

Lothian NHS Board Scheme of Delegation



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Executive Summary

The Scheme of Delegation, operating in conjunction with the Standing Financial Instructions and other policies and procedures, sets out how the Board delegates authority to committees, individual Board members or Board employees, to act on its behalf in financial matters. The Scheme of Delegation is part of a portfolio of documents that collectively represent the Board's Operating Guidance.

INTRODUCTION

Lothian NHS Board (the “Board”) has developed and approved this Scheme of Delegation. All of the Board’s policies and other publications are available on the intranet. Instructions from the Scottish Government (HDL, CEL etc.) and other material relating to NHS Scotland can be found online at [SHOW - Scotland's Health on the Web](#).

GLOSSARY

“Executive Board Members”

These are individuals whom the Scottish Government have formally appointed to the Board, and for clarity the term does apply to every executive director.

Within this Scheme of Delegation there are certain higher value transactions which require the approval of one or more of the executive Board members. You can confirm who the executive Board members are at any point in time by contacting the Board secretariat.

“Budget Holders” and “Employees”

It is quite possible that this Scheme of Delegation identifies a post which may be filled by an individual who is an employee of a local authority rather than the NHS Board.

When applying this Scheme, the following definitions for “budget holder” and “employee”, which are drawn from the Standing Financial Instructions, are to be used:

“**Budget Holder**” means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation. A Budget Holder may also be a Local Authority Employee, as defined below.”

“**Employee**” means an employee of the Board. Additionally wherever the term "employee" is used, and where the context permits, it shall be deemed to include employees of third parties contracted to the Health Board (as defined in the Board’s Standing Financial Instructions) when acting on behalf of the Health Board, e.g. agency staff, locums, employees of service providers.

“**Local Authority Employee**” means an employee of a local authority which is a party to an Integration Scheme (as defined in the Board’s Standing Financial Instructions) with the Board, in circumstances where that employee carries out Directed Functions.

“**Directed Functions**” means a function which an Integration Joint Board as defined in the Board’s Standing Financial Instructions) has directed the Board to carry out under s.26 (1) of the Public Bodies (Joint Working) (Scotland) Act 2014.

“Category A” Approvers

There are certain matters which require to be approved by the relevant person who is included in a defined list of individuals (“Category A” approvers).

Rather than repeat this extensive list throughout this Scheme of Delegation, the list of Category A approvers is set out below:

- Chief Executive
- Deputy Chief Executive
- Chief Officer, Acute Services
- Director of Finance
- Medical Director
- Director of Public Health & Health Policy
- Director of Strategic Planning
- Deputy Director of Public Health & Health Policy
- Executive Director for Nursing, Midwifery, & Allied Health Professionals
- Director of Human Resources & Organisational Development
- Director of Primary Care
- Director of Health and Social Care – Edinburgh
- Director of Health and Social Care – West Lothian
- Director of Health and Social Care – East Lothian
- Director of Health and Social Care – Midlothian
- Director of Estates & Facilities
- Director of Digital
- Hospital Site Director
- Service Director (Royal Edinburgh & Associated Services)
- Service Director (Diagnostics, Theatres, Anaesthetics & Critical Care)
- Service Director (Women & Children’s Services)
- Service Director (Outpatients & Associated Services)
- Nurse Director (Acute & Support Services)
- Director of Allied Health Professionals
- Medical Director (Acute)
- Director of Operations (Edinburgh)
- Head of Operations (East Lothian)
- Head of Primary Care and Older People (Midlothian)
- Head of Adults (Midlothian)
- Head of Health (West Lothian)

GENERAL PRINCIPLES TO APPLYING THIS SCHEME OF DELEGATION

- a) This Scheme of Delegation should be implemented together with the requirements of the Board's Standing Financial Instructions and all other policies and procedures.
- b) All Budget Holders are required to formally agree their annual budgets and are accountable for their budgetary performance. It is essential that expenditure levels do not exceed the agreed delegated budget. Officers must ensure that there is available budget in place before taking any decisions in line with their delegated authority.
- c) Where an employee of a local authority is to be either a Budget Holder or someone with delegated authority to approve expenditure of any type, it is the responsibility of the relevant Director of Health & Social Care (Chief Officer) to ensure that the individual has the necessary access to the Board's policies & procedures and the relevant IT systems (e.g. procurement, payroll & expenses), and the capability to competently implement the Board's policies and procedures.
- d) This Scheme of Delegation identifies certain positions in the management structure. The holders of those positions are allowed to delegate authority to approve transactions to other employees and this is usually done through the Authorised Signatory Database process. Nevertheless, the holders of the positions identified in the Scheme of Delegation remain personally accountable for all transactions in their area of responsibility, and the actions of the individuals to whom they delegate financial authority to.
- e) This general provision which allows post holders to delegate their authority (as described in paragraph d)) does not apply to expenditure that is described at Sections 6, and 9-14 of this Scheme of Delegation. The officers identified in those sections must approve the proposed transaction.
- f) If a position identified in the Scheme of Delegation is vacant, or an officer with delegated authority is not available, then the matter should be referred up to the next level of authority as described in the relevant section of this Scheme of Delegation.
- g) All figures in the Scheme are inclusive of VAT, unless otherwise stated.
- h) If for any reason an item of business has not been approved as described in this Scheme of Delegation, the Board may directly approve the item itself.
- i) The Board has delegated authority to the Director of Finance to approve amendments relating to job titles in this Scheme of Delegation, to keep it up to date with any changes to the organisation's management structure.

STRUCTURE OF THIS SCHEME OF DELEGATION

There are two broad categories of financial business – revenue and capital. The diagram below illustrates which sections of the Scheme of Delegation to refer to under these broad headings, and for different types of transactions. The vast majority of transactions will be in the Revenue column.

Section 7 of the Standing Financial Instructions relates to Non-Pay Expenditure for both capital and revenue, and sets out the arrangements for:

- Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services
- Tendering and Contracting

The Board does use nationally agreed procurement frameworks and supplier contracts, as well as locally agreed contracts. All employees are required to follow the systems and procedures put in place by the Procurement function and use the Board's approved suppliers for the supply of approved products and services.

REVENUE	CAPITAL
<p>The Board will make use of national contracts or put in place local contracts with approved suppliers, to secure the supply of goods & services.</p> <p>Where a contract is not already in place for the supply, then this will need to be addressed through market testing (and possibly tendering) which leads to a contract being put in place.</p>	<p>1. Approval of items to be included in the NHS Lothian Capital Programme – Funding of the Initial Development of the Concept.</p> <p>2. Approval of items to be included in the NHS Lothian Capital Programme – Business Cases</p> <p>3. Approval of items to be included in the NHS Lothian Capital Programme – Use of Frameworks such as Frameworks Scotland 3 or HUB</p>
4. Requirements for Market Testing (Capital and Revenue)	
6. Revenue Expenditure - Contracts and Service Agreements for Healthcare Services and other specified services.	5. Award of Capital Tenders
8. Revenue Expenditure – General Arrangements	7. Capital Expenditure – Delegation of Authority and Approval of Expenditure
9. Revenue – Use of Management Consultants	
10. Revenue – Travel and Reimbursement of Expenses	
11. Revenue – Private Finance Initiative / Public Private Partnership Payments	
12. Revenue – Payroll	
13. Revenue – Virement	
14. Revenue – Losses & Special Payments	
15. Asset Transactions (Capital and Revenue)	
16. Financial Services (Capital and Revenue)	
17. Signing of Contractual Documentation (Capital and Revenue)	

Within this Scheme of Delegation, there are references to certain roles in the context of the Board's capital programme.

The meanings of these roles are set out below. For simplicity the term 'project' is used, and applies to both programmes and projects:

SENIOR RESPONSIBLE OFFICER

The **Senior Responsible Officer** for the project needs to be a senior person within the organisation with the status and authority to provide the necessary leadership and clear accountability for the project's success.

Success is when a project meets its objectives and delivers its intended benefits.

The Senior Responsible Officer owns the overall service change which the project is supporting or enabling.

The Senior Responsible Officer chairs the Project Board, and ensures that the project remains focused on success, and has the resources to deliver it.

The Director of Finance is the executive lead for the overall systems of capital planning, financial planning, and budgetary control. Consequently, in the interests of respecting the principle of segregation of duties, and the ownership of services within the management structure, the Director of Finance may not be the designated Senior Responsible Officer for any project.

