

## Integrated Care Board

<b>Date of meeting</b>	5 July 2023
<b>Title of paper</b>	Scheme of Delegation Review 2023/24
<b>Presented by</b>	Sam Proffitt, Chief Finance Officer
<b>Author</b>	Katherine Disley, Director of Operational Finance
<b>Agenda item</b>	14
<b>Confidential</b>	no

### Executive summary

The Integrated Care Board's (ICB's) constitution requires robust governance arrangements in place which includes a published Scheme of Delegation. Interim arrangements were put in place on the 1 July 2022 to assist with the transition to a new ICB delivery structure.

Following the conclusion of the management of change programme, a full review of the Scheme of Delegation has been undertaken and a number of revisions proposed to align delegated approval limits with the current committee and directorate structures.

The proposed changes are in the following four areas:

1. Updated committee names and individual titles
2. Presentational changes (see attached excel document)
3. Changes to ICB Scheme of Delegation for all staff (delegated limits and responsibilities)
4. Amendment to procurement process

The paper focuses on the changes to delegated limits and responsibilities.

### Recommendations

The Board is asked to:

- **Approve** the proposed changes to the ICB's Scheme of Delegation for implementation and publication.
- **Note** the remaining actions and issues to be resolved.

### Which Strategic Objective/s does the report contribute to

Tick

	Which Strategic Objective/s does the report contribute to	Tick
1	Improve quality, including safety, clinical outcomes, and patient experience	
2	To equalise opportunities and clinical outcomes across the area	
3	Make working in Lancashire and South Cumbria an attractive and desirable option for existing and potential employees	
4	Meet financial targets and deliver improved productivity	✓
5	Meet national and locally determined performance standards and targets	
6	To develop and implement ambitious, deliverable strategies	

<b>Implications</b>				
	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
Associated risks	✓			
Are associated risks detailed on the ICB Risk Register?	✓			
Financial Implications		✓		
<b>Where paper has been discussed (list other committees/forums that have discussed this paper)</b>				
<b>Meeting</b>	<b>Date</b>		<b>Outcomes</b>	
ICB Executive Meeting	20.6.23		Supported the paper for the Board.	
Audit Committee	21.6.23		Supported the paper for the Board pending finalisation and publication of the amended constitution documents.	
<b>Conflicts of interest associated with this report</b>				
Detail to include actions taken or insert 'not applicable'				
<b>Impact assessments</b>				
	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comments</b>
Quality impact assessment completed			✓	
Equality impact assessment completed			✓	
Data privacy impact assessment completed			✓	
<b>Report authorised by:</b>	Sam Proffitt, Chief Finance Officer			

# Integrated Care Board – 5 July 2023

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## Scheme of Delegation Review 2023-24

### 1.0 Introduction

- 1.1 This paper sets out the proposed changes to be made to the Integrated Care Board (ICB) Scheme of Delegation following a review of the current delegations in place since the establishment of the ICB on 1 July 2022.
- 1.2 Interim arrangements were put in place on 1 July 2022 to facilitate the transition from the legacy Clinical Commissioning Groups (CCG's) and to reflect the governance arrangements in place from the date of establishment of the ICB.
- 1.3 Over the past nine months, changes have been made to the committee structure, a number of services have been reviewed with new models and processes being put in place and the whole organisation has been through a management of change process to implement new directorate structures. As such a full review has taken place to ensure the delegations are in line with the current governance structure and organisational roles and responsibilities with a number of proposed changes being identified.

### 2.0 Proposed changes

- 2.1 The proposed changes fall under the follow key categories;
  - a. Updated committee names and individual titles
    - Updated to reflect current ICB committee structure and clarification of role i.e. assurance / oversight
    - Primary Care Contracting Group now Primary Care Commissioning Committee
    - Locality Committee now Place Based Partnership Boards
    - Place leads updated to Director of Health & Care Integration
  - b. Presentational changes (see attached excel document)
    - Amended ordering of the columns. They now reflect the commissioning and approval process
    - Additional notes included to improve interpretation
    - Clarification of invoice approval limits
  - c. Changes to ICB Scheme of Delegation for all staff (delegated limits and responsibilities)
    - All staff
    - Delegations to place annotated as 'TBC' pending formal agreement of the place deal.

