



AGENDA ITEM

2.12

CTM BOARD

AMENDMENTS TO SCHEME OF DELEGATION

Date of meeting	28/05/2020
FOI Status	Open/Public
If closed please indicate reason	Not Applicable - Public Report
Prepared by	Liz Williams, Acting Head of Finance – Financial Accounts
Presented by	Steve Webster, Executive Director of Finance & Procurement
Approving Executive Sponsor	Executive Director of Finance & Procurement
Report purpose	FOR APPROVAL

Engagement (internal/external) undertaken to date (including receipt/consideration at Committee/group)

Committee/Group/Individuals	Date	Outcome
Management Board (changes re new operating structure)	19/03/2020	ENDORSED FOR APPROVAL
Executive Capital Management Group (variations major capital schemes)	19/03/2020	ENDORSED FOR APPROVAL
Gold Command (Covid -19)	23/03/2020	ENDORSED FOR APPROVAL
Audit & Risk Committee	06/04/2020	ENDORSED FOR APPROVAL



ACRONYMS	
NWSSP	NHS Wales Shared Services Partnership
ECMG	Executive Capital Management Group

1. SITUATION/BACKGROUND

1.1 A number of amendments to the existing Scheme of Delegation are required for the following:

- The implementation of the new operating model from 1 April 2020.
- Updates to the Capital scheme to incorporate the views expressed at the January 2020 Audit & Risk Committee and the discussions at Prince Charles Hospital (PCH) Ground & First Floor Project Board regarding the need for different delegations for variations within major capital schemes.
- Additional temporary amendments as a result of Covid-19 both Capital, Revenue and non-financial decision-making.

2. SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1 New Operating Model

Appendix A is an updated version of the existing Scheme of Delegation, incorporating the amendments required to facilitate the New Operating Model, which is to be implemented from 1 April 2020. This was approved at Management Board on 19 March 2020.

2.2 Amendments rolled over from January Audit & Risk Committee

In relation to Welsh Government funded capital schemes, the proposal brought to the Audit & Risk Committee in January 2020 was for ECMG to approve schemes below £4m and for the Health Board to approve schemes over £4m.

The Audit & Risk Committee was of the opinion that the £4m threshold was too high and should be lowered to £1m for ECMG approval and over £1m for Health Board approval.

The proposal has been amended and re-issued for approval.

Page 31 of **Appendix A** details amendments.

In relation to the acquisition or disposal of land, Welsh Government have indicated that purchases or disposals of land of any value are to be approved by the Health Board before being submitted to Welsh Government for approval. The Health Board approval is delegated to the Director of Finance.

Page 15 of **Appendix A** details amendments.

2.3 **Variations within Major Capital Schemes**

The level of delegation for Welsh Government funded schemes, particularly the Prince Charles Hospital refurbishment scheme has been raised both by the Project Team and as part of an Internal Audit review. The concern is that the levels of delegation are too low given the size of the scheme and that the required approvals will impact the ability of the scheme to progress without delays.

Current delegations mean that any variation >£100k would require ECMG approval and do not reflect the fact that for major capital projects additional roles and a Project Board with executive level membership would be introduced.

It is proposed that an additional delegated authority is introduced for major capital schemes to ensure that there is appropriate monitoring and control but that the scheme is able to progress without frequent delays. The proposed changes are included within section 12: Capital investment, fixed asset registers and security of assets in **Appendix A** and an extract provided in **Table 1** below.

A major capital scheme would be defined as a scheme funded through the All Wales Capital Programme that is procured using the National or Regional frameworks. This would be projects where the construction cost is >£4m. In addition these revised delegations would only apply to schemes where a Project Board has been set up with executive level membership.



Table 1 - Proposed Additions to Scheme of Delegation

Delegated authority ¹¹ Variations to major capital schemes funded by WG (within Approved Sum). Applies only to schemes procured through the National or Regional frameworks where a Project Board has been set up with executive level membership		
Up to £5k	Internal Project Manager	External Project Manager can proceed with variations up to 5k if decision is required urgently and is immediately reported to the internal project manager or above Groups of variations should be managed within a monthly delegated authority which shall be a maximum of £25k
Up to £100k	Assistant Director of Planning	Generally only required In the absence of the Project Director. Groups of variations should be managed within a monthly delegated authority which shall be a maximum of £250k
Up to £100k	Project Director (or Programme Director/Deputy SRO if applicable to the scheme)	Groups of variations should be managed within a monthly delegated authority which shall be a maximum of £250k
Up to £250k	Director of Finance	Groups of variations should be managed within a monthly delegated authority which shall be a maximum of £500k
Over £250k	Project Board	Out of committee approval can be sought where the timing of meetings does not allow in line with the terms of reference for the Project Board

¹¹ Delegations apply if operating within existing overall scheme budget and does not impact in-year cash flow.

Any variation which impacts on the agreed financial outturn or the cash flow in- year requires approval from ECMG.

The suggested changes are supported by ECMG and have also been discussed with NWSSP – Audit and Assurance who agreed the delegated authority at each level appeared reasonable and addressed the recommendation previously raised

2.4 Items related to Covid- 19 Pandemic

Appendix B outlines the narrative proposed temporary financial approval process for both Capital and Revenue items required relating to Covid-19. This was approved by Gold Command on 23 March 2020.

Appendix C outlines the high level framework for financial (capital and revenue) and non-financial decision making during COVID-19. This was approved by Gold Command on 23 March 2020 and at Board on 26 March 2020.

3 KEY RISKS/MATTERS FOR ESCALATION TO BOARD

The changes to the Scheme of Delegation have been discussed in some detail prior to coming before the Board (as outlined earlier in this report) most recently at the Audit Committee on 6th April 2020 where the changes were approved.

In view of the fact that the Board approved the high level framework for financial and non-financial decision-making during COVID-19 (Appendix C) at its meeting on 26 March 2020 the Board is now being asked to approve the changes outlined in Appendices A & B.

4 IMPACT ASSESSMENT

Quality/Safety/Patient Experience implications	Yes (Please see detail below)
Related Health and Care standard(s)	Governance, Leadership and Accountability
	If more than one Healthcare Standard applies please list below:
Equality impact assessment completed	Not required
	All decisions made under COVID-19 will be subject to a QIA that is authorized by the Medical Director and Nurse Director.



Legal implications / impact	There are no specific legal implications related to the activity outlined in this report.
Resource (Capital/Revenue £/Workforce) implications / Impact	There is no direct impact on resources as a result of the activity outlined in this report.
Link to Main Strategic Objective	To provide strong governance and assurance
Link to Main WBFG Act Objective	Work with communities to prevent ill-health, protect good health and promote better health and well-being

5 RECOMMENDATION

- 5.1 The Board is asked to **APPROVE** changes to the Scheme of Delegation relating to the amendments required to facilitate the New Operating Model (Appendix A) and the temporary approval process for both capital and revenue items relating to COVID-19 (Appendix B).