The Senior Responsible Officer may be any other officer who is in a position to carry out the role for the project. If the Senior Responsible Officer is not an executive Board member or an executive director, then there should be an identified executive Board member or executive director who will provide accountability to a Board committee or the Board itself if and when required.

Any individual who intends to take on the role of Senior Responsible Officer will be required sign an agreement which confirms their understanding of what the role requires and their agreement to carry out the role.

PROGRAMME OR PROJECT DIRECTOR (referred to as PROJECT DIRECTOR)

The Project Director will be an individual who has adequate knowledge and information about the organisation and its functions and services to make informed decisions on behalf of the Senior Responsible Officer.

The Project Director is responsible for the ongoing day-to-day management and decision-making on behalf of the Senior Responsible Officer to ensure success.

The Project Director is also responsible for the development, maintenance, progress, and reporting to the Senior Responsible Officer.

Both the Senior Responsible Officer and the Director of Capital Planning & Projects will jointly determine who the Project Director is. If the Director of Capital Planning & Projects is unavailable (e.g. vacancy or long-term absence) then the Director of Finance may jointly determine who the Project Director is (with the Senior Responsible Officer).

PROGRAMME OR PROJECT MANAGER (referred to as PROJECT MANAGER)

The Project Director or the Senior Responsible Officer will assign an individual or individuals to the role of Project Manager. Larger projects may have more than one Project Manager.

Those individuals should have the necessary knowledge, skills and experience to carry out the role.

The Project Manager will lead, manage and co-ordinate the project activities and the project team (if one exists) on a day-to-day basis. The Project Manager will be responsible and accountable to the Project Director for the successful day-to-day delivery of the project.

DIRECTOR OF CAPITAL PLANNING AND PROJECTS

This individual is responsible for the implementation of the Board's overall capital plan through;

- delivery of individual projects;
- applying project management resource and practices;
- jointly determining with the Senior Responsible Officer who should be the Project Director for the project;
- providing oversight of capital project technical assurance reporting; and
- providing oversight of appointment and performance of advisers and contractors.

The individual is responsible and accountable to the Director of Finance.

1. Approval of Items to be included in the NHS Lothian Capital Programme – Funding of Initial Development of Concept

What does this section cover?	This concerns the development of any concept or scheme for inclusion in the capital plan up to the approval of the Initial Agreement (where required – See Section 2 of this Scheme of Delegation).
Which Budget Holders are likely to incur revenue expenditure developing a future capital scheme?	<ul style="list-style-type: none">➤ Director of Capital Planning & Projects➤ Director of Estates & Facilities➤ Associate Director of Operations (Estates & Facilities)➤ Director of Digital➤ The lead service director / manager for the area that will be the beneficiary of the capital scheme.➤ The Senior Responsible Officer of major capital projects
Delegated authority of Budget Holder.	<p>The Budget Holder is only limited by their available budget and their individual delegated authority (see Section 7 of this Scheme of Delegation).</p> <p>The Budget Holder must observe the principles within this Scheme of Delegation, namely that they must have a budget in place before they incur expenditure, and that they ensure that the resultant expenditure does not exceed their available budget.</p>

2. Approval of Items to be included in the NHS Lothian Capital Programme – Business Cases

Overview of Process

1) Defining the Board's requirements

The Board has to develop and submit to the Scottish Government a capital plan and a Property & Asset Management Strategy. Both of these documents are informed by a 'strategic assessment' which has to be prepared before any capital project is started. This section relates to the processes that are to be followed after the 'strategic assessment' has been approved.

2) The scope of the Board's authority

- a) For all capital projects, the Board has to comply with the Scottish Capital Investment Manual, which sets out the business case process. If land and property transactions are involved the Board also has to comply with the Scottish Government's Property Transactions Handbook concurrently with the business case process. The effect of this is that the Scottish Government has to approve certain matters before a transaction can proceed.
- b) The Scottish Government defines the level of authority of the Board to approve capital schemes. The Scottish Government can change the Board's level of authority at any time. If the Scottish Government publishes changes to these limits before this Scheme of Delegation is amended, the latest Scottish Government publication takes precedence. The Scottish Government also has the authority to take direct control of a capital project. If either of these events happen, then the Board and/or the Scottish Government may apply a different process to capital projects than what is described in this section. Where the Scottish Government has control of a project, the Board and the groups in this section may have a role in reaching a view on whether the Board supports any proposals.
- c) The Board's delegated limits for the approval of capital schemes is **£10m** for non-Information Management & Technology (non-IM&T) schemes and **£2m** for IM&T schemes. This section of the Scheme of Delegation sets out how the Board has delegated this authority within the organisation.
- d) Where the value of a capital scheme is greater than the Board's delegated limits, the Board must review any business case material before referring it to the Scottish Government.
- e) Any group (whether the Board, a committee, or other group) in this Section 2 of the Scheme of Delegation which has the authority to approve business case material can do so up to the value set out in the table below. Any such group can do so without any other group reviewing it first, or any other group expressing support or approval of the business case material. The Board may directly approve any item itself.
- f) The relevant management team for the service to which the capital project relates should agree the business case material before submitting it into the approval process set out in this Section 2 of the Scheme of Delegation. Where an initial agreement is being prepared, the NHS Lothian Corporate Management Team is the relevant management team.
- g) The approving groups (below) will require assurance from this process that all risks have been clearly identified, and that there are controls in place to manage those risks. The Lothian Capital Investment Group shall determine for construction projects the suitability of the application of Frameworks Scotland methodology, or any other local framework

2. Approval of Items to be included in the NHS Lothian Capital Programme – Business Cases

arrangements (See Section 3 of this Scheme of Delegation)

- h) The Board shall be entitled, with the agreement of the Scottish Government, to proceed with a combined business case (Outline Business Case and Full Business Case), rather than considering and approving an Outline Business Case and a Full Business Case.in turn as discrete items. The Board shall be entitled, with the agreement of Scottish Government to waive the requirement to prepare any of the business case material which is prescribed in the Scottish Capital Investment Manual.

- i) When an approving group (below) approves a capital scheme, the approving body shall approve the capital budget to be allocated, and who the Budget Holder for the scheme is. No person may commit the Board to expenditure for a capital scheme until a capital budget has been formally allocated by this process.

Schemes over the Board’s delegated limit (£10m for non-IM&T, £2m for IM&T)	Following review by the Strategy, Planning and Performance Committee (for the Strategic Case of any Initial Agreement) and then the Finance & Resources Committee (for the Initial Agreement and for any Outline Business Care and/or Full Business Case as applicable), the business case item must be referred to the Board. The Board must approve the item, and provide confirmation of the Board’s approval when formally submitting the item to the Scottish Government for its approval.
Schemes from over £1m and up to (a) £10m for non-IM&T schemes and (b) £2m for IM&T schemes.	<p>For Initial Agreements:</p> <ol style="list-style-type: none"> 1. Strategy, Planning and Performance Committee (Strategic Case from IA) (review) 2. Lothian Capital Investment Group (review) 3. Lothian Corporate Management Team (review) 4. Finance and Resources Committee (approval) <p>For Standard Business Cases:</p> <ol style="list-style-type: none"> 1. Lothian Capital Investment Group (review) 2. Finance & Resources Committee (approval)
Schemes from over £250k and up to £1m	<p>Schemes within this range are typically local service developments, or perhaps the routine replacement of major medical equipment or investment in IT. As such they are typically concerned with the continuous development and maintenance of operational matters, rather than having a bearing on the Board’s strategic approach. The expenditure does however draw from the Board’s limited capital resources.</p> <p>Management may present proposals to secure the agreement on what the expenditure is to be spent on either through:</p> <ul style="list-style-type: none"> - The Board’s Property & Asset Management Strategy or the Board’s Capital Plan, or - Discrete initial agreements.

