

# Schedule 1

## SCHEME OF RESERVATION AND DELEGATION OF POWERS

**This Scheme of Reservation and Delegation of Powers forms part of, and shall have effect as if incorporated in the Standing Orders**

### Introduction

As set out in Standing Order 2, the Board - subject to any directions that may be given by the Welsh Ministers - should make appropriate arrangements for certain functions to be carried out on its behalf so that the day to day business of the LHB may be carried out effectively, and in a manner that secures the achievement of the organisations aims and objectives. The Board may delegate functions to:

- i) a committee, e.g., Quality and Patient Safety Committee;
- ii) a sub committee, e.g., a locality based Quality and Safety committee taking forward matters within a defined area. Any such delegation would, subject to the Boards authority, usually be via a main committee of the Board;
- iii) a joint committee or sub committee, e.g., with other LHBs established to take forward matters relating to certain types of specialist services, or a community partnership committee established with local authorities such as that covering Health, Social Care and Well Being; and
- iv) Officers of the LHB (who may, subject to the Board's authority, delegate further to other officers and, where appropriate, other third parties, e.g. shared/support services, through a formal scheme of delegation)

and in doing so, must set out clearly the terms and conditions upon which any delegation is being made. These terms and conditions must include a requirement that the Board is notified of any matters that may affect the operation and/or reputation of the LHB.

The Board's determination of those matters that it will retain, and those that will be delegated to others are set out in the following all of which form part of the LHB's Standing Orders:

- Schedule of matters reserved to the Board;
- Scheme of delegation to Committees and others; and
- Scheme of delegation to Officers

## **DECIDING WHAT TO RETAIN AND WHAT TO DELEGATE: GUIDING PRINCIPLES**

The Board will take full account of the following principles when determining those matters that it reserves, and those which it will delegate to others to carry out on its behalf:

- Everything is retained by the Board unless it is specifically delegated in accordance with the requirements set out in Standing Orders or Standing Financial Instructions
- The Board must retain that which it is required to retain (whether by statute or as determined by the Welsh Ministers) as well as that which it considers is essential to enable it to fulfil its role in setting the organisation's direction, equipping the organisation to deliver and ensuring achievement of its aims and objectives through effective performance management
- Any decision made by the Board to delegate functions must be based upon an assessment of the capacity and capability of those to whom it is delegating responsibility
- The Board must ensure that those to whom it has delegated powers (whether a committee, partnership or individuals) remain equipped to deliver on those responsibilities through an ongoing programme of personal, professional and organisational development
- The Board must take appropriate action to assure itself that all matters delegated are effectively carried out
- The framework of delegation will be kept under active review and, where appropriate, will be revised to take account of organisational developments, review findings or other changes
- Except where explicitly set out, the Board retains the right to decide upon any matter for which it has statutory responsibility, even if that matter has been delegated to others
- The Board may delegate authority to act, but retains overall responsibility and accountability
- When delegating powers, the Board will determine whether (and the extent to which) those to whom it is delegating will, in turn, have powers to further delegate those functions to others.

## HANDLING ARRANGEMENTS FOR THE RESERVATION AND DELEGATION OF POWERS: WHO DOES WHAT?

### **The Board**

The Board will formally agree, review and, where appropriate revise schedules of reservation and delegation of powers in accordance with the guiding principles set out earlier.

### **The Chief Executive**

The Chief Executive will propose a Scheme of Delegation to Officers, setting out the functions they will perform personally and which functions will be delegated to other officers. The Board must formally agree this scheme.

In preparing the scheme of delegation to officers, the Chief Executive will take account of:

- the guiding principles set out earlier (including any specific statutory responsibilities designated to individual roles)
- their personal responsibility and accountability to the Chief Executive, NHS Wales in relation to their role as designated Accountable Officer
- associated arrangements for the delegation of financial authority to equip officers to deliver on their delegated responsibilities (and set out in Standing Financial Instructions).

The Chief Executive may re-assume any of the powers they have delegated to others at any time.

