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Bristol, North Somerset
and South Gloucestershire
Integrated Care Board

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BNSSG Integrated Care Board

Standing Financial Instructions

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1. Purpose and statutory framework

1.1.1 These Standing Financial Instructions (SFIs) shall have effect as if incorporated into the integrated Care Board's (ICB) constitution and Governance Handbook. In accordance with the National Health Service Act 2006, as amended by the Health and Care Act 2022, the ICB must publish its constitution.

1.1.2 In accordance with the Act as amended, NHS England is mandated to publish guidance for ICBs, to which each ICB must have regard, in order to discharge their duties.

1.1.3 The purpose of this governance document is to ensure that the ICB fulfils its statutory duty to carry out its functions effectively, efficiently, and economically. The SFIs are part of the ICB's control environment for managing the organisation's financial affairs as they are designed to ensure regularity and propriety of financial transactions.

1.1.4 SFIs define the purpose, responsibilities, legal framework and operating environment of the ICB. They enable sound administration, lessen the risk of irregularities and support commissioning and delivery of effective, efficient, and economical services.

1.1.5 The ICB is established under Chapter A3 of Part 2 of the National Health Service Act 2006, as inserted by the Health and Care Act 2022 and has the general function of arranging for the provision of services for the purposes of the health services in England in accordance with the Act.

1.1.6 Each ICB is established by order made by NHS England for an area within England, the order establishing an ICB makes provision for the constitution of the ICB.

1.1.7 All members of the ICB (its Board) and all other officers should be aware of the existence of these documents and be familiar with their detailed provisions. The ICB SFIs will be made available to all officers on the intranet and internet website.

1.1.8 Should any difficulties arise regarding the interpretation or application of any of these SFIs, the advice of the Chief Executive or the Chief Finance Officer must be sought before acting.

1.1.9 Failure to comply with the SFIs may result in disciplinary action in accordance with the ICBs applicable disciplinary policy and procedure in operation at that time.

2. Scope

2.1.1 All officers of the ICB, without exception, are within the scope of the SFIs without limitation. The term officer includes, permanent employees, fixed term contract employees, secondees, agency and contract workers.

2.1.2 Within this document, words imparting any gender include any other gender. Words in the singular include the plural and words in the plural include the singular.

2.1.3 Any reference to an enactment is a reference to that enactment as amended.

2.1.4 Unless a contrary intention is evident, or the context requires otherwise, words or expressions contained in this document, will have the same meaning as set out in the applicable Act.

3. Roles and Responsibilities

3.1 Staff

3.1.1 All ICB officers are severally and collectively, responsible to their respective employer(s) for:

- abiding by all conditions of any delegated authority;
- the security of the statutory organisations property and avoiding all forms of loss;
- ensuring integrity, accuracy, probity, and value for money in the use of resources; and
- conforming to the requirements of these SFIs

3.2 Accountable Officer

3.2.1 The ICB constitution provides for the appointment of the chief executive by the ICB chair. The chief executive is the accountable officer for the ICB and is personally accountable to NHS England for the stewardship of the ICBs allocated resources.

3.2.2 The Chief Finance Officer reports directly to the ICB Chief Executive Officer and is professionally accountable to the NHS England regional finance director.

3.2.3 The chief executive will delegate to the Chief Finance Officer the following responsibilities (see also section 4 – Annual Reporting and accounts) in relation to the ICB:

- preparation and audit of annual accounts;
- adherence to the directions from NHS England in relation to accounts preparation;
- ensuring that the allocated annual revenue and capital resource limits are not exceeded, jointly with system partners;
- ensuring that there is an effective financial control framework in place to support accurate financial reporting, safeguard assets and minimise risk of financial loss;
- meeting statutory requirements relating to taxation;

- ensuring that there are suitable financial systems in place (see Section 5 – Financial Systems and Processes)
- meets the financial targets set for it by NHS England;
- use of incidental powers such as management of ICB assets, entering commercial agreements;
- the Governance statement and annual accounts & reports are signed;
- developing the funding strategy for the ICB to support the Board in achieving ICB objectives, including consideration of place-based budgets;
- planned budgets are approved by the relevant Board;
- making use of benchmarking to make sure that funds are deployed as effectively as possible;
- executive members (partner members and non-executive members) and other officers are notified of and understand their responsibilities within the SFIs;
- specific responsibilities and delegation of authority to specific job titles are confirmed;
- financial leadership and financial performance of the ICB;
- identification of key financial risks and issues relating to robust financial performance and leadership and working with relevant providers and partners to enable solutions; and
- the Chief Finance Officer will support a strong culture of public accountability, probity, and governance, ensuring that appropriate and compliant structures, systems, and process are in place to minimise risk.

3.3 Audit and risk assurance committee

3.3.1 The Board and accountable officer should be supported by an Audit and Risk committee, which should provide proactive support to the Board in advising on:

- the management of key risks
- the strategic processes for risk;
- the operation of internal controls;
- control and governance and the governance statement;
- the accounting policies, the accounts, and the annual report of the ICB;

- the process for reviewing of the accounts prior to submission for audit, management's letter of representation to the external auditors; and the planned activity and results of both internal and external audit.

3.3.2 In accordance with ICB Constitution the ICB Board shall formally establish an Audit and Risk Committee, with clearly defined terms of reference and following guidance from the NHS Audit Committee Handbook to perform the following tasks:

a. ensuring there is an effective internal audit function established by management, that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the Audit and Risk Committee, Chief Executive Officer and ICB Board;

b. reviewing the work and findings of the External Auditor appointed by the ICB and considering the implications of and management's responses to their work;

c. to assure itself that the ICB has adequate arrangements in place for counter fraud, bribery and corruption (including cyber security) that meet NHS Counter Fraud Authority's (NHSCFA) standards and shall review the outcomes of work in these areas.

d. reviewing the findings of other significant assurance functions, both internal and external to the organisation, and considering the implications for the governance of the organisation;

e. ensuring that the systems for financial reporting to the ICB Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the ICB Board;

f. reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;

g. reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives;

h. monitoring compliance with ICB Constitution, Standing Financial Instructions and Prime Financial Policies;

i. reviewing schedules of losses and compensations and making recommendations to the ICB Board;

j. reviewing schedules of assets and liabilities;

k. reviewing the annual report and annual financial statements prior to submission to the ICB Board focusing particularly on:

- the wording in the Annual Governance Statement and other disclosures relevant to the Terms of Reference of the Committee;
- changes in, and compliance with, accounting policies and practices;
- unadjusted mis-statements in the financial statements;
- major judgmental areas;
- significant adjustments resulting from audit.

l. reviewing the annual financial statements and recommend their approval to the ICB Board;

m. reviewing the External Auditors' report on the financial statements and the annual management letter;

n. conducting a review of the ICB's major accounting policies;

o. reviewing any incident of fraud or corruption or possible breach of ethical standards or legal or statutory requirements that could have a significant impact on the ICB's published financial accounts or reputation;

p. reviewing any objectives and effectiveness of the internal audit services including its working relationship with External Auditors;

q. reviewing major findings from internal and External Audit reports and ensure appropriate action is taken;

r. reviewing 'value for money' audits reporting on the effectiveness and efficiency of the selected departments or activities;

s. reviewing the mechanisms and levels of authority (e.g. ICB Constitution, Standing Financial Instructions, Delegated limits) and make recommendations to the ICB Board;

t. reviewing the scope of both internal and External Audit including the agreement on the number of audits per year for approval by the ICB delegated Board;

u. investigating any matter within its terms of reference, having the right of access to any information relating to the particular matter under investigation;

v. reviewing waivers to ICB Constitution and its procurement activities;

w. reviewing hospitality and sponsorship registers;

x. reviewing the information prepared to support the Annual Governance Statement prepared on behalf of the ICB Board and advising the ICB Board accordingly;

y. establish an auditor panel as a sub group of the Audit and Risk Committee to ensure the contract arrangements, including the procurement and selection, with the External Auditors is appropriate

3.3.3 The minutes of the Audit and Risk Committee meetings shall be formally recorded by the ICB Corporate Services and Operations team and submitted to the ICB Board. The Chair of the Committee shall draw to the attention of the ICB Board any issues that require disclosure to the full ICB Board, or require executive action. The Committee will report to the ICB Board annually on its work in support of the Annual Governance Statement, specifically commenting on the fitness for purpose of the Assurance Framework, the completeness and embeddedness of risk management in the organisation and the integration of governance arrangements.

3.3.4 Where the Audit and Risk Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chairman of the Audit and Risk Committee should raise the matter at a full meeting of the ICB Board. Exceptionally, the matter may need to be referred on to NHS England and/or the Department of Health and Social Care.

3.4 Finance, Estates and Digital committee

3.4.1 The Finance, Estates and Digital Committee is accountable to the ICB Board. The ICB Board shall approve and keep under review the terms of reference for the Finance, Estates and Digital Committee, including information on the membership of the Finance, Estates and Digital Committee. The chair of the Finance, Estates and Digital Committee will be an Independent Non-Executive Member.

3.4.2 The minutes of the FED committee meetings shall be formally recorded and submitted to the ICB Board under the direction of the CFO. The Chair of the Committee shall draw to the attention of the ICB Board any issues that require disclosure to the full ICB Board or require executive action.

3.4.3 The Finance, Estates and Digital Committee shall support the ICB Board through its purpose;

- To contribute to the overall delivery of the ICB objectives by providing oversight and assurance to the Board in the development and delivery of a robust, viable and sustainable system financial strategy and operational plan. This includes:
    - financial performance of the ICB
    - financial performance of NHS organisations within the ICB footprint
- Providing financial advice to the Integrated Care System Partnership Board to enable the development of a financially sustainable Strategy

- Develop financial strategy and plan for the ICB with due regard for the Strategy of the Integrated Care System Partnership Board and associated Health & Wellbeing Boards

3.4.4 The ICB Board has delegated authority to the Finance Estates and Digital Committee as described in the Reservation and Delegation Scheme:

- Strategy and Planning
  - Recommend annual, medium-term and Long-Term financial plans to the ICB Board.
  - Recommend the approach for resource allocation to the ICB Board
- Regulation and Control
  - Prepare Standing Financial Instructions (SFIs)
  - Oversight of procurement exercises in line with section 8.2 and make recommendations to the ICB Board

4. Annual reporting and accounts

4.1 Reporting

4.1.1 The Chief Executive Officer, on behalf of the Board will ensure the ICB, in each financial year, prepares a report on how it has discharged its functions in the previous financial year.

4.1.2 An annual report must, in particular, explain how the ICB has:

- discharged its duties in relating to improving quality of services, reducing inequalities, the triple aim and public involvement;
- review the extent to which the Board has exercised its functions in accordance with its published 5 year forward plan and capital resource use plan; and
- review any steps that the Board has taken to implement any joint local health and wellbeing strategy.

4.1.3 The Chief Finance Officer will ensure, on behalf of the Accountable Officer and ICB Board, that the ICB is in a position to produce its required monthly reporting, annual report, and accounts.

4.1.4 NHS England will give annual directions to the ICB as to the form and content of an annual report.

4.1.5 The ICB must give a copy of its annual report to NHS England by the date specified by NHS England in a direction and publish the report.

4.2 Internal audit

The Chief Executive, as the accountable officer, is responsible for ensuring there is appropriate internal audit provision in the ICB. For operational purposes, this responsibility is delegated to the Chief Finance Officer to ensure that:

- all internal audit services provided under arrangements proposed by the Chief Finance Officer are approved by the Audit and Risk Committee, on behalf of the ICB Board;
- the ICB must have an internal audit charter (as set out in the Internal Audit plan). The internal audit charter must be prepared in accordance with the Public Sector Internal Audit Standards (PSIAS);

- the ICB internal audit charter and annual audit plan, must be endorsed by the ICB Accountable Officer, Audit and Risk Committee and Board;
- the head of internal audit must provide an annual opinion on the overall adequacy and effectiveness of the ICB Board's framework of governance, risk management and internal control as they operated during the year, based on a systematic review and evaluation;
- the head of internal audit should attend Audit and Risk Committee meetings and have a right of access to all audit and risk assurance committee members, the Chair and chief executive of the ICB.
- the appropriate and effective financial control arrangements are in place for the ICB and that accepted internal and external audit recommendations are actioned in a timely manner.

4.3 External audit

The Chief Finance Officer is responsible for:

- liaising with external audit colleagues to ensure timely delivery of financial statements for audit and publication in accordance with statutory, regulatory requirements;
- ensuring that the ICB appoints an auditor in accordance with the Local Audit and Accountability Act 2014; in particular, the ICB must appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding financial year; the ICB must appoint a local auditor at least once every 5 years and
- ensuring that the appropriate and effective financial control arrangements are in place for the ICB and that accepted external audit recommendations are actioned in a timely manner.

5. Financial systems and processes

5.1 Provision of finance systems

5.1.1 To be read in conjunction with section 16 – Digital.

5.1.2 The Chief Finance Officer is responsible for ensuring systems and processes are designed and maintained for the recording and verification of finance transactions such as payments and receivables for the ICB.

5.1.3 The systems and processes will ensure, that payment for goods and services is made in accordance with the provisions of these SFIs, related procurement guidance and prompt payment practice.

5.1.4 The required accounting system for use by ICBs is the Integrated Single Financial Environment ("ISFE").

5.1.5 Access will be granted to ICB employees to enable users to perform core accounting functions such as to transacting and coding of expenditure/income in fulfilment of their roles.

5.1.6 The Chief Finance Officer will, in relation to financial systems:

- promote awareness and understanding of financial systems, value for money and commercial issues;
- ensure that transacting is carried out efficiently in line with current best practice
- ensure that the ICB meets the required financial and governance reporting requirements as a statutory body by the effective use of finance systems;
- enable the prevention and the detection of inaccuracies and fraud, and the reconstitution of any lost records;
- ensure that the financial transactions of the authority are recorded as soon as, and as accurately as, reasonably practicable;
- ensure publication and implementation of all ICB business rules and ensure that the finance team is appropriately resourced to deliver all statutory functions of the ICB;
- ensure that risk is appropriately managed;

- ensure identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers;
- ensure the ICB has suitable financial and other software to enable it to comply with these policies and any consolidation requirements of the ICB;
- ensure that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes; and
- where another health organisation or any other agency provides a computer service for financial applications, the Chief Finance Officer shall periodically seek assurances that adequate controls are in operation.

6. Planning, Budgets and Budgetary Control

6.1 Planning

6.1.1 Prior to the start of the financial year the Chief Finance Officer, on behalf of the accountable officer, will prepare an Annual Plan for approval by the ICB Board and NHSE.

6.1.2 The annual plan will be developed in line with the ICS's Medium Term plan and the NHS Long term plan objectives and will:

a. be in accordance with the aims and objectives set out in the ICB's strategy;

b. ensure the achievement of the ICB statutory duty to breakeven, within the ICS's duty to breakeven

c. accord with workload and manpower plans;

d. be prepared within the limits of available funds;

e. identify potential risks

6.1.3 The approved annual plan will be the basis for setting the detailed budget plan and delegated budgets to approved budget holders.

6.1.4 The Chief Finance Officer will ensure that financial performance is monitored against budget and plan and communicated to appropriate Boards and Committees

6.1.5 All budget holders must provide information as required by the Chief Finance Officer to enable budgets to be compiled.

6.2 Budgetary control and reporting

6.2.1 The Chief Finance Officer is

- responsible for maintaining policies and processes relating to the control, management and use of resources across the ICB.
- will delegate the budgetary control responsibilities to budget holders through a formal documented process.

