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Bwrdd Iechyd Prifysgol  
Bae Abertawe  
Swansea Bay University  
Health Board



<b>Meeting Date</b>	<b>19 January 2023</b>		<b>Agenda Item</b>	<b>2.4</b>
<b>Report Title</b>	<b>Amendment to Standing Financial Instructions</b>			
<b>Report Author</b>	Liz Stauber, Head of Corporate Governance			
<b>Report Sponsor</b>	Hazel Lloyd, Director of Corporate Governance			
<b>Presented by</b>	Hazel Lloyd, Director of Corporate Governance			
<b>Freedom of Information</b>	Open			
<b>Purpose of the Report</b>	The purpose of the report is set out a minor change to the standing financial instructions for approval.			
<b>Key Issues</b>	A technical note was issued by Welsh Government setting out an addendum to the standing financial instructions for procedures for consent for health boards to enter into contracts exceeding more than £1m. The addendum was designed to ensure consistency with guidance issued to the NWSSP (NHS Wales Shared Services Partnership) procurement services and included further exceptions for applying the regulations.			
<b>Specific Action Required (please choose one only)</b>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>	<b>Approval</b>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Recommendations</b>	Members are asked to: <ul style="list-style-type: none"> <li>• <b>RECOMMEND</b> the change in the standing financial instructions for board approval.</li> </ul>			

## Amendment to Standing Financial Instructions

### 1. INTRODUCTION

The purpose of the report is set out a minor change to the standing financial instructions for approval.

### 2. BACKGROUND

A technical note was issued by Welsh Government setting out an addendum to the standing financial instructions for procedures for consent for health boards to enter into contracts exceeding more than £1m. The addendum was designed to ensure consistency with guidance issued to the NWSSP (NHS Wales Shared Services Partnership) procurement services and included further exceptions for applying the regulations.

### 3. GOVERNANCE AND RISK ISSUES

The change relates to paragraph 11.6.4 in the latest version of the standing financial instructions, issued in April 2021 by Welsh Government as a model:

*“General Consent has been granted to LHBs by the Welsh Ministers for individual contracts up to the value of £1 million in each case with the exception of those contracts specified in SFI 11.6.4 All contracts exceeding this delegated limit, all acquisitions and disposals of land of any limit, and the acceptance of gifts of property, must receive the written approval of the Welsh Ministers before being into. In addition, Health Board’s must provide a contract summary to Welsh Government for contracts between £500,000 and £1 million prior to the contract being entered let. This requirement also applies to contracts that are to be let through a mini-competition under a public sector contract framework, such as National Procurement Service, NHS Supply Chain or Crown Commercial Services. The use of suitable Welsh frameworks where access is permissible shall take precedence over frameworks led by Public Sector Bodies outside of Wales. Further detailed guidance is incorporated within the Procurement Procedures”*

The relevant paragraph stated that the exceptions mentioned above are as follows:

*“The requirement for consent does not apply to any contracts entered into pursuant to a specific statutory power, and/or Welsh Ministers direction, and therefore does not apply to:*

- i. Contracts of employment between LHBs and their staff;*
- ii. Transfers of land or contracts effected by Statutory Instrument Model Standing Orders, Reservation and Delegation of Powers for LHBs Schedule 2.1: Standing Financial Instructions Status: Update – March 2021;*
- iii. Out of Hours contracts;*
- iv. All NHS contracts, that is where one health service body contracts with another health service body.”*

In-line with the technical note from Welsh Government, further exceptions highlighted below should be included in the standing financial instructions:

*“v) Contracts over £ 500k - £1 million (for noting) and £ 1 million + (for approval):*

- i. Wales Public Sector Framework Agreements e.g. Frameworks established by National Procurement Services (NPS) or NWSSSP (not exhaustive) - no further approval required to award contracts under these Frameworks through a direct award or mini competition.*

- ii. *Third Party Public Sector Framework Agreements e.g. Frameworks established by Crown Commercial Services, NHS Supply Chain (not exhaustive) – no further approval required to award contracts under these Frameworks through a direct award. Approval will however be required for award of contracts under these Framework Agreements through mini-competition or where the specification of the product/service required is modified from that stated within the Framework Agreement.”*

All health boards in Wales and special health authority bodies were recommended to apply these exceptions and they will also be included in the next iteration of the model standing financial instructions issues by Welsh Government.

#### **4. FINANCIAL IMPLICATIONS**

There are no financial implications of which the committee should be aware.

#### **5. RECOMMENDATION**

Members are asked to:

- **RECOMMEND** the change in the standing financial instructions for board approval.

<b>Governance and Assurance</b>		
<b>Link to Enabling Objectives</b> (please choose)	<b>Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities</b>	
	Partnerships for Improving Health and Wellbeing	<input checked="" type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	<b>Deliver better care through excellent health and care services achieving the outcomes that matter most to people</b>	
	Best Value Outcomes and High Quality Care	<input checked="" type="checkbox"/>
	Partnerships for Care	<input type="checkbox"/>
	Excellent Staff	<input type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
<b>Health and Care Standards</b>		
(please choose)	Staying Healthy	<input type="checkbox"/>
	Safe Care	<input checked="" type="checkbox"/>
	Effective Care	<input checked="" type="checkbox"/>
	Dignified Care	<input checked="" type="checkbox"/>
	Timely Care	<input checked="" type="checkbox"/>
	Individual Care	<input type="checkbox"/>
	Staff and Resources	<input type="checkbox"/>
<b>Quality, Safety and Patient Experience</b>		
Adherence to the standing financial instructions ensures the correct governance procedures are in place to support quality, safety and patient experience.		
<b>Financial Implications</b>		
There are no financial implications.		
<b>Legal Implications (including equality and diversity assessment)</b>		
The health board has a statutory responsibility to ensure it has standing financial instructions in place by which to manage its day-to-day business.		
<b>Staffing Implications</b>		
There are no staffing implications.		
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>		
Standing orders will ensure the health board continues to have good governance procedures in place for its long-term future.		
<b>Report History</b>	Revised standing orders were approved by the Audit Committee and Board in September 2022.	
<b>Appendices</b>	No appendices but standing financial instructions are available on request from the Director of Corporate Governance.	