### **The Director of Corporate Governance/Board Secretary**

The Director of Corporate Governance/Board Secretary will support the Board in its handling of reservations and delegations by ensuring that:

- a proposed schedule of matters reserved for decision by the Board is presented to the Board for its formal agreement;
- effective arrangements are in place for the delegation of LHB functions within the organisation and to others, as appropriate; and
- arrangements for reservation and delegation are kept under review and presented to the Board for revision, as appropriate.

### **The Audit Committee**

The Audit Committee will provide assurance to the Board of the effectiveness of its arrangements for handling reservations and delegations.

## **Individuals to who powers have been delegated**

Individuals will be personally responsible for:

- equipping themselves to deliver on any matter delegated to them, through the conduct of appropriate training and development activity; and
- exercising any powers delegated to them in a manner that accords with the LHB's values and standards of behaviour.

Where an individual does not feel that they are equipped to deliver on a matter delegated to them, they must notify the Chief Executive of their concern as soon as possible in so that an appropriate and timely decision may be made on the matter.

In the absence of an officer to whom powers have been delegated, those powers will normally be exercised by the individual to whom that officer reports, unless the Board has set out alternative arrangements.

If the Chief Executive is absent their nominated Deputy may exercise those powers delegated to the Chief Executive on their behalf. However, the guiding principles governing delegations will still apply, and so the Board may determine that it will reassume certain powers delegated to the Chief Executive or reallocate powers, e.g., to a Committee or another officer.

### **SCOPE OF THESE ARRANGEMENTS FOR THE RESERVATION AND DELEGATION OF POWERS**

The Scheme of Delegation to officers referred to here shows only the "top level" of delegation within the LHB. The Scheme is to be used in conjunction with the system of control and other established procedures within the LHB.

## SCHEDULE OF MATTERS RESERVED TO THE BOARD<sup>1</sup>

THE BOARD		AREA	DECISIONS RESERVED TO THE BOARD
1.	FULL	GENERAL	Board may determine any matter for which it has statutory or delegated authority in accordance with SOs (except for those decisions delegated to the Welsh Health Specialised Services Committee (WHSSC) or Emergency Ambulance Services Committee (EASC)).
2.	FULL	GENERAL	The Board must determine any matter that will be reserved to the whole Board.
3.	FULL	GENERAL	Approve the LHB's Governance Framework.
4.	FULL	OPERATING ARRANGEMENTS	Approve, vary and amend: <ul style="list-style-type: none"> <li>▪ Standing Orders (SOs);</li> <li>▪ Standing Financial Instructions (SFIs);</li> <li>▪ Schedule of matters reserved to the Local Health Board;</li> <li>▪ Scheme of delegation to Committees and others; and</li> <li>▪ Scheme of delegation to Officers.</li> </ul> In accordance with any directions set by the Welsh Government.
5.	FULL	OPERATING ARRANGEMENTS	Ratify any urgent decisions taken by the Chair and the Chief Executive in accordance with Standing Order requirements.
6.	NO – Audit Committee	OPERATING ARRANGEMENTS	Formal consideration of report of Board Secretary on any non-compliance with Standing Orders, making proposals to the Board on any action to be taken.

- 
1. Any decision to reserve a matter, and the manner in which that retained responsibility is carried out will be in accordance with any regulatory and/or Assembly Government requirements.
-

7.	FULL	OPERATING ARRANGEMENTS	Receive report and proposals regarding any non-compliance with Standing Orders, and where required ratify in public session any action required in response to failure to comply with SOs.
8.	FULL	OPERATING ARRANGEMENTS	Authorise use of the LHB's official seal.
9.	FULL	OPERATING ARRANGEMENTS	Approve the LHB's Values Framework and Standards of Business Conduct.
10.	NO - Chair on behalf of Joint Committee, Vice-Chair on behalf of Joint Committee if Chair is declaring interest	ORGANISATION STRUCTURE & STAFFING	Require, receive and determine action in response to the declaration of Board members' interests, in accordance with advice received, e.g. From Audit Committee or Board Secretary.
11.	FULL	STRATEGY & PLANNING	Determine the LHB's strategic aims, objectives and priorities.
12.	FULL	STRATEGY & PLANNING	Approve the LHB's key strategies and programmes related to: <ul style="list-style-type: none"> <li>▪ Population Health Needs Assessment and Commissioning Plan</li> <li>▪ The development and delivery of patient and population centred health and care/clinical services</li> <li>▪ Improving quality and patient safety outcomes</li> </ul>

