



# NHS Lanarkshire

**Meeting:** NHS Lanarkshire Board Meeting  
**Meeting date:** 25 March 2026  
**Title:** Standing Financial Instructions and Scheme of Delegation Review  
**Responsible Executive:** Fiona McEwan, Director of Finance  
**Report Author:** Craig Morton, Deputy Director of Finance

## 1 Purpose

This report is presented for:  
*(please tick all appropriate)*

Discussion	<input checked="" type="checkbox"/>
Decision	<input type="checkbox"/>
Assurance	<input checked="" type="checkbox"/>

This report relates to a:  
*(please tick all appropriate)*

Local Policy	<input checked="" type="checkbox"/>
Government Policy	<input type="checkbox"/>
Urgent Operational Issue	<input type="checkbox"/>

This report aligns to the following NHS Scotland quality ambition(s):  
*(please tick all appropriate)*

Safe	<input type="checkbox"/>
Effective	<input checked="" type="checkbox"/>
Person Centred	<input type="checkbox"/>

This report relates to the following Corporate Objectives:  
*(please tick all appropriate)*

Better Health	<input checked="" type="checkbox"/>
Better Care	<input checked="" type="checkbox"/>
Better Value	<input checked="" type="checkbox"/>
Better Workforce	<input checked="" type="checkbox"/>

## 2 Report Summary

### 2.1 Situation

The Standing Financial Instructions (SFIs) and Scheme of Delegation (SoD) regulate the conduct of NHS Lanarkshire, its directors, officers and agents in relation to all financial matters. The SFI and SoD should be reviewed regularly to ensure these are fit for purpose and effective in the operations of the Board and its delegated functions.

The current SFI and SoD is version 14 which was approved in April 2024. Version 15 is shown as Appendix 1 including updates detailed below.

The NHS Lanarkshire Board is asked to review the key changes and Version 15. The new version will be submitted to the Board on 25 March 2026 with the aim to have these approved in time for the new financial year.

The SFI and SoD has been circulated to several non-execs, CMT and the Audit and Risk Committee with feedback incorporated prior to submission to the Board.

### 2.2 Background

The Standing Financial Instructions (SFI's) are issued in accordance with the financial directions provided by the Scottish Government Health and Social Care Directorate (SGHSCD) under National Health Service in Scotland (NHSiS) Statutes and Circulars. The SFI's are also in accordance with all other enabling powers for the regulation of the conduct of NHS Scotland Boards, their members, officers and agents in relation to all financial matters.

The SFIs work in conjunction with NHS Lanarkshire's Scheme of Delegation (SoD) detailing limits of delegation which the Board has delegated to directors, officers and agents of NHS Lanarkshire.

The SFIs and SoD should be reviewed on a regular basis. The last review took place in April 2026.

### 2.3 Assessment

Version 15 of the Standing Financial Instructions and Scheme of Delegation has been redrafted to reflect best practise as well as additions which add to the effectiveness of the policy. The new version, including changes, has been reviewed against several other Boards including NHS Greater Glasgow and Clyde and NHS Lothian.

A summary of changes to both the SFIs and SoD is as follows:

#### **SFIs:**

- Addition of section 1.8 Terminology to ensure that terminology is consistent throughout the SFIs and Scheme of delegation and matches the Lanarkshire Health Charity definition of Trustees.
- Removal of narrative concerning coin operated telephones (which NHSL no longer have) and coin operated vending machines (which are outsourced).
- Small updates to terminology from previous version:

- Annual Delivery Plan now referred to as the Financial Planning Template
- Changes to expenditure:
  - Split between what is substantive and non-substantive
  - Procedure for spend in the financial plan (and process for release from reserves) and not in the financial plan with limitation increases for what can be approved by DoF, CEO, CMT, PPRC and Board
  - These changes are reflected in the Scheme of Delegation
- Updates to reflect change in structure since Version 14:
  - Inclusion of Planning, Performance and Resource Committee
- Update of Section 10 to reflect updates to Formal Tendering since 2024
- Update on Capital Investment Group processes to reflect agreed Terms of Reference
- The removal of sections 14.6 – 14.12 pertaining to European Income which is no longer relevant post-Brexit.
- References to MELs pertaining to Capital and Losses which have been superseded by the Scottish Government Finance Manual.
- Increased clarification on the requirements within the Financial Planning Template for the Board and IJBs.
- Clarification on route of reporting of asset discrepancies to Director of Finance, Capital Investment Group and, Audit and Risk Committee.

