

Item: 10

REPORT CLASSIFICATION	✓	CATEGORY OF PAPER	✓
Official	✓	Proposes specific action	✓
Official: Sensitive Commercial		Provides assurance	
Official: Sensitive Personal		For information only	

BOARD
25 MARCH 2025

Report Title: Updated Governance Handbook and Constitution

Purpose of report

To provide the Board with an updated Governance Handbook and Constitution, including amendments to the Scheme of Reservation and Delegation (SoRD), financial limits document and financial delegation documents.

Key points

This paper proposes some minor changes to the Governance Handbook and SoRD to account for the additional responsibilities in relation to the delegation of specialised commissioning to ICBs.

The paper also proposes some minor amendments to the financial delegation document to clarify those responsibilities that would sit more appropriately with Executive Committee rather than Finance, Performance and Investment Committee (FPIC) and also to the Constitution to clarify the role of parent committees in approving the terms of reference and chair arrangements of subcommittees. The changes are noted below.

Specialised Commissioning

Following the Board's approval of the intention to accept specialised commissioning delegation from April 2025 at its meeting in October 2024, considerable additional due diligence and development work has been undertaken within the ICB to consider how specialised commissioning decision making and operations can integrate effectively within the ICB.

A subcommittee of the Executive Committee is being established to focus on and manage the additional responsibilities specialised commissioning brings. The subcommittee will report to the Executive Committee and escalate decision making on matters outside of its delegated limits as required.

The terms of reference for the specialised commissioning subcommittee are attached at Appendix D for ratification and inclusion within the Governance Handbook.

Minor changes to both SoRD and financial limits documents are required to allow appropriate delegation to the proposed specialised commissioning subcommittee.

Minor amendments to the financial limits document are proposed to allow appropriate financial delegation to the relevant ICB officers within the specialised commissioning subcommittee. It is proposed that the limits for the relevant officers will be able to make decisions up to a £5m approval limit in line with the requirements set out in the financial limits document attached at Appendix B. This is in line with limits agreed for relevant ICB officers within the contracting and primary care subcommittees.

Risks and issues

There is a risk that if the ICB does not reflect the changes needed to its key governance documents to undertake the delegated specialised commissioning function, this will not enable the specialised commissioning subcommittee to carry out its intended role.

Assurances and supporting documentation

Due diligence:

- Specialised services deep dive – NHSE staff have shared comprehensive information on each of the delegated service lines and highlighted any quality and financial risks are part of this. A session was held with ICB staff to discuss any risks by exception to ensure the ICB has a clearer picture of the services that will transfer.
- Safe Delegation Checklist (SDCL) – the checklist is a tool to ensure all relevant aspects have been considered prior to the delegation of specialised commissioning. Relevant subgroups, such as finance, quality and contracting, have progressed joint work across NHSE and the four ICBs to ensure that all areas are understood and plans are being put in place to manage a safe transition.
- Face-to-face workshops – three workshops have been held with attendees from all four ICBs and NHSE. These workshops have enabled more detailed discussions to take place and expedited progress on developing governance arrangements and an operating model.
- Legal advice – ICBs jointly requested legal advice on the implications of the proposed delegation on responsibility and accountability; key issues in relation to the template delegation agreement and commissioning team agreement; and the key risks for the ICBs.
- ICB audit chairs meetings – audit chairs have received two briefing sessions on the delegation risks and proposed mitigations to ensure they are sighted on these and can advise accordingly on any further action required.
- Staffing – discussions have progressed in relation to the transfer of NHSE staff to South Yorkshire ICB. As employees are only able to make decisions on behalf of the organisation they work for, and only being able to access their organisations ledger, a national decision has been made that some staff will have to remain in NHSE to manage the retained services. It is expected that 75% of existing NHSE staff will transfer to South Yorkshire ICB to work on behalf of the four ICBs. The ICBs have received assurances that the staff remaining in NHSE will continue to work on delegated services day-to-day.

Recommendation/action required

The Board is asked to approve the changes and minor amendments to:

- The Scheme of Reservation and Delegation (Appendix A)
- Financial limits document (Appendix B)
- Financial delegations document (Appendix C)
- Approve the minor amendments to the Constitution as described above and agree for the updated Constitution can be published on the ICB's website.
- Note the establishment of a specialised commissioning subcommittee (of the Executive Committee) and receive and ratify the subcommittee terms of reference for inclusion in the Governance Handbook (Appendix D).