			<ul style="list-style-type: none"> <li>▪ Workforce and Organisational Development</li> <li>▪ Infrastructure, including IM &amp;T, Estates and Capital (including major capital investment and disposal plans).</li> </ul>
13.	FULL	STRATEGY & PLANNING	Approval of Joint Area Plan prepared under the direction of the Regional Partnership Board and in response to the population assessment.
14.	FULL	STRATEGY & PLANNING	Agreement of Well-being objectives in accordance with the requirements of the Wellbeing and Future Generations (Wales) Act 2015.
15.	FULL	STRATEGY & PLANNING	Approval of Wellbeing Plan prepared and agreed by the Public Service Board.
16.	FULL	STRATEGY & PLANNING	Approve the LHB's Integrated Medium Term Plan, including the balanced Medium Term Financial Plan.
17.	FULL	STRATEGY & PLANNING	Approve the LHB's budget and financial framework (including overall distribution of the financial allocation and unbudgeted expenditure).
18.	FULL	OPERATING ARRANGEMENTS	Approve the LHB's framework and strategy for performance management.
19.	FULL	STRATEGY & PLANNING	Approve the LHB's framework and strategy for risk and assurance.
20.	FULL	OPERATING ARRANGEMENTS	Ratify policies for dealing with raising concerns, complaints and incidents in accordance with the Putting Things Right and health and safety requirements.
21.	FULL	OPERATING ARRANGEMENTS	Agree the arrangements for ensuring the adoption of standards of governance and performance (including the quality and safety of healthcare, and the patient experience) to be met by the LHB, including standards/ requirements determined by

			Welsh Government, regulators, professional bodies/others, e.g. National Institute of Health and Care Excellence (NICE).
22.	FULL	STRATEGY & PLANNING	Approve the LHB's patient, public, staff, partnership and stakeholder engagement and co-production strategies.
23.	FULL	OPERATING ARRANGEMENTS	Approve the introduction or discontinuance of any significant activity or operation. Any activity or operation shall be regarded as significant if the Board determines it so based upon its contribution/impact on the achievement of the LHB's aims, objectives and priorities.
24.	FULL	ORGANISATION STRUCTURE & STAFFING	Appointment of officer members of the Board (Chief Executive and Directors) in accordance with the provisions of the Regulations and in accordance with Ministerial Instructions.
25.	NO – Remuneration and Terms of Service Committee	ORGANISATION STRUCTURE & STAFFING	Termination of appointment and suspension officer members in accordance with the provisions of the Regulations and in accordance with Ministerial instructions.
26.	NO – Remuneration and Terms of Service Committee	ORGANISATION STRUCTURE & STAFFING	Consider appraisal of officer members of the Board (Chief Executive and Directors).
27.	NO – Remuneration and Terms of Service Committee	ORGANISATION STRUCTURE & STAFFING	Approve the appointment, appraisal, discipline and dismissal of any other Board level appointments and other senior employees, in accordance with Ministerial Instructions e.g. the Board Secretary.

28.	NO – Remuneration and Terms of Service Committee	ORGANISATION STRUCTURE & STAFFING	Consider and approve redundancy and Early Release Applications, noting that where the settlement is £50,000 or above subsequent agreement of Welsh Government is required.
29.	FULL	ORGANISATION STRUCTURE & STAFFING	Approve, [arrange the] review, and revise the LHB’s top level organisation structure and corporate policies.
30.	FULL	ORGANISATION STRUCTURE & STAFFING	Appoint, [arrange the] review, revise and dismiss Board committees, including any joint committees directly accountable to the Board.
31.	FULL	ORGANISATION STRUCTURE & STAFFING	Appoint, equip, review and (where appropriate) dismiss the Chair and members of any committee, joint committee or Group set up by the Board.
32.	FULL	ORGANISATION STRUCTURE & STAFFING	Appoint, equip, review and (where appropriate) dismiss individuals appointed to represent the Board on outside bodies and groups.
33.	FULL	ORGANISATION STRUCTURE & STAFFING	Approve the standing orders and terms of reference and reporting arrangements of all committees, joint-committees and groups established by the Board.
34.	NO – Audit Committee	OPERATING ARRANGEMENTS	Approve arrangements relating to the discharge of the LHB’s responsibility as a bailee for patients’ property.
35.	FULL - except where	OPERATING ARRANGEMENTS	Approve individual compensation payments in line with the provisions of Annex 4 to Chapter 6 of the Welsh Government Manual for Accounts.

