



## Financial Limits

### 1. Introduction

- 1.1 The tables below set out the financial limits up to which officers of the Integrated Care Board may exercise executive functions. These financial limits form an integral element of the financial governance arrangements for the ICB as part of the detailed operational policies which support the scheme of reservation and delegation and prime financial policies.
- 1.2 Appendix 1 outlines the delegated limits to be provided to staff in North of England Commissioning Support (NECS) to ensure effective processing of transactions.

### 2. Administrative Budgets

- 2.1 Initial budgets and relevant contract values will be reviewed by the Finance, Performance and Investment Committee and approved by the ICB Board prior to the start of the financial year. The following limits will then apply to administrative budgets:

| Limit            | Authoriser  |
|------------------|---|
| Over £5,000,000  | Integrated Care Board   |
| Up to £4,999,999 | Executive Committee   |
| Up to £1,999,999 | ICB Chief Executive <b>and</b> ICB Executive Director of Finance <b>and</b> ICB Chair |
| Up to £1,000,000 | ICB Chief Executive <b>and</b> ICB Executive Director of Finance                      |
| Up to £250,000   | Individual ICB Executive Directors  |
| Up to £100,000   | Band 9 and VSM  |
| Up to £50,000    | Senior Managers (Band 8b-d)   |
| Up to £10,000    | Managers (Band 7 to 8a)   |

Invoices for less than £250: All invoices for less than £250 in total can be authorised by an approved member of the finance team without any further authorisation being required by relevant budget holders

### 3. Commissioning Budget and Functions

- 3.1 Contracts will be agreed at the start of the year through the Executive Committee and approved by the ICB Board.
- 3.2 Related requisitions will then be processed on the ISFE system for the agreed contract value and relevant invoices will then be processed without further authorisation being required (up to the requisition value).
- 3.3 Within this framework the following authorisation limits will then operate:

| Limit  | Authoriser   |
|--|--|
| Over £30,000,000   | Integrated Care Board  |
| Up to £29,999,999  | Executive Committee  |
| Up to £4,999,999   | ICB Chief Executive <b>and</b> ICB Executive Director of Finance <b>and</b> ICB Chair  |
| Up to £2,999,999   | ICB Chief Executive <b>and</b> ICB Executive Director of Finance<br><b>or</b><br>ICB Chief Executive <b>and</b> Executive Area Directors |
| Up to £1,000,000   | Executive Area Directors and Finance Director  |
| Up to £500,000   | Individual ICB Executive Directors   |
| Up to £250,000   | Band 9 and VSM   |
| Up to £75,000  | Senior Managers (Band 8b-d)  |
| <u>Up to £150,000</u><br><u>Responsible for approving all age continuing healthcare packages only*</u> | <u>Deputy Directors of Nursing (Band 8d)</u>   |
| Up to £10,000<br>Up to £75,000<br>Individual packages of care only *                                   | Managers (Band 7 to 8a)  |
| Up to £10,000  | Nominated Officers for non-contract activity and individual funding requests   |

Invoices for less than £250: All invoices for less than £250 in total can be authorised by an approved member of the finance team without any further authorisation being required by relevant budget holders

**Notes:**

The limits above refer to individual contract values or individual contract variations (cumulative value over the life of the contract/variation, i.e. 3 year contract for £50,000 p.a. would be considered £150,000 in context of limits above). Where expenditure relates to individual packages of care, the limits above will apply to the annual package value.

Values represent total expenditure on each contract/variation (including where relevant any VAT not recoverable by the ICB).

The delegations noted above relate to the use of budgets approved by the ICB and within the individual's own areas of responsibility. Authorisation limits, based on these rules, will only be allocated to staff where this is appropriate to their role. Therefore not all staff at the banding levels listed above will be allocated these authorisation limits.

Managers (Band 7 to 8a) will have approval to agree individual packages of care up to £75,000 pa. This will also apply to relevant Band 6 case managers where agreed by Executive Director of Finance. This includes Continuing Healthcare packages, Funded Nursing Care, Section 117 healthcare, children's packages, joint funded packages.

These limits are also applicable for the approval of tenders, provided the relevant tender process has been fully complied with.

An operational authorised signatory list, confirming the relevant individuals holding delegated authority in line with the limits set out below, will be maintained by the ICB finance team and approved by the ICB Executive Director of Finance. This may include certain individuals employed by NECS to work on behalf of the ICB, in accordance with the delegated limits outlined below.

Relevant senior finance staff will have higher (in some cases unlimited) approval limits within the financial ledger system to enable the processing of high value orders/invoices relating to contracts which have been approved in line with the limits above.

Approval limits for the financial ledger system, including journal authorisation limits, will reviewed and approved by the Executive Director of Finance and included within the operational authorised signatory list. This list will be available for scrutiny by the Audit Committee as required.

