

## Appendix 2 to the SFIs

### Proposed TV ICB Financial Limits

#### 1) Commitment of Expenditure

	Healthcare			Non-Healthcare	
	Commitment of Expenditure (Business Case/Contract Award)	Commitment of Expenditure (Variation)	Disinvestment	Commitment of Expenditure (Business Case)	Commitment of Expenditure (Variation)
Board	> £5,000K	> £5,000k	> £5,000k	> £5,000k	> £5,000k
Chief Executive Officer AND Chief Finance Officer	<=£5,000k	<=£5,000k	<=£5,000k	<=£5,000k	<=£5,000k
Chief Officers and Executive Directors	<=£1000k	<=£1000k	<=£1,000k	<=£1,000k	<=£1,000k
Agenda For Change Band 9 (Finance)	<=£100k	<=£100k	0	<=£100k	<=£100k
Agenda For Change Band 9 (Non-Finance)	<=75k	<=75k	0	<=75k	<=75k
Agenda for Change Band 8D	<=£60k	<=£60k	0	<=£60k	<=£60k
Agenda for Change Band 8C	<=£50k	<=£50k	0	<=£50k	<=£50k
Agenda for Change Band 8B	<=£20k	<=£20k	0	<=£20k	<=£20k
Agenda for Change Band 8A	<=£10k	<=£10k	0	<=£10k	<=£10k
Agenda for Change Band 7	<=£1k	<=£1k	0	<=£1k	<=£1k

#### Footnote 1

- The above limits include VAT not recoverable by the ICB
- The above limits are the MAXIMUM ANNUAL VALUE
- A COMMITMENT FOR A CONTRACT FOR UP TO 5 YEARS (INCLUDING EXTENSION PERIODS) CAN BE MADE, WITH A MAXIMUM ANNUAL VALUE IN EACH YEAR NOT TO EXCEED THE AUTHORITY LIMITS IN TABLE A.
- The above limits only apply to expenditure or income within agreed budgets.
- The cumulative cost of a contract must be taken into account and not broken down in order to circumvent these authority limits.
- It is expected that the Board will be informed of all decisions made by the CFO/CEO
- Revenue commitments covered in High Costs Placements are covered in a separate table below

2) Approval of payments (Accounts Payable Invoices and Invoice Payment Files)

<b>Table 4 Invoices Payable</b>	
Chief Executive Officer	>£10m
Chief Finance Officer	<=£10m
Chief Officers	<= £5,000k
Agenda for Change Band 9 (Finance)	<= £5,000k
Agenda For Change Band 9	<= £1,500k
Agenda For Change Band 8D	<=£1,000k
Agenda For Change Band 8C	<=£250k
Agenda For Change Band 8B	<=£50k
Agenda For Change Band 8A	<=£20k
Agenda For Change Band 7	<=£10k

Footnote 2

- Please note, the limits detailed in Table 4 apply to the approval of previously committed expenditure only. Expenditure which hasn't yet been committed must be committed in line with the limits in Tables 1 and 2.
- The Agenda For Change Band 9 Finance staff have unlimited approval in respect of Invoice Payment Files (IPF).
- In some instances, it may also be necessary to increase delegated limits for individual Chief Officers/Executive Directors in order to provide sufficient cover for absence of the Chief Finance Officer and Chief Executive Officer to ensure invoice payment performance is not jeopardised.
- Such authority to be approved by the Chief Finance Officer and Chief Executive Officer and its use recorded in a register.
- Where extenuating circumstances require it and with prior authorisation from the appropriate budget holder through the completion of the Finance Non-PO Invoice Approval Form, the Deputy Chief Finance Officer, the System Finance and Performance Director, Associate Director of Strategic Finance and Planning, Associate Director of Financial Accounts and the Director of Finance – Business Partnering have the authority to approve non-purchase order invoices for payment on behalf of colleagues across the ICB, in line with the above delegated limits.
- Invoices are no longer received for the NHS acute, community and mental health contracts, instead ICBs pay via an Invoice Payment File.

3) Approval of Sales Orders and Credit Notes

<b>Table 5 Approval of Sales Orders with agreed contract values and other approved income (monthly) (Healthcare and non-Healthcare)</b>		
	<b>Sales Orders</b>	<b>Credit Notes</b>
Chief Executive Officer and Chief Finance Officer	>£10,000k	>£5,000k
Chief Finance Officer	> £3,000k to £10,000k	>£1,000k to 5,000k
Chief Officers	<= £3,000k	<= £1,500k
Agenda for Change Band 9	<= £3,000k	<= £1,000k
Agenda For Change Band 8D	<=£500k	<= £100k
Agenda For Change Band 8C	<=£250k	0
Agenda for Change 8B	<=£100k	0

#### 4) Approval of Capital Expenditure

<b>Table 6</b>	<b>Approval Value</b>
NHSE	>£6,000k
Board	<=£6,000k
Chief Finance Officer and Chief Executive Officer	<=£1,000k
Chief Officer or Executive Director	<=£250k

#### Footnote 3

The annual capital plan will be approved by the Board.