6.2.2 The Chief Finance Officer will ensure:

- the promotion of compliance to the SFIs through a financial governance framework;
- the promotion of long term financial heath for the NHS system (including ICS);
- budget holders are accountable for obtaining the necessary approvals and oversight of all expenditure incurred on the cost centres and subjective code combinations they are responsible for;
- the improvement of financial literacy of budget holders with the appropriate level of expertise and systems training;
- that the budget holders are supported in proportion to the operational risk; and
- the implementation of financial and resources plans that support the NHS Long term plan objectives.

6.2.3 In addition, the Chief Finance Officer should have financial leadership responsibility for the following statutory duties:

- that of the ICB, in conjunction with its partner NHS trusts and NHS foundation trusts, to exercise its functions with a view to ensuring that, in respect of each financial year;
    - local capital resource use does not exceed the limit specified in a direction by NHS England;
    - local revenue resource use does not exceed the limit specified in a direction by NHS England;
- the duty of the ICB to perform its functions as to secure that its expenditure does not exceed the aggregate of its allotment from NHS England and its other income; and
- the duty of the ICB, in conjunction with its partner trusts, to seek to achieve any joint financial objectives set by NHS England for the ICB and its partner trusts.

6.2.4 The Chief Finance Officer and other Chief Officers should also promote a culture where budget holders and decision makers consult their heads of finance in key strategic decisions that carry a financial impact.

6.3 Budget holder responsibilities

6.3.1 Each Budget Holder is responsible for ensuring that:

a. they sign off their budget, as approved through the approved annual plan, at the start of the year and provide accurate forecasts of out-turn during the course of the year;

b. the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised, subject to the rules of virement;

c. no permanent employees are appointed without the approval of the Chief Executive Officer other than those provided for within the available resources and manpower establishment as approved by the Board;

d. any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the following delegated officers within the % of budget set up below;

   a. Head of Finance < 1%

   b. Deputy Chief Finance Officer >1% and <2%

   c. Chief Finance Officer >2% and >5%

   d. CFO and CEO >5%.
   To be escalated to Board on a case by case basis, following oversight by FED and also other Board committees with specific responsibility for the assurance of the service being commissioned.

e. Full variance analysis from budgeted plan and corrective actions must be provided;

f. they participate in finance training to develop the skills and knowledge necessary to discharge their financial management duties;

g. they use the ICB's finance systems as required;

h. where matters of financial control risk are identified, they are communicated to the ICB finance team as a matter of urgency;

i. they are accountable for their budgets and financial performance, even where contracts are negotiated on behalf of the ICB by another institution;

j. they take responsibility for ensuring that new members of staff are paid the correct salary and for making sure that final payments to and from employees are correct;

k. ensuring that the prices paid for goods are correct, represent value for money, that procedures are followed to prevent fraud and that all invoices

are appropriately authorised and that the goods and services received are correct;

l. aware of the ICB's medium term plan and the impact of in year commitments on future years' planning assumptions.

m. they are available to work with the auditors and respond to questions or recommendations

6.3.2 The Executive Team is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Annual Plan and a balanced budget.

6.4 Virement

6.4.1 Virements cover all budget transfers carried out in the financial year apart from those enacting the Annual Plan

6.4.2 Delegated limits for virement are

a. NHS England for the whole ICB unlimited value: this includes all allocation changes consequent budget changes and any change required to meet Integrated Single Financial Environment (ISFE) reporting requirements;

b. Board for the whole ICB unlimited value: this includes Annual Operating Plan and any business cases/proposals agreed by the Board;

c. >£500k and <£1m Chief Executive Officer and Chief Finance Officer; includes any committee that approves expenditure where the Chief Executive Officer or Chief Finance Officer or their appointed nominee is present;

d. >£250k and <£500k Chief Finance Officer includes any committee that approves expenditure where the Chief Finance Officer or their appointed nominee is present;

e. >£25k and <£250k Chief Officer for their directorate~~;~~

f. >£10k and <£25k Assistant Chief Officer r for their directorate~~;~~

g. <£10k Budget Holder for their service.

6.4.3 Approval in line with the delegated limits will be evidenced through the budget virement form signed by those with delegated authority (as per 6.4.2) or meeting minutes. Evidence of NHS England directed changes will be in the form of allocation reconciliation, email directing the change or guidance published by NHSE.

6.4.4 All budget journals will be supported by the approvals noted in 6.4.3 and processed and signed by an authorised member of the management account team.

6.4.5 The finance team will make the following technical adjustments as they become necessary:

a. Contract value adjustments

b. Corrections

c. Phasing

d. Reallocation of unused budgets back to reserves

6.5 Reserves

6.5.1 Reserves cover all expenditure budgets not currently allocated to a budget holder and are held centrally.

6.6 Capital expenditure

6.6.1 The general rules applying to delegation and reporting shall also apply to capital expenditure.

6.7 Monitoring returns

6.7.1 The Chief Finance Officer is responsible for ensuring that the appropriate monitoring forms are submitted to the ICB's designated external regulators.

7. Income, banking arrangements and debt recovery

7.1 Income

7.1.1 An ICB has power to do anything specified in section 7(2)(a), (b) and (e) to (h) of the Health and Medicines Act 1988 for the purpose of making additional income available for improving the health service.

7.1.2 The Chief Finance Officer is responsible for:

- ensuring order to bank practices are designed and operated to support, efficient, accurate and timely invoicing and receipting of cash. The processes and procedures should be standardised and consistent across the NHS system by working with the Shared Services provider; and
- ensuring the debt management procedures reflects the debt management objectives of the ICB and the prevailing risks;

7.1.3 The ICB shall follow the Department of Health and Social Care costing manual in setting prices for NHS service agreements

7.1.4 The Chief Finance Officer is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health and Social Care or by Statute. Independent professional advice on matters of valuation shall be taken as necessary.

7.1.5 All employees must inform the management accounts team promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

7.2 Banking

7.2.1 The CFO is responsible for ensuring the ICB complies with any directions issued by the Secretary of State with regards to the use of specified banking facilities for any specified purposes.

7.2.2 The CFO is responsible for ensuring the ICB complies with any directions

7.2.3 The Chief Finance Officer will ensure that:

- the ICB holds the minimum number of bank accounts required to run the organisation effectively. These should be raised through the government banking services contract; and
- the ICB has effective cash management policies and procedures in place.

7.3 Debt management

7.3.1 The Chief Finance Officer is responsible for the ICB debt management policies and procedures.

7.3.2 This includes:

- debt management policies and procedures that covers end-to-end debt management from debt creation to collection or write-off in accordance with the losses and special payment procedures;
- ensuring the debt management policies and procedures covers a minimum period of 3 years and must be reviewed and endorsed by the ICB Board every 12 months to ensure relevance and provide assurance;
- accountability to the ICB Board that debt is being managed effectively;
- accountabilities and responsibilities are defined with regards to debt management to budget holders; and
- responsibility to appoint a senior officer responsible (Head of Financial Services) for day-to-day management of debt.

7.4 Security of cash

7.4.1 The Chief Finance Officer is responsible for:

a. approving the means of officially acknowledging or recording monies received or receivable;

b. the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines;

c. prescribing systems and procedures for handling cash and negotiable securities on behalf of the ICB.

7.4.2 Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.

7.4.3 Any cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Chief Finance Officer.

7.4.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the ICB is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the ICB from responsibility for any loss.

8. Procurement and purchasing

8.1 Principles

8.1.1 The Chief Finance Officer will take a lead role on behalf of the ICB to ensure that there are appropriate and effective financial, contracting, monitoring and performance arrangements in place to ensure the delivery of effective health services.

8.1.2 The ICB must ensure that procurement activity is in accordance with the legislation and regulation as described in the ICB's procurement policies for healthcare and goods and services and associated statutory requirements whilst securing value for money and sustainability. The procurement policy can be found on the ICB website and the Hub.

8.1.3 The ICB must consider, as appropriate, any applicable NHS England guidance that does not conflict with the above.

8.1.4 All revenue and non-pay expenditure must be approved, in accordance with the ICB business case policy, prior to an agreement being made with a third party that enters a commitment to future expenditure.

8.1.5 All officers must ensure that any conflicts of interest are identified, declared and appropriately mitigated or resolved in accordance with the ICB standards of business conduct policy.

8.1.6 Budget holders are accountable for obtaining the necessary approvals and oversight of all expenditure incurred on the cost centres and subjective code combinations they are responsible for. This includes obtaining the necessary internal and external approvals which vary based on the type of spend, prior to procuring the goods, services or works.

8.1.7 The ICB shall undertake any contract variations or extensions in accordance with PCR 2015 and the ICB procurement policy.

8.1.8 Retrospective expenditure approval should not be permitted. Any such retrospective breaches require approval from any committee responsible for approvals before the liability is settled. Such breaches must be reported to the Audit and Risk committee.

8.1.9 The ICB will consider obtaining expert support as appropriate to ensure compliance when engaging in tendering procedures

8.2 Authorisation to procure

8.2.1 Providing all the conditions and circumstances set out in these Standing Financial Instructions and the procurement policy have been fully complied with thresholds for the formal authorisation to procure for tenders and competitive quotations or commission pilot schemes are based on the type of procurement:

- Commissioning of Health Care Services (8.2.5)
- Commissioning of packages of care (8.2.6)
- Non-health care procurements - running costs (8.2.7)
- Non- health care procurements – excluding running costs (8.2.8)

8.2.2 The contract life cycle value excludes VAT. For commissioning of packages of care the procurement value represents the annual cost of the package.

8.2.3 Officers with delegated responsibility include their delegated deputies.

Commissioning of Health Care Services

8.2.4 To be read in conjunction with section 8.15 - Healthcare Service Agreements and the procurement policy.

8.2.5 The formal authorisation to procure is delegated as follows:

- £100k — Designated budget holder
- >£100k and <£1m — Lead Chief Officer
- >£1m and <£5m — Chief Finance Officer **or** Chief Executive Officer
- >£5m — ICB Board following oversight by FED and other Board committees with a specific responsibility for the service being contracted.

Commissioning of packages of care

8.2.6 The Chief Nursing Officer will develop a commissioning policy for individual funded care packages. The formal authorisation to procure is delegated as follows (values represent annual costs of packages of care) and will follow an escalation process:

- £130k — Designated budget holder *(level 1 and 2 of policy)*
- >£130k and <£260k — As above plus Complex Care panel (level 3)

- >£260k and <£520k As above plus High cost panel *(level 4)*
- >£520k and <£750k As above plus Chief Nursing Officer *(level 5)*
- £750k and <£1m As above plus Chief Finance Officer **<u>or</u>** Chief Executive Officer
- >£1m Specially convened panel including Chief Nursing Officer, Chief Finance Officer, Chief Executive and a Non Executive member *(level 5)*

8.2.7 Care packages must be reviewed on an annual basis and subject to the same authorisation process.

<u>Non-healthcare procurement – running costs</u>

8.2.8 The formal authorisation to procure is delegated as follows:

- <£50k Designated budget holder
- >£50k and <£500k Lead Chief Officer
- >£500k and <£1m Chief Finance Officer **<u>or</u>** Chief Executive Officer
- >£1m ICB Board following oversight by FED and other Board committees with a specific responsibility for the service being contracted.

<u>Non-healthcare procurement – excluding running costs</u>

8.2.9 The formal authorisation to procure is delegated as follows:

- <£100k Designated budget holder
- >£100k and <£1m Lead Chief Officer
- >£1m and <£5m Chief Finance Officer **<u>or</u>** Chief Executive Officer
- >£5m ICB Board following oversight by FED and other Board committees with a specific responsibility for the service being contracted.

8.3 Route to procurement

8.3.1 The ICB procurement policies (Healthcare and Goods and Services) will set out the route to procurement in line with current legislation and regulations. The delivery of all healthcare and goods and services, including transformation and pilot schemes, will be contracted through the following routes;

- Quotations: Competitive and non-competitive (8.4)
- Competitive tendering (8.5)
- By exception, waiving of quotations and competitive tendering (8.6)

8.4 Quotations: Competitive and non-competitive

8.4.1 Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed £5k but not exceed £50k over the lifetime of the contract.

8.4.2 Competitive Quotations

a. Quotations should be obtained from at least 3 firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the ICB;

b. Quotations should be in writing

c. All quotations should be treated as confidential and should be retained for inspection.

d. Those with delegated authority should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation for a payment made by the ICB, or the highest for a payment received by the ICB, then the choice made and the reasons why should be recorded in a permanent record.

8.4.3 No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the ICB (8.2) and which is not in accordance with Standing Financial Instructions except with the authorisation of either the Chief Executive Officer or Chief Finance Officer

8.4.4 Non-Competitive Quotations

Non-competitive quotations in writing may be obtained in the following circumstances:

a. the supply of proprietary or other goods of a special character and the rendering of services of a special character, for which it is not, in the opinion of the Responsible Officer, possible or desirable to obtain competitive quotations;

b. the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts;

c. where the goods or services are for building and engineering maintenance the responsible works manager must certify that the first two conditions of this SFI- apply

8.4.5 Where three quotes cannot be obtained or non-competitive quotations applied a Single Tender Waiver document must be completed following the process as set out in section 8.6.

8.5 Competitive tendering

8.5.1 Non-healthcare related services

The ICB shall ensure that competitive tenders are invited for non-healthcare related contracts where the intended expenditure or income exceeds, or is reasonably expected to exceed £50k over the lifetime of the contract, including:

- the supply of goods, materials and manufactured articles;
- services including all forms of management consultancy services (other than specialised services sought from or provided by the Department of Health and Social Care)
- the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); for disposals

8.5.2 Health Care Services

To be read in conjunction with section 8.15 - Healthcare Service Agreements and the latest version of the Procurement Policy.

8.5.3 Where the ICB elects to invite tenders for the supply of healthcare services the ICB Constitution and these Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure.

8.5.4 Exceptions and instances where formal tendering need not be applied

Formal tendering procedures need not be applied (see section 8.6) where:

a. the estimated expenditure or income does not, or is not reasonably expected to, exceed £50k (contract life cycle); or

b. where the supply is proposed under special arrangements negotiated by the Department of Health and Social Care in which event the said special arrangements must be complied with;

c. regarding disposals as set out in Standing Financial Instructions No. 8.6.

8.5.5 Where competitive tendering has not been applied or exceptions taken a Single Tender Waiver document must be completed following the process as set out in section 8.6.

8.6 Waiving of tendering procedures

8.6.1 Formal tendering procedures may be waived in the following circumstances:

a. in very exceptional circumstances where the Chief Executive Officer decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures;

b. where the requirement is covered by an existing contract;

c. where the Cabinet Office framework agreements are in place and have been approved by the ICB Board;

d. where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;

e. where the timescale genuinely precludes competitive tendering, but failure to plan the work properly would not be regarded as a justification for a single tender;

f. where specialist expertise is required and is available from only one source;

g. when the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;

h. there is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;

i. for the provision of legal advice and services providing that any legal firm or partnership commissioned by the ICB is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned.

j. where allowed and provided for in the Capital Investment Manual.

8.6.2 The waiving of competitive tendering procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

8.6.3 Where it is decided that competitive tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented and recorded in an appropriate ICB record and reported to the Audit, and Risk Committee at each meeting.

8.6.4 Fair and Adequate Competition. Where the exceptions set out in 8.5.4 apply, the ICB shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, and in no case less than three firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.

8.6.5 List of approved firms. The ICB shall ensure that the firms/individuals invited to tender (and where appropriate, quote) are among those on appropriate frameworks or that are otherwise confirmed as qualified. Where in the opinion of the Chief Finance Officer it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the Chief Executive Officer.

