

Item: 10.2.1

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

BOARD	
30 JULY 2024	
Report Title:	ICB Financial Delegation and Financial Limits update 2024/25
Purpose of report	
To set out the planned approach to budget delegation arrangements within the ICB for 2024/25, including proposed updates to the agreed financial limits within the ICB.	
Key points	
<p>As part of effective financial management and controls, it is important the ICB has clear budget delegation arrangements in place with identified budget holders who understand their roles and responsibilities. With the implementation of ICB 2.0, it is appropriate to review this and agree a clear position on budget delegation and financial limits.</p> <p>As part of the ICB operating model there is a clear intent to delegate relevant community and primary care services budgets to places via subcommittees.</p> <p>A staged approach to budget delegation arrangements for 2024/25 was agreed by executive committee, with identified budget holders at executive director level agreed at the start of the year. This broadly followed the approach in the previous year, with all community and relevant primary care budgets being delegated at a place/local delivery team (LDT) level.</p> <p>The intention was to then review ICB governance arrangements to facilitate formal delegation down to relevant subcommittees during the year, to support increased delegation to place / LDT level in particular.</p> <p>The Scheme of Reservation and Delegation (SORD) has been reviewed and no changes are currently proposed. The existing SORD already outlines the key areas and decisions which are delegated to relevant sub-committees.</p> <p>Certain changes are proposed to the ICB financial limits attached however, to allow greater delegation and decision making on both place/LDT budgets, together with those managed by contracting and primary care sub-committees.</p> <p>It should be noted that the additional financial controls implemented in 2023/24 remain in place for 2024/25. As a result all discretionary spend over £10k requires approval from either the vacancy</p>	

control and investment oversight panel or executive committee. In practice therefore, the financial limits set out attached apply to non-discretionary spend only.

The key proposed changes to the financial limits are as follows:

Additional financial controls:

- Inclusion of section 2 to outline the additional financial controls which are now in place;

Administrative budgets:

- No changes to the financial limits associated with administrative budgets (running costs), other than updating job titles;

Commissioning (programme) budgets:

- Increase in limits for place/LDT budgets. Previously the limits allowed approval of up to £1m with authorisation from the executive director and relevant director of finance. This has been increased to £5m, with approval of up to £1m with authorisation from the delivery director and director of finance
- Similar limits applied for budgets managed by contracting and primary care sub-committees
- For other budgets, a similar limit is proposed for the ICB Chief Executive and Chief Finance Officer

The proposed changes will facilitate increased delegation (for relevant non-discretionary spend) to relevant sub-committees. The financial limits will continue to apply to individual ICB directors in attendance at sub-committee rather than the sub-committee themselves.

Further review of the ICB governance handbook is planned to consider any additional changes which may be necessary. Updates will be brought back to future meetings.

The proposed changes to financial limits were reviewed by audit committee on 23rd July 2024 and recommended for approval by Board.

Risks and issues

Appropriate governance arrangements need to be in place to ensure any budget delegation is managed effectively, allowing appropriate decisions to be made on a timely basis and without increasing financial risk to the ICB.

Assurances

Robust arrangements are currently in place, with additional financial controls continuing into 2024/25. The proposed updates to financial limits will support appropriate decision making at relevant levels within the ICB, while the additional financial controls in place will support grip and management of potential financial risks.

Recommendation/action required

The Board is asked to:

- Consider and agree the proposed updates to financial limits,
- Note that the ICB governance handbook will continue to be reviewed and relevant updates will be presented to audit committee prior to coming back to Board later in the year

Acronyms and abbreviations explained

N/A

Sponsor/approving executive director	David Chandler, Chief Finance Officer and Claire Riley, Chief Corporate Services Officer					
Date approved by executive director	23/07/24					
Report author	R Henderson, Director of Finance (Corporate)					
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						
Note any relevant Acts, regulations, national guidelines etc						
Any potential/actual conflicts of interest associated with the paper? (please tick)	Yes		No	✓	N/A	
If yes, please specify						
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	
Key implications						
Are additional resources required?	n/a					
Has there been/does there need to be appropriate clinical involvement?	n/a					
Has there been/does there need to be any patient and public involvement?	n/a					
Has there been/does there need to be partner and/or other stakeholder engagement?	Yes, engagement within the ICB					

Version Control

Version	Date	Author	Update comments
1.0	11/07/24	Richard Henderson	First draft
2.0	23/07/24	Richard Henderson	Updated following audit committee
3.0			