

Annex D: Delegation letter

To: Alex Rothwell and Matthew Jordan-Boyd, Accounting Officer and Finance Director, NHS Counter Fraud Authority (NHSCFA)

From: Andy Brittain, DHSC Director General, Finance

Delegated authority letter – NHS Counter Fraud Authority (NHSCFA)

Dear Alex and Matthew

I am writing to set out the NHS Counter Fraud Authority (NHSCFA) updated delegated