8.6.6 Items which subsequently breach thresholds after original approval. Items estimated to be below the limits set in these SFIs for which formal tendering procedures are not used which subsequently prove to have a value above such limits shall be reported to the Chief Executive Officer, and be recorded in an appropriate ICB record.

8.6.7 Where tendering procedures have been waived a single tender waiver form needs to be completed (available from the Corporate and Operations team) and signed as noted below and attached to the requisition, before being reported to the Audit and Risk Committee.

- >£5k and <£100k Lead Chief Officer
- >£100k and <£1m As above plus Chief Finance Officer
- >£1m As above plus Chief Executive Officer
- >£5m As above plus ICB Board

8.7 Disposals (cross reference to SFI 14.2)

8.7.1 Where competitive tendering or quotation procedures shall not apply to the disposal of:

a. any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive Officer or their nominated officer;

b. obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the ICB;

c. items to be disposed of with an estimated sale value of less than £1,000.

d. items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;

e. land or buildings concerning which Department of Health and Social Care guidance has been issued but subject to compliance with such guidance.

8.8 Personnel, agency, or temporary staff contracts

8.8.1 The Chief Executive Officer shall ensure compliance with instructions issued by Department of Health and Social Care and NHS England. The Chief Executive Officer shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts and put in place any necessary arrangements in relation to vacancy control before recruitment and to manage risks associated with organisational change. .

8.8.2 Where a role is as a ICB Board Member or senior official, these must be in line with the 2012 HMT Review of Tax Arrangements for Public Sector Appointees, the HMT guidance “Managing Public Money” instructions from the Department of Health and Social Care for the reimbursement of ICB Board members and senior officials, and the ICB Constitution.

8.8.3 Board appointments will be made in accordance with the Fit and Proper Person (FPP) test requirements.

8.9 Authorisation of contracts

8.9.1 Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with the formal authorisation and awarding of a contract is delegated to the following staff within +/- 10 percent of the authorised tender value as follows (contract life cycle inc. VAT):

- <£100k — Designated Budget Holders
- >£100k and <£1m — Lead Chief Officer
- >£1m and <£5m — Chief Executive Officer or Chief Finance Officer
- >£5m — ICB Board

8.9.2 All tenders that will be, or are forecast to be, greater than, the authorised tender value by +/- 10 percent or exceed the designated budget holder shall be escalated to the next level.

8.10 Signing of contracts

8.10.1 Providing all the conditions and circumstances set out in these Standing Financial Instructions, including the authorisation and awarding of contracts in section 8.8, have been fully complied with the formal signing of a contract is delegated as follows:

Value	Delegated to
• <£100k	Designated budget holders
• >£100k and <£1m	Lead Chief Officer
• >£1m and <£500m	Chief Executive Officer **or** the Chief Finance Officer. Formal authorisation must be put in writing.
• >£500m	Chief Executive Officer **and** Chief Finance Officer

8.10.2 All signed contracts must be recorded in the ICB’s contracts register in line with the contracts standard operating procedure.

8.11 Contract variations

8.11.1 All contract variations and all supporting documents including the contract signing assurance form must be signed by the delegated officer roles who signed the original contract.

8.12 Compliance requirements for all contracts

8.12.1 The Board and delegated officers may only enter into contracts on behalf of the ICB within the statutory powers delegated to it by the Secretary of State and shall comply with:

a. the ICB's Constitution and Standing Financial Instructions;

b. Directives and other statutory provisions, so long as they continue to apply as a matter of law;

c. such of the NHS Standard Contract Conditions, section 75 agreements, General Medical Services and Alternative Primary Medical Services as are applicable;

d. Care Quality Commission guidance;

e. contracts with Foundation Trusts must be in a form compliant with appropriate NHS guidance;

f. where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited;

g. in all contracts made by the ICB, the Board shall endeavour to obtain best value for money by use of all systems in place. The Chief Executive Officer shall nominate an officer who shall oversee and manage each contract on behalf of the ICB.

8.13 Healthcare Service Agreements (cross reference with SFI 8.2.4 and 8.5.2)

8.13.1 Service agreements with NHS providers for the supply of healthcare services shall be drawn up in accordance with current legislation and guidance and administered by the ICB. Service agreements are not contracts in law and are not enforceable by the courts. However, a contract with a Foundation Trust, being a Performance Based Contracts, is a legal document and is enforceable in law.

8.13.2 The Chief Executive Officer shall nominate officers to commission service agreements with providers of healthcare in line with a commissioning plan approved by the Board.

9. Contracting/Tendering Procedure

9.1 Invitation to tender

9.1.1 Invitation to tender should be undertaken in conjunction with the SCW procurement team and the relevant legislation, as referenced in section 8.1.

9.1.2 Where e-tendering is not used, all invitations to tender shall state the date and time as being the latest time for the receipt of tenders.

9.1.3 All invitations to tender shall state that no tender will be accepted unless

- submitted in a plain sealed package or envelope bearing a pre-printed label supplied by the ICB (or the word "tender" followed by the subject to which it related) and by the latest date and time for the receipt of such tender addressed to the Chief Executive Officer or nominated manager;

- that tender envelopes/ packages shall not bear any names or marks indicating the sender. The use of courier/postal services must not identify the sender on the envelope or on any receipt so required by the deliverer;

9.1.4 Where an e-tendering software package is used the supplier’s response will be completed on-line and uploaded to a secure mailbox until the opening time.

9.1.5 Every tender for goods, materials, services or disposals shall embody such elements of the NHS Standard Contract Conditions as are applicable. This will also include services procured collaboratively with local authorities and other partners. Recognising services may be contracted under a local authorities contract.

9.1.6 Every tender must have given, or give a written undertaking, not to engage in collusive tendering or other restrictive practices.

9.2 Receipt and safe custody of tenders

9.2.1 The Chief Executive Officer or their nominated representative will be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening.

9.2.2 The date and time of receipt of each tender shall be endorsed on the tender envelope/package.

9.2.3 An audit log within the e-tendering system will record the date and time the offer documents are received.

9.3 Opening tenders and register of tenders

9.3.1 Where e-tendering is not used:

a. As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened by two senior officers/managers designated by the Chief Executive Officer and not from the originating department.

b. The originating department will be taken to mean the department sponsoring or commissioning the tender.

c. A member of the ICB Board will be required to be one of the two approved persons present for the opening of tenders estimated above £500k (contract life cycle). The rules relating to the opening of tenders will need to be read in conjunction with any delegated authority set out in the ICB's Scheme of Delegation.

d. The involvement of finance staff in the preparation of a tender proposal will not preclude the Chief Finance Officer or any approved senior manager from the finance team from serving as one of the two senior managers to open tenders.

e. The Executive team will be authorised to open tenders regardless of whether they are from the originating department provided that the other authorised person opening the tenders with them is not from the originating department.

f. The ICB's Company Secretary or equivalent role will count as a Director for the purposes of opening tenders.

g. Every tender received shall be marked with the date of opening and initialled by those present at the opening. Where an electronic tendering package is used the details of the persons opening the documents will be recorded in the audit trail together with the date and time of the document opening.

h. A register shall be maintained by the Chief Executive Officer, or a person authorised by them, to show for each set of competitive tender invitations dispatched:

- the name of all firms or individuals invited;
- the names of firms or individuals from which tenders have been received;
- the date the tenders were received and opened;
- the persons present at the opening;
- the price shown on each tender;

- a note where price alterations have been made on the tender and suitably initialled.

Each entry to this register shall be signed by those present. A note shall be made in the register if any one tender price has had so many alterations that it cannot be easily read or understood.

i. Incomplete tenders, i.e., those from which information necessary for the adjudication of the tender is missing, and amended tenders i.e., those amended by the tenderer upon their own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders (SFI No. 9.5 below).

9.4 Admissibility

9.4.1 If for any reason the designated officers are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) no contract shall be awarded without the approval of the Chief Executive Officer.

9.4.2 Where only one tender is sought and/or received, the Chief Executive Officer and Chief Finance Officer shall, as far practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the ICB.

9.5 Late tenders

9.5.1 Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Chief Executive Officer or nominated officer decides that there are exceptional circumstances i.e. dispatched in good time but delayed through no fault of the tenderer.

9.5.2 Only in the most exceptional circumstances will a tender be considered which is received after the opening of the other tenders and only then if the tenders that have been duly opened have not left the custody of the Chief Executive Officer or their nominated officer or if the process of evaluation and adjudication has not started.

9.5.3 While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall be kept strictly confidential, recorded, and held in safe custody by the Chief Executive Officer or their nominated officer.

9.5.4 Accepted late tenders will be reported to the Board.

9.6 Acceptance of formal tenders

9.6.1 Any discussions with a tenderer which are deemed necessary to clarify technical aspects of their tender before the award of a contract will not disqualify the tender.

9.6.2 The most economical advantageous tender, if payment is to be made by the ICB, or the highest, if payment is to be received by the ICB, shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in either the contract file, or other appropriate record. It is accepted that for professional services such as management consultancy, the lowest price does not always represent the best value for money. Other factors affecting the success of a project will be included in the criteria section of the invitation to tenders and may include:

- experience and qualifications of team members;
- understanding of client's needs;
- feasibility and credibility of proposed approach;
- ability to complete the project on time.

9.6.3 Where other factors are taken into account in selecting a tenderer, these must be clearly recorded and documented in the contract file, and the reason(s) for not accepting the lowest tender clearly stated.

9.6.4 No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the ICB (section 8.2) and which is not in accordance with these instructions except with the authorisation of the Chief Executive Officer.

9.6.5 The use of these procedures must demonstrate that the award of the contract was:

- not in excess of the going market rate / price current at the time the contract was awarded;
- that best value for money was achieved.

9.6.6 All tenders should be treated as confidential and should be retained for inspection.

9.7 Tender reports to the ICB Board

9.7.1 Reports to the ICB Board will be made on an exceptional circumstance basis only.

10. Staff costs and staff related non pay expenditure

10.1 Remuneration and terms of service

10.1.1 In accordance with ICB Constitution the Board shall establish a Remuneration and Terms of Service Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting. (See NHS guidance contained in the Higgs report).

10.1.2 The Committee will operate within the scheme of delegation agreed and agreed terms of reference:

a. advise the Board about appropriate remuneration and terms of service for the Chief Executive Officer, Very Senior Managers (VSM) other officer members and clinical leads employed by the ICB including:

- all aspects of salary (including any performance-related elements/ bonuses)
- provisions for other benefits, including pensions and cars
- arrangements for termination of employment and other contractual terms;

b. Advise the Board on the remuneration and terms of service of officer members of the Board and members (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the ICB - having proper regard to the ICB's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate;

c. monitor and evaluate the performance of individual officer members and members of the Board;

d. advise on and oversee appropriate contractual arrangements for staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.

10.1.3 The Committee shall keep the Board informed of their activities and decisions made within scope of their remit as detailed in the agreed terms of reference. Minutes of the Board's meetings should record information discussed.

10.1.4 The Board will consider and need to approve proposals presented by the Chief Executive Officer for the setting of remuneration and conditions of service for those employees and officers not covered by the Committee.

10.1.5 The ICB will pay allowances to the Chair and non-Executive Members of the Board in accordance with instructions issued by the Secretary of State for Health and Social Care.

10.2 Funded establishment

10.2.1 The staffing plans incorporated within the annual budget will form the funded establishment.

10.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive Officer or their nominated deputy.

10.3 Staff appointments

10.3.1 No officer or member of the ICB Board or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:

a. unless authorised to do so by the Chief Executive Officer; and

b. within the limit of their approved budget and funded establishment.

10.3.2 The Board will approve policies presented by the Chief People Officer for the determination of commencing pay rates, condition of service, etc. for employees.

10.4 Processing payroll

10.4.1 The Chief Finance Officer is responsible for:

a. specifying timetables for submission of properly authorised time records and other notifications;

b. agreeing with HR policies for the final determination of pay;

c. making payment on agreed dates;

d. agreeing methods of payment;

10.4.2 The Chief Finance Officer will issue instructions regarding:

a. verification and documentation of data;

b. the timetable for receipt and preparation of payroll data and the payment of employees and allowances;

c. maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;

d. security and confidentiality of payroll information;

e. checks to be applied to completed payroll before and after payment;

f. authority to release payroll data under the provisions of the Data Protection Act;

g. methods of payment available to various categories of employee and officers;

h. procedures for payment to employees and officers;

i. procedures for the recall of payments;

j. pay advances and their recovery including salary sacrifice;

k. maintenance of regular and independent reconciliation of pay control accounts;

l. separation of duties of preparing records and handling cash;

m. a system to ensure the recovery from those leaving the employment of the ICB of sums of money and property

10.4.3 Appropriately nominated managers have delegated responsibility for:

a. submitting time records, and other notifications in accordance with agreed timetables;

b. completing time records and other notifications in accordance with the Chief Finance Officer's instructions and in the form prescribed by the Chief Finance Officer including approval of expenses;

c. submitting termination forms in the prescribed format immediately upon knowing the effective date of an employees or officer’s resignation, termination or retirement. Where an employee fails to report for duty or to fulfil obligations in circumstances that suggest they have left without notice, the Chief Finance Officer must be informed immediately

10.4.4 Regardless of the arrangements for providing the payroll service, the Chief Finance Officer shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangement are made for the collection of payroll deductions and payment of these to appropriate bodies.

10.5 Contracts of employment

10.5.1 The Board shall delegate responsibility to an officer for:

a. ensuring that all employees are issued with a contract of employment in a form approved by the Board and which complies with employment legislation; and

b. dealing with variations to, or termination of, contracts of employment. This includes cases subject to disciplinary rules and procedure and where suspension is under review in line with the delegation of authority as detailed in the Disciplinary policy.

11. Non pay expenditure

11.1 Delegation of Authority

11.1.1 The ICB Board will approve the level of non-pay expenditure on an annual basis and the Chief Finance Officer will determine the level of delegation to budget managers.

11.1.2 The Chief Finance Officer will set out:

(a) the authorised managers who are authorised to place requisitions for the supply of goods and services;

(b) the maximum level of each requisition and the system for authorisation above that level.

11.1.3 The Chief Finance Officer shall set out procedures on the seeking of professional advice regarding the supply of goods and services in accordance with NHS England guidance.

11.2 Choice, Requestioning, Ordering, Receipt and Payment for Goods *(see overlay with SFI 8 and 9)*

11.2.1 Requisitioning

Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied the requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the ICB (please refer to section 8 for thresholds, tendering, quotations, contracts and waivers and section 9 for tendering procedures).

11.2.2 In so doing, the advice of the ICB's adviser on supply shall be sought. Where this advice is not acceptable to the requisitioner the Chief Finance Officer or the Chief Executive Officer shall be consulted, in line with section 9.6.4.

11.2.3 System of Payment and Payment Verification

The Chief Finance Officer shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with national guidance.

The operational Scheme of Reservation and Delegation sets out levels of delegated authority for payment authorisation in the following instances:

a. Budget already approved by the ICB Board e.g. payments to NHS bodies arising from agreement of NHS Contracts.
b. Payments to NHS bodies where there is no contract in place.

11.2.4 The Chief Finance Officer will

a. prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds;

b. be responsible for the prompt payment of all properly authorised accounts and claims;

c. be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable.

d. be responsible for ensuring a timetable and system for submission of accounts to the Audit and Risk Committee

e. be responsible for issuing instructions to employees regarding the handling and payment of accounts within the Finance Department.

f. be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in 11.2.5 below.