2. Approval of Items to be included in the NHS Lothian Capital Programme – Business Cases

For the Property & Asset Management Strategy or Capital Plan:

1. Lothian Capital Investment Group (review)
2. Lothian Corporate Management Team (review)
3. Finance & Resources Committee (review)
4. Board (approval)

For initial agreements:

1. Strategy, Planning and Performance Committee (Strategic Case from IA) (review)
2. Lothian Corporate Management Team (review)
3. Lothian Capital Investment Group (review or approval if under £1m capital value in the business case)
4. Finance and Resources Committee (if above £1m capital value in the business case) (approval)

For Business Cases with relevant local support (e.g., IJB / Acute SMT, etc.):

Following approval of an initial agreement

1. Lothian Capital Investment Group (review and approval if up to £1m capital value in the business case)
2. Finance & Resources Committee (if above £1m capital value in the business case) (approval)

2. Approval of Items to be included in the NHS Lothian Capital Programme – Business Cases

<p>Schemes up to and including £250k (and replacement Medical Equipment)</p>	<p>MEDICAL EQUIPMENT</p> <p>For <u>NEW</u> medical equipment under £250k, the first and second stage of the Capital Steering Group Pipeline documentation must be completed.</p> <p>For <u>REPLACEMENT</u> medical equipment under £250k, only an equipment form needs to be completed.</p> <p>For high value replacement medical equipment (single item £500k+) further due diligence reporting is required for LMERG approval.</p> <p>For £1m+ (single item replacement) the business case stages are followed - with appropriate detail and due diligence for an equipment replacement and submitted to LCIG for approval.</p> <p>The Lothian Capital Investment Group (LCIG) must agree the annual budget for replacement medical equipment. Thereafter the Lothian Medical Equipment Review Group (LMERG) must approve the schemes, including review and approval by the finance directorate.</p> <p>ALL OTHER SCHEMES</p> <p>The published Capital Steering Group Pipeline documentation must be completed.</p> <p>The Finance Directorate must review and approve all proposals. Thereafter the item should be reviewed and approved by the Lothian Capital Steering Group or the Digital Senior Management Team (for schemes related to Digital).</p>
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3. Approval of Items to be included in the NHS Lothian Capital Programme – Use of Frameworks such as Frameworks Scotland or HUB

<p>What does this section cover?</p>	<p>This section applies when the Board is a participating member of a procurement framework arrangement, or when the Board has set up a local framework.</p> <p>This explains the chronological steps of a scheme that is managed through Frameworks Scotland, and the officers / groups in NHS Lothian (as defined in the NHS Lothian Standing Financial Instructions) with delegated authority to make decisions at each stage. However, the same principles should be applied to any other framework.</p>
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3. Approval of Items to be included in the NHS Lothian Capital Programme – Use of Frameworks such as Frameworks Scotland or HUB	
Approval of the suitability of, and the extent of application of Frameworks Scotland methodology or the local framework arrangements (for smaller schemes) to a construction project.	<p>This will be determined by the NHS Lothian Capital Investment Group (see Section 2 of this Scheme of Delegation).</p> <p>If a project is within the scope of Frameworks Scotland, then Frameworks Scotland must be used. The Board must approve any decision to depart from this process (per paragraph 7.7 of the Standing Financial Instructions).</p>
Appointment to the position of Project Director and Project Manager for capital construction projects.	<ul style="list-style-type: none"> • Director of Capital Planning and Projects in conjunction with the Appointed Senior Responsible Officer. <p>The posts must be in the funded establishment or, for external appointments, affordable within the project budget. The Senior Responsible Officer shall formally communicate any delegated budgetary responsibilities to the Project Director and Project Manager(s).</p> <p>The nominees or holders of the position of Project Director and Project Manager(s) (if different individuals) and other members of the project team and project delivery resources (as appropriate given the scale of the project) must be clearly documented in the Initial Agreement documentation, and subsequently the Outline Business Case and Full Business Cases. Please refer to Health Facilities Scotland published guidance and the Scottish Capital Investment Manual on the role of the Project Director and Project Manager.</p> <p>The Project Senior Responsible Officer shall assign appropriate delegated authority to the Project Director and the Project Manager to permit them to approve project transactions that are associated only with the project and commensurate with their project responsibilities. This may mean that their personal transaction limit for specific projects is different from that conferred to them for routine revenue and capital expenditure.</p>
Approval of Project Initiation Document	<ul style="list-style-type: none"> • Appointed Senior Responsible Officer <p>The Project Director should prepare the PID for approval by the Senior Responsible Officer, and this should identify the resources available to the Project Director.</p>
Awarding of Professional Services Contracts (PSCs)	<ul style="list-style-type: none"> ➤ Director of Capital Planning & Projects ➤ Director of Estates & Facilities (for projects with a capital value up to £500k) ➤ Project Director (for contracts specific to their project)

3. Approval of Items to be included in the NHS Lothian Capital Programme – Use of Frameworks such as Frameworks Scotland or HUB	
Approval of the financial envelope within which the target price is to be agreed.	<p>Please refer to Section 2 of this Scheme of Delegation.</p> <p>The estimated financial value should be included in the Initial Agreement documentation (when required) and presented for approval) as stipulated in Section 2.</p>
Selection and appointment of Principal Supply Chain Partners (PSCP)	<ul style="list-style-type: none"> • Appointed Senior Responsible Officer <p>The costs associated with this appointment must be within the previously agreed financial envelope.</p>
Negotiation with the PSCP to set the target price, with respect to the factors of time, quality and resources.	<ul style="list-style-type: none"> ➤ Director of Capital Planning & Projects ➤ Director of Estates & Facilities (for projects with a capital value up to £500k) ➤ Project Director (for contracts specific to their project) <p>The above officers have delegated authority to negotiate details which satisfy the previously agreed financial envelope and timescale for the project.</p>
Approval of the Target or Fixed Price	<p>This depends on the scale of the project. Please refer to Section 2 of this Scheme of Delegation. It is expected that the target price should be incorporated within the Final Business Case (where required) as detailed in section 2 of this Scheme of Delegation.</p> <p>This should minimise risk exposure, as a more accurate target price will be based upon a substantially completed design. (Ref: Frameworks Scotland – The Guide, Issue 1.0, December 2008).</p> <p>Following approval of the target price, the approving body or Board (as applicable) shall specify what officer will implement its decisions, e.g., signing the Framework contract with the agreed details identified.</p>
Approval of project variations (time, quality and resources) within the agreed target price.	<ul style="list-style-type: none"> • Project Director or Capital Project Manager named in the contract. • Programme Director (Estates & Facilities) named in the contract.
Approval of Changes to the Target Price	<p>Approval to change the target price can only be given by the body that has final authority to agree the target price for that project. Please refer to Section 2 of this Scheme of Delegation.</p> <p>Following approval of the proposed change, the approving body or Board (as applicable) shall specify what officer will implement its decisions, e.g., agreeing the changes with the contractor, signing the Framework contract with the agreed details identified.</p>

4. Requirements for Market Testing and Tendering (Capital and Revenue)

<p>What does this section cover?</p> <p>NOTE: All financial amounts in this section are exclusive of VAT.</p>	<ul style="list-style-type: none"> • The Board procures goods and services which are funded by capital and revenue budgets and aims to secure Best Value whilst doing so. A key part of this is having a fair and transparent approach to the selection of the providers of goods and services. The Board shall observe the Key Procurement Principles as set out in CEL (05) 2012. • If a supply is already covered by an existing contract as a result of a previous and current procurement process (e.g., Frameworks Scotland, NHS National Procurement, or any other framework NHS Lothian is entitled to call off from), then the Board does not need to conduct any market testing. (See Section 7 of the Standing Financial Instructions). <u>For all other expenditure, tendering or other market testing (where appropriate) must be conducted in accordance with the provisions below.</u> • The Director of Finance has delegated authority to waive the tendering requirements for the supply of goods and services over £50,000 in certain circumstances. Section 7 of the Standing Financial Instructions sets out these circumstances and the process of approval. Managers should contact the Procurement Department in the first instance. • For all supplies under £50,000, in the event that it is not possible to satisfy the below requirements (e.g., it is not possible to get two quotations), the Procurement function may waive the requirements. The lead senior officer (procurement) may waive the requirements, with due regard to the circumstances used for the waiver of competitive tendering (as described in the Standing Financial Instructions).
<p>Supply of goods and services over £50,000</p>	<p>This supply falls into the scope of the Public Contracts (Scotland) Regulations 2015 (and any subsequent amendments) and the Procurement (Reform) (Scotland) Act 2014 and will require to be managed in accordance with these legal requirements. Managers should contact the Procurement function for advice as to how to proceed.</p>
<p>Supply of goods and services over £30,000 and up to £50,000</p>	<p>Competitive quotation – at least three written quotations should be considered.</p>
<p>Supply of goods and services from over £15,000 and up to £30,000</p>	<p>Competitive quotation - At least two written quotations should be considered.</p>
<p>Supply of goods and services from £3,000 - £15,000</p>	<p>One written quotation should be considered.</p>
<p>Supply of goods and services under £3,000</p>	<p>There is no requirement for a quotation.</p>

5. Award of Capital Tenders

Overview of process

- This section applies where the Board has undertaken a tendering exercise for the procurement of goods or services, which will be funded from the capital programme. It therefore does not relate to schemes covered by an established procurement framework (as described in **Section 3**), or revenue expenditure.
- The following groups / individuals can award tenders up to the values stated below, provided that the value of the preferred bid is within the approved budget for the scheme).
- If the best tender is above the approved budget for the scheme in the Board's capital programme, then the tender cannot be awarded. In these circumstances the designated budget holder must apply to the relevant approval body (See **Section 2**) for an increase to the scheme's budget to cover the cost.
- Following the decision to award a capital tender, please refer to **Section 17** to determine which officers can sign the associated documentation required to form a contract.