	Chapter 6 specifies appropriate to delegate to a committee, Chief Executive or Officers		
36.	FULL - except where Chapter 6 specifies appropriate to delegate to a committee, Chief Executive or Officers	OPERATING ARRANGEMENTS	Approve individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and officers.
37.	FULL	OPERATING ARRANGEMENTS	Approve proposals for action on litigation on behalf of the LHB.
38.	FULL	ORGANISATION STRUCTURE & STAFFING	Approve the arrangements relating to the discharge of the LHB's responsibilities as a corporate trustee for funds held on trust in accordance with the provision of Paragraph 20 of the Standing Financial Instructions.
39.	FULL	STRATEGY & PLANNING	Approve new contracts for the LHB to provide, or to secure provision from providers for Personal Medical; Dental; Pharmacy; Optometry services to some or all of the LHB's population Services where the value exceeds the delegated limit of the Chief Executive.

40.	FULL	STRATEGY & PLANNING	Approve individual contracts (other than NHS contracts) above the limit delegated to the Chief Executive set out in the Standing Financial Instructions.
41.	FULL	PERFORMANCE & ASSURANCE	Approve the LHB's audit and assurance arrangements.
42.	FULL	PERFORMANCE & ASSURANCE	Receive reports from the LHB's Executive on progress and performance in the delivery of the LHB's strategic aims, objectives and priorities and approve action required, including improvement plans, as appropriate.
43.	FULL	PERFORMANCE & ASSURANCE	Receive assurance reports from the Board's committees, groups and other internal sources on the LHB's performance and approve action required, including improvement plans, as appropriate.
44.	FULL	PERFORMANCE & ASSURANCE	Receive reports on the LHB's performance produced by external regulators and inspectors (including, e.g., Audit Wales, HIW, etc) that raise issue or concerns impacting on the LHB's ability to achieve its aims and objectives and approve action required, including improvement plans, taking account of the advice of Board Committees (as appropriate).
45.	FULL	PERFORMANCE & ASSURANCE	Receive the annual opinion of the LHB's Chief Internal Auditor and approve action required, including improvement plans.
46.	FULL	PERFORMANCE & ASSURANCE	Receive the annual management letter from the Auditor General for Wales and approve action required, including improvement plans.
47.	FULL	PERFORMANCE & ASSURANCE	Receive assurance regarding the LHB's performance against the Health and Care Standards for Wales and the arrangements for approving required action, including improvement plans.
48.	FULL	REPORTING	Approve the LHB's Reporting Arrangements, including reports on activity and performance locally, to citizens, partners and stakeholders and nationally to the Welsh Government where required.

49.	FULL	REPORTING	Receive, approve and ensure the publication of LHB reports, including its Annual Report and annual financial accounts in accordance with directions and guidance issued.
-----	------	-----------	--

## SCHEME OF DELEGATION TO EXECUTIVE DIRECTORS, OTHER DIRECTORS AND OFFICERS

The LHB Standing Orders and Standing Financial Instructions specify certain key responsibilities of the Chief Executive, the Director of Finance and other officers. The Chief Executive's Job Description, together with their Accountable Officer Memorandum sets out their specific responsibilities, and the individual job descriptions determined for Executive Director level posts also define in detail the specific responsibilities assigned to those post holders. These documents, together with the schedule of additional delegations below and the associated financial delegations set out in the Standing Financial Instructions form the basis of the LHB's Scheme of Delegation to Officers.