11.2.5 Duties of Managers and Officers

Managers and officers must ensure that they comply with all the conditions and circumstances set out in these Standing Financial Instructions (specifically the delegations and processes set out in sections 8 and 9) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Chief Finance Officer on behalf of the Chief Executive Officer;

a. all goods, services, or works are ordered via the Oracle I-Procurement Purchase to Pay system or on an official order except works and services executed in accordance with a contract and purchases from petty cash or cash equivalent

b. verbal orders must only be issued by exception - by an employee designated by the Chief Executive Officer and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order".

c. orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;

    - goods are not taken on trial or loan in circumstances that could commit the ICB to a future uncompetitive purchase;
    - changes to the list of members/employees and officers authorised to certify invoices are notified to the Chief Finance Officer;

d. where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by NHSE SW Region and the Department of Health and Social Care;

e. no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to the Chief Executive Officer or employees, other than:

- isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
- conventional hospitality, such as lunches in the course of working visits;

This provision needs to be read in conjunction with Section 6 of the ICB Constitution and the principles outlined in the national guidance contained in HSG 93(5) "Standards of Business Conduct for NHS Staff"; the Code of Conduct for NHS Managers 2002; and the ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry; the Bribery Act 2010 and the relevant ICB policies.

f. purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Chief Finance Officer;

g. petty cash records are maintained in a form as determined by the Chief Finance Officer.

11.2.6 Prepayments

Prepayments are only permitted where exceptional circumstances apply. In such instances:

a. the financial advantages outweigh the disadvantages. Prepayments will constitute payments made in advance for periods greater than one month.

b. the appropriate officer member of the ICB must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the ICB if the supplier is at some time during the course of the prepayment agreement unable to meet its commitments;

c. the Chief Finance Officer will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules, so long as they continue to apply as a matter of law, where the contract is above a stipulated financial threshold);

d. the budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Chief Officer or Chief Executive Officer if problems are encountered.

The finance team will assess all prepayments and take a judgement on monthly adjustments based on a de minimis value of £100k.

11.2.7 Official Orders

Official orders must be made via the Oracle I-Procurement Purchase to Pay system. Where paper-based ordering systems are retained, they must:

- be consecutively numbered;
- be in a form approved by the Chief Finance Officer;
- state the ICB's terms and conditions of trade;
- only be issued to, and used by, those duly authorised by the Chief Finance Officer.

11.3 Joint Finance Arrangements with Local Authorities and Voluntary Bodies

11.3.1 Payments to local authorities and voluntary organisations made under the powers of section 75 or ~~256 of the NHS~~ Act 2006, as amended, shall comply with procedures laid down by the Chief Finance Officer which shall be in accordance with that Act.

11.3.2 Section 75 and 256 agreements are authorised by the Chief Finance Officer.

12. Research and development

12.1 Objective

12.1.1 To provide specific instruction to research and development and reference to general financial instructions and processes governing this area.

12.2 General

12.2.1 The undertaking of commercial or NIHR-funded research and disbursement of by associated Research Capability Funding by ICB employees (substantive or honorary) shall be strictly in accordance with the ICB's policies and strategies on research management and governance and shall be subject to approval accordingly.

12.2.2 The Standing Financial Instructions apply equally when undertaking externally funded research activity within the ICB, particularly:

- Section 6 Planning, Budgets and Budgetary Control
- Section 7 Income, banking arrangements and debt recovery
- Section 8 Procurement and purchasing
- Section 9 Contract Tendering Procedure
- Section 10 Staff costs and staff related non pay expenditure
- Section 11 Non pay expenditure
- Section 14 Fraud, bribery and corruption
- Section 16 Gifts and donations
- Section 17 Retention of Documents
- Section 18 Risk Management, legal and insurance.

12.2.3 The principles governing probity and public accountability shall apply equally to work undertaken through externally funded research.

12.3 Research Applications

12.3.1 All applications for research funding and disbursement of Research Capability Funding, including entering into RCF Collaboration Agreements require approval from the Chief Finance Officer or a designated deputy. This applies to applications to both NHS funders and to non-NHS organisations, such as charitable bodies and research councils.

12.3.2 All other documents* relating to research will require approval from the Chief Medical Officer or a designated deputy, once all the necessary checks have been carried out, including finance checks where applicable, and advice from The Research

and Knowledge Mobilisation Advisory Committee which reports to the BNSSG ICP Research and Innovation Steering Committee and the ICB Outcomes, Quality & Performance Committee.

**other documents include research contracts with funding bodies, grant collaboration agreements, commercial research contracts, site agreements, sub-contracts with participating organisations, contract variations and contract amendments.*

12.4 Intellectual Property

12.4.1 The agreement covering any undertaking of research shall recognise the ICB's policies governing Intellectual Property rights. Where there is any lack of clarity this shall be resolved prior to undertaking the project.

13. Capital Investments, security of assets and Grants

13.1 Capital investment

13.1.1 The Chief Finance Officer is responsible for:

- ensuring that at the commencement of each financial year, the ICB and its partner NHS trusts and NHS foundation trusts prepare a plan setting out their planned capital resource use;
- ensuring that the ICB and its partner NHS trusts and NHS foundation trusts exercise their functions with a view to ensuring that, in respect of each financial year local capital resource use does not exceed the limit specified in a direction by NHS England;
- ensuring that there is an effective appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
- ensuring that there are processes in place for the management of all stages of ICB capital schemes, that will ensure schemes are delivered on time and to cost;
- ensuring that capital investment is not authorised without evidence of availability of resources to finance all revenue consequences; and
- for every ICB capital expenditure proposal, the Chief Finance Officer is responsible for ensuring there are processes in place to ensure that a business case is produced.
- the accountability of ICB property assets and for managing property.

13.1.2 The ICB shall ensure there is a property governance and management framework, which

- confirms the ICB asset portfolio supports its business objectives; and
- complies with NHS England policies and directives and with this standard

13.1.3 Capital commitments typically cover land, buildings, equipment, capital grants to third parties and IT, including:

- authority to spend capital or make a capital grant;
- authority to enter into leasing arrangements.

13.1.4 Advice should be sought from the Chief Finance Officer or nominated officer if there is any doubt as to whether any proposal is a capital commitment requiring formal approval.

13.1.5 The approval of a capital programme shall not constitute approval for expenditure on any scheme. Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with approval of capital schemes may be given by the following staff to the total value of (contract life cycle excl. VAT):

- <£500k Chief Finance Officer.
- >£500k and <£5m Chief Executive Officer and the Chief Finance Officer.
- >£5m the Board.

13.1.6 Disposals of surplus assets should be made in accordance with published guidance and should be supported by a business case which should contain an appraisal of the options and benefits of the disposal in the context of the wider public sector and to secure value for money. (see overlap with SFI 14.2).

13.2 Asset registers

13.2.1 The Chief Executive Officer is responsible for the maintenance of registers of assets, taking account of the advice of the Chief Finance Officer concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.

13.2.2 The ICB shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as specified in the Capital Accounting Manual as issued by the Department of Health and Social Care.

13.2.3 Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:

a. properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;

b. stores, requisitions and wages records for own materials and labour including appropriate overheads;

c. lease agreements in respect of assets held under a finance lease and capitalised.

13.2.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).

13.2.5 The Chief Finance Officer shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

13.2.6 The value of each asset shall be depreciated using methods and rates as specified in the Capital Accounting Manual issued by the Department of Health and Social Care.

13.3 Security of assets

13.3.1 The overall control of fixed assets is the responsibility of the Chief Finance Officer.

13.3.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Chief Finance Officer. This procedure shall make provision for:

a. recording managerial responsibility for each asset;
b. identification of additions and disposals;
c. identification of all repairs and maintenance expenses;
d. physical security of assets;
e. periodic verification of the existence of, condition of, and title to, assets recorded;
f. identification and reporting of all costs associated with the retention of an asset;
g. reporting

13.3.3 . All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Chief Finance Officer.

13.3.4 Whilst each employee and officer has a responsibility for the security of property of the ICB, it is the responsibility of the Board and senior employees in all disciplines to apply such appropriate routine security practices in relation to NHS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with agreed procedures.

13.3.5 Any damage to the ICB's premises and equipment, or any loss of equipment, stores or supplies must be reported in accordance with the procedure for reporting losses.

13.3.6 Where practical, assets should be marked as ICB property.

13.4 Grants

13.4.1 The Chief Finance Officer is responsible for providing robust management, governance and assurance to the ICB with regards to the use of specific powers under which it can make capital or revenue grants available to;

- any of its partner NHS trusts or NHS foundation trusts; and
- to a Local Authority or voluntary organisation, by way of a grant or loan.

14. Losses, special payments and disposals

14.1 Losses and Special Payments

14.1.1 HM Treasury approval is required if a transaction exceeds the delegated authority, or if transactions will set a precedent, are novel, contentious or could cause repercussions elsewhere in the public sector.

14.1.2 The Chief Finance Officer will support a strong culture of public accountability, probity, and governance, ensuring that appropriate and compliant structures, systems, and process are in place to minimise risks from losses and special payments.

14.1.3 The ICB must act in accordance with the guidance and delegated limits in relation to losses and special payments, as set out in NHSEI guidance.

14.1.4 NHS England has the statutory power to require an integrated care board to provide NHS England with information. The information, is not limited to losses and special payments, must be provided in such form, and at such time or within such period, as NHS England may require.

14.1.5 As part of the compliance and control procedures, ICBs must submit an annual assurance statement confirming the following:

- details of all exit packages (including special severance payments) that have been agreed and/or made during the year;
- that NHS England and HMT approvals have been obtained before any offers, whether verbally or in writing, are made; and
- adherence to the special severance payments guidance as published by NHS England.

14.1.6 All losses and special payments (including special severance payments) must be reported to the ICB Audit and Risk Committee and NHS England noting that ICBs do not have a delegated limit to approve losses or special payments.

14.1.7 For detailed operational guidance on losses and special payments, please refer to the ICB losses and special payment guide.

14.1.8 Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their Chief Officer who must immediately inform the Chief Executive Officer and the Chief Finance Officer or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Chief Finance Officer and/or Chief Executive Officer.

14.1.9 Where a criminal offence is suspected, the Chief Finance Officer must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Chief Finance Officer must inform the relevant LCFS and Operational Fraud Team (OFT) in accordance with Secretary of State for Health and Social Care's Directions.

14.2 Disposals

14.2.1 The Chief Finance Officer must prepare detailed procedures for the disposal of assets including condemnations and ensure that these are notified to managers.

14.2.2 When it is decided to dispose of a ICB asset, their Chief Officer or authorised deputy will determine and advise the Chief Finance Officer of the estimated market value of the item, taking account of professional advice where appropriate.

14.2.3 All unserviceable articles shall be:

a. condemned or otherwise disposed of by those duly authorised for that purpose by the Chief Finance Officer (likely to be ICB employee or SCW CSU);

b. recorded by the Condemning Officer in a form approved by the Chief Finance Officer which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Chief Finance Officer.

14.2.4 The Condemning Officer shall satisfy himself as to whether there is evidence of negligence in use and shall report any such evidence to the Chief Finance Officer who will take the appropriate action.

14.2.5 All property or land disposals will require approval by the ICB Board

15. Fraud, bribery and corruption (Economic crime)

15.1 Overview

15.1.1 The ICB is committed to identifying, investigating and preventing economic crime.

15.1.2 The ICB Chief Finance Officer is responsible for ensuring appropriate arrangements are in place to provide adequate counter fraud provision which should include reporting requirements to the Board and audit committee, and defined roles and accountabilities for those involved as part of the process of providing assurance to the Board. These arrangements should comply with the NHS Requirements the Government Functional Standard 013 Counter Fraud as issued by NHS Counter Fraud Authority and any guidance issued by NHS England and NHS Improvement.

15.2 Suspected fraud

15.2.1 The Chief Finance Officer must notify the NHS Counter Fraud Authority (NHS CFA), normally via the Local Counter Fraud Specialist (LCFS) and the External Auditor of all frauds.

15.2.2 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Chief Finance Officer must immediately notify:

a. the Board, and

b. the External Auditor.

15.2.3 Within limits delegated to it by the Department of Health and Social Care, the Board shall approve the writing-off of losses.

15.2.4 The Chief Finance Officer shall be authorised to take any necessary steps to safeguard the ICB's interests in bankruptcies and company liquidations.

15.2.5 For any loss, the Chief Finance Officer should consider whether any insurance claim can be made.

15.2.6 The Chief Finance Officer shall maintain a Losses and Special Payments Register in which write-off action is recorded.

15.2.7 No special payments exceeding delegated limits shall be made without the prior approval of the Department of Health and Social Care.

15.2.8 All losses and special payments must be reported to the Audit and Risk Committee at every meeting.

15.3 Recovery of fraud losses

15.3.1 Initially, recovery of any losses arising from fraudulent activity are followed up by Shared Business Services (SBS) using their recovery policy. Recoveries would be reported to the LCFS to be recorded on the national NHS CFA case management system and included in the LCFS annual report to Audit, and Risk Committee

16. Digital

16.1 Responsibilities and duties of the Chief Finance Officer

16.1.1 The Chief Finance Officer is responsible for the confidentiality, accuracy and security of the computerised financial data of the ICB whether this is in house or hosted in an outsourced arrangement, and shall:

a. devise and implement any necessary procedures to ensure protection of the ICB's data, programs and computer hardware for which the Chief Finance Officer is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the UK Data Protection legislation (Date Protection Act 2018 and UK GDPR).

b. Ensure that users are adequately trained on finance systems

c. ensure that reasonable controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;

d. ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;

e. ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Chief Finance Officer may consider.

Please also refer to section 5 – Financial systems and processes.

16.1.2 The Chief Finance Officer shall ensure that new financial systems and amendments to current financial systems are developed in a controlled manner. Information Governance assurance is confirmed, and the system is thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.

16.1.3 The Chief of Staff or equivalent role shall publish and maintain a Freedom of Information (FOI) publication scheme or adopt a model publication scheme approved by the Information Commissioner. A publication scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about the ICB that are made publicly available.

16.2 Responsibilities and duties of other Chief Officers and Officers in relation to computer systems of a general application

16.2.1 In the case of computer systems which are proposed General Applications *(i.e. normally those applications which the majority of ICBs in the Region wish to sponsor jointly)* all responsible Chief Officers and employees will send to the Chief Transformation and Digital Information Officer:

a. details of the outline design of the system including Information Governance and Data Protection Impact Assessment (DPIA) considerations;
b. in the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.

16.3 Contracts for digital services for financial applications with other health bodies or outside agencies

16.3.1 The Chief Finance Officer shall ensure that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.

16.3.2 The Chief Financial Officer will ensure the necessary due diligence checks are undertaken to ensure the third-party provider is compliant with Data Protection laws and National Data Guardian standards.

16.3.3 Where another health organisation or any other agency provides a computer service for financial applications, the Chief Finance Officer shall periodically seek assurances that adequate controls are in operation.

16.4 Requirements for computer systems which have an impact on corporate financial systems

16.4.1 Where computer systems have an impact on corporate financial systems the Chief Finance Officer shall need to be satisfied that:

a. systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;
b. data produced for use with financial systems is adequate, relevant, accurate, complete and timely, and that a management (audit) trail exists;
c. only relevant staff have access to such data;
d. such computer audit reviews as are considered necessary are being carried out.

17. Gifts and donations

17.1 Acceptance of Gifts

17.1.1 The Chief Finance Officer shall ensure that all staff are made aware of the ICB policy on acceptance of gifts and other benefits in kind by staff which will be in line with the Bribery Act 2010.

17.1.2 This policy follows the guidance contained in the NHS England Policy for Managing Conflicts of Interest 2017; the Code of Conduct for NHS Managers 2002; and the ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry and is also deemed to be an integral part of these ICB Constitution and Standing Financial Instructions.

