		Audit Committee	Up to £1,000,000
		CCG Governing Body	Over £1,000,000
RAISING REQUISITIONS			
6.	Authority to raise requisitions and validate goods received notes	Designated Authorised Officers	NIL

REF	DUTIES / RESPONSIBILITIES	DELEGATED TO	FINANCIAL LIMIT
AUTHORISE REVENUE COMMITMENT – NON COMMISSIONING (Requisition, Purchase Order, Contract and SLA Approval)			
7.	<p>Delegated authority to approve revenue requisitions / expenditure generating a commitment, which relates to any agreement that creates a current or future liability for the CCG.</p> <p>These expenditure limits can only be exercised when all other relevant and applicable conditions and circumstances as set out in the Prime Financial Policies have been complied with. For example, quotations or tenders have been sought, the successful quotation or tender has been authorised by the relevant officer(s), and an approved budget is available.</p> <p>Commitment value limit relates to expenditure over the life of the commitment. Employees are only authorised to make commitments on cost centres for which they have delegated authority, while CCG Chairs and Directors can approve commitments across all cost centres.</p>	AfC Band 7 and above	Up to £1,000
		AfC Band 8a and above	Up to £10,000
		AfC Band 8b and above	Up to £20,000
		AfC Band 8c and above	Up to £50,000
		Individual Directors or Deputy Chief Finance Officer	Up to £100,000
		Chief Finance Officer	Up to £500,000
		Accountable Officer, following CCG Governing Body Approval	Over £500,000
AUTHORISE REVENUE COMMITMENT – PROGRAMME COMMISSIONING FOR HEALTHCARE (Contract, SLA, Individual Funding Requests & NCAs)			
8.	<p>Delegated authority to approve revenue requisitions / expenditure generating a commitment, which relates to any agreement that creates a current or future liability for the CCG including contracts with Foundation Trusts, NHS Trusts, and partnership agreements with Local Authorities.</p> <p>Commitment value limit relates to expenditure over the life of the commitment. Employees are only authorised to make commitments on cost centres for which they have delegated authority, while CCG Chairs and Directors can approve commitments across all cost centres.</p> <p>For NCAs only: The CSU officer charged with checking NCA invoices can approve if:</p> <ul style="list-style-type: none"> • It can be confirmed that the CCG is the responsible commissioner • The pricing of the invoice is valid under PbR rules <p>If either of these checks are negative the invoice should be rejected, or a correction sought as appropriate.</p>	AfC Band 8a and above – CCG & CSU	Up to £20,000
		AfC Band 8b and above – CCG & CSU	Up to £50,000
		AfC Band 8c and above – CCG & CSU	Up to £100,000
		Individual Directors or Deputy Chief Finance Officer	Up to £250,000
		Individual Directors and Deputy Chief Finance Officer	Up to £500,000
		Accountable Officer or Chief Finance Officer	Up to £5,000,000
		Accountable Officer, following CCG Governing Body Approval	Over £5,000,000

REF	DUTIES / RESPONSIBILITES	DELEGATED TO	FINANCIAL LIMIT
AUTHORISATION OF INVOICES (limits for the authorisation of invoices once a commitment has been made)			
9.	<p>Authorisation of invoices will usually be via the payment using the NHS SBS finance system. Important points to note are:</p> <ul style="list-style-type: none"> • CCG Governing Bodies do not authorise payment of invoices. • The value limit relates to a single invoice, e.g. one month's payment under a provider contract. The splitting of invoice values to avoid the authority limit is not permitted. • Employees are only authorised to make payments on cost centres for which they have delegated authority, while CCG Chairs and Directors can approve payments across all cost centres. <p><u>If an invoice has not been preceded by an authorised commitment it must be treated as if it were a commitment and the limits in Sections 7 and 8 above apply.</u></p>	AfC Band 8a and above – CCG & CSU	Up to £20,000
		AfC Band 8b and above – CCG & CSU	Up to £50,000
		AfC Band 8c and above – CCG & CSU	Up to £250,000
		Individual Directors or Deputy Chief Finance Officer	Up to £1,000,000
		Individual Directors and Deputy Chief Finance Officer	Up to £3,000,000
		Accountable Officer or Chief Finance Officer	Up to £5,000,000
		Accountable Officer and Chief Finance Officer	Over £5,000,000
HEALTHCARE AND CONSORTIUM CONTRACTS			
10.	Sign healthcare contracts and service level agreements on behalf of the CCG. The annual renewal of standard NHS contracts and consortium agreements do not require Governing Body approval. These types of commitment require the authorisation of the Accountable Officer.	Accountable Officer and Chief Finance Officer	No Limit
BUSINESS CASE APPROVAL (Revenue)			
11.	Delegated authority to approve business cases relating to new investments	Accountable Officer and Chief Finance Officer, acting jointly with CCG Chair or Vice Chair	Up to £250,000
		CCG Governing Body	Over £250,000
BUSINESS CASE APPROVAL (Capital)			
12.	Delegated authority to approve business cases relating to new investments. As per National Guidelines issued by NHS England.	Chief Finance Officer	Up to £100,000
		CCG Governing Body	All capital cases within Allocation Limits
BALANCE SHEET AND RESERVES			
13.	Delegated Authority to approve balance sheet transactions and movements within the Balance Sheet	Deputy Chief Finance Officer	Up to £1,000,000
		Chief Finance Officer	Over £1,000,000
DISPOSALS			
14.	Competitive tendering or quotation procedures shall not apply to the disposal of items with an estimated sales value in accordance with the specified financial limit		Less than £5,000