Any tender award of a value from £1m

Two executive board members must approve the award.

Any tender award of a value under £1m

The relevant lead for the service or function to which the project relates, from the following list;

- Chief Executive
- Deputy Chief Executive
- Chief Officer – Acute Services
- Director of Finance
- Medical Director
- Director of Public Health & Health Policy
- Executive Director for Nursing, Midwifery, & AHPs
- Director of Human Resources & Organisational Development
- Director of Health and Social Care – Edinburgh
- Director of Health and Social Care – West Lothian
- Director of Health and Social Care – East Lothian
- Director of Health and Social Care – Midlothian
- Director of Capital Planning & Projects
- Deputy Director of Finance

For tender awards up to £500,000, in addition to the posts above, the relevant budget holder for the service to which the project relates, from the following list:-

- Director of Estates & Facilities
- Director of Digital
- Hospital Site Director
- Service Director (Diagnostics, Theatres, Anaesthetics & Critical Care)
- Service Director (Women & Children's Services)
- Service Director (Outpatients & Associated Services)
- Nurse Director (Acute & Support Services)
- Director of Allied Health Professionals
- Medical Director (Acute)Head of Operations (East Lothian)
- Head of Operations (Edinburgh)
- Head of Primary Care and Older People (Midlothian)
- Head of Adults(Midlothian)

- Head of Health (West Lothian).

6. Revenue Expenditure - Contracts and Service Agreements for Healthcare Services and other specified services

Overview of process

What does this section cover?

Income

- Contracts for Research and Development income and expenditure.
- Income from other bodies for the provision of services by the Board.
- National Services Division Contracts
- Other specified contracts and service agreements

Expenditure

- Expenditure on NHS contracts and NHS service agreements, unscheduled activity with other NHS bodies.
- Purchase of healthcare from non-NHS organisations, e.g., private sector, voluntary organisations.
- Resource transfer.
- Other specified contracts and service agreements

All agreements entered into must be within approved budgets.

Furthermore, all agreements should be subject to competitive evaluation to determine if Best Value is being delivered, and to observe the Standing Financial Instructions. It is possible that strategic partnerships (e.g., with universities) may facilitate agreements that deliver Best Value within an agreed quality and resource framework. However, in all cases, the requirements of **Section 4** of this Scheme of Delegation apply. All expenditure should be directed through the Board's ordering systems as described in **Section 8**.

6. Revenue Expenditure - Contracts and Service Agreements for Healthcare Services and other specified services

Contracts and Agreements for Expenditure on Healthcare Services

Any amount over £1.5m per annum

Three executive Board members

£0.5m to £1.5m per annum

Any **two** from the following list (one of whom should be the budget holder);

- Chief Executive
- Deputy Chief Executive
- Chief Officer – Acute Services
- Director of Finance
- Medical Director
- Director of Public Health & Health Policy
- Executive Director for Nursing, Midwifery, & Allied Health Professionals
- Director of Human Resources & Organisational Development
- Deputy Director of Finance.

Up to £0.5m per annum

- Research & Development Director
- Director of Digital
- Director of Health and Social Care – Edinburgh
- Director of Health and Social Care – West Lothian
- Director of Health and Social Care – East Lothian
- Director of Health and Social Care – Midlothian
- Director of Estates & Facilities
- Director of Operations (Royal Edinburgh Hospital & Associated Services)
- Hospital Site Director
- Service Director (Diagnostics, Theatres, Anaesthetics & Critical Care)
- Service Director (Women & Children's Services)
- Service Director (Outpatients & Associated Services)
- Nurse Director (Acute & Support Services)
- Director of Allied Health Professionals
- Medical Director (Acute)
- Head of Operations (East Lothian)
- Head of Operations (Edinburgh)
- Head of Primary Care and Older People (Midlothian)
- Head of Adults (Midlothian)
- Head of Health (West Lothian)

Occupational Health & Safety / Library Services / Regional NHS Education for Scotland Initiatives

Any amount over £250k per annum

- Three executive board members

£150k to £250k per annum

- Director of Human Resources & Organisational Development

Up to £150k per annum

- Director of Occupational Health & Safety (for occupational health & safety)
- Associate Director for Organisational Development and Learning (for library services and regional NHS Education for Scotland initiatives)

6. Revenue Expenditure - Contracts and Service Agreements for Healthcare Services and other specified services

Maintenance Contracts / Utilities

Any maintenance / utilities expenditure that is required to be directed through National Procurement must be contracted through that route. For expenditure out of the scope of National Procurement, the following officers have delegated authority to agree contracts and service agreements. This section does not relate to maintenance contracts for medical equipment. Those types of contracts should be considered as part of the procurement process for the equipment itself, and the expenditure subject to Section 8 – “Revenue Expenditure – General Arrangements

Any amount over £250k per annum

- Three executive Board members

£150k to £250k per annum

- Medical Director (for Digital)

Up to £150k per annum

- Director of Capital Planning & Projects
- Director of Estates & Facilities
- Associate Director of Operations (Estates & Facilities)
- Programme Director (Estate & Facilities)
- Director of Digital

Any Other Income Contract or Agreement not covered by the above

The value of the contract or agreement is over £250k per annum

Three executive Board members

The value of the contract or agreement (per annum) is over £150k and up to £250k

Two people have to approve the transaction, one of whom should be the budget holder.

- Any executive Board member PLUS
- Another individual who has been given delegated authority to approve revenue expenditure up to £250,000. This person may be a Category A approver, or someone to whom a Category A approver has (through the authorised signatory process) delegated authority to approve expenditure up to £250,000.

The value of the contract or agreement is up to £150k per annum

Please refer to the list of Category A approvers.

Management Consultants

Section 9 of this Scheme of Delegation sets out in detail the process that is to be followed when management are considering the use of management consultants. This highlights that either the Chief Executive or the Director of Finance must approve a “pre-engagement review form” before going to market.

7. Capital Expenditure – Delegation of Authority and Approval of Expenditure

- This section is concerned with expenditure arising from schemes approved as part of the Board's capital plan (**See Sections 2-5**).
- Capital schemes or projects can be made up of several smaller pieces of work. The approval process (**Sections 2-3**) will identify and approve a Budget Holder for each piece of work, and the finance directorate will assign a unique code to it. The designated budget holder is the authorised signatory for the code, and the approving body (**Section 2**) will determine their delegated authority to approve expenditure for that code only. **As with all budgets this delegated authority can only be exercised when there is an available budget in the code, and the budget holder is responsible for monitoring this.** The delegated authority will end once the associated piece of work has been completed.
- The individual's established delegated authority for their revenue budget (**Section 8**) has no bearing or relevance to the delegated authority for a code that is used for a capital scheme or project. **If any transaction is over £250,000 it will require two individuals each with a personal delegated authority of £250,000 (for the capital code) to approve the transaction.**
- The budget holder may delegate authority to others to approve expenditure against the code. Nevertheless the budget holder will remain personally accountable for all financial transactions for the code, and the actions of the individuals to whom they delegate financial authority to.
- There may be items of expenditure that are chargeable to the code that require to be recognised as revenue expenditure. This will be identified at the planning stage (**Section 2**), and the finance directorate shall establish a system to ensure that capital and revenue elements are distinctly accounted for.
- All expenditure must be processed on official orders through the approved procurement channels. The total value of an order should be recognised when determining who the appropriate signatory is for the order.
- Officers must establish systems to ensure that all ordered goods & services or works completed have in fact been received before "receipting" the supply in the ordering system. For this purpose, the value of a particular invoice is not relevant to the application of this section: the officer is confirming receipt of a supply, rather than approving the expenditure. The officer confirming receipt must be different from the officer who approved the order.
- In the event of an invoice being received, and there is not an authorised and receipted order available, the invoice becomes the prime document for the approval of expenditure and the value of the invoice. The application of this Section will determine who the signatory must be. The absence of an approved order constitutes a breach of the Standing Financial Instructions.