5) High Cost Placements

Table 7 Placements (Footnote 6)	
Monthly High-Cost Complex Case Panel and Chief Nursing Officer/Chief Finance Officer approval post panel	>=£10,000 per week
Weekly Complex Case Panel (quorate)  Out of Panel urgent requests – approval by 2 senior staff one of which must be clinical with case taken through the next CCP for audit purposes  Invoice approval – All Age Continuing and Complex Care (AACCC) Director.	<£10,000 per week
AACCC Clinical Lead (8B)  Invoice approval - AACCC Delivery Lead – 8c or Associate Director 8d	<£2,999 per week
Panel AACCC Clinical Team Manager (B7)/ Clinical Service Manager B8a)  Invoice approval – Senior Business Manager 8a /Business manager B7	<=£1,600 per week

Footnote 4

Revenue commitment is agreed as a weekly financial limit rather than total expenditure as the commissioner cannot estimate the likely length of most placements and therefore the total committed cost.

## 6) Procurement

<b>Table 8 Tenders and Quotations – Non Healthcare Expenditure</b>	
Formal tendering procedure must be applied where estimated contract value excess	£207,720
3 Competitive quotations unless less than 3 potential suppliers exist	>£10,000< £207,720
Informal price testing	£10,000

### Footnote 5

Table 8 follows limits and requirements set out in the Procurement Act 2023.

All healthcare contracts are procured under the Provider Selection Regime on a NHS standard contract.

There should be agreement in advance of any decision to waive the tender process in line with the approved process.

Table 8 also applies to contracts for all external consultants - all appointments must have clear approval of the named Chief Officers/ Executive Director(s) with Chief Executive Officer endorsement if the contract is over £60,000. Please see STW Policy.

**CONTRACT VALUE:** The term “Contract Value” is defined as the total cost to the ICB of the complete scheme or the total value of the items purchased or acquired during the contract period including payable VAT.

Once awarded authority to sign the contract and for making payments is delegated to appropriate members of the Executive team.

Officers awarding contracts or subsequent contract variations will pay due regard to the approved procurement procedures.

## 7) Disposals, Losses and Special Payments

<b>Table 9 All Losses (including cash, Fruitless Payments, Bad debts and Claims Abandoned)</b>	
<b>Approved by</b>	<b>Limit £</b>
Chief Finance Officer	<=£15,000
Chief Executive Officer	<= £25,000
Board	Between £25,000 and £300,000
Assurance Team, NHS England	>= £300,000

<b>Table 10 Approval of Disposals and Condemnations</b>	
<b>Approved by</b>	<b>Limit £</b>
Head of Service and Executive Director	Up to £5,000
Chief Executive Officer or Chief Finance Officer	Over £5,000 to £100,000
Chief Finance Officer and Chief Executive Officer	Over £100,000 to £1,000,000
Board	Over £1,000,000

### Footnote 6

All losses and special payments, including the write-off of debts, must be reported to the Chief Finance Officer, who will in turn report to the Audit Committee and in the annual statutory accounts.

Fraud cases over £15,000 must be referred to NHS Counter Fraud Authority.

Approval must be sought from NHSE for any loss or special payments which are defined by NSHE as special payments or are “novel, contentious or repercussive”. Where required these payments must be reported to the Department of Health.

## 8) Redundancy Payments and Special Severance Payments

<b>Table 11 Statutory/Contractual Redundancy Payments</b>	
Up to £95,000 (Maximum allowable under NHS England rule)	Remuneration Committee
<b>Special Severance and Retention Payments</b>	
Review business case for redundancy, check the appropriate policy and guidance has been followed and make recommendation to NHSE	Remuneration Committee
Approval (and subject to an assurance process)	NHSE

### Footnote 7

ICBs must adhere to the guidance issued by NHS England and are bound by HM Treasury Guidance Managing Public Money and Guidance on Public Sector Exit Payments.

9) Delegated Funds (Primary Care Commissioning Committee, Pharmacy, Optometry and Dental Commissioning and Specialised Commissioning)

<b>Table 12</b>	<b>Approval of annual budgets and schemes within primary care budgets of appropriate ICB</b>	<b>Payments in accordance with agreed contract values – NHS England delegated funds only</b>
Primary Care Commissioning Committee	Allocation of Delegated Funds only	-
Pharmacy, Optometry and Dental Commissioning Committee	Allocation of Delegated Funds only	-
Chief Finance Officer	-	No limit
Director of Primary Care Development	-	<=£10,000k
Deputy Chief Finance Officer OR System Financial and Performance Director	-	<=£10,000k
Director of Operations /Associate Directors of Primary Care	-	<=£1,000k

Footnote 8

Financial Provisions and Decision Making Limits are set out under the agreement of the Delegation Agreement between NHSE and the ICB in respect of the exercise of the Delegated Functions and, in particular, Table 12 in (*Financial Provisions and Decision Making Limits*) sets out certain financial limits and approvals required in relation to the exercise of the Delegated Functions.

*Financial Limits and Approvals*

1. The ICB shall ensure that any decisions in respect of the Delegated Functions and which exceed the financial limits set out below are only taken:
  - 1.1 by the following persons and/or individuals set out in column 2 of Table 12 below; and
  - 1.2 following the approval of NHS England (if any) as set out in column 3 of the Table 12 below.
2. NHS England may, from time to time, update Table 12 by sending a notice to the ICB of amendments to Table 12.