REF	DUTIES / RESPONSIBILITIES	DELEGATED TO	FINANCIAL LIMIT
AUTHORISE CAPITAL COMMITMENT			
15.	All Commitments for Capital Expenditure	Chief Finance Officer	Up to £500,000
		Accountable Officer, following CCG Governing Body Approval	Over £500,000
	Delegated authority to grant and terminate leases	Chief Finance Officer or Accountable Officer	Annual rent <£100k per annum and term of <5 years
		Chief Finance Officer and Accountable Officer	Annual rent >£100k per annum and term of >5 years
LOSSES AND SPECIAL PAYMENTS			
16.	(a) Delegated authority to approve losses and special payments.	Chief Finance Officer or Accountable Officer	Up to £50,000
	All losses to be notified to the Audit Committee.	Audit Committee	Over £50,000
	(b) Fruitless Payments (including abandoned Capital Schemes).	Chief Finance Officer or Accountable Officer	Up to £100,000
		CCG Governing Body	Over £100,000
	(c) Bad Debts and Claims Abandoned.	Chief Finance Officer	Up to £100,000
	(d) Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to: Culpable causes (e.g. fraud, theft, arson) or other up to £100,000.	Chief Finance Officer	Up to £100,000
	(e) Compensation payments made under legal obligation.	Chief Finance Officer or Accountable Officer	Up to £1,000,000
	(f) Extra contractual payments to contractors up to £100,000.	Chief Finance Officer	Up to £100,000
	(g) Patients and staff for loss of personal effects.	Chief Finance Officer or Accountable Officer	Up to £5,000
	(h) For clinical negligence up to £1,000,000 (negotiated settlements)	Governing body	Up to £1,000,000
(i) Other, except cases of maladministration where there was no financial loss by claimant.	Chief Finance Officer and Accountable Officer	Up to £50,000	
(j) Write off of Non-NHS debtors. Reported to Audit Committee for information.	Chief Finance Officer or Accountable Officer	Up to £250,000	
GIFTS & HOSPITALITY			
17.	Maintain a register of declared gifts and hospitality received. Declaration required.	Head of Corporate Affairs	Items over £25
BIDS FOR EXTERNAL FUNDING			
18.	Delegated authority to submit bids for external funding NOTE: All bids requiring match-funding from the CCG must be approved by the Chief Finance Officer	Directors and Heads of Service	Up to £100,000
		Chief Finance Officer or Accountable Officer	Over £100,000

REF	DUTIES / RESPONSIBILITIES	DELEGATED TO	FINANCIAL LIMIT
ENTRY INTO JOINT COMMISSIONING ARRANGEMENTS			
19.	Delegated authority to enter into Joint Commissioning arrangements with NHS England, other clinical commissioning groups or local authority(ies)	Chief Finance Officer and Accountable Officer	Up to £1,000,000
		CCG Governing Body	Over £1,000,000
RECRUITMENT OF STAFF (TEMPORARY OR PERMANENT)			
20.	Recruitment or replacement of staff within delegated budget and approved staff structure	Directors and Heads of Service	Within existing delegated budget
	Recruitment of staff above delegated budget and/or approved staff structure	Chief Finance Officer or Accountable Officer	Up to £100,000
		Accountable Officer and CCG Chair	Over £100,000
RELOCATION EXPENSES APPROVAL			
21.	Approval of Relocation Expenses (HMRC qualifying costs limit)	Chief Finance Officer	Up to £8,000
ENGAGEMENT OF CONSULTANCY AND AGENCY STAFF SUPPORT			
22.	Delegated authority to engage consultancy support and agency staff; amounts specified are in respect of any one individual, firm or role, and are cumulative in the case of extensions. <u>CCGs are required to obtain NHS England approval for any consultancy engagement over £50,000 (inclusive of irrecoverable VAT and other costs e.g. expenses) or for any extension to an existing contract that will result in a total contract value in excess of £50,000. The approval must be given by the relevant NHS England Director of Commissioning Operations and their Director of Finance. Any contract over £250,000 will need additional approval from Regional Directors and Regional Directors of Finance.</u> All appointments must be made and managed under the HMT Guidance “Managing Public Money”	Directors and Deputy Chief Finance Officer	Up to £25,000
		Chief Finance Officer	Up to £150,000
		Accountable Officer and CCG Chair	Up to £500,000
		CCG Governing Body	Over £500,000