Acronyms and abbreviations explained

SDCL - Safe delegation Checklist

SoRD – Scheme of reservation and delegation

FPIC – Finance Performance and Investment Committee

NHSE – NHS England

Sponsor/approving executive director

C Riley, Chief of Corporate Services

Date approved by executive director

18 March 2025

Reviewed by

D Cornell, Director of Corporate Governance and Board Secretary

Report author

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Link to ICP strategy priorities (please tick all that apply)

Longer and Healthier Lives

✓

Fairer Outcomes for All						✓
Better Health and Care Services						✓
Giving Children and Young People the Best Start in Life						✓
Relevant legal/statutory issues						
Roadmap for integrating specialised services within Integrated Care Systems						
Any potential/actual conflicts of interest associated with the paper? (please tick)	Yes		No	✓	N/A	
Equality analysis completed (please tick)	Yes		No		N/A	✓
If there is an expected impact on patient outcomes and/or experience, has a quality impact assessment been undertaken? (please tick)	Yes		No		N/A	✓
Essential considerations (must be completed)						
Financial implications and considerations	Director of Finance (South) has led the finance discussions and due diligence.					
Contracting and Procurement	Chief Contracting and Procurement Officer is the Executive Lead					
Local Delivery Team	N/A					
Digital implications	South Yorkshire ICB as the staffing host is undertaking relevant due diligence. NENC ICB will need to consider how hub staff, undertaking work on the ICB's behalf, can collaborate effectively with core ICB staff. Solutions are available based on previous experience of working with NECS					
Clinical involvement	The Medical Director (North) and the Director of Quality have been part of discussions.					
Health inequalities	There is an opportunity to join up better approaches to reducing health inequalities between ICB and specialised commissioning staff.					
Patient and public involvement	Some public engagement has been carried out by NHSE nationally as part of the development of the overarching delegation policy and methodology. There has not been local public engagement carried out					
Partner and/or other stakeholder engagement	Provider Collaborative have been part of discussions.					
Other resources	N/A					

Updated Governance Handbook and Constitution

1. Introduction

- 1.1. The purpose of this report is to propose some changes to the ICB's Scheme of Reservation and Delegation (SoRD) and financial limits documents to allow appropriate delegation to the proposed specialised commissioning subcommittee following Board's approval of the intention to accept specialised commissioning delegation from NHS England from April 2025.
- 1.2. The paper also sets out some amendments to the financial delegation document within the Governance Handbook in two areas where responsibility would more appropriately sit with Executive Committee rather than Finance, Performance and Investment Committee (FPIC).
- 1.3. The paper also recommends some minor amendments to the Constitution to clarify the role of parent committees in approving the terms of reference and chair arrangements of subcommittees.

2. Specialised Commissioning

- 2.1. A paper was shared with the Board in October 2024 that outlined the proposals for NHS England (NHSE) to delegate specialised commissioning responsibilities to the ICB.
- 2.2. The Board approved the proposals to accept delegation of specialised commissioning. This included approval for the Executive Committee to oversee the final due diligence prior to the Chief Executive formally signing the delegation agreement with NHSE and a Commissioning Team agreement with the Yorkshire ICBs.
- 2.3. A considerable amount of additional due diligence and development work has been undertaken within the ICB to consider how specialised commissioning decision-making and operations can integrate effectively within the ICB.
- 2.4. A subcommittee of the Executive Committee is being established to ensure the required focus from the ICB on the additional responsibilities specialised commissioning brings. In line with other areas of commissioning, it is envisaged that specialised commissioning plans, budgets and contracts are approved at the start of the year via the Executive Committee and Board as appropriate, and then the specialised commissioning subcommittee will monitor in-year delivery and make decisions in line with agreed delegated limits. Reporting to Executive Committee will also be put in place with decision-making on matters outside of the subcommittee delegated limits escalated as required.
- 2.5. The terms of reference for the specialised commissioning subcommittee have been considered by the shadow specialised commissioning subcommittee and were presented to Executive Committee for final approval in March (ahead of delegation go-live from 1 April 2025). The approved subcommittee terms of reference are attached at Appendix D for ratification and inclusion within the Governance Handbook.

The subcommittee will be chaired by the ICB's Chief Procurement and Contracting Officer.

