

Ref. No: 1673
Date: 11th April
Subject: Budget Expenditure Authorisation Levels

REQUEST

Please could you provide a copy of your Trust's current delegated levels of authorisation for budgeted revenue and capital expenditure? Specifically, I am seeking details of the authorisation limits by staff grade/role (e.g., Budget Holder, Ward Manager, Executive Director) and the required procurement process (e.g., informal quotation, formal quotation, tender) at each threshold.

For clarity, I am referring to a structure similar to the one shown in the attached example (provided from another NHS Trust), which outlines expenditure thresholds and the corresponding required approval and procurement method.

If available, please also include:

1. Any policy documents, flowcharts, or tables that detail these authorisation levels.
2. The procedures for obtaining quotations and tenders at various expenditure thresholds.
3. Any capital expenditure limits or variation thresholds that apply within your organisation.

RESPONSE

As below.

Table B – Delegated Financial Limits

All thresholds are inclusive of VAT irrespective of recovery arrangements.

●If the Chief Executive is absent powers delegated to them may be exercised by the nominated officer(s) acting in their absence after taking appropriate financial advice, two directors will be required to ratify any decisions within the Chief Executive's thresholds.

Proposed Financial Limits (Subject to funding available in budget) ● Includes:-			
1	CHARITABLE FUNDS		
	Charitable Funds Committee Chief Executive or Director of Finance and Information Both Fund holders One Fund holder	Over £15,000 £2,000 to £15,000 £1,000 to £2,000 Up to £1,000	<i>Note: Manual system, paper based approval</i>
2	GIFTS AND HOSPITALITY		Refer also to Trust's Anti-Fraud, Bribery and Corruption policy and Standards of Business Conduct policy
3.	LITIGATION CLAIMS		
	See 6.1 below for levels		Medical Negligence and other litigation payments made on the advice of NHS Resolution
4.	LOSSES AND SPECIAL PAYMENTS		
	See 6.1 below for levels		All losses, bad debts, damage to buildings, fittings, furniture and equipment and stock and loss of property due to culpable causes (eg. fraud, theft, arson etc) should be recorded and reported to the Audit Committee
5.	PETTY CASH DISBURSEMENTS (authority to pay)		
	Director of Finance and Information or Nominated Deputy Petty Cash Imprest Holder	Over £100 Up to £100	Sundry Exchequer Items, (ie. items where the use of the normal ordering system is inappropriate - refer to local operational procedures re petty cash), Patients' Monies
6.	REQUISITIONING GOODS AND SERVICES, CONTRACT AWARDS AND INVOICE APPROVALS		
6.1	General points 1. Contracts - The total value of the contract over the life of the contract should be used when determining the appropriate authorisation level required. The official documentation normally associated with initial approval of a contract includes purchase orders, tender documentation and contract awards. 2. Invoices received which relate to an approved purchase order will be paid subject to satisfactory receipting on the Trust's Oracle ordering system (or JAC system for Pharmacy drugs invoices). 3. Invoices received for certain types of expenditure which are NOT subject to an approved purchase order (ie. Non PO invoices), must be approved by a responsible manager with the appropriate approval limit. These invoices may relate to one-off or low value payments not previously approved or may be invoices relating to a pre-approved contract (see 1 above) 4. Payments made to HMRC and the NHS Business Services-Pensions Division relating to statutory issues (ie. income tax, national insurance and superannuation payments) are authorised by the Assistant Director of Finance (Financial Services) as delegated by the Director of Finance and Information based on information provided by the Trust's payroll department and reconciled to the financial ledger. Other points to note: (i) Agency Staff subject to approval of Staffing Solutions Manager up to £5,000. (ii) For capital expenditure, see section 6.3 below. (iii) The annual contract value should apply to call-off orders when determining appropriate authorisation limits. (iv) IM&T equipment is normally subject to technical approval by the Informatics department before final approval by the budget holder.		

Financial Limits (Subject to funding available in budget) ❶			Includes:-
	Chief Executive	£1,0000,000 (see *)	(* Can authorise spend above £1,0000,000 providing pre-approved by Board, eg. via annual approved budget or capital programme) Each level requires approval by the manager i.e. level above. Note: it is possible for any of the above levels a manager at that level could be given a limit that is lower than the stated level here but not higher.
	Deputy Chief Executive or Director of Finance and Information	£1,0000,000	
	Executive Board Directors (other than above), Deputy Director of Finance and Information , Director of Corporate Services, Director of Informatics, Head of Pharmacy	£200,000	
	Divisional Directors/ Deputy Director of Estates	£75,000	
	Assistant Directors / Head of PFI and Facilities Management	£50,000	
	Pathology and Radiology Managers	£35,000	
	Directorate Managers	£25,000	
	Senior Manager Level 1	£10,000	
	Senior Manager Level 2	£5,000	
	Matron / Manager	£1,000	
	Ward and Other Managers	£500 or less	
6.2	Agency Staff:-		
	See 6.1 above for levels		Any agency staff, including medical locums. Nursing Agency staff to be hired via Staffing Solutions Manager (in accordance with relevant Trust policies on temporary staffing).
6.3	Capital Expenditure (Subject to annual programme being approved by Trust Board)		
	Director of Finance and Information	Capital Programme items	Requires completed 'Capital Sanction Form' authorised appropriately by Director of Finance and Information (or Deputy in his absence) before requisitioner proceeds (ie. authorisation follows levels 6.1 above providing expenditure is pre-approved in capital programme)
		Equipment Over £1,000	
6.4	Removal Expenses:-		
	Director of Human Resources	Up to £8,000	
7.	QUOTATIONS AND TENDERS		
	Deputy Director of Procurement /Divisional Managers/Heads of Department/Head of PFI and Facilities Management e.g. SRP as appropriate	£30,000 to £50,000	Quotations: <i>Obtaining</i> a minimum of 3 written quotations for goods/services.
	Two officers as per the approved signatory list One of the two (Board Director and Board Secretary) + a senior manager	Over £50,000 (in compliance with EU Directives as appropriate – Please refer to the Head of Purchasing and Supply for the latest thresholds)	Competitive Tenders: <i>Obtaining</i> a minimum of 3 written competitive tenders for goods/services.
8.	VIREMENT		Conditions:-
	Trust Board	Over £40,000 p.a.	Trust must still meet Financial Targets
	Chief Executive	Up to £40,000 p.a.	Total Trust budget remains underspent
	Director of Finance and Information	Up to £25,000 p.a.	Total Trust budget remains underspent
	Director of Finance and Information	Up to £10,000 p.a.	Total Divisional / Departmental Budget remains underspent

APPENDIX 0: Procurement Route Planner For Anything Apart from Health & Care Services