17.1.3 Further details can be found in the in the ICB's Gifts and Hospitality Policy and the ICB Constitution.

17.2 Granting of Gifts

17.2.1 The ICB will not present gifts to third parties without the consent of the Chief Executive Officer, as this does not fall within the functions of the ICB as set out in the ICB Constitution.

17.3 Donations

17.3.1 The ICB do not hold charitable funds and are therefore unable to accept monetary donations.

18. Retention of records

18.1 Overview

18.1.1 The Chief Executive Officer shall be responsible for maintaining archives for all records required to be retained in accordance with Records Management Code of Practice for Health and Social Care 2023.

18.1.2 The records held in archives shall be capable of retrieval by authorised persons.

18.1.3 Records held in accordance with NHS Code of Practice - Records Management 2006, shall only be destroyed at the express instigation of the Chief Executive Officer. Detail shall be maintained of records so destroyed.

19. Risk Management, legal and insurance

19.1 Risk management

19.1.1 The Chief Executive Officer shall ensure that the ICB has a programme of risk management, in accordance with current Department of Health and Social Care assurance framework requirements, which must be approved and monitored by the Board. The programme of risk management shall include:

a. process for identifying and quantifying risks and potential liabilities;

b. engendering among all levels of staff a positive attitude towards the control of risk;

c. management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk;

d. contingency plans to offset the impact of adverse events;

e. audit arrangements including; internal audit, clinical audit, health and safety review;

f. a clear indication of which risks shall be insured;

g. arrangements to review the risk management programme.

19.1.2 The existence, integration and evaluation of the above elements will assist in providing a basis to make a statement on the effectiveness of internal control within the Annual Report and Accounts as required by current Department of Health and Social Care guidance.

19.2 Legal

19.2.1 This section applies to any legal cases threatened or instituted by or against the ICB. The ICB should have policies and procedures detailing:

- engagement of solicitors / legal advisors;
- approval and signing of documents which will be necessary in legal proceedings; and
- Officers who can commit or spend ICB revenue resources in relation to settling legal matters.

19.2.2 Claims will be approved for defence documents and or offers of settlement in line with legal advice and NHS Resolution advice as per delegated amounts;

- Under the value of £50k the Chief of Staff or delegated deputy
- Over £50k and less than £500k the Chief Finance Officer and relevant Chief Officer.
- Over the value of £500k up to £1 million the Chief Finance Officer or Chief Executive Officer.
- Over the value of £1 million the Chief Executive Officer, Chief Finance Officer and with the advice of the Chair of Audit, Governance and Risk.

19.3 Insurance

19.3.1 The ICB Board shall decide if the ICB will insure through the risk pooling schemes administered by the NHS Resolution or self-insure for some or all of the risks covered by the risk pooling schemes. If the ICB Board decides not to use the risk pooling schemes for any of the risk areas (clinical, property and employers/third party liability) covered by the scheme this decision shall be reviewed annually.

19.3.2 ICBs are advised not to buy commercial insurance to protect against risk unless it is part of a risk management strategy that is approved by the accountable officer. However, the exceptions when ICBs may enter into insurance arrangements are;

a. insuring motor vehicles owned by the ICB including insuring third party liability arising from their use;

b. where the ICB is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into;

c. where income generation activities take place. Income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the ICB for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from the NHS Resolution. In any case of doubt concerning a ICB's powers to enter into commercial insurance arrangements the Chief Financial Officer should consult the Department of Health and Social Care.

19.3.3 Where the Board decides to use the risk pooling schemes administered by the NHS Resolution the Chief Finance Officer shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Chief Finance Officer shall ensure that documented procedures cover these arrangements.

19.3.4 Where the Board decides not to use the risk pooling schemes administered by the NHS Resolution for one or other of the risks covered by the schemes, the Chief Finance Officer shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Chief Finance Officer will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed.

19.3.5 All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'deductible'). The Chief Financial Officer should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

Meeting of BNSSG ICB Board

Date: Thursday 7th December 2023
Time: 12:15 – 15:00
Location: Virtual, via Microsoft Teams

Agenda Number :	7.3.2
Title:	Financial Performance – October 2023 (Month 7)
Purpose: For Assurance	
Key Points for Discussion:	

The month end was closed prior to the announcement of 08 November 2023 on NHSE steps to support systems in managing the financial impact of industrial action and delivery of 2023/24 plans. Systems are required to respond by the 22 November how the additional support and elective goals will deliver against the original 2023/24 financial plan.

As per the guidance the impact of the new funding and proposed changes should not be reflected in month 7 reporting.

System Finance

At the end of October (month 7), the system has reported an overall year to date (YTD) adverse variance against plan of £18.9m (YTD plan = £8.3m deficit, YTD actual = £27.2m deficit). This represents a combined provider adverse variance against of plan of £16.2m, and an ICB adverse variance to plan of £2.8m. The system is maintaining a forecast break-even financial position at year end, both at system, and constituent organisation level.

1) **Key Drivers – positive/ (adverse) variance to plan:**

Impact of Industrial Action (£14.4m)

of which direct costs (notably backfill costs at premium rates)	(£7.8m)
of which lost income due to reduced elective activity	(£6.6m)

Other key variances to plan (£4.3m)

Year to Date Efficiency Plan Under-Delivery	(£7.1m)
Temporary Staffing Costs	(£2.3m)
ICB Primary Care Prescribing	(£2.7m)
ICB Funded Care placements	(£6.4m)
Slippage on investments	£10.0m
Unplanned interest receivable	£2.2m

2) Savings Delivery

Whilst at the end of October, the system is reporting delivery of 85% of its year-to-date efficiency plan, performance at constituent organisational level is varied, with two provider organisations under-delivering against year-to-date savings plans.
The ability to recover this under-delivery, whilst also identifying and delivering against a higher planned level of savings in the second half of the year will require a significant focus from all system partners.

3) Risk to Forecast Out-turn

- In the previous month (September, Month 6) the system had reported an unmitigated risk of £13.6m, wholly attributable to the impact of industrial action on the year-to-date financial deficit. .
- On the 8th November, system leaders received a letter - 'PRN00942-Addressing the significant financial challenges created by industrial action in 2023/24, and immediate actions to take' - from NHS England, setting out the national actions, and associated non-recurrent allocations intended to support systems financial pressures and risks including but not limited to industrial action. BNSSGs share of this funding is £18.4m (noting that as per national guidance this is not reflected in the reported Month 7 position).
- Along with latest assessment of organisational financial trajectories for the remainder of the year, this has given the system sufficient assurance, that the level of previously assessed financial risk has now been mitigated.

4) Next Steps & Key Actions

- Constituent organisational Directors of Finance will continue to direct respective Boards to focus attention and action on recovery of the £4.3m adverse variance not related to the impact of industrial action as reported at Month 7, and delivering recurrent savings plans in the second half of the year, to deliver breakeven in line with 2023/24 Operational Plan and to give the system the best possible opportunity to deliver breakeven in 2024/25.
- Continued enactment of the actions as set out in the Financial Forecast Outturn Change Protocol.

Recommendations:	To note the year-to-date financial position at the end of September 2023 and the emerging risks and mitigations.
Previously Considered By and feedback :	ICB Finance report – summary to ICB SDF group; and FED Ctte 23 Nov 23 System Finance Report – System DoF's Group and FED Ctte 23 Nov 23
Management of Declared Interest:	Declarations of interest stated in meeting and recorded in Committee minutes.
Risk and Assurance:	At month 7, the system reported a year-to-date variance to plan of £18.9m, which relates to prescribing costs at the ICB and industrial action, agency costs and under delivery of savings in the providers.
Financial / Resource Implications:	This paper presents the financial position of NHS Bristol, North Somerset and South Gloucestershire ICB and ICS. If the system

	does not delivery breakeven or better financial position in 23/24 then additional revenue savings of 0.5% of allocation (c£9m per annum) would be required to repay historic debt; and access to national capital funding could be restricted
Legal, Policy and Regulatory Requirements:	BNSSG is required not to exceed the cash limit set by NHS England, which restricts the amount of cash drawings that the ICB can make in the financial year. The ICB must also comply with relevant accounting standards. The ICS are required to breakeven on a cumulative basis for the financial year 2023/24 If the system finance was to report an adverse forecast outturn to plan, then NHS England will enact additional financial controls with all expenditure over £100k subject to 'triple lock' approval between provider, ICB and NHS England under protocol; and Single Oversight Framework rating would be at risk
How does this reduce Health Inequalities:	Annual operating plan and savings & transformation projects require assessments to be completed during the planning stages to ascertain whether there are positive, negative or neutral impacts on health inequalities.
How does this impact on Equality & diversity	Annual operating plan and savings & transformation projects require assessments to be completed during the planning stages to ascertain whether there are positive, negative, or neutral impacts in relation to the 9 Protected Characteristics.
Patient and Public Involvement:	BNSSG ICB has given a firm commitment that where annual operating plan and savings & transformation projects look to deliver services in a different way specific patient and public involvement programmes will be carried out to ensure direct involvement.
Communications and Engagement:	The financial position of the ICB is subject to regular reporting and review by the Finance Estates and Digital Committee and public Governing Body. In addition, the ICB has regular meetings with NHSEI to review performance throughout the year. Planning, Savings and Transformation Project Leads are working with Comms representatives to facilitate engagement with patients, the public and stakeholders when appropriate. Their feedback is sought on a number of proposals which aim to improve services and increase efficiency.
Author(s):	Jon Lund, Deputy CFO Rob Ayerst System Finance lead Catherine Cookson, Associate CFO
Sponsoring Director / Clinical Lead / Lay Member:	Sarah Truelove, Deputy Chief Executive and Chief Finance Officer

Bristol, North Somerset
and South Gloucestershire
Integrated Care Board

BNSSG ICS System Finance Report
Month 7 – October 2023

Finance, Estates & Digital Committee

Thursday 23rd November 2023

Executive Summary – Key Messages

Month 7 – October 2023

1) Overall Financial Position

At the end of October (month 7), the system has reported an overall **year to date (YTD) adverse variance against plan of £18.9m** (YTD plan = £8.3m deficit, YTD actual = £27.2m deficit). This represents a combined provider adverse variance against of plan of £16.2m, and an ICB adverse variance to plan of £2.8m. The system is maintaining a **forecast break-even financial position at year end**, both at system, and constituent organisation level.

Key Drivers – positive/ (adverse) variance to plan:

Impact of Industrial Action	**(£14.4m)**	**M7**	**last month**
• of which direct costs (notably backfill costs at premium rates)		(£7.8m)	(£7.5m)
• of which lost income due to reduced elective activity		(£6.6m)	(£6.1m)

Other key variances to plan	**(£4.3m)**	**M7**	**last month**
• Year to Date Efficiency Plan Under-Delivery		(£7.1m)	(£6.6m)
• Temporary Staffing Costs		(£2.3m)	(£1.7m)
• ICB Primary Care Prescribing		(£2.7m)	(£1.6m)
• ICB Funded Care placements		(£6.4m)	(£4.2m)
• Slippage on investments		£10.0m	£7.1m
• Unplanned interest receivable		£2.2m	£2.2m

2) Savings Delivery

- Whilst at the end of October, the system is reporting **delivery of 85% of its year-to-date efficiency plan**, performance at constituent organisational level is varied, with two provider organisations under-delivering against year-to-date savings plans.
- The ability to recover this under-delivery, whilst also identifying and delivering against a higher planned level of savings in the second half of the year will require a significant focus from all system partners.

Executive Summary – Key Messages (cont.)

3) Risk to Forecast Out-turn

- In the previous month (September, Month 6) the system had reported an unmitigated risk of £13.6m, wholly attributable to the impact of industrial action on the year-to-date financial deficit.

- On the 8th November, system leaders received a letter - 'PRN00942-Addressing the significant financial challenges created by industrial action in 2023/24, and immediate actions to take' - from NHS England, setting out the national actions, and associated non-recurrent allocations intended to support systems financial pressures and risks including but not limited to industrial action. BNSSGs share of this funding is £18.4m (noting that as per national guidance this is not reflected in the reported Month 7 position).

- Along with latest assessment of organisational financial trajectories for the remainder of the year, this has given the system sufficient assurance, that the level of previously assessed financial risk has now been mitigated.

4) Next Steps

- Constituent organisational Directors of Finance will continue to direct respective Boards to focus attention and action on recovery of the £4.3m adverse variance not related to the impact of industrial action as reported at Month 7, and delivering recurrent savings plans in the second half of the year, to deliver breakeven in line with 2023/24 Operational Plan and to give the system the best possible opportunity to deliver breakeven in 2024/25.

- Continued enactment of the actions as set out in the Financial Forecast Outturn Change Protocol.

Consequences of failure to deliver 23/24 Financial Plan

- The ICB was established with an **accumulated brought-forward debt of £117m** derived from net historical clinical commissioning group (CCG) overspends. If the system and ICB achieve breakeven in 2023/24 (having achieved this in 2022/23), the historic debt will be written off. **Failure to deliver this breakeven requirement will have the balance reinstated and it will therefore become repayable**

- In-Year deterioration from the planned break-even position triggers several conditions for both ICB and providers within the system:

    - **Provider: double-lock sign-off process for any investments above £50,000** with sign-off required by the organisation and the system

    - **System: triple-lock sign-off process for any investments above £100,000** with sign-off required by the organisation, system and NHSE regional team

    - Additional reporting requirements to NHSE/I

    - Further **restrictions on recruitment, agency, consultancy and bank usage** may be imposed at the discretion of the regional team

    - **Capital funding restrictions**

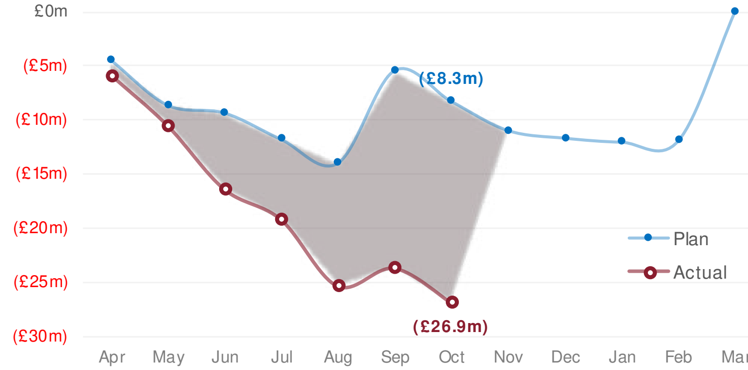
        - C. £5m reduction in system capital funding
        - limited access to national capital funding streams

1. System Financial Performance Overview

Financial performance £0.0m
Forecast surplus / (deficit) v plan

Organisation	Plan	Actual	YTD Variance	FCST Variance
UHBW	(£7.6m)	(£13.7m)	(£6.1m)	£0.0m
NBT	(£0.7m)	(£9.6m)	(£8.9m)	£0.0m
AWP	£0.0m	(£1.1m)	(£1.1m)	£0.0m
NHS Providers	**(£8.3m)**	**(£24.4m)**	**(£16.2m)**	**£0.0m**
BNSSG ICB	£0.0m	(£2.8m)	(£2.8m)	£0.0m
Total System	**(£8.3m)**	**(£27.2m)**	**(£18.9m)**	**£0.0m**
	Previous Month		(£18.3m)	£0.0m