8. Revenue Expenditure – General Arrangements

General Provisions for the delegation of authority and approval of expenditure

- All budget holders are required to formally agree their annual budgets with their line manager and are accountable for their budgetary performance. It is essential that expenditure levels do not exceed the agreed delegated budget.
- All expenditure must be processed on official orders through the approved procurement channels for that type of expenditure. **The necessary approvals must be given before placing the order.**
- All items procured should be in accordance with any contracts or agreements previously established as a result of the required market testing as described at **Section 4**. All procurement activity should be in accordance with the Standing Financial Instructions and administered through the systems that the Board establishes for that purpose.
- Where a contract for general supply to the organisation is in place, the total amount for a period of supply should be identified (if fixed amount) or reasonably estimated, and an appropriately authorised order should be raised on the system for that supply.
- Officers must establish systems to ensure that all goods & services ordered have been received prior to “receipting” the supply in the ordering system being used. For this purpose, the value of a particular invoice is not relevant to the application of this section: the officer is confirming receipt of a supply, rather than approving the expenditure. The officer confirming receipt must be different from the officer who approved the order.
- This section sets out the required authority levels for general ordering of goods and services. **However, employees should refer to Sections 6 and 10-14 for the specific requirements for certain types of revenue expenditure.**

Any item over £2m	Three executive Board members
Any item over £250,000 but under £2m	Two people have to approve the transaction, one of whom should be the budget holder. <ul style="list-style-type: none"> ➤ Any executive Board member PLUS ➤ Another individual who has been given delegated authority to approve revenue expenditure up to £250,000. This person may be a Category A approver, or someone to whom a Category A approver has (though the authorised signatory process) delegated authority to approve expenditure up to £250,000.
Officers with a delegated authority up to £250,000	<ul style="list-style-type: none"> ➤ Any category A approver. ➤ Head of Operations (East Lothian) ➤ Service Director - Operations (Edinburgh) ➤ Service Director - Strategic Planning (Edinburgh) ➤ Chief Nurse (Edinburgh)
Officers with a delegated authority up to £150,000	<ul style="list-style-type: none"> ➤ Director of Capital Planning & Projects ➤ Associate Director of Operations (Estates & Facilities) ➤ Programme Director (Estates & Facilities) ➤ Deputy Director of Finance

8. Revenue Expenditure – General Arrangements	
Officers with a delegated authority up to £100,000	<ul style="list-style-type: none"> ➤ Director of Pharmacy & Medicines ➤ Deputy Director (Corporate Nursing) ➤ Associate Director of Pharmacy ➤ Director (DATCC)
Officers with a delegated authority up to £75,000	<ul style="list-style-type: none"> ➤ General Manager (Medicine – WGH) ➤ General Manager (Surgery – WGH) ➤ General Manager (Cancer – WGH) ➤ Associate Nurse Director (WGH) ➤ General Manager (Medicine – RIE/ Liberton) ➤ General Manager (Surgery – RIE/ Liberton) ➤ Associate Nurse Director (RIE/ Liberton) ➤ Operational Manager (RIE/Liberton) ➤ General Manager – Scheduled Care (St John’s) ➤ General Manager – Unscheduled Care (St John’s) ➤ Associate Nurse Director (St John’s) ➤ Service Manager - Public Health & Health Policy
Officers with a delegated authority up to £50,000	<ul style="list-style-type: none"> ➤ Director of Nursing, Primary/Community Care ➤ Site Chief Pharmacist ➤ Deputy Director of Human Resources ➤ Research & Development Director ➤ Locality Manager (Edinburgh) ➤ Hospital and Hosted Services Manager (Edinburgh) ➤ Service Manager for Laboratories
Officers with a delegate of authority up to £20,000	<ul style="list-style-type: none"> ➤ General Manager (Primary Care Contracting Organisation) ➤ Associate Medical Director ➤ Clinical Director ➤ Clinical Service Manager ➤ Clinical Nurse Manager ➤ Chief Midwife ➤ Director of Communications, Engagement and Public Affairs ➤ Head of Medical Physics ➤ Service Manager for Radiology ➤ Head of Operations Soft Facilities Management ➤ Head of Risk, Quality & Assurance ➤ Head of Operations Hard Facilities Management

9. Revenue – Use of Management Consultants	
What does this section cover?	<ul style="list-style-type: none"> • This section has been prepared to support the application of Section 7 of the Standing Financial Instructions (Non-Pay Expenditure) for the subject of management consultancy. • This section sets out the process and the key controls to be followed with respect to the engagement of management consultants. <p>All expenditure should be directed through the Board’s ordering systems as described in Section 8.</p>
Key Definitions	<p>MANAGEMENT CONSULTANTS Management Consultants have two characteristics:</p> <ol style="list-style-type: none"> 1. They are engaged to work on specific projects that are regarded as outside the usual business of the Lothian NHS Board and there is an identified endpoint of their involvement. 2. The responsibility for the final outcome of the project largely rests with Lothian NHS Board. <p>PROFESSIONAL ADVISORS Professional Advisors have two characteristics:</p> <ol style="list-style-type: none"> 1. They are engaged on work that is an extended arm of the work done in-house. 2. They provide an independent check. <p>An example of professional advice is the engagement of VAT advisors on the accounting treatment of VAT in relation to the Board’s activities. Professional Advisors are commonly engaged in major capital projects, e.g., architects, quantity surveyors, structural engineers.</p> <p>For the purposes of applying this section of the Scheme of Delegation, professional advisors are not management consultants, and this section does not apply to professional advisors.</p>
Step 1 – Clearly define what the assignment is.	<p>This is a task for the Senior Responsible Officer – the manager who has identified a potential need to engage management consultants.</p> <p>The scope and objectives of the assignment should be clearly defined – what is the problem that is to be solved? What is the scale of the activity, what departments/ services are involved?</p>

9. Revenue – Use of Management Consultants

<p>Step 2 – Assess whether internal resources (the Board’s own employees or suppliers within the scope of what they are already contracted to do) can perform the task.</p>	<p>The potential assignment should be critically reviewed and broken down into its constituent parts. If some or all of the work is within the responsibilities of employees or contractors, then normally it should be done by them. Management consultants should only be engaged if the assignment is beyond the capacity and/or capability of internal resources to complete the assignment within the required timeframe.</p> <p>The Senior Responsible Officer should reduce the costs and risks associated with engaging management consultants by ensuring that any elements of the assignment that can be done in-house to the required quality are completed in-house. This should include considering redeploying or seconding employees to do the work. On the occasions where it is decided that the assignment cannot be delivered by internal resources, go to Step 3.</p> <p>The Senior Responsible Officer should prompt a review of how capacity and capability can be put in place for future assignments.</p>
<p>Step 3 – Contact Procurement and document your requirements.</p>	<ol style="list-style-type: none">1. The Senior Responsible Officer must contact the Procurement Department and ask for a “Pre-engagement Review Form. The Form must be completed with the details of Steps 1 & 2.2. The Form must identify the benefits to the Board (in terms of outcomes criteria) from the assignment, and how management will use the outputs of the assignment. Procurement will use these criteria in the tender documentation, and they will be used to support monitoring of progress and post-completion evaluation.3. The Form must set out the minimum qualifying criteria for a bidder. This will be used by the Procurement function to advertise the assignment and short-list bids.4. The Form must include an estimate of the anticipated cost of the consultancy and identify the budget to cover the costs.5. The Form must be approved by one of the following officers before being returned to Procurement – Chief Executive; Director of Finance. (The approving officer and the Senior Responsible Officer should be different people). Procurement will not proceed unless this authorisation is in place.