<b>DELEGATED MATTER</b>	<b>RESPONSIBLE OFFICER(S)</b>	<b>DEPUTY</b>
Agreeing and signing Medium Term Plan / Long Term Agreements	Chief Executive	Acting Chief Executive (in the absence of the Chief Executive)
Authorisation and monitoring of losses and compensations and ex gratia payments.	Chief Executive	Director of Finance
Arrangements for the management of land, buildings, and other assets belonging to or leased by the UHB / Capital Schemes	Chief Executive	Director of Strategy
Arranging Loans	Director of Finance	Deputy Director of Finance
Achievement of the three financial targets.	Chief Executive	Acting Chief Executive (in the absence of the Chief Executive)
Admission to Performers Lists and similar lists	Chief Executive / Medical Director	Director of Primary Care, Community & Mental Health / Deputy Medical Director
Changes to Medical Lists.	Medical Director	Director of Primary Care, Community & Mental Health

<b>DELEGATED MATTER</b>	<b>RESPONSIBLE OFFICER(S)</b>	<b>DELEGATED MATTER</b>
Risk Management.	Director of Nursing and Patient Experience	Board Secretary / Director of and Governance
Data Protection arrangements	Chief Executive	Board Secretary / Director of Corporate Governance
Debt recovery	Director of Finance	Assistant Director of Finance
Delegation of budgets and approval to spend funds.	Chief Executive	Director of Finance
Development and implementation of Procurement Policy.	Director of Finance	Director of Shared Services
GMS Cash Limited Cost Rent Schemes.	Director of Finance	Assistant Director of Finance
Health and Safety Arrangements.	Director of Nursing and Patient Experience	Assistant Director of Health and Safety
Insurance Arrangements (with approval from the relevant division within NHS Wales department)	Director of Finance	Assistant Director of Finance
Investigate any suspected cases of irregularity not related to fraud and corruption in accordance with government directions.	Director of Finance	Assistant Director of Finance
Single tenders/ issuing tenders and post tender negotiations.	Director of Finance	Assistant Director of Finance

<b>DELEGATED MATTER</b>	<b>RESPONSIBLE OFFICER(S)</b>	<b>DELEGATED MATTER</b>
Legal Advice.	Director of Nursing and Patient Experience	Deputy Director of Nursing and Patient Experience
NHS Complaints (Concerns) Procedure.	Director of Nursing and Patient Experience	Deputy Director of Nursing and Patient Experience
Obstetric List.	Medical Director	Deputy Medical Director
Operation of detailed financial matters, including bank accounts, and banking procedures.	Director of Finance	Assistant Director of Finance
Workforce	Director of Workforce and OD	Assistant Director of Workforce and OD
Manage central reserves and contingencies.	Director of Finance	Assistant Director of Finance
Management of non-exchequer funds.	Director of Finance	Assistant Director of Finance
Management and control of stocks other than pharmacy stocks.	Medical Director	Deputy Medical Director
Management and control of pharmacy stock.	Medical Director	Deputy Medical Director

<b>DELEGATED MATTER</b>	<b>RESPONSIBLE OFFICER(S)</b>	<b>DELEGATED MATTER</b>
Monitor and achievement of management cost targets.	Director of Finance	Assistant Director of Finance
Recording of payments under the losses and compensations regulations.	Director of Finance	Assistant Director of Finance
Special Payments	Director of Finance	Assistant Director of Finance
Sealing and signing of documents.	Director of Corporate Governance/Board Secretary	Executive Director (s)
Work relating to counter fraud and corruption in accordance with Welsh Government directions	Director of Finance	Assistant Director of Finance

This scheme only relates to matters delegated by the Board to the Chief Executive and their Executive Directors, together with certain other specific matters referred to in Standing Financial Instructions. A full list of delegated responsibilities is available from the Director of Corporate Governance/Board Secretary

Each Executive Director is responsible for delegation within their department. They should produce a scheme of delegation for matters within their department, which should also set out how departmental budget and procedures for approval of expenditure are delegated.