Cumulative Surplus / (Deficit) (£18.9m)
Year to Date surplus / (deficit) v plan



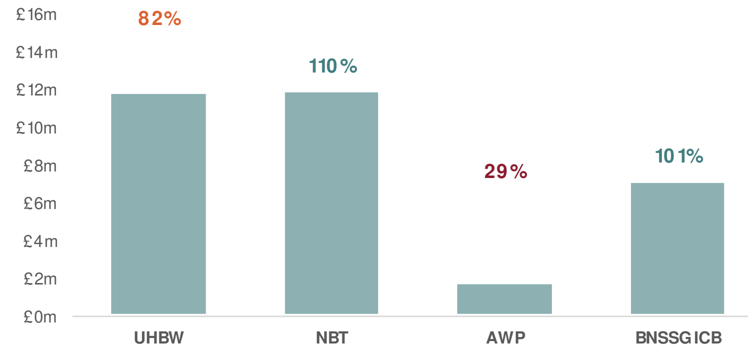
System Risk 0.0%
Unmitigated risk as a % of ICB allocation

Gross Risk	(£24.3m)
Gross Mitigations	£24.3m
Net Unmitigated Risk	**£0.0m**
Net Risk as a % of ICB allocation	**0.0%**
Risk adjusted forecast out-turn	**£0.0m**
Previous Month	(£13.6m)

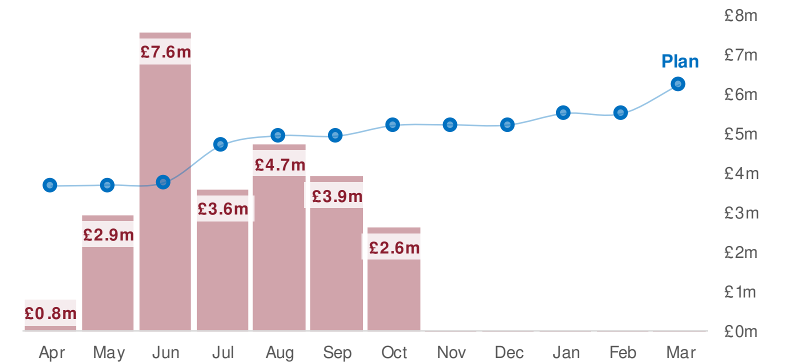
Efficiency Delivery by Organisation (£6.0m)
Year to date delivery v plan

Organisation	Plan	Actual	YTD Variance	FCST Variance
UHBW	£14.5m	£11.9m	(£2.6m)	(£7.1m)
NBT	£10.9m	£12.0m	£1.1m	£0.0m
AWP	£6.4m	£1.8m	(£4.6m)	£0.0m
NHS Providers	**£31.8m**	**£25.7m**	**(£6.1m)**	**(£7.1m)**
BNSSG ICB	£7.1m	£7.2m	£0.1m	£0.9m
Total System	**£38.9m**	**£33.0m**	**(£6.0m)**	**(£6.2m)**
	Previous Month		(£3.9m)	(£0.6m)

Efficiency Delivery by Organisation 85%
Year to date delivery v plan



System RECURRENT Efficiency 85%
Monthly delivery v plan

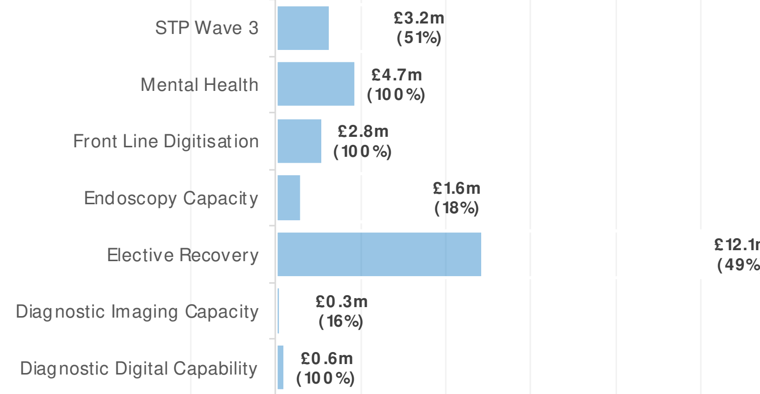


2. System Financial Performance Overview (2)

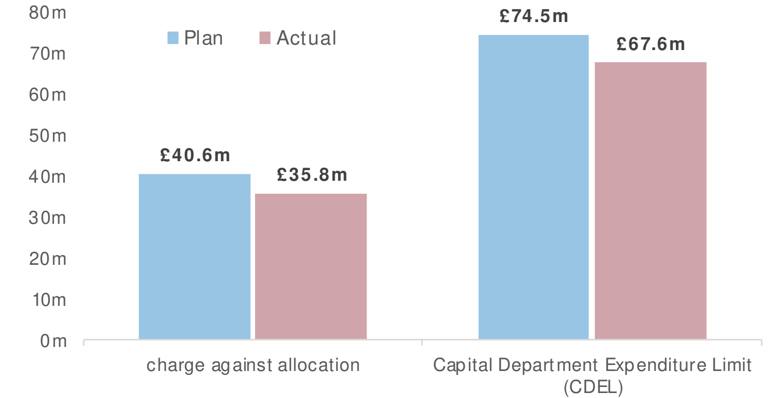
Capital Departmental Expenditure Limit
Forecast variance to plan
-£3.9m

Operational Allocation	Plan	Forecast	FCST Variance
Combined Provider	£71.8m	£71.8m	£0.0m
BNSSG ICB	£3.5m	£3.5m	£0.0m
System Operational Capital	**£75.3m**	**£75.3m**	**£0.0m**
Loan and Other Sources	£17.8m	£31.0m	£13.2m
National Funding Sources	**£49.4m**	**£31.7m**	**(£17.7m)**
PFI capital charges	£10.3m	£11.0m	£0.7m
TOTAL system CDEL	**£152.8m**	**£149.0m**	**(£3.9m)**

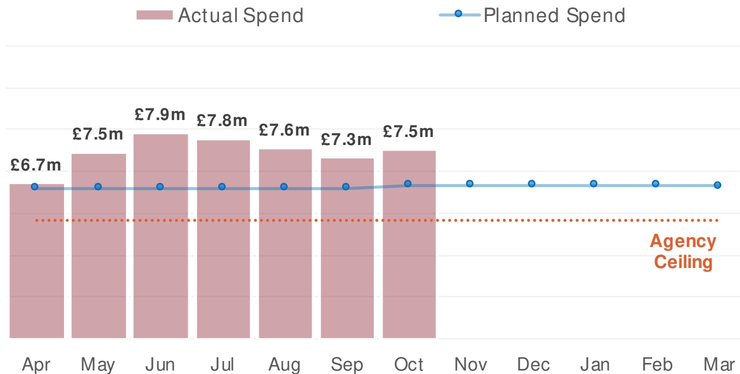
National Capital Funding Sources
Forecast % spend of planned funding
£31.7m



Year to Date Capital Expenditure v Plan
YTD Variance to capital plan
-£6.9m



System Agency Expenditure
YTD Over / Underspend (-) v Plan
£6.0m

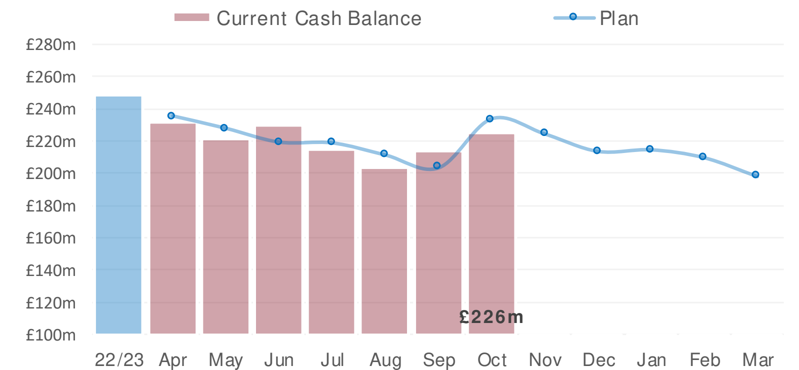


Better Payment Practice Code (BPPC)
Number of organisations missing BPPC target
2

Target = 95%

Organisation	Current Month %	Current Month Achieved?	Year to Date %	Year to Date Achieved?
UHBW	90.4%	N	90.2%	N
NBT	94.2%	N	92.5%	N
AWP	98.0%	Y	99.2%	Y
BNSSG ICB	99.2%	Y	98.4%	Y
System Average	**95.5%**	Y	**95.1%**	Y

Cash Balances
Cash and cash equivalents year to date variance v plan
-£7.9m



3. Key Financial Performance Indicators

	Year to Date: System	Year to Date: previous month		UHBW	NBT	AWP	BNSSG ICB	Forecast: System	Forecast: previous month		Variance by Organisation: UHBW	NBT	AWP	BNSSG ICB
1.1 Overall Variance from Plan														
variance to plan	-£18.9m	-£18.3m	↓	-£6.1m	-£8.9m	-£1.1m	-£2.8m	£0.0m	£0.0m	←	-	-	-	-
1.2 Net Unmitigated Risk														
Net Unmitigated Risk								£0.0m	(£13.6m)		assessed at system level			
(as a % of ICB allocation)								0.0%	0.6%	↑				
2. Efficiency plan delivery														
2.1 Annual Efficiency Plan (recurrent & non-recurrent schemes)														
Variance v plan (£)	-£6.0m	-£3.9m		-£2.6m	£1.1m	-£4.6m	£0.1m	-£6.2m	-£0.6m		-£7.1m	£0.0m	£0.0m	£0.9m
% delivery	85%	88%	↓	82%	110%	29%	101%	92%	99%	↓	74%	100%	100%	107%
2.2 Recurrent Efficiency Plan														
Variance v plan (£)	-£4.8m	-£2.2m		-£3.2m	£1.1m	-£2.7m	£0.1m	-£7.7m	-£0.7m		-£7.8m	£2.2m	-£3.0m	£0.9m
% delivery	85%	92%	↓	61%	110%	41%	101%	87%	99%	↓	53%	110%	62%	101%
3. System capital														
3.1 Capital Departmental Expenditure Limit (CDEL)														
Variance v plan (£)	-£6.9m	-£15.9m		£6.3m	-£15.9m	£2.7m	-	-£3.9m	-£16.6m		£8.9m	-£14.6m	£1.9m	-
% delivery	91%	73%	↑	74%	70%	143%	-	97%	89%	↑	94%	80%	109%	-
3.2 Charge against Capital Allocation														
Variance v plan (£)	-£4.8m	-£2.5m		-£5.4m	£1.0m	-£0.5m	-	£0.0m	£0.0m		£0.0m	£0.0m	£0.0m	-
% delivery	88%	93%	↓	76%	118%	19%		100%	100%	←	100%	100%	100%	-

4. Key Financial Performance Indicators (2)

	Year to Date: System	previous month		UHBW	NBT	AWP	BNSSG ICB	Forecast: System	previous month		Variance by Organisation: UHBW	NBT	AWP	BNSSG ICB
4. Workforce														
4.1 Agency Expenditure v Plan														
Variance v plan (£)	£6.0m	£5.2m		-£2.7m	£2.5m	£6.2m	-	£9.2m	£8.3m		£0.0m	£0.0m	£9.2m	-
Variance v plan (%)	13%	13%	↓	-14%	21%	38%	-	12%	10%	↑	0%	0%	31%	-
4.2 Agency Expenditure v Agency Ceiling														
Variance v agency cap (£)	£11.6m	£9.9m		assessed at system level				£19.0m	£18.1m		assessed at system level			
Variance v agency cap (%)	28%	28%	↑					27%	26%	↑				
5. Liquidity(cash)														
5.1 Cash Balances v Plan														
Variance v plan (£)	-£7.9m	£9.8m		£6.9m	-£40.7m	£25.9m	-	£19.4m	£22.3m		£16.4m	-£3.1m	£6.0m	-
Variance v plan (%)	5%	5%	←	6%	-56%	74%	-	10%	11%	↓	17%	-3%	67%	
6. Other Key Financial Indicators														
6.1 Mental Health Investment Standard														
minimum investment achieved	Y	Y	←											
6.2 ICB Running Cost Allowance														
Planned Expenditure within allowance	Y	Y	←											
6.3 Better Payment Practice Code														
Number of Organisations Missing Target	2	2	←	N	N	Y	Y							

5. System Financial Risk

Organisation / System-wide	Description of Risk	Liklihood	Impact before mitigations £'000K	Mitigations £'000K	Description of mitigating actions being taken by the system	Financial Impact after mitigations £'000K	Prior Month Net Risk £'000K
System Wide	Impact of Indutcrial Action to end of Septmber on cost base and ESRF activity income	High	(£14.3m)	£14.3m	National H2 Funding settlement	£0.0m	(£13.6m)
UHBW	Run Rate overspend	Medium	(£10.0m)	£10.0m	Divisional Recovery Plans / Slippage on Service Developments	£0.0m	£0.0m
ICB	Prescribing run-rate	Removed	£0.0m	£0.0m	Risk removed	£0.0m	£0.0m
System Wide	Winter Pressures / Discharge to Assess risk pool	Removed	£0.0m	£0.0m	Risk removed	£0.0m	£0.0m
System Wide	Microsoft 365 license	Removed	£0.0m	£0.0m	Risk removed	£0.0m	£0.0m
	Total Gross (Risk) / Mitigations		**(£24.3m)**	**£24.3m**	**Total Net Risk**	**£0.0m**	**(£13.6m)**

Gross Risk as a percentage of ICB allocation	-1.2%	Net Risk as a percentage of ICB allocation	0.0%

Appendix 1

System I&E Summary

(ICB & Combined Provider)

	YTD Plan £m	Actual £m	Variance £m	Full-Year Plan £m	Forecast £m	Forecast Variance £m
ICB Revenue Resource Limit	**£1,251.6m**	**£1,251.6m**	**£0.0m**	**£2,104.0m**	**£2,104.0m**	**£0.0m**
BNSSG ICB Expenditure						
Acute Services	(629.3)	(630.1)	**(0.8)**	(1,054.6)	(1,053.5)	**1.0**
Mental Health Services	(134.0)	(133.6)	**0.4**	(228.8)	(228.9)	**(0.1)**
Community Health Services	(135.8)	(136.6)	**(0.8)**	(221.5)	(222.0)	**(0.5)**
Continuing Care Services	(66.6)	(72.9)	**(6.3)**	(114.0)	(122.9)	**(8.9)**
Primary Care Services	(107.1)	(109.7)	**(2.6)**	(183.2)	(188.7)	**(5.5)**
Primary Medical Services	(106.0)	(106.0)	**(0.1)**	(175.9)	(175.9)	**0.0**
Delegated Dental, Ophthalmic and Pharmacy Services	(49.4)	(46.0)	**3.3**	(84.4)	(82.7)	**1.7**
Other Commissioned Services	(6.9)	(6.8)	**0.1**	(11.8)	(11.6)	**0.2**
Other Programme Services	(1.5)	(1.8)	**(0.3)**	(5.6)	(5.6)	**(0.0)**
Reserves / Contingencies	(3.5)	0.8	**4.3**	(5.5)	6.5	**12.0**
Total ICB Programme Expenditure	**(1,240.0)**	**(1,242.8)**	**(2.7)**	**(2,085.1)**	**(2,085.1)**	**0.0**
ICB Running Costs	(11.5)	(11.6)	**(0.0)**	(18.9)	(18.9)	**0.0**
Total ICB Net Expenditure	**(1,251.6)**	**(1,254.3)**	**(2.8)**	**(2,104.0)**	**(2,104.0)**	**0.0**
ICB surplus / (deficit)	**£0.0m**	**(£2.8m)**	**(£2.8m)**	**£0.0m**	**£0.0m**	**£0.0m**
Combined Provider I&E						
Operating income from patient care activities	1,238.7	1,258.9	**20.2**	2,137.2	2,168.8	**31.5**
Other operating income	108.1	129.3	**21.2**	182.4	202.7	**20.3**
Total Operating Income	**1,346.8**	**1,388.2**	**41.4**	**2,319.7**	**2,371.5**	**51.8**
Substantive staff including on-costs	(775.2)	(771.8)	**3.4**	(1,315.0)	(1,302.0)	**13.0**
Bank staff including on-costs	(35.9)	(63.0)	**(27.1)**	(63.2)	(96.2)	**(33.0)**
Agency / contract	(47.0)	(52.6)	**(5.6)**	(80.8)	(90.0)	**(9.2)**
Other Staff Costs	3.4	1.2	**(2.2)**	5.9	5.3	**(0.5)**
Other Operating Expenditure	(460.3)	(491.4)	**(31.1)**	(802.9)	(830.9)	**(28.0)**
Total Operating Expenditure	**(1,315.0)**	**(1,377.6)**	**(62.6)**	**(2,256.0)**	**(2,313.7)**	**(57.7)**
OPERATING SURPLUS / (DEFICIT)	**31.8**	**10.6**	**(21.2)**	**63.7**	**57.8**	**(5.9)**
Net Finance Costs	(42.1)	(36.0)	**6.0**	(72.1)	(65.1)	**7.0**
Other Adjustments to Financial Performance	2.0	1.0	**(1.0)**	8.4	7.4	**(1.1)**
NHS Provider surplus / (deficit)	**(£8.3m)**	**(£24.4m)**	**(£16.2m)**	**£0.0m**	**£0.0m**	**£0.0m**
SYSTEM FINANCIAL PERFORMANCE	**(£8.3m)**	**(£27.2m)**	**(£18.9m)**	**£0.0m**	**£0.0m**	**£0.0m**