9. Revenue – Use of Management Consultants

Step 4 – Going to Market

- The Procurement function will prepare and issue tender invitations to the market, based on the instructions given on the approved form.
- The Procurement will follow the requirements of Section 7 of the Board's Standing Financial Instructions with regard to tendering and contracting. In the event that it is decided that tendering processes are not appropriate, the requirements of the Board's Standing Financial Instructions must be followed. The Director of Finance must approve the decision to waive the tender process, and this must be formally documented. The lead senior officer for procurement must place this in the Waiver of Tender Register.
- Assignments will be offered to the market as distinct items, i.e. a contractor will not be automatically given a follow-on assignment associated with another tendered assignment. However the Board may enter into a call-off framework contract with a number of consultancies in the interests of efficient procurement.
- The Procurement Department will maintain a register of all call-off contracts. The Procurement Department will perform and document systematic reviews of relationships with management consultants, to ensure that they are not self-perpetuating.
- The Procurement Department will use standard documentation to record the process of evaluation of bids and the award of contract. This will include a record of whether:
 - The Consultants are capable of performing the assignment.
 - The assignment will deliver Best Value.
 - The award of the contract is compliant with the Board's Standing Financial Instructions.

The Procurement Department will hold this record in a register.

- All assignments must have a defined contract duration, with a specified contract delivery or financial cap. The Procurement department will use a standard formal contract for all assignments. The contract will explicitly cover the payment of expenses and place a limit on the amount payable.

9. Revenue – Use of Management Consultants

Step 5 – Client Evaluation of the Performance of the Management Consultants at the conclusion of the assignment.

The Senior Responsible Officer shall prepare an evaluation report on each assignment immediately following its completion. The Procurement department will provide a standard template for this purpose.

The report shall cover:

- Was the work completed on time?
- Were the costs contained within the contracted figure?
- Did the consultants carry out all their contractual obligations?
- Were the terms of reference discharged?
- How did the consultants key people perform?
- Were effective and realistic solutions proposed?
- Did the engagement represent Best Value?

The Senior Responsible Officer must send this report to the officer who approved the assignment (See Step 3) and send a copy to Procurement. If the approving officer is satisfied, they must notify the Procurement department, to confirm that the order for services has been satisfactorily completed. The Procurement department can then “receipt” the order on the ordering system, and this will allow the invoice to be paid.

10. Revenue - Travel and Reimbursement of Expenses

What does this section cover?	<p>The Finance Directorate provides services for all Travel and Accommodation that can be pre-booked. A dedicated Travel Team works directly with the Scottish Government National Procurement travel provider, through online facilities. The booking method ensures that NHS Lothian Standing Financial Instructions (SFIs) are complied with, and the best secure price can be achieved.</p> <p>Employees can find further information on Travel, as well as making bookings for external courses and conferences on the intranet at: Home> Directory>Finance Online > Financial Services>Travel Team</p> <p>Employees can also find advice on the process for claiming expenses, including mileage and information on car leasing on Payroll Helpdesk at:</p> <p>Payroll Portal - NHSL (service-now.com)</p>
Approval of any amount for an event in or journey made within the UK	<ul style="list-style-type: none">➤ The relevant budget holder
Approval of any amount for an event in or journey made to an overseas destination	<ul style="list-style-type: none">➤ The relevant budget holder from the list of Category A approvers.➤ Deputy Director of Finance

11. Revenue – Private Finance Initiative / Public Private Partnership Payments

What does this section cover?

This refers to the expenditure that arises from PFI/PPP contracts, following the completion of the build phase and during the operational phase.

Any contractual payments: – fixed and variable (e.g., patient meals).

Approval of the order – Budget holder for the contract (or their delegate).

Confirmation of Receipt of goods or services – To be provided by the Director of Estates & Facilities or Associate Director of Operations (Estates & Facilities) or their nominated officers.

Ad-hoc – minor works/ service changes

Approval of the order –The relevant budget holder must approve a minor works form.

Confirmation of Receipt of goods or services – To be provided by the Director of Estates & Facilities or Associate Director of Operations (Estates & Facilities) or their nominated officers.

Additional Works

These are likely to be of a value higher than £5,000 and shall be directed through the capital approval route (**see Section 2**).

12. Revenue - Payroll

What does this section cover?

This section describes the processes in place to delegate authority to compile and approve data that is required to make payments through the payroll system.

Payment of Hours through SSTS

SSTS is an electronic time and attendance system accessed through NHS Lothian's intranet, in which all attendance (absence and overtime) is recorded for staff with an NHS pay number in Lothian. Relevant absence data, e.g., sickness and overtime, is uploaded to SSPS (Payroll system) electronically prior to each weekly and monthly payroll run. I

Users are set up on SSTS with access rights appropriate to their role:

- Compiler – can enter data into the system
- Approver – ability to approve the data for processing (and consequently the payment that it leads to)

The individuals selected to perform these roles will depend on the structure of the department concerned. Payroll shall only set up users on SSTS following receipt of an instruction from the person who has responsibility for the budget from the following list, and after confirming that the proposed approver has been given the authority on the authorised signatory database:

- Any post identified in Section 8 of this Scheme of Delegation.

Other Payments that cannot be processed via SSTS, e.g. allowance codes, waiting time initiatives payments per consultant contract

Payroll has issued a form that must be used in these circumstances, and this is available on [Payroll Helpdesk](#)

The individual giving the final approval to make these payments must be the relevant person from the above list for the budget concerned. The Pay Office will check the authorised signatory database to confirm the person can approve the payments.

Additionally, the relevant Associate Medical Director must approve waiting time initiative payments (as defined in the Consultant Contract) to medical staff.

13. Revenue- Virement

<p>What does this section cover?</p>	<p>The need to vire budget may arise as part of budget setting or during the financial year. Virement can be defined as “the transfer of money from one budget heading to another’. More specifically it enables the transfer of budget between services or between pay and non-pay budgets</p> <p>The Standing Financial Instructions state: “5.19 The Chief Executive may agree a virement procedure that would allow budget holders to transfer resources from one budget heading to another.</p> <p>5.20 If the budget holder does not require the full amount of the budget delegated to him for the stated purpose (s), and virement is not exercised, then the amount not required shall revert back to the Chief Executive.”</p> <p>The following officers are permitted to approve virement transactions for their budgets.</p>
<p>Any Amount</p>	<ul style="list-style-type: none"> ➤ Please refer to the list of Category A approvers. ➤ Deputy Director of Finance.
<p>Up to £100,000</p>	<ul style="list-style-type: none"> ➤ Director of Capital Planning & Projects ➤ Associate Director of Operations (Estates & Facilities) ➤ Programme Director (Estate & Facilities) ➤ Director of Pharmacy & Medicines ➤ General Manager (Cancer – WGH) ➤ General Manager (Medicine - WGH) ➤ General Manager (Surgery – WGH) ➤ Associate Nurse Director (WGH) ➤ General Manager (Medicine – RIE/ Liberton) ➤ General Manager (Surgery – RIE/ Liberton) ➤ Associate Nurse Director (RIE/ Liberton) ➤ Operational Manager (RIE/Liberton) ➤ General Manager – Scheduled Care (St John’s) ➤ General Manager – Unscheduled Care (St John’s) ➤ Associate Nurse Director (St John’s) ➤ Director of Operations (Royal Edinburgh Hospital & Associated Services) ➤ Site Chief Pharmacist

Up to £20,000	<ul style="list-style-type: none"> ➤ General Manager (Primary Care Contracting Organisation); ➤ Associate Medical Director; ➤ Clinical Director; ➤ Clinical Service Manager; ➤ Clinical Nurse Manager; ➤ Chief Midwife; ➤ Director of Communications, Engagement and Public Affairs ➤ Operational Manager (RIE/ Liberton) ➤ Head of Medical Physics ➤ Head of Operations Hard Facilities Management ➤ Head of Risk, Quality & Assurance ➤ Head of Operations Hard Facilities Management
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14. Revenue - Losses and Special Payments