## Delegated Financial Limits

1. Responsibility for authorising contracts for goods and services including capital and Service Level Agreements with non NHS bodies are subject to the delegated level of authority as follows:

### Corporate / Unit Service Directors

	Committee / Post	Maximum Financial Limit (excl. VAT)
1	Board	£1m
2	Chief Executive (CEO) <i>(in the absence of the Chief Executive only, the Deputy Chief Executive would take on this level to provide cover and in exceptional circumstances where both are unavailable, the lead executive will have approval authority to this level)</i>	£750k
3	Deputy CEO	£500k
4	Executive Directors/Board Secretary/Chief Operating Officer/Chief Operating Officer/Director of Digital/Director of Communications	£250k
5	Deputy Chief Operating Officers (revenue and capital)/Assistant Director of Strategy (capital planning) (capital only)	£150k
6	Managers reporting Directly to line four above <i>(excluding service group directors whose limits are outlined separately)</i>	£75k
7	Managers reporting directly to line five above	£25k

### Service Directors

	Committee / Post	Maximum Financial Limit (exclusive of VAT) £000
1	Service Group Directors	150
2	Managers reporting directly to 1 above	75
3	Managers reporting directly to 2 above	40
4	Managers reporting directly to 3 above	25

Where new contracts are above £1 million, these must be approved by the Welsh

Government (except for those contracts let under Sections 33 and 192 of the NHS (Wales) Act 2006 and those covered by guidance issued by the Welsh Government on “General Consent” (SFI 11.6.3).

Paragraph 13 (3) of the NHS (Wales) Act 2006 places a requirement on UHBs to obtain consent of Welsh Ministers before:

- Acquiring and disposing of property;
- Entering into contracts; and
- Accepting gifts of property.

Examples of areas not requiring consent for contracts exceeding £1m include:

- i) Supply of goods and services by Local Authorities (excluded as per section 32 of the 2006 Act)
- ii) Payment towards expenditure to community services (excluded as per section 194 of the 2006 Act)
- iii) Payments in connection with services to be provided by a Voluntary Sector organisation (excluded as per section 195 of the 2006 Act.
- iv) Provision of Primary Medical or Dental Services (excluded as per section 14/50/64 of the 2006 Act UHB are obliged to make arrangements for the provision of these services
- v) Procurements of healthcare services as part of the UHB’s statutory function such as Continuing Health Care.
- vi) Procurement of NHS services both within Wales and external to Wales.
- vii) Agreement of Individual Patient Placements.
- viii) General Medical Services Out of Hours Service
- ix) Procurement of Drugs

*This list is not exclusive but is by way of illustrative examples only. Where the UHB is unsure whether consent is needed, the organisation will need to analyse the statutory basis on which the action is being taken on a case by case basis and seek independent advice where appropriate*

- The Finance Directorate is required to maintain a schedule of delegated limits

agreed as in 1 above, and to include this schedule within the appropriate Financial Control Procedure.

- The above contract rates must reflect the total price for the goods and services as opposed to requisitions and for the duration of the Contract.
- Authorised Officers must sign in their own name.
- Guidance on delegated authority in respect of the write-off of losses and special payments including legal settlements are detailed in SFI.17.
- The delegated limits for authorising contracts for goods and services including capital and Service Level Agreements with other NHS bodies for the UHB's hosted agencies are as follows:
  - NHS Wales Delivery Unit Director Up to £50,000 exclusive of VAT
- Procurement in excess of these delegated limits must be processed in accordance with Section 1.
- The process for the procurement of pharmaceutical products is detailed in appendix one.

## **Procurement of Pharmaceutical Products**

### **1. GENERAL**

- 1.1 All the processes involved in the procurement of Pharmaceutical products shall be under the direct control of the Chief Pharmacist (or nominated deputy), who shall ensure that all statutory and professional requirements are complied with.
- 1.2 Only the Chief Pharmacist or nominated deputy / deputies shall be authorised to sign orders for Pharmaceutical products and they shall ensure compliance with all relevant requirements of the Medicines Act 1968, the Poisons Act 1972 and the Misuse of Drugs Act 1971.
- 1.3 The use of unlicensed products must be entered into a register kept by the Chief Pharmacist and which shall be available for inspection by the Clinical Director or Chairman of the Prescribing Advisory Group (or equivalent).