Appendix 2

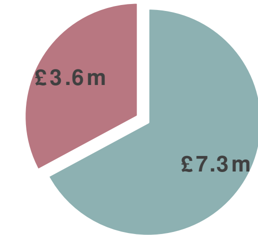
System Capital Summary (Combined Provider)

	YTD Plan £m	Actual £m	Variance £m	Full-Year Plan £m	Forecast £m	Forecast Variance £m
Gross capital expenditure						
Property, land and buildings	42.1	29.1	**13.0**	73.9	71.0	**2.9**
Plant and equipment	19.7	13.2	**6.5**	37.9	31.5	**6.4**
IT	6.2	3.8	**2.4**	14.8	13.1	**1.7**
Other	1.7	17.1	**(15.4)**	14.6	23.7	**(9.1)**
Gross capital expenditure	**69.7**	**63.2**	**6.4**	**141.2**	**139.3**	**1.9**
Less grants, donations and peppercorn leases	(0.1)	(1.4)	**1.3**	(0.2)	(2.9)	**2.7**
Total charge against CRL including IFRS impact	**69.6**	**61.9**	**7.7**	**141.0**	**136.5**	**4.5**
Less PFI capital (IFRIC12)	(1.1)	(0.6)	**(0.5)**	(2.0)	(2.0)	**0.0**
Plus PFI capital charges on a UK GAAP basis (e.g. residual interest)	6.0	6.4	**(0.3)**	10.3	11.0	**(0.7)**
Total Capital Departmental Expenditure Limit (CDEL)	**£74.5m**	**£67.6m**	**£6.9m**	**£149.4m**	**£145.5m**	**£3.9m**
Funding sources of CDEL						
Self Financed - Depreciation less PFI/Finance Lease payments	32.4	29.3	**3.2**	56.2	51.4	**4.7**
Self Financed - other internal capital cash	13.1	12.2	**0.9**	21.5	26.2	**(4.7)**
Capital loan repayments	(3.4)	(2.9)	**(0.5)**	(5.8)	(5.8)	**0.0**
Excess Sources	(1.5)	(2.8)	**1.3**	0.0	0.0	**0.0**
Purchase of Financial Assets	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Sale of Financial Assets	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Sub total: Net Internal Sources	**40.6**	**35.8**	**4.8**	**71.8**	**71.8**	**0.0**
Loan and Other Sources	7.8	23.3	**(15.5)**	17.8	31.0	**(13.2)**
National Sources	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Total Charge against Capital Allocation (including impact of IFRS 16)	**48.4**	**59.0**	**(10.7)**	**89.6**	**102.8**	**(13.2)**
less Impact of IFRS 16	(7.8)	(23.3)	**15.5**	(17.8)	(31.0)	**13.2**
Charge against Capital Allocation (before impact of IFRS 16)	**£40.6m**	**£35.8m**	**£4.8m**	**£71.8m**	**£71.8m**	**£0.0m**
Diagnostic Digital Capability Programme	0.2	0.0	**0.2**	0.6	0.6	**0.0**
Diagnostic Imaging Capacity	0.2	0.0	**0.2**	1.6	0.3	**1.4**
Elective Recovery	14.6	0.0	**14.6**	25.0	12.1	**12.9**
Endoscopy - Increasing Capacity	3.3	0.0	**3.2**	8.5	1.6	**7.0**
Front Line Digitisation	0.2	0.0	**0.2**	2.8	2.8	**(0.0)**
Mandate Transfer - National	0.0	0.0	**0.0**	0.0	1.6	**(1.6)**
Mental Health	0.7	0.9	**(0.3)**	4.7	4.7	**0.0**
STP Wave 3	1.0	1.3	**(0.3)**	6.2	3.2	**3.0**
UEC Capacity	0.0	0.0	**0.0**	0.0	4.9	**(4.9)**
PFI capital charges (e.g. residual interest)	6.0	6.4	**(0.3)**	10.3	11.0	**(0.7)**
Sub Total Other Funding Sources	**26.1**	**8.6**	**17.6**	**59.7**	**42.7**	**17.0**
Total Capital Departmental Expenditure Limit (CDEL)	**£74.5m**	**£67.6m**	**£6.9m**	**£149.4m**	**£145.5m**	**£3.9m**

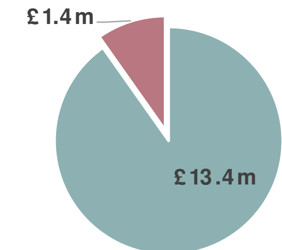
Appendix 3.1
System Efficiency Delivery (Combined Provider)

	YTD Plan £m	Actual £m	Variance £m	Delivery %	Full-Year Plan £m	Forecast £m	Variance £m	Forecast Delivery %
Provider Pay Efficiencies								
Agency - price cap compliance	1.8	1.2	(0.6)	65%	3.3	2.3	(1.0)	69%
Agency - eliminate off framework supply	0.6	0.1	(0.5)	16%	1.4	1.0	(0.5)	69%
Bank - rate review	0.0	0.0	0.0	-	0.0	0.1	0.1	100%
Establishment reviews	3.8	4.7	0.9	125%	8.7	7.2	(1.5)	83%
E-Rostering	0.0	0.0	(0.0)	42%	0.1	0.0	(0.0)	50%
Digital transformation	0.0	0.0	(0.0)	0%	0.0	0.0	0.0	100%
Service re-design - pay	3.9	1.0	(2.8)	26%	8.6	1.8	(6.7)	22%
Other - pay	0.1	0.2	0.0	125%	0.3	0.8	0.5	304%
Unidentified - pay	0.6	0.0	(0.6)	0%	1.0	1.1	0.1	105%
Total Provider Pay Schemes	**10.9**	**7.3**	**(3.6)**	**67%**	**23.4**	**14.4**	**(9.0)**	**62%**
Provider Non-pay Efficiencies								
Medicines optimisation	1.5	1.5	(0.0)	100%	2.7	3.1	0.4	114%
Procurement (excl drugs) -non-clinical	2.2	0.9	(1.3)	41%	3.8	2.5	(1.3)	66%
Procurement (excl drugs) - medical and clinical	5.6	2.5	(3.1)	45%	9.9	5.6	(4.3)	56%
Estates and Premises transformation	1.2	1.1	(0.1)	92%	2.2	2.1	(0.1)	95%
Fleet optimisation	0.0	0.0	(0.0)	69%	0.1	0.1	(0.0)	96%
Pathology & imaging networks	0.5	0.8	0.3	162%	1.3	1.6	0.3	121%
Net zero carbon	0.0	0.0	0.0	-	0.0	0.2	0.2	100%
Corporate services transformation - non-pay	0.0	5.3	5.3	26640%	0.1	5.5	5.3	4871%
Digital transformation	0.0	0.0	(0.0)	55%	0.3	0.4	0.2	163%
Service re-design - Non-pay	1.1	0.9	(0.2)	79%	2.0	1.1	(0.9)	54%
Other - Non-pay (balance - please provide description)	0.2	0.2	(0.0)	89%	0.4	2.4	2.0	544%
Unidentified - non-pay (please provide commentary)	2.3	0.0	(2.3)	0%	4.0	2.4	(1.6)	59%
Total Provider Non-Pay Schemes	**14.8**	**13.4**	**(1.4)**	**90%**	**26.8**	**26.8**	**0.0**	**100%**
Provider Income Efficiencies								
Income Private Patient	0.1	0.3	0.2	246%	0.3	0.9	0.7	361%
Income Overseas Visitors	0.0	0.1	0.1	227%	0.1	0.1	0.0	100%
Income Non-Patient Care	5.8	4.5	(1.3)	77%	11.2	9.4	(1.8)	84%
Income Other (balance - please provide description)	0.2	0.2	0.0	127%	0.5	2.7	2.1	507%
Unidentified - Income (please provide commentary)	0.0	0.0	0.0	-	0.0	0.9	0.9	100%
Total Provider Income Schemes	**6.2**	**5.1**	**(1.1)**	**83%**	**12.1**	**13.9**	**1.8**	**115%**
Total Combined Provider Efficiencies	**£31.8m**	**£25.7m**	**(£6.1m)**	**81%**	**£62.3m**	**£55.2m**	**(£7.1m)**	**89%**

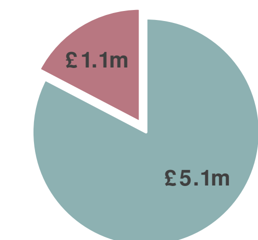
Provider pay



Provider non-pay



Provider income



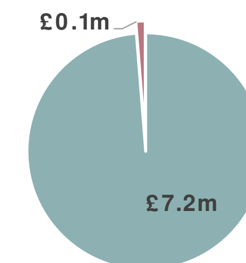
Appendix 3.2

System Efficiency Delivery

(ICB)

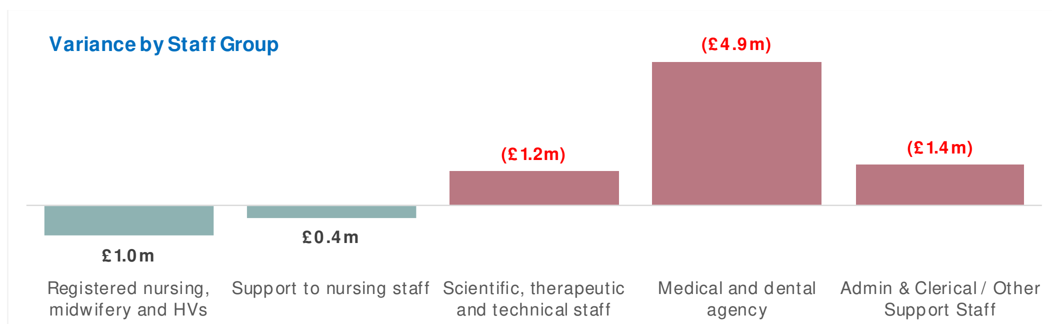
ICB Efficiencies	YTD Plan £m	Actual £m	Variance £m	Delivery %	Full-Year Plan £m	Forecast £m	Variance £m	Forecast Delivery %
All-age Continuing Care - Commissioning/Procurement	1.8	1.3	(0.6)	69%	3.1	3.1	0.0	101%
Primary Care Prescribing	1.6	3.1	1.5	196%	2.7	5.0	2.3	186%
Non-NHS Procurement	2.2	2.2	0.0	100%	3.7	3.7	0.0	100%
Running cost review	0.3	0.3	0.0	100%	0.5	0.5	0.0	100%
ICB efficiency impacting providers outside system:	0.4	0.4	0.0	101%	0.7	0.7	0.0	101%
Unidentified	0.9	0.0	(0.9)	0%	1.5	0.0	(1.5)	0%
Total ICB Efficiencies	**£7.1m**	**£7.2m**	**£0.1m**	**101%**	**£12.2m**	**£13.1m**	**£0.9m**	**107%**
TOTAL System Efficiencies	**£38.9m**	**£33.0m**	**(£6.0m)**	**85%**	**£74.4m**	**£68.3m**	**(£6.2m)**	**92%**

ICB

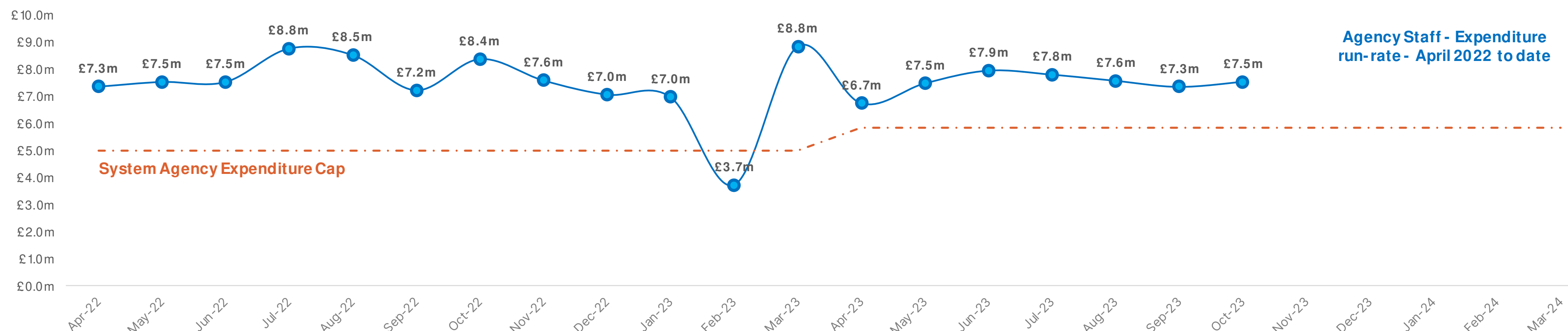


Appendix 4

System Agency Staff Expenditure & Performance v Agency Ceiling



	Year to Date		Forecast	
Plan	£46.3m		£79.7m	
Year to Date / Forecast Spend	£52.3m		£88.9m	
Variance to Plan	**(£6.0m)**	**13%**	**(£9.2m)**	**12%**
Variance to System Agency Ceiling	**(£11.6m)**	**28%**	**(£19.0m)**	**27%**
Target Agency Spend as a % of Total Pay	**4.7%**		**4.7%**	
Actual Agency Spend as a % of Total Pay	**5.9%**		**6.0%**	



Staff Group	YEAR TO DATE Plan £m	Actual £m	Variance £m	Variance %	UHBW £m	NBT £m	AWP £m	FORECAST Plan £m	Forecast £m	Variance £m	Variance %	UHBW £m	NBT £m	AWP £m
Registered nursing, midwifery and HVs	32.3	31.3	**1.0**	-3%	2.9	1.2	(3.1)	55.4	54.6	**0.7**	-1%	0.0	5.4	(4.7)
Support to nursing staff	5.3	4.9	**0.4**	-7%	0.2	0.7	(0.6)	9.0	8.0	**1.0**	-11%	0.0	1.3	(0.3)
Scientific, therapeutic and technical staff	0.7	1.8	**(1.2)**	169%	(0.4)	(0.7)	(0.0)	1.2	2.4	**(1.3)**	109%	0.0	(1.2)	(0.0)
Medical and dental agency	7.0	11.9	**(4.9)**	70%	(0.4)	(2.7)	(1.8)	12.3	19.3	**(7.0)**	57%	0.0	(4.1)	(2.9)
Admin & Clerical / Other Support Staff	1.0	2.4	**(1.4)**	133%	0.3	(0.9)	(0.8)	1.8	4.6	**(2.8)**	155%	0.0	(1.4)	(1.3)
Total Agency Spend	**46.3**	**52.3**	**(6.0)**	**13%**	**2.7**	**(2.5)**	**(6.2)**	**79.7**	**88.9**	**(9.2)**	**12%**	**0.0**	**0.0**	**(9.2)**
Agency costs as % of gross staff costs					**3.8%**	**4.7%**	13.8%					**4.7%**	**3.9%**	13.2%