What does this section cover?	<p>This section relates to the approval of losses and special payments as defined by CEL (2008) 44.</p> <p>The Director of Finance must periodically report all losses (of whatever class) to the Lothian NHS Board Audit & Risk Committee.</p> <p>For any type of losses or special payments, the responsible budget holder has delegated authority to approve them up to the value £10,000 provided that they have budgetary authority for the value of the loss or special payment.</p> <p>All losses and special payments must be reviewed and counter-signed by one of; the Director of Finance or the Deputy Director of Finance. For losses and special payments up to £10,000 the following finance officers can also counter-sign them: the Head of Financial Control; the Deputy Head of Financial Control, or the Finance Manager (Order to Cash).</p> <p>For proposed losses to be written off and proposed special payments that are above the delegated limits, management must refer these items to the Audit & Risk Committee before seeking authorisation from the Scottish Government Health Directorate.</p>																					
Theft / Arson/ Willful Damage	<p>The Director of Finance or the Deputy Director of Finance can approve the write-off of losses up to the following amounts:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">1.</td> <td style="width: 85%;">Cash</td> <td style="width: 10%; text-align: right;">£20,000</td> </tr> <tr> <td>2.</td> <td>Stores/ Procurement</td> <td style="text-align: right;">£40,000</td> </tr> <tr> <td>3.</td> <td>Equipment</td> <td style="text-align: right;">£20,000</td> </tr> <tr> <td>4.</td> <td>Contracts</td> <td style="text-align: right;">£20,000</td> </tr> <tr> <td>5.</td> <td>Payroll</td> <td style="text-align: right;">£20,000</td> </tr> <tr> <td>6.</td> <td>Buildings/ Fixtures</td> <td style="text-align: right;">£40,000</td> </tr> <tr> <td>7.</td> <td>Other</td> <td style="text-align: right;">£20,000</td> </tr> </table>	1.	Cash	£20,000	2.	Stores/ Procurement	£40,000	3.	Equipment	£20,000	4.	Contracts	£20,000	5.	Payroll	£20,000	6.	Buildings/ Fixtures	£40,000	7.	Other	£20,000
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4.	Contracts	£20,000																				
5.	Payroll	£20,000																				
6.	Buildings/ Fixtures	£40,000																				
7.	Other	£20,000																				

14. Revenue - Losses and Special Payments

Fraud, embezzlement & other irregularities (including attempted fraud)	The Director of Finance or the Deputy Director of Finance can approve the write-off of losses up to the following amounts: 8. Cash £20,000 9. Stores/ Procurement £40,000 10. Equipment £20,000 11. Contracts £20,000 12. Payroll £20,000 13. Other £20,000
Nugatory and Fruitless Payments	A "fruitless payment" is a payment for which liability ought not to have been incurred, or where the demand for the goods and service in question could have been cancelled in time to avoid liability. The Director of Finance or the Deputy Director of Finance can approve the write-off of losses up to £20,000.
Claims Abandoned	The Director of Finance or the Deputy Director of Finance can approve the write-off of losses up to the following amounts: a) Private Accommodation £20,000 b) Road Traffic Acts £40,000 c) Other £20,000
Stores Losses	The Director of Finance or the Deputy Director of Finance can approve the write-off of losses up to £40,000 in the following categories: 16. Incidents of the Service – Fire, Flood, Accident 17. Deterioration in Store. 18. Stocktaking Discrepancies. 19. Other causes.
Losses of Furniture & Equipment and Bedding & Linen in Circulation	The Director of Finance or the Deputy Director of Finance can approve the write-off of losses up to £40,000 in the following categories: 20. Incidents of the Service – Fire, Flood, Accident 21. Stocktaking Discrepancies. 22. Other causes.

14. Revenue - Losses and Special Payments

Compensation Payments – Legal Obligation - Clinical	<p>NHS Lothian is a member of the Clinical Negligence & Other Risks Indemnity Scheme (CNORIS). CNORIS provides indemnity to members in relation to clinical and non-clinical negligence compensation payments. The Scottish Government via the Central Legal Office gives the approval to settle claims under this scheme .</p> <p>The following officers can approve payments up to £250,000</p> <ul style="list-style-type: none">• The relevant budget holder from the list of Category A approvers <p>For amounts over £250,000 - Two people have to approve the transaction, one of whom should be the budget holder.</p> <ul style="list-style-type: none">➤ Any executive Board member PLUS➤ Another individual who has been given delegated authority to approve revenue expenditure up to £250,000. This person may be a Category A approver, or someone to whom a Category A approver has (though the authorised signatory process) delegated authority to approve expenditure up to £250,000.
Compensation Payments – Legal Obligation – Non-Clinical	<p>The following officers can approve payments up to £100,000:</p> <ul style="list-style-type: none">• The relevant budget holder from the list of Category A approvers. <p>For amounts above £100,000 – Two people have to approve the transaction, one of whom should be the budget holder.</p> <ul style="list-style-type: none">➤ Any executive Board member PLUS➤ Another individual who has been given delegated authority to approve revenue expenditure up to £250,000. This person may be a Category A approver, or someone to whom a Category A approver has (though the authorised signatory process) delegated authority to approve expenditure up to £250,000.
EX-GRATIA PAYMENTS	<p>Ex gratia payments are payments which a health body is not obliged to make or for which there is no statutory cover or legal liability.</p>

14. Revenue - Losses and Special Payments

Extra Contractual Payments	<p>An extra contractual payment is one which, although not legally due under the original contract or subsequent amendments, appears to be an obligation which the Courts might uphold. Such an obligation will usually be attributable to action or inaction by a health body in relation to the contract. A payment may be regarded as extra contractual even where there is doubt whether or not the health body is liable to make it, e.g., where the contract provided for arbitration, but a settlement is reached without recourse to arbitration. A payment made as a result of an arbitration award is contractual.</p> <p><u>An ex-gratia payment to a contractor</u> is one not legally due under the contract or otherwise, and usually represents compensation on grounds of hardship. Any such payment would have to be fully justified on value for money grounds. The aggregate of payments from whatever cause under a single contract governs the need for prior reference to the Scottish Government. If the Board has any reason to suspect that the ultimate total will exceed its delegated powers it should consult the Scottish Government.</p> <p>The delegated limit for this category is £20,000.</p>
Compensation Payments – Ex Gratia – Clinical	The delegated limit for this category is £250,000 .
Compensation Payments – Ex Gratia – Non-Clinical	The delegated limit for this category is £100,000 .
Compensation Payments – Ex Gratia – Financial Loss	The delegated limit for this category is £25,000 .
Compensation Payments – Ex Gratia – Other Payments	<p>The delegated limit for this category is £2,500.</p> <p>In addition to the signatories above, the General Manager (Primary Care Contracts) has delegated authority to make these payments in this category for the Primary Care Contracting Organisation.</p>
Damage to Buildings and Fixtures – Incidents of the Service – Fire, Flood, Accident, Other Causes	The Director of Finance or the Deputy Director of Finance can approve the write-off of losses up to £40,000 .

14. Revenue - Losses and Special Payments

Extra-Statutory & Extra-regulatory payments	<p>These are payments considered to be within the broad intention of a statute or statutory regulation, but which go beyond a strict interpretation of its terms. In some cases where health bodies have followed departmental guidance, the Scottish Government will advise the health bodies to classify the payments as extra statutory. In all other cases where health bodies would be acting, or believe they may have acted, beyond the strict interpretation of statute or statutory regulation they must inform the Scottish Government who will advise them whether the payments may be treated as extra statutory or that the payments are beyond their powers (ultra vires). <u>Extra statutory or extra regulatory payments must not be classified as ex gratia.</u></p> <p>The Board has no delegated authority to approve these payments.</p>
Gifts in cash or kind	<p>The Director of Finance or the Deputy Director of Finance can approve payments up to £20,000.</p>
Other losses	<p>These are losses that do not fall within the definitions of theft, arson, willful damage, fraud, embezzlement and attempted fraud (loss categories 1-13 above) and would have fallen within the previously available categories of “Cash Losses – overpayment of salaries, wages and allowances” and “Cash Losses –other”.</p> <p>Note: There is a distinct process to be followed for overpayment of salaries. Please contact the Head of Financial Control.</p> <p>The Director of Finance or the Deputy Director of Finance can approve payments up to £20,000.</p>