Additional authorisation or procedure may be required for non-financial aspects of any planned expenditure or where exceptional arrangements are contemplated. It is the responsibility of the budget holder to ensure that any such authorisation has been obtained or procedure completed in advance of any financial commitment. Examples would be:

- expenditure requiring quotations, tenders or business case approval
- service change requiring clinical approval
- contracts of unusually long duration
- non-employed individuals where there may be taxation or employment rights issues requiring expert HR advice
- ex gratia or compensation payments, which have specific procedural requirements

**NECS Delegated Limits****1. Healthcare spend**

1.1 Under the ISFE system, formal requisitions should be processed for healthcare payments in order for any payments to be made to providers. It is essential that we agree the boundaries in terms of what NECS can authorise on behalf of the ICB to ensure efficient processing of transactions whilst managing any potential financial risk to the ICB.

1.2 The scheme of delegation for the following key areas is as follows:

| <b>Contract Type</b>                                      | <b>Signed contract by ICB?</b>   | <b>Authorisation of requisition and receipting of service on a monthly basis</b>   | <b>Contract Over / Under Performance</b>  |
|---|--|--|---|
| Acute / Community / Mental Health / 999 / PTS / contracts | Yes - Signed standard NHS contract is in place, which includes an agreed monthly payment profile | All requisitions can be processed by contract manager in line with rules as identified in the ISFE. This does not require additional authorisation from ICB. | Relevant NECS staff can authorise additional payment / credit up to £75,000 without additional authorisation from ICB for each contract. Amounts above £75,000 would require approval in accordance with ICB scheme of financial delegation.<br><br>Excluded from the above is where a service is currently not commissioned from the provider. A variation appropriately authorised in accordance with the ICB scheme of financial delegation is required. |
| AQP   | Yes - Signed standard NHS contract is in place with zero activity and financial value            | All requisitions can be processed by contract manager in line with rules as identified in the ISFE. This does not require additional authorisation from ICB. | NECS can authorise additional payment / credit up to the overall budget agreed by ICB. Budgets will be reviewed monthly and reset where appropriate.<br><br>If budget is exceeded, approval in accordance with the ICB scheme of financial delegation will be required for payment above 2% or £75,000 whichever is the lowest for each service line, e.g. AQP Adult Hearing (not provider level).  |
| NCA's including PTS NCA's (all                            | No signed contract in place.   | Requisition not required.  | NECS can authorise additional payment / credit up to the overall budget agreed by the ICB.  |

| Contract Type  | Signed contract by ICB?   | Authorisation of requisition and receipting of service on a monthly basis  | Contract Over / Under Performance   |
|--|---|--|---|
| other PTS will be covered above)   |   |  | <p>Budgets will be reviewed monthly and reset where appropriate.</p> <p>NCA's with an individual value above £10,000 will require approval in accordance with the ICB scheme of financial delegation.</p> <p>Emergency air ambulances / decompression chambers above £50,000 will require approval in accordance with the ICB scheme of financial delegation.</p> <p>PTS air ambulance/transport above £10,000 will require approval in accordance with the ICB scheme of financial delegation.</p> |
| Enhanced Services  | Yes – signed enhanced service agreement in place                                      | All requisitions can be processed by contract manager in line with rules as identified in the ISFE. This does not require additional authorisation from ICB. | <p>NECS can authorise additional payment / credit up to the overall budget agreed by ICB. Budgets will be reviewed monthly and reset where appropriate.</p> <p>If budget is exceeded, approval will be required for payment above £10,000 for each service line, e.g. minor ailments (not provider level).</p>  |
| Continuing Healthcare Agreements / Individual packages of care (including MH/LD and children's packages) | Yes - Signed standard NHS contract is in place with zero activity and financial value | All requisitions can be processed by contract manager in line with rules as identified in the ISFE. This does not require additional authorisation from ICB. | <p>NECS can authorise additional payment / credit up to the overall budget agreed by the CCG. Budgets will be reviewed monthly and reset where appropriate.</p> <p>Individual continuing care packages above £75,000 (annual value) will require individual approval in accordance with the ICB scheme of financial delegation.</p>   |
| Local Authority Agreements   | Yes - Signed section 256 or section 75 in place                                       | All requisitions can be processed by contract manager in line with rules as identified in the  | NECS can authorise additional payment / credit up to the overall monthly budget agreed by ICB. Budgets will be reviewed monthly and reset where appropriate.  |

| <b>Contract Type</b> | <b>Signed contract by ICB?</b> | <b>Authorisation of requisition and receipting of service on a monthly basis</b> | <b>Contract Over / Under Performance</b>  |
|----------------------|--------------------------------|--|---|
|                      |                                | ISFE. This does not require additional authorisation from ICB.                   | Only if the section 75 covers continuing health care, any individual continuing care packages above £75,000 will require individual approval in accordance with the ICB scheme of financial delegation. |

## 2. Non-healthcare spend

2.1 It is suggested that the ICB delegates to NECS sufficient authority to allow NECS to make low value non-healthcare payments on behalf of the ICB. The proposed areas and levels of payment are as follows:

| <b>Payment Type</b>                                 | <b>Value of delegated authority</b>   |
|---|---|
| Collaborative fees, blue badges, adoption forms etc | NECS can authorise individual payments up to £100.                              |
| Childcare vouchers                                  | NECS can authorise individual payments where the cost to the ICB is up to £100. |
| Any other incidental expenditure                    | NECS can authorise individual payments up to a value of £1,000.                 |