- Finance only delegations
- d. Amendment to procurement process
- Amended the requirement for orders <£20k from '2 verbal quotes' to '1 written quote' for audit purposes
- 2.2 The focus of this paper will be to outline the changes to delegated limits and responsibilities for all staff. The key areas are as follows:
- Non-Pay / Request for funding (including corporate)
  - Procurements
    - Launch a procurement
    - The award of contracts
  - Healthcare Service Contracts
  - Individualised Commissioning (Learning Disabilities, Mental Health, Continuing Health Care and Children's)
  - Purchase Order approval (and by exception Invoice Payment approval).
  - Capital Expenditure \*new item\*
  - Employee Costs

### **3.0 Non-pay / Request for funding**

- 3.1 The ICB is introducing additional controls on discretionary spending in order to support the financial sustainability of the organisation. These controls will commence with immediate effect and will dovetail with the new policy on Non-Core Funding/SDF which is due to be issued shortly. Discretionary spend is all expenditure that is not statutorily necessary and can be reduced, stopped, or deferred. The purpose of this is not to prevent spending, but to assess whether it is essential and to reduce non-essential spend in a controlled manner so that it does not impact on patient care.
- 3.2 These controls will apply to ALL discretionary non-healthcare and non-pay spend including agency spend and contractor/consultancy spend, regardless of the funding stream, i.e. within both admin and programme areas. Any exceptions to these controls or clarification on items which are classified as non-discretionary spend will be agreed by the ICB Executives.
- 3.3 Any requests for discretionary spend will need to be considered by a weekly panel, prior to getting approval by the Chief Executive / Chief Finance Officer. To help manage discretionary spending, the ICB will implement a 'No Purchase Order, No Payment' policy. This is good practice for all spend and is something that the ICB will need to implement this year in readiness for moving to a new national financial ledger system.

3.4 **Table 1** below summarises the impact of the proposed changes.

**Table 1 – Non-Pay / Request for Funding**

Committee Name or Post	Current Limits	Proposed change:
L&SC ICB Board	Greater than £1m	N/a
ICB Executive Team	Greater than £250,000 and up to £1,000,000	N/a
ICB Executive Director and Chief Finance Officer and Chief Executive (All three signatures required)	Up to £250,000	N/a
Chief Executive	Up to £75,000 (With CFO engagement)	All discretionary, non-healthcare and non-pay send (with Chief Finance Officer engagement)
ICB Executive Director + Chief Finance Officer or Chief Executive	Up to £75,000	N/a
Chief Finance Officer	Up to £75,000	All discretionary, non-healthcare and non-pay send (with Chief Executive engagement)
ICB Executive Director or Director of Health & Care Integration (Only for responsible budget areas assigned)	n/a	N/a
Director of Health & Care Integration and Place and Programme Finance Lead (Only for responsible budget areas assigned)	n/a	N/a
Finance Officers (band 8a and above)	Up to £5,000	N/a
Place Based Partnership Boards	No delegation in 2022/23. Delegated budget values for 2023/24 will be determined and agreed in Q4 of 2022/23.	N/a

## 4.0 Procurements

4.1 **Table 2** below summarises the changes to thresholds in respect of the launch of a procurement.

**Table 2 – Procurement Launch Thresholds**

Committee Name or Post	Current Limits	Proposed change:
L&SC ICB Board	Greater than £100m	Greater than £100m
ICB Executive Team	£500,000 and up to £10m	£500,000 and up to £100m
ICB Executive Director and Chief Finance Officer and Chief Executive (All three signatures required)	Up to £500,000	Up to £500,000
Chief Executive	Up to £500,000 (with CFO engagement)	Up to £500,000 (with CFO engagement)
ICB Executive Director + Chief Finance Officer or Chief Executive	Up to £500,000	Up to £500,000
Chief Finance Officer	Up to £500,000	Up to £500,000
ICB Executive Director or Director of Health & Care Integration (Only for responsible budget areas assigned)	Up to £100,000	Up to £100,000
Director of Health & Care Integration and Programme Finance Lead (Only for responsible budget areas assigned)	Up to £500,000	TBC
Place Based Partnership Boards	No delegation in 2022/23. Delegated budget values for 2023/24 will be determined and agreed in Q4 of 2022/23.	TBC

4.2 The only change to the above is in respect of bridging the gap between ICB Executive Team and Board.

4.3 The ICB Executive team will retain the delegated authority to approve the award of a contract following the conclusion of a procurement exercise.

## 5.0 Health Service Contracts (NHS and Non-NHS) and Contract Variations

5.1 The only proposed change in relation to the delegated authority to sign contracts and contract variations is to reflect the current nomination from the Chief Finance Officer to the Director of Operational Finance (Very Senior Manager (VSM)).