### **2. CONTRACTS FOR PHARMACEUTICAL PRODUCTS**

- 2.1 The Welsh Health Supplies and the All Wales Drug Contracting Committee arrange all Wales Drug contracts. Where a HB contract is to be awarded in excess of the EU supplies threshold, details should be advertised in the Official Journal of the European Union, in consultation with the HB Procurement Manager. Where a local contract is negotiated on behalf of the HB which falls below the EU threshold, the delegated limits determined in paragraph 4 shall apply to the anticipated value during the duration of the contract period, for the purposes of authorising the contract. The evaluation of prices shall be based on current trade prices and where alternative suppliers exist, the Chief Pharmacist shall obtain written competitive quotations.
- 2.2 The Welsh Health Supplies maintains on behalf of the All Wales Drug Contracting Committee a list of approved suppliers, and pharmaceutical products should always be purchased from approved suppliers.
- 2.3 Where an all Wales or HB contract exists, a commitment to purchase a specific volume of product over a future period may be given by the Chief Pharmacist, provided such a commitment does not result in a contractual / financial obligation being placed on the HB over and above the product price specified in the contract (all Wales or HB). Where such a commitment to purchase a guaranteed volume of product over a predetermined period results in a contractual / financial

obligation being placed on the HB, the commitment must be approved in accordance with paragraph 4 below.

### 3. PROCUREMENT ARRANGEMENTS

3.1 Pharmaceutical products shall normally be called off from All Wales or HB contracts except: -

- a) Where the product is required in an emergency.
- b) Where the normal supplier / contractor is unable to fulfil the contractual obligation, an alternative supplier may be used.
- c) Where there are justifiable clinical or pharmaceutical reasons, which necessitate the use of a different brand, pack size etc of the product.

Actions taken by the Chief Pharmacist in any of the above circumstances, must be ratified retrospectively in accordance with the requirements of paragraphs 3.3 and 3.4 below.

3.2 Where the required pharmaceutical product is not included in an All Wales or HB Drug contract, then the Chief Pharmacist shall ensure that the product is purchased at the most economically advantageous terms which are consistent with the required quality and delivery arrangements required by the HB, and ensuring that the availability of supply/delivery to the HB is not compromised. In determining the most economically advantageous terms, the Chief Pharmacist may refer to prices tendered by companies for all Wales or HB contract awards, where a contract has not been awarded.

3.3 Where a particular pharmaceutical product, which is not included in an All Wales or HB Drugs contract (or which has not been tendered), is only available through a single supplier, such purchases must be authorised in accordance with the delegated limits determined in paragraph 4.

*All such single purchases exceeding £25,000 exclusive of VAT must be reported to the Audit Committee as single tender purchases, in line with SFI Annex A.*

3.4 The authorised delegated limits applying to the "call-off" of pharmaceutical products from All Wales or HB contracts shall be as outlined below, with the limits relating to the total value of a single purchase order (all values exclude VAT):

Chief Pharmacist	-	Up to £75,000
Executive Director		
Board Secretary	-	Up to £250,000
Chief Executive or Deputy Chief Executive when acting in his absence	-	Up to £500,000
HB Board	-	In excess of £500,000*

\* see SFI 11.6.3

3.5 The chart below helps illustrate the above requirements:-

<b>CONTRACT ARRANGEMENTS</b>	<b>AUTHORISATION OF CONTRACT</b>	<b>APPROVAL OF ORDERS</b>	<b>SPECIFIC ACTIONS</b>
All Wales contract	WHS / All Wales Drugs Contracting Committee	Per table below	
HB contract (above or below EU threshold)	Per table below	Per table below	
No contract- Multiple suppliers	Not applicable	Per table below	Obtain competitive quotations
No contract- Single supplier	Not applicable	Per table below	Single purchase over £25,000 (excl VAT) reported to Audit Committee as single tender action
<b>Table of delegated authorisation limits:-</b>			
Chief Pharmacist or nominated Deputy		Up to £75,000	
Executive Director / Associate Executive Director/ Board Secretary of the HB Board (excluding staff representatives)		Up to £250,000	
Chief Executive or Deputy Chief Executive when acting in his absence		Up to £500,000	



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Bae Abertawe  
Swansea Bay University  
Health Board

HB Board	In excess of £500,000* *see SFI 11.6.3
----------	---

**Approval Date: September 2022**  
**Review Date: September 2023**