15. Asset Transactions	
What does this section cover?	This section relates to miscellaneous asset transactions.
Disposal of fixed assets (other than land and buildings)	All transactions to be referred to the Director of Finance. The Director of Finance shall establish a procedure to approve these disposals and this may include delegating the approval of some disposals to other officers.
Land & Property and Equipment Leases	<p>For land, property and equipment leases the Present Value of the minimum payments required under the lease contract will determine the appropriate level of authority and signatory. Such payments will include any incidental fees, commissions, documentation or registration costs, or lease premiums as well as normal annual rentals payable over that minimum period.</p> <p>In such circumstances the Director of Estates & Facilities, Associate Director of Operations (Estates Facilities) or other managers will need to seek such appropriate financial advice as required on whether any lease agreement will require approval from the capital budget. The financial advice will consider the minimum period of the lease against the overall life of the asset (as determined by its depreciation period) and whether the minimum payments required over the lease represents substantially all of the equivalent normal capital cost of the asset being procured. Any lease or rental agreement where the total minimum payment over the lease period is less than £5,000 should be considered as revenue expenditure. For "grouped assets" (as defined by the Capital Asset Manual) where the total minimum payments over the lease period is less than £10,000, such agreements should also be treated as revenue expenditure.</p> <p>All leases should be reviewed to give assurance that the terms and conditions of the lease are satisfactory, and where applicable is in accordance with the Board's estates strategies and plans, and that the NHS Scotland Property Transactions Handbook has been followed.</p> <p>The value of the lifetime cost of the lease should be quantified, the signatory will be:</p> <p><u>Land & Property Leases:</u> Chief Executive or Director of Finance <u>Equipment Leases</u></p> <ul style="list-style-type: none"> • The relevant budget holder from the list of Category A approvers. • Deputy Director of Finance.
Notification and Certification of Property Transactions (per Property Transactions Handbook)	Chief Executive

16. Financial Services

<p>What does this section cover?</p>	<p>This section relates to financial functions and controls administered by Financial Services.</p>
<p>Statutory deductions from payroll i.e. PAYE, superannuation, national insurance deductions, and arretments. Voluntary deductions from payroll e.g. GAYE, trade union fees.</p>	<p>One of the following officers: Deputy Director of Finance; Head of Financial Control; Deputy Head of Financial Control or the Finance Manager (Order to Cash)</p>
<p>Establishment of a cash float (any amount)</p>	<p>The Head of Financial Control, Deputy Head of Financial Control or the Finance Manager (Order to Cash) must grant approval of the establishment of a cash float.</p>
<p>Cheque Signatories - General</p>	<p>All designated cheque signatories must be included in the bank mandate. Only the Deputy Director of Finance (or the Director of Finance) PLUS one other Level 1 or Level 2 signatory may approve changes to the designated cheque signatories, and sign the letter to the bank to instruct it to alter the bank mandate.</p> <p>The required signatories depends on the value of the payment, as follows: > £100,000 – One Level 1 signatory plus any other signatory. £25,001 - £100,000 – One Level 1 or Level 2 signatory plus any other signatory. £2,000 - £25,000 – Any two signatories. < £2,000 – Any one signatory.</p>
<p>Cheque Signatories – Level 1</p>	<ul style="list-style-type: none"> ➤ Director of Finance ➤ Deputy Director of Finance ➤ Deputy Chief Executive ➤ Medical Director ➤ Executive Director for Nursing, Midwifery, & Allied Health Professionals ➤ Director of Public Health & Health Policy ➤
<p>Cheque Signatories – Level 2</p>	<ul style="list-style-type: none"> ➤ ➤ Head of Financial Control ➤ Deputy Head of Financial Control ➤ Finance Manager (Order to Cash) ➤

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Cheque Signatories – Level 3	<ul style="list-style-type: none"> ➤ Any Business Partner ➤ Senior Finance Manager - Performance ➤ Finance Manager (Accounts Payable) ➤ Financial Accountant
Electronic Banking – General Provision	<p>On each occasion that a profile is to be allocated to an officer (per the 3 sections below), that allocation shall be recorded in an internal mandate. The Deputy Director of Finance (or the Director of Finance) PLUS one other Level 1 or Level 2 signatory must approve the mandate.</p> <p>The Finance Manager (Order to Cash) shall maintain a complete record of these mandates.</p>
Electronic Banking – Bankline	<p>The system profiles are granted to each of the following officers:</p> <p>Read only – Treasury Assistant</p> <p>Preparer – Treasury Team Leader; Senior Treasury Assistant</p> <p>Authoriser – Head of Financial Control; Deputy Head of Financial Control; Finance Manager (Order to Cash); Finance Manager (Accounts Payable); Financial Accountant.</p> <p>Administrator - Head of Financial Control; Deputy Head of Financial Control; Financial Manager (Order to Cash); Treasury Team Leader.</p> <p>N.B. There is a systematic control that requires the approval of two administrators to authorise any administrative changes to the system.</p>
Electronic Banking – Government Banking Service	<p>The system profiles are granted to each of the following officers:</p> <p>Read only – Treasury Assistant</p> <p>Preparer – Treasury Team Leader; Senior Treasury Assistant</p> <p>Authoriser –Head of Financial Control; Deputy Head of Finance Control; Finance Manager (Order to Cash); Finance Manager (Accounts Payable); Financial Accountant.</p> <p>N.B. HM Treasury administer this system.</p>

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Electronic Banking – BACS	<p>The system profiles are granted to each of the following officers:</p> <p>Preparer –Senior Treasury Assistant; Treasury Assistant.</p> <p>Authoriser –Head of Financial Control; Deputy Head of Financial Control; Finance Manager (Order to Cash); Financial Accountant; Treasury Team Leader;.</p> <p>Administrator - Head of Financial Control; Deputy Head of Financial Control;Finance Manager (Order to Cash).</p> <p>N.B. An administrator may grant the “Preparer” profile to another officer, in the event of a vacancy or absence of both a Senior Treasury Assistant and a Treasury Assistant. This will only be a temporary measure to support business continuity.</p>
Electronic Banking – Bankline	<p>A project Bank Account is an internet banking facility provided by a commercial bank to allow a commissioning body to pay the main contractor and supply chain firms which are named as beneficiaries of the trust deed.</p> <p>The Finance Manager (Order to Cash) will be the board’s nominated Project Bank Account Champion</p> <p>The system profiles are granted to each of the following officers:</p> <p>Read only – Treasury Assistant, Senior Treasury Assistant, Main Contractor nominated staff</p> <p>Preparer – Main Contractor nominated staff</p> <p>1ST Authoriser Main Contractor nominated staff</p> <p>2nd Authoriser - Head of Financial Control; Deputy Head of Financial Services; Finance Manager (Order to Cash); Finance Controller (Accounts Payable); Financial Accountant</p> <p>Administrator – Head of Financial Control; Deputy Head of Financial Control; Finance Manager (Order to Cash); Treasury Team Leader.</p> <p>N.B. Bankline enforces segregation of duties between the preparer and the payment Authoriser. There is a systematic control that requires the approval of two administrators to authorize any administrative changes to the system.</p>

17. Signing of Contractual Documentation

What does this section cover?	The following individuals may sign contractual documentation on behalf of the Board, provided the decision to enter that contract has been made after following applicable due process.
Land and Property Transactions	<p>The power to purchase or dispose of land (and associated property) is reserved to the Scottish Ministers (per Section 79 of the National Health Service (Scotland) Act 1978. Officers shall follow the requirements of Section 2 of this Scheme of Delegation, and the NHS Scotland Property Transactions Handbook when considering these matters.</p> <p>Once the above processes have concluded and the necessary approvals are in place, only the following individuals may execute legal instruments on behalf of the Scottish Ministers. These individuals must take particular care to ensure that all prior Scottish Government approval required by the Property Transactions is in place before they exercise this delegated authority:</p> <p><u>All Acquisitions</u></p> <ul style="list-style-type: none">• Chief Executive• Director of Finance <p><u>Disposals where the subjects of sale or lease would not continue to be used for NHS purposes by another party</u></p> <ul style="list-style-type: none">• Chief Executive• Director of Finance <p><u>Disposals where the subjects of sale or lease (such as health centres or partnership ventures) would continue to be used for NHS purposes by another party</u></p> <ul style="list-style-type: none">• The execution of legal instruments is reserved to the Scottish Ministers
Completion of associated contract documentation to put in place contracts as a result of decisions relating to building or maintenance projects or any procurement contracts	<p>The following individuals can sign off contractual documentation on behalf of the Board. However before doing so, that person needs to be satisfied that due procurement process has been followed, and the terms of the contract are acceptable to the Board. The signatory may not have been directly involved in the procurement processes, however should receive a report from the officers involved giving a briefing on the procurement exercise, and assurance that due process has been followed.</p> <ul style="list-style-type: none">➤ The relevant budget holder from the list of Category A approvers.➤ Deputy Director of Finance➤ Director of Capital Planning & Projects➤ Associate Director of Operations (Estates & Facilities)➤ Associate Director of Procurement