- 2.6. Some changes to the financial limits document are proposed to allow appropriate financial delegation to the relevant ICB officers within the specialised commissioning subcommittee. It is proposed that the relevant ICB officers within the subcommittee will be able to make decisions up to a £5m approval limit in line with the requirements set out in the financial limits document attached at Appendix B. This is in line with limits agreed for the contracting and primary care subcommittees. A copy of the amended financial limits document is attached at Appendix B. Any matters outside of the subcommittee delegated limits will be escalated to Executive Committee (or Board) as required.
- 2.7. To enable consistency across the North East and Yorkshire region, relevant specialised commissioning staff at band 8d level will have approval limits of £100,000 (rather than £75,000 within current ICB financial limits for staff at that level). This will only apply to specialised commissioning staff to be hosted by South Yorkshire ICB and only for relevant specialised commissioning budgets.
- 2.8. The following amendments are also required to the Scheme of Reservation and Delegation (SoRD) to document the delegation to the specialised commissioning subcommittee. The amendments will be included within page 24 of the SoRD as follows:

Reference	Decision	Delegated to a Committee or Sub-Committee (Subject to the Financial Delegations/ Financial Limits)	Supporting Notes
Delegation agreement	<p><u>Specialised Commissioning delegation from NHS England</u></p> <p>Approve decisions on the review, planning and procurement of specialist commissioned services (consistent with the terms of the delegation agreement with NHS England)</p>	<p>✓</p> <p>Executive Committee</p> <p>✓</p> <p>Specialised commissioning subcommittee</p>	<p>In accordance with statutory powers under section 65Z5 of the NHS Act, NHS England has delegated the exercise of the Delegated Functions to the ICB to empower it to commission a range of services for its Population - as described in the agreed Delegation Agreement between the two parties.</p> <p>A list of the Delegated Services can be found here.</p>

- 2.9. Alongside the above amendments, a few other minor amendments have been made to the SoRD to reflect e.g. changes in job titles of responsible officers. The changes are not material and can be seen highlighted within Appendix A.

3. Other Change to the Financial Limits

- 3.1 The financial limits document includes several specific delegated limits which applied to staff in North of England Commissioning Support (NECS) operating on behalf of the ICB. This is appendix 1 to the financial limits document but for clarity is not included with this paper.
- 3.2 Following the agreed transfer of relevant staff and services from NECS to the ICB from 1 April 2025, these specific financial delegations for NECS will no longer be relevant and as a result it is proposed appendix 1 to the financial limits document can be removed.

4. Financial delegation document

- 4.1. Following a review of financial delegations, two areas have been identified where responsibility currently sits with Finance, Performance and Investment Committee (FPIC) as follows:
- Ref 8.1 – approval of any losses and special payments between £50,000 to £300,000
 - Ref 10.2 – approval of any budget virements over £1,000,000 (this will also be amended in the SoRD).
- 4.2 Neither of these are expected to be required on a frequent basis (if at all), but it would be more appropriate for these responsibilities to transfer to Executive Committee given the FPIC does not have an approved delegated limit as a committee.
- 4.3 The updated financial delegations are attached at Appendix C.

5. Constitution update

- 5.1. Minor amendments to the Constitution are proposed to clarify the role of parent committees in approving the terms of reference and chairing arrangements for subcommittees. Clarity has been sort from NHSE who has confirmed that as the amendments proposed are minor in nature, a full application for change to NHSE is not required. Once approved by Board the updated Constitution can be published on the ICB website.
- 5.2. The minor changes are:
- Section 4. Arrangements for the Exercise of Functions:
Page: 38 – 4.6.3 – Change of wording to reflect: *In the event of the establishment of a subcommittee the terms of reference will be approved by the Parent Committee. All terms of reference are published in the Governance Handbook.*
Page: 38 – 4.6.4 (a) – included a word "as required"
 - Appendix 1 – Definitions of terms used in this constitution:
Page: 54 – Committees - to include "Where a committee has established subcommittees, this is known/referred to as a Parent Committee."

- Appendix 2 – Standing Orders:
Page: 58 – 4.2.4 - The Board shall appoint a chair to all committees and subcommittees that it has established (*for subcommittees, Parent Committees will approve the Chair*).

6. Recommendations

- 6.1. Board is asked to approve the minor amendments to:
- The Scheme of Reservation and Delegation (Appendix A)
 - Financial limits document (Appendix B)
 - Financial delegations document (Appendix C)
 - Note the establishment of a specialised commissioning subcommittee (of the Executive Committee) and receive and ratify the subcommittee terms of reference for inclusion in the Governance Handbook (Appendix D).
 - Approve the minor amendments to the Constitution as described above and agree for the updated Constitution to be published on the ICB's website.

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Date: 18 March 2025