### **Scheme of Delegation:**

- Addition of first three sections laying out Matters Reserved for the Board, Matters Delegated to Officers of the Board and a Contents of the Scheme of Delegation
- Section 4.1 Lines 7 – 15
  - Update on limits on committing expenditure. This section has been broadened out to reflect expenditure requests for the release of reserves agreed as part of the overall financial plan, separating these requests from new expenditure requests in the form of business cases for new funding.
  - The update also allows for greater virement of budgets and ability to commit in year expenditure which does not increase the recurring deficit. This adds greater flexibility to the Director of Finance, Chief Executive and Planning, Performance and Resource Committee to manage an in year surplus position.

o **The primary changes for the limits are:**

Section	Version 14	Version 15
4.1 line 7 – Virement of budgets	<p><u>Budgets directly managed by Chief Officer of IJB</u> Up to £250k Chief Officer of IJB with sign off from NHS Lanarkshire Director of Finance /Deputy Director of Finance to ensure virement feasible Over £250k IJB approval in addition to the above</p> <p><u>NHS Lanarkshire Budgets</u> Director of Finance and Appropriate Divisional Director from £250k up to £500k CMT over £500k</p>	<p><u>Budgets directly managed by Chief Officer of IJB</u> Up to £250k Chief Officer of IJB with sign off from NHS Lanarkshire Director of Finance /Deputy Director of Finance to ensure virement feasible Over £250k IJB approval in addition to the above</p> <p><u>NHS Lanarkshire Budgets</u> Appropriate Divisional Director up to £250k Director of Finance up to £2.5m Chief Executive up to £5m PPRC between £5m - £10m NHS Lanarkshire Board &gt; £10m</p> <p>All budget virements will be formally reported as part of the Monthly Finance Report</p>
4.1 line 8 – Authority to commit expenditure for which no provision has been made within the approved Financial Plan	<p>Providing decision will not put Board into in year deficit Director of Finance up to £900k non-recurring and up to £25k recurring CMT over £900k non-recurring and £25k - £75k recurring Board over £75k recurring if no funding stream available</p> <p>If decision will result in year deficit it is reserved for Board though in an emergency situation CE can act in best interest of organisation and ratify at first available opportunity.</p>	<p>In year expenditure where the decision will not put NHS Lanarkshire Board into an increased recurrent deficit: Director of Finance up to £2.5m Chief Executive up to £5m Planning, Performance and Resources Committee £5m - £10m NHS Lanarkshire Board &gt;£10m</p> <p>Where decision will result in an increase recurrent deficit: Director of Finance up to £1.0m Chief Executive up to £2.5m</p>

		Planning, Performance and Resources Committee £2.5m - £5m NHS Lanarkshire Board >£5m
4.1 Line 12 – Approval of Change Programmes	Chief Executive/Director of Finance	Director of Finance up to £2.5m Chief Executive up to £5m PPRC between £5m - £10m NHS Lanarkshire Board > £10m or where proposal includes major service change or headcount change  All items will be formally reported as part of the Monthly Finance Report
4.1 line 13 – Standard Business Case Approval	<u>Capital</u> – see section 9  <u>Revenue</u> - where funding source already identified within financial plan, Director Approval required Where no funding / additional to financial plan - < £75k CMT > £75k Board (see 1.8 for further restrictions if would result in in year deficit) Revenue and Capital – approval required from each area as described above	<u>Capital</u> – see section 4.10  <u>Revenue</u> – see 4.1 line 8 Business cases should follow the appropriate governance pathway through CMT for review prior to approval based on section 4.1 line 8

- Section 4.5
  - Updated to reflect the overarching limits imposed in section 4.1
- Section 4.8
  - Updated to reflect Procurement rules updated since 2024 including limits and guidance on tenders.
- Section 4.10
  - Updated to reflect the Terms of Reference for CIG and limits on new business cases for capital not in the Capital Plan/Financial Plan
- Section 4.12

- Updated to reflect the last update in the Fraud Policy. This policy is due for review and will need to be updated again if the policy is updated.

### **2.3.1 Quality/ Patient Care Assessment**

There are no Quality or Patient Care implications to be noted.

### **2.3.2 Workforce Assessment**

There are no workforce implications to be noted.

### **2.3.3 Financial Assessment**

There are no further financial implications to be noted.

### **2.3.4 Risk Assessment/Management/ Sustainability**

There are no further risk implications to be noted.

### **2.3.5 Equality and Diversity (including health inequalities and the Fairer Scotland Duty)**

Has an E&D / FSD Impact Assessment has been completed?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

There are no Equality and Diversity implications requiring to be noted.

### **2.3.6 Other Issues**

No other issues require to be noted.

### **2.3.7 Communication, Involvement, Engagement and Consultation**

No implications require to be noted

### **2.3.8 Route to the Meeting**

The SFIs and SoD at 12 March 2026 is being presented to the NHS Lanarkshire Board

Feedback has already been sought from several non-executives, CMT and the Audit and Risk Committee.

## **2.4 Recommendation**

Asked to approve:

- The new version of the SFI and SoD and the key changes made
- Recommend any appropriate changes

### **3 List of Appendices**

The following appendices are included with this paper:

- Appendix 1, 2026-03-25 – NHSL Board - Item 5.3 - Standing Financial Instructions and Scheme of Delegation V15