



## Scheme of Financial Delegation

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<b>Owner:</b>	Tom Leftley	<b>Job Title:</b>	Head of Finance
<b>To be issued to: (check as needed)</b>			
<input type="checkbox"/> Board of Management <input type="checkbox"/> All Staff <input checked="" type="checkbox"/> ET/SLT <input checked="" type="checkbox"/> Head Office Managers <input checked="" type="checkbox"/> Head Office Staff <input type="checkbox"/> Finance <input type="checkbox"/> Housing <input type="checkbox"/> Asset <input type="checkbox"/> ICT		<input type="checkbox"/> OD <input type="checkbox"/> Compliance <input type="checkbox"/> All Care & Support <input checked="" type="checkbox"/> C&S Managers (RM,OM, CSM) <input type="checkbox"/> C&S Staff <input type="checkbox"/> Contractors <input type="checkbox"/> Agency Staff <input type="checkbox"/> Unite the Union <input type="checkbox"/> Employee Voices Group <input type="checkbox"/> Other: _____	
<b>Method of Delivery: (check as needed)</b>			
<input checked="" type="checkbox"/> Learn Pro <input type="checkbox"/> Board Portal <input type="checkbox"/> Line Manager to Share (e.g. Agencies)		<input type="checkbox"/> Policy Owner to Notify (e.g. Contractors) <input type="checkbox"/> Other: _____	
<b>Stakeholder Consultation Completed (check as needed)</b>			
<input type="checkbox"/> Board of Management <input type="checkbox"/> All Staff <input checked="" type="checkbox"/> ET/SLT <input type="checkbox"/> Head Office Managers <input type="checkbox"/> Head Office Staff <input checked="" type="checkbox"/> Finance <input type="checkbox"/> Housing <input type="checkbox"/> Asset <input type="checkbox"/> ICT		<input type="checkbox"/> OD <input type="checkbox"/> Compliance <input type="checkbox"/> All Care & Support <input type="checkbox"/> C&S Managers (RM,OM, CSM) <input type="checkbox"/> C&S Staff <input type="checkbox"/> Contractors <input type="checkbox"/> Agency Staff <input type="checkbox"/> Unite the Union <input type="checkbox"/> Employee Voices Group <input type="checkbox"/> Other: _____	

## Version Control

Date	Owner	Version	Reason for Change
April 2024	Tom Leftley	1.0	New policy (extracted from F02 Procurement)

## Summary of Changes

Section	Change

# Scheme of Financial Delegation

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## 1.0 Arks Values

Arks values are true to the core purpose of the organisation and the services we deliver. They determine our behaviours towards one another and what we should expect in our relationships with one another. Working within the following values will guide and help us deliver our vision and mission of Ark being an organisation where everyone is equal:

### Trust

We have confidence in our people to deliver excellent services and trust in them to do so. We will develop trusting and honest relationships and our customers will feel assured that they can rely on us to deliver.

### Respect

We treat everyone fairly and we listen. We are respectful of each person with whom we come into contact and expect our people to respond professionally and treat others as they would wish to be treated.

### Understanding

We will operate with empathy and compassion and approach each situation with an open mind. We will question and challenge to ensure we achieve the right outcomes for customers and our people.

### Equality

We believe everyone is equal and expect our people to create positive experiences where everyone feels valued and included.

### Integrity

We will do the right thing and take responsibility for our actions. We will work together to uphold the highest standards of behaviour and practice.

## 2.0 Purpose

The Scheme of Financial Delegation (“the Scheme”) is designed to set out the delegation of financial authority by the Ark Board of Management to the Chief Executive, Executive Team, and employees of Ark Housing Association and its subsidiary companies.

It applies to all third-party expenditure in relation to goods, services and works. This includes purchases for routine supplies and services through to more complex projects for buildings and refurbishments.

It does not cover the setting of the staffing establishment or the incurring of staff costs through the approval to appoint permanent or temporary staff. These are covered by our Financial Regulations [F01] and our policy and procedures on Recruitment and Selection [HR01].

### 3.0 Policy Statement

The Scheme documents the delegated financial authority levels for each level of employee and business area. That is, the level of expenditure each can approve without more senior approval.

The provisions of the Scheme are intended to assist in the principle of subsidiarity whereby decisions to incur and approve financial expenditure will be delegated as close to the point of service delivery as is appropriate in the circumstances.

When authorising any expenditure, it is the responsibility of the individual signing any order or invoice to be accountable for that expenditure by confirming that the expenditure is legitimate, justified, and conforms to existing policies and procedures.

All delegated limits should be considered to be inclusive of Value Added Tax (“VAT”). This policy complements Ark’s Standing Orders [G06] and Procurement policy [F02].

### 4.0 Scope

All Ark Board of Management members and employees who are budget holders, or make purchases on behalf of the organisation, are covered by this policy.

### 5.0 Legal/Regulatory Framework

This policy complies with the Scottish Housing Regulator Regulatory Standards, Scottish Social Housing Charter, Standard 13 ‘Value for Money’ and Scottish Housing Regulator (SHR) regulation 3.

### 6.0 Responsibilities

#### 6.1 Board of Management

Ark’s Board of Management is responsible for consideration and approval of this policy.

#### 6.2 Executive Team

Ark’s Executive Team is responsible for ensuring that this policy is reviewed in accordance with Ark’s schedule for review of policies, or sooner if required.

### 6.3 Leadership Team

Ark's Leadership Team is responsible for review of the policy, and for ensuring that relevant measures are put in place in order to implement its requirements.

### 6.4 Managers

Ark Managers will be responsible for the effective implementation of this policy when supporting employees procure goods and services for the organisation.