Appendix 5 Statement of Financial Position

	UHBW			NBT			AWP			BNSSG ICB		
	March 2023 £m	Current Month £m	Movement £m	March 2023 £m	Current Month £m	Movement £m	March 2023 £m	Current Month £m	Movement £m	March 2023 £m	Current Month £m	Movement £m
PFI / LIFT Assests	0.0	0.0	**0.0**	294.7	291.0	**(3.7)**	35.9	34.3	**(1.7)**	0.0	0.0	**0.0**
Other property, plant and equipment	577.1	577.3	**0.2**	188.8	199.6	**10.8**	142.3	143.5	**1.2**	0.0	0.0	**0.0**
Leased Assets	99.2	111.4	**12.1**	8.7	11.0	**2.3**	17.5	16.9	**(0.6)**	0.0	0.0	**0.0**
Receivables due	1.8	1.8	**0.0**	1.4	1.4	**0.0**	0.2	0.2	**0.0**	0.0	0.0	**0.0**
Other non-current assets	20.0	18.1	**(1.9)**	17.6	16.8	**(0.8)**	2.1	1.7	**(0.4)**	0.5	0.3	**(0.2)**
Total non-current assets	**698.2**	**708.6**	**10.5**	**511.2**	**519.7**	**8.6**	**198.0**	**196.5**	**(1.5)**	**0.5**	**0.3**	**(0.2)**
Inventories	15.0	15.9	**0.9**	10.0	9.9	**(0.2)**	0.2	0.2	**(0.0)**	0.0	0.0	**0.0**
Receivables due	68.1	43.0	**(25.1)**	68.0	61.4	**(6.7)**	20.9	14.8	**(6.1)**	18.3	6.0	**(12.3)**
Cash and cash equivalents	128.0	112.8	**(15.2)**	104.0	71.9	**(32.1)**	17.0	40.9	**23.9**	0.1	0.8	**0.8**
Other current assets	(4.8)	(4.8)	**0.0**	(10.7)	(11.0)	**(0.3)**	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Total current assets	**206.4**	**167.0**	**(39.4)**	**171.4**	**132.2**	**(39.2)**	**38.2**	**56.0**	**17.8**	**18.4**	**6.9**	**(11.5)**
Trade and other payables	(164.4)	(124.2)	**40.1**	(121.9)	(89.0)	**32.9**	(37.9)	(55.2)	**(17.3)**	(131.5)	(100.8)	**30.6**
Borrowings	(12.5)	(13.1)	**(0.6)**	(17.1)	(17.7)	**(0.7)**	(3.0)	(2.9)	**0.1**	(0.1)	0.0	**0.1**
Provisions	(0.3)	(0.3)	**0.0**	(4.1)	(3.9)	**0.2**	(3.7)	(3.6)	**0.0**	(13.3)	(10.9)	**2.4**
Other liabilities	(8.5)	(25.5)	**(17.0)**	(17.2)	(29.1)	**(12.0)**	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Total current liabilities	**(185.7)**	**(163.1)**	**22.6**	**(160.2)**	**(139.8)**	**20.4**	**(44.6)**	**(61.8)**	**(17.2)**	**(144.9)**	**(111.7)**	**33.2**
Borrowings	(133.3)	(142.5)	**(9.2)**	(355.2)	(351.3)	**3.9**	(50.5)	(49.1)	**1.4**	0.0	0.0	**0.0**
Other non-current liabilities	(3.9)	(3.8)	**0.1**	(6.8)	(7.1)	**(0.4)**	(1.2)	(1.1)	**0.1**	0.0	0.0	**0.0**
Total non-current liabilities	**(137.2)**	**(146.3)**	**(9.1)**	**(362.0)**	**(358.5)**	**3.5**	**(51.7)**	**(50.2)**	**1.5**	**0.0**	**0.0**	**0.0**
Total net assets employed	**£581.7m**	**£566.2m**	**(£15.5m)**	**£160.4m**	**£153.6m**	**(£6.7m)**	**£139.9m**	**£140.5m**	**£0.6m**	**(£126.0m)**	**(£104.5m)**	**£21.4m**
Public dividend capital	326.6	326.2	**(0.4)**	469.1	471.8	**2.7**	141.4	143.1	**1.7**	0.0	0.0	**0.0**
Income and expenditure reserve	143.6	129.9	**(13.7)**	(376.7)	(386.1)	**(9.4)**	(79.5)	(79.2)	**0.2**	0.0	0.0	**0.0**
Revaluation reserve	111.3	110.1	**(1.3)**	68.0	68.0	**0.0**	77.9	76.6	**(1.3)**	0.0	0.0	**0.0**
I&E Reserve General Fund	0.0	0.0	**0.0**	0.0	0.0	**0.0**	0.0	0.0	**0.0**	(126.0)	(104.5)	**21.4**
Other reserves	0.1	0.1	**0.0**	0.0	0.0	**0.0**	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Total taxpayers' and others' equity	**£581.6m**	**£566.2m**	**(£15.5m)**	**£160.4m**	**£153.6m**	**(£6.7m)**	**£139.9m**	**£140.5m**	**£0.6m**	**(£126.0m)**	**(£104.5m)**	**£21.4m**

Finance, Estates and Digital Committee OPEN Minutes, Thursday 26th October 2023, 09:00-12:00, Microsoft Teams

Members (Quoracy: 3 members required, including one of ICB Non-Executive members; and one of Chief Executive or Chief Finance Officer)		**Initials**
Steve West	Finance, Estates and Digital Committee – Chair	SW
Sarah Truelove	Deputy CEO & CFO – ICB	
Deborah El-Sayed	Director of Transformation and Chief Digital and Information Officer	DES
Jo Medhurst	Chief Medical Officer – ICB	JM
Christina Gray	Public Health	CG
Nina Philippidis	S151 Officer – SGC	NP
Richard Gaunt	Non-Executive Director - NBT	RG
Martin Sykes	Non-Executive Director – UHBW	MS
Jeff Farrar	ICB Chair	JF
Attending		
Jon Lund	Deputy Chief Finance Officer - ICB	JL
Sabrina Smithson	Exec PA (Note Taker)	SS
Rachel Anthwal	Head of Contracts & Procurement: Communities and Children – ICB	RA
Tai Shodipo	Contracts & Procurement: Communities and Children - ICB	TS
Wavell Vere	Senior commissioning manager with the SW Collaborative hub - CSU	WV
David Jarrett	Director of Integrated and Primary Care	DJ
Clive Bassett	Chief Finance Officer for Sirona	CB
Helena Fuller	Deputy Director of Business and Planning	HF

Number	Item	Action
2.0	**Declarations of Interest** ***To consider declarations of interest and conflicts of interest arising from this agenda***	
3.0	**Minutes of the previous meeting** The minutes were confirmed to be true and accurate with some spelling mistakes which were rectified.	
4.0	**Actions from Previous Meeting** The actions were reviewed and updated accordingly.	
To Discuss		
6.0	**Programme of Deep dives:** **a) Sirona** A paper was circulated to the committee prior to the meeting. CB highlighted areas of the paper and the following questions/discussions arose: SW asked in terms of engagement of the whole board, the execs and non-execs (NEDS) and the scale of the challenges how is this communicated to the staff within the	

	organisation, is there a collective ownership and agreement. CB explained we had a deep dive into finance for next year and there was a new level of engagement from the executives and the NEDS are especially focussed on this. But there is a level of support there and dealing with this in the most efficient way that we can. CB continued in terms of communication with staff we have a campaign which includes team and managers briefing. SW questioned the slide on agency, the trend summary if you look back to last year is this the same pattern and this causes anxiety with winter spend increases, has this been tracked or projected what it might look like. CB advised we have, and it is not good news which is why we are having such a focus which the Deputy Chief Nurse is looking at and working with the operational team with a real focus on shift and rotas over the 12-week window. DES praised digital being an important part of the organisation's infrastructure. DES continue to flag 2 pots of money potentially coming in, one is £500K for front line digitalisation and asked CB is that above your £800K investment. CB confirmed it was over but there is a conversation due. DES flagged further the health tech acceleration fund and a bid which is around £700K+ and we have added £300K of optional if there was more money which could be used. DES explained this was going to reside with Sirona in terms of the commercial for the Doccla contract. DES further questioned digital and data and explained we are reliant on Sirona in terms of understanding our system for PHM data and system flow/discharge. It would be helpful to know if there is a potential of productivity gain in terms of releasing time to care and getting the ICB the right data, which should be prioritised as part of the digital strategy. CB responded we could do more in this area and one of the challenges we have had is having 3 legacy systems and getting data onto a consistent platform is where the investment will help us achieve that. CB further explained there is a paper to approve the 'Healthy IO' app which is the wound care monitoring application which will allow us to get visits done. RS responded to SW's previous question around recruitment and reported there was an event looking at what all the Trusts do well and answering what we are doing about retention. RS asked CB about Safeguarding and the non-recurrent investment made of £500K and was this residual around strategy meetings and is it the £250K or the £500K as the Childrens Multi Agency Safeguarding Hub (MASH) has been funded from last years planning range. **Action – CB to review the non-recurrent investment of £500K and regarding MASH and report to Rosi Shepherd.** CG raised 2 points the first was about the Public Health (PH) nursing position and explained as it is not NHS-funded services, we do not get the funding Agenda for Change uplift so collectively we have mitigate these the uplifts. Until now the situation with the PH Grant is annual and we do not get it until the end of the year, so PH nursing services remain as our number one for Bristol and have been heavily invested in. CG's second point was on housing and recruitment Local Authorities (LA's) especially, Bristol is really engaged in this and apprenticeship programmes and asked for Sirona to work closely with the LA's on this to mobilise the property assets.	

	NP asked about the forecasting of £2.7m overspend at the end of the year and asked to understand the implications of this. CB explained we budgeted £3m more than our income but that doesn't play back into the system figure directly as we are a standalone entity, it comes out of our reserves. We're not in a position where we can overspend and get support which is why we talk about building reserves over and above what they are now. NP concluded the work going on at Sirona is good example of system wide working and using assets in a positive way to release savings. JL asked about the agency staffing challenges and asked if there was a sense of any changes in culture and mindset around use of agency staff. CB responded there are many contributing factors, we are exposing small issues with how we cover study leave, holiday cover etc to cover staff and how much time we give people for holiday cover. The communications team are getting the message out there and if it doesn't look like we're succeeding we will raise the profile higher, which our CEO is invested in. ST referred to the point from CG on agenda for change and advised because Sirona is the community provider the ICB does miss out on some funding, and this is constantly flagged back to the national team. SW thanked CB for the honest and transparent presentation.	
Finance Reports		
7.0	**M6 Finance Report ICB & System inc Capital** A paper was circulated to the committee prior to the meeting. JL highlighted areas of the paper and the following questions/discussions arose: CG asked about the underspending in dentistry and elaborated because the private dentists are not utilizing their NHS allocation and the plan is around the strategy, we use that to maximize and address inequality. CG flagged she would not want that to go into the bottom line of the ICB to balance the budget she would want to see that NHS dentistry allocation hypothecated in a reserve somewhere. JL responded health inequalities, anticipatory care, dentistry budgets are protected in the long term, but for some budgets we will underspend in the current year and that is not a sustainable solution, but it does give a route to break even in the current year. NP noted the balance this year and how do we get the deficit written off will be the aim for the system, which is a short-term position we might need to accept which we might need to land next year. SW added if we don't land that we will be in more financial trouble. CG added the systems are pulling the financial spend and preventing us what we need to do in equality dentistry and anticipatory care, and we need to note clearly, we are not in the right space. SW agreed we need to report this into the main board. JF summarised the assumption in the paper about £13.6m cost pressure arising from Industrial Action being funded from NHSE, what we are spending on industrial action we think is what we recover from within our own finances, which is catastrophic because it's building all the time. JF further asked about the additional risk of £16m but this is not explained within the paper. JL responded under the system financial position a lot of these are the pressures more relate and accrue on the provider sector side. We have done quite a lot of work in the month to really understand the impact of industrial action and it falls into two major places. There is a kind of backfill and overtime costs of staffing to cover strike days and this preceding and following days, but also the lost income earnable	

	from lost activity, particularly on elective backlogs that occur, and we judge year to date that that creates £13.6m of overspend which mostly accrues in UHBW and NBT to start a lesser extent in AWP. But there is still another underlying deficit. We were taking the view that the £13.6m would have some national cover and we do not have a clear mitigation to that as a system that's evolving. JL continued there are two risks with flagging of overall £16m, £6m of that is in the ICB relating to prescribing costs and we think we can mitigate that through some of the reserves. JF added we do know that in double lock we can manage this within the ICB if we go into triple lock then we get NHSE intervention and then we can't deal with it in the way that we might pragmatically be able to across the system so there is an imperative to get a grip on this. MS observed we need to make sure that whatever we leave falling out, is the most justifiable thing nationally, so we would not want to hide one thing if it was something we could put on our list nationally. SW agreed the committee needs to be close to this and need to feedback to main board. CG suggested the system and system flows is all about preventions and efficiencies are in every bit of the system. If we can see where the system is haemorrhaging money, we can bring together teams across the system manage that. SW noted this was a helpful suggestion that we should take forward. SW concluded the committee would like to receive a further deep dive into AWP's finance report in the next month's committee and noting the impact on health and inequalities are progressed up to board.	
	To Note	
8.0	**Receive update from System DoFs Group** As above in finance report.	
8.1	**Receive update from System Digital Delivery Group** DES provided a verbal update: - 5 years our integrated maternity system (Badger notes) is up and live. - Connecting care decision went out to market last month. - Progress with SDPP was noted, including incorporation of CTC workstream to release early benefits £650k Frontline Digitisation funding bid to be submitted: prioritising community EPR and resilience. - DDB to mitigate digital risks and deployment issues by supporting HCIGs with digital advice earlier in project formation stages. - Reduction of Connecting Care service to "lights on", supported via an interim MOU with CSU: including transition of some services to ICB, in the interim. - To progress access to EMIS for NHS@Home Acute staff RS praised Badger Notes. DES flagged the 2025 analogue switch-off of all products in the analogue space aka 3g products. - Technology enabled care bid which was rejected of department of health and social care with no feedback, it might be we were behind the curve and we weren't innovative in this space. £800K not getting for system.	
8.2	**Receive update from System Estates Steering Group** Update Paper noted by the committee.	

	SW observed how we use the system resource in terms of our state is one of the ways we could become more financially sustainable. CG promoted maximising estate and re-purpose it. We are not where we need to be, but the 3 LA CEO's are due to bring this to the board.	

Any Other Business

Key messages for ICB Board

- Finances identify distress for AWP in their finances which they have identified and how do we help in that space and quantum in our community.
- Reinforcing the focus in order to deliver this year's financial outturn which may have an effect in terms losing local control, not having debt written off and loss of capital funding; as well as compromising what we can do in the spaces of reducing health inequalities.