5.2 This change is set out in **table 3** below.

**Table 3 – Health Service Contracts and Contract Variations**

Committee Name or Post	Current Limits	Proposed change:
L&SC ICB Board	n/a	n/a
ICB Executive Team	n/a	n/a
ICB Executive Director and Chief Finance Officer and Chief Executive (All three signatures required)	n/a	n/a
Chief Executive	Contracts = All contracts (with CFO engagement) Contract variations = n/a	Contracts = All contracts (with CFO engagement) Contract variations = n/a
ICB Executive Director + Chief Finance Officer or Chief Executive	n/a	n/a
Chief Finance Officer	All contracts	All contracts
ICB Executive Director or Director of Health & Care Integration (Only for responsible budget areas assigned)	n/a	n/a
Director of Health & Care Integration and Place and Programme Finance Lead (Only for responsible budget areas assigned)	n/a	n/a
Finance Officers	Band 8d and above (As nominated by CFO)	VSM (As nominated by CFO)
Place Based Partnership Boards	n/a	n/a

## 6.0 Individualised Commissioning

6.1 The delegated approval limits for Individualised Commissioning have been carried forward from the legacy CCG's. During 2022-23, a full review of delegated limits has been undertaken by the Associate Director All Age Continuing Care and Individual Patient Activity. This review has also included the delegated limits in place with Commissioning Support Unit (CSU) colleagues.

6.2 Individualised commissioning limits are only applicable to designated managers / senior managers / executives with responsibility for Mental Health,

Learning Disabilities, Continuing Healthcare and Children's, including jointly funded packages. Individuals with this responsibility will be recorded (and reviewed periodically). **Table 4 below** summarises the key proposed changes.

6.3 In addition, reporting of high value packages of care (>£310k) will be to the Finance & Performance Committee moving forwards.

**Table 4 – Individualised Commissioning**

Committee Name or Post	Current Limits	Proposed change:
L&SC ICB Board	Report packages greater than £300,000	N/a
<b>Finance &amp; Performance Committee</b>		<b>Report packages greater than £310,000</b>
ICB Executive Director and Chief Finance Officer (All three signatures required) and Chief Executive	Package greater than £300,000	N/a
ICB Executive Director or Director of Health & Care Integration (Only for responsible budget areas assigned)	Package greater than £300,000	<b>Package greater than £310,000</b>
Director of Health & Care Integration and Place and Programme Finance Lead (Only for responsible budget areas assigned)	Package greater than £300,000	TBC
Chief Finance Officer	Package agreed up to £300,000	<b>Package greater than £310,000</b>
Finance Officers	Band 9 and above = Package agreed up to £300,000 Band 8c and 8d = package agreed up to £250,000	N/a
Other Officer (Only for responsible budget areas assigned)	Band 8d and above = Package agreed up to £200,000 Band 8b and 8c = package agreed up to £100,000 Band 8a = package agreed up to £50,000	<b>VSM = package greater than £310,000 Band 8d and 9 = package agreed up to £310,000 Band 8c = package agreed up to £260,000 Band 8B = package agreed up to £210,000 Band 8A = package agreed up to £160,000 Band 7 = package agreed up to £110,000 Band 6 = package agreed up to £80,000</b>
On call Managers	Up to £100,000	<b>Band 8d and above = Package agreed up to £310,000 Band 8c = package agreed up to £260,000.</b>
Place Based Partnership Boards	n/a	n/a

## 7.0 Purchase Order Approval / Invoice Approval

7.1 As outlined in section 3, the ICB will implement a 'No Purchase Order, No Payment' policy in 2023-24 as this is good practice for all spend and is required to be in place in readiness for moving to a new national financial ledger system.

7.2 As such the approval limits for purchase orders and invoices (in exceptional circumstances) have been revised in line with full budget delegation of programme spend to all directorate areas. The proposed thresholds are strictly in relation to delegated budget areas.

7.3 The format of the amended Scheme of Delegation is that it follows the process of commissioning services from start to finish, therefore to approve a purchase order or an invoice, it is important that columns A:K have been complied with.

7.4 Table 5 below summarises the key changes.

**Table 5 – Purchase Order / Invoice Approval**

Committee Name or Post	Current Limits	Proposed Limits
Chief Executive	Greater than £600,000 (with CFO engagement)	Greater than £1m (with CFO engagement)
Chief Finance Officer	Greater than £600,000	Greater than £1m
ICB Executive Director or Director of Health & Care Integration (Only for responsible budget areas assigned)	Up to £600,000	Up to £1m
Director of Health & Care Integration and Place and Programme Finance Lead (Only for responsible budget areas assigned)	n/a	n/a
Finance Officers	Band 9 and above = Up to £600,000 Band 8b to 8d = Up to £500,000 Band 8a = Up to £50,000	VSM = Up to £1m Band 9 = Up to £750,000 Band 8d = Up to £600,000 Band 8c = Up to £500,000 Band 8a to 8b = Up to £50,000
Other Officer (Only for responsible budget areas assigned)	All VSMs and A4C bands = Up to £50,000	VSM = Up to £1m Band 9 = Up to £750,000 Band 8d = Up to £600,000 Band 8c = Up to £500,000 Band 8a to 8b = Up to £50,000
Place Based Partnership Boards	n/a	n/a

## 8.0 Capital Expenditure

8.1 This is a new addition into the revised Scheme of Delegation as previously capital wasn't applicable to Clinical Commissioning Groups (CCGs) until the introduction of IFRS 16. Capital expenditure is minimal within a commissioning environment, however should approval be needed, it is proposed to limit the delegated authority to the Chief Finance Officer and the Chief Executive (with CFO engagement).