### 6.5 All Staff

All Ark employees with budget responsibility are responsible for ensuring that goods, services and works are approved by the appropriate level of authorisation in line with this policy.

## 7.0 Scheme of Financial Delegation

### 7.1 Revenue Expenditure

Revenue expenditure is expenditure incurred in the transacting of normal business operations, as approved by the Board of Management as part of the annual budget.

This excludes capital expenditure linked to the Capital Investment Programme, new build programmes and IT/Office capital investment. Revenue expenditure should be made through the purchase requisitioning system wherever possible.

Revenue authorisation limits by department are set out in Appendix 1 below.

### 7.2 Capital Expenditure

Capital expenditure relates primarily to the purchase of goods or services which last for more than one financial year, including the capital property investment programme, new build projects, and non-property investment including ICT/Office equipment.

The authority to approve financial commitment refers to projects that have been included in the annual budget and Five-Year Financial Plan, as approved by the Board of Management.

Financial commitments should only be incurred under the terms of a contract which has been previously entered into under Ark's procurement policy and procedures.

Capital authorisation limits by department are set out in Appendix 1 below.

### 7.3 Expenditure Not Included in the Annual Budget

Where expenditure is unbudgeted, one-off in nature or relates to a capital project (whether for development or otherwise) it will require preparation of a business case, as set out in procedure [G52]. Appendix 2 sets out authorisation limits for unbudgeted expenditure.

### 7.4 Authorisation and Approval Limits for Cost Overruns on Committed Capital Projects

Cost overruns, although unwelcome, are an inherent risk associated with large scale capital projects. Acknowledging this risk, appendix 3 sets out approval limits for authorisation of these additional costs.

## 8.0 Learning & Development Requirements

All Ark employees with budget responsibility will review and sign off this procedure on LearnPro. This will include all Care & Support Managers and all Head Office based staff.

## 9.0 Related Policies & Procedures

This policy should be read in conjunction with:

- F01 Financial Regulations
- F02 Procurement
- G06 Standing Orders

## 10.0 Equality Impact Assessment (EIA)

No potential equalities issues have been identified in relation to the development of this policy, and consequently an EIA has not been completed.

## 11.0 Data Protection Impact Assessment (DPIA)

No potential data protection issues have been identified in relation to the development of this policy, and consequently an DPIA has not been completed.

## 12.0 Stakeholder Consultation

In developing this policy the following groups were consulted:

- Ark Board of Management;
- Ark Executive Team; and
- Ark Leadership Team.

## 13.0 Monitoring & Review

### 13.1 Monitoring

Ark's Finance Team will monitor implementation of this policy on an ongoing basis as part of the routine processing of expenditure invoices.

### 13.2 Review

This policy will be reviewed within 3 years from the date of approval by our Board of Management, in accordance with Ark's policy review framework.



## Appendix 1 Authorisation Limits by Department

### Care & Support Services

Approver	Revenue	Capital
	£	£
Board of Management	Over 500,000	Over 500,000
Chief Executive	500,000	500,000
Director	100,000	100,000
Assistant Director of Care & Support	25,000	25,000
Regional Manager Practice Development Manager	10,000	-
Operations Manager	5,000	-
Care & Support Manager	2,000	-

### Housing Services

Approver	Revenue	Capital
	£	£
Board of Management	Over 500,000	Over 500,000
Chief Executive	500,000	500,000
Director	100,000	100,000
Head of Housing & Customer Experience	25,000	25,000
Housing & Customer Services Manager Neighbourhood & Partnership Manager	5,000	-
Housing & Neighbourhood Services Officer Customer Services Officer	1,000	-

### Reactive Repair Work Orders

Approver	Revenue	Capital
	£	£
Board of Management	Over 500,000	-
Chief Executive	500,000	-
Director	100,000	-
Head of Housing & Customer Experience	25,000	-
Housing & Customer Services Manager Neighbourhood & Partnership Manager	10,000	-
Housing & Neighbourhood Services Officer Customer Services Officer	1,000	-
Customer Services Advisor	500	-

### Asset Compliance & Cyclical Work Orders

Approver	Revenue	Capital
	£	£
Board of Management	Over 500,000	-
Chief Executive	500,000	-
Director	100,000	-
Asset & Compliance Manager	25,000	-
Asset Compliance & Contracts Officer Asset Officer	1,000	-

**Core Programme Property Investment (including Strategic Asset Management)**

Approver	Revenue	Capital
	£	£
Board of Management	-	Over 1,000,000
Chief Executive	-	1,000,000
Director	-	500,000
Asset & Compliance Manager	-	50,000

**New Build Development & Stage 3 Adaptations**

Approver	Revenue	Capital
	£	£
Board of Management	-	Over 1,000,000
Chief Executive	-	1,000,000
Director	-	500,000
Development Manager	-	250,000

**Central Overhead Departments**

Approver	Revenue	Capital
	£	£
Board of Management	Over 500,000	Over 500,000
Chief Executive	500,000	500,000
Director	100,000	100,000
Head of Department	25,000	25,000
Head Office Manager	10,000	-
Business Partner	5,000	-
Officer	1,000	-

## Appendix 2 Non-Budgeted Expenditure Limits

Approver	Revenue	Capital
	£	£
Executive Committee or by the Chair/Depute Chair under delegated authority, depending on the urgency of the situation	Over 50,000 per item	
Chief Executive	Up to 50,000 per item, and up to a cumulative total 250,000 per annum	

## Appendix 3 Authorisation and Approval Limits for Cost Overruns on Committed Capital Projects

	% / £
Finance Sub-Committee (or the Executive Committee under delegated authority, depending on the urgency of the situation)	Over 15% of project value or £100,000
Chief Executive	Up to 15% of project value or a maximum of £100,000
Director	Up to 5% of project value or a maximum of £50,000