## 9.0 Employee Costs – changes to payroll

9.1 In line with the enhanced controls around discretionary spend, tighter controls around changes to payroll have been put in place. This requires all vacancies/changes to payroll to be approved by the Chief Finance Officer and Chief Executive.

9.2 The ICB Establishment Group will collate all such payroll changes, confirm funding is in place and the roles are within the structures approved as part of the management of change process. The list will then be passed to the Chief Finance Officer and Chief Executive for review and approval.

9.3 The changes highlighted against Remuneration Committee/Remuneration Panel are not changes to current practice, the Scheme of Delegation has just been updated to reflect the nationally recommended delegations that have been in place from 1 July 2022.



9.4 **Table 6** below summarises the proposed changes to the delegated authority for changes to payroll/employee costs.

**Table 6 – Employee Costs – changes to payroll**

Committee Name or Post	Current Limits	Proposed change:
L&SC ICB Board	n/a	n/a
Remuneration Committee	n/a	Sign off all remuneration for VSM / Non -Execs (including add hoc payments).
Remuneration Panel		Non Execs have to stay within the national framework. ICB Chair - discretionary limit of £9k.
ICB Executive Team	n/a	n/a
ICB Executive Director and Chief Finance Officer and Chief Executive (All three signatures required)	n/a	n/a
Chief Executive	Sign of changes to employee details	All expenditure (with CFO engagement)
ICB Executive Director + Chief Finance Officer or Chief Executive	n/a	n/a
Chief Finance Officer	Sign of changes to employee details	All expenditure
ICB Executive Director or Director of Health & Care Integration (Only for responsible budget areas assigned)	n/a	n/a
Director of Health & Care Integration and Place and Programme Finance Lead (Only for responsible budget areas assigned)	n/a	n/a
Place Based Partnership Boards	n/a	n/a

## 10.0 Proposed changes to Finance only categories

10.1 In line with the finalisation of the operational finance structure, the authorisation limits within the Scheme of Delegation have been revised to reflect the roles and responsibilities of the senior finance team.

10.2 These revisions are to enable the team to undertake the standard financial transactions effectively and efficiently each month. The key changes are summarised below.

- Finance – cash and activity
  - Regular contract invoices and payment schedules – more staggered thresholds across the team.
  - Petty cash section deleted as the ICB does not hold petty cash.
  - Statement of Financial Position (SoFP) pay overs – establishing limits that were not included in the previous Scheme of Delegation.
  - Cash drawdowns from NHS England – thresholds reflect the new team structure, roles and responsibilities.
  - Approval of sales ledger invoices/income – this has been structured to match the purchase order approval limits.
- Procurement Thresholds – amend the requirement for orders <£20k from 2 verbal quotes to 1 written quote.

## 11.0 Remaining actions / issues to be resolved

11.1 There are a number of remaining actions and issues that require resolution in order to ensure the accurate implementation of the revised Scheme of Delegation. These are summarised below.

- ICB Executive Meeting – the Terms of Reference (ToR) need to be revised to explicitly define the quoracy required for decision making in accordance with the Scheme of Delegation.
- The new policy for non-pay/discretionary spend control processes needs to be approved and implemented alongside the centralisation of the ICB's non pay budget.
- The Legal Services and Claims Management Policy requires finalisation, approval and implementation to ensure the controlled use of approved legal advisors and ensure correct authorisation in line with the Scheme of Delegation.
- Primary Care Delegated authority – terms of reference for the Primary Care Commissioning Committee needs to be amended to define the quoracy required for decision making in line with the Scheme of Delegation.
- All directorates to be issued with a 'list of signatories' to approve. This will detail all staff and their approved limits in accordance with the scheme of delegation. All individuals will then be required to 'sign up' to confirm compliance with their:
  - Delegated limits and Scheme of Delegation
  - Completion of budget holder training
- This paper has focussed on the proposed changes to the interim 'Scheme of Delegation'. The ICB's Constitution needs to be updated to reflect these changes in respect of the Scheme of Reservation and Delegation.

## 12.0 Recommendations

12.1 The L&SC Integrated Care Board is asked to:

- **Approve** the proposed changes to the ICB's Scheme of Delegation for implementation and publication.
- **Note** the remaining actions and issues to be resolved.

**Sam Proffitt**

Chief Finance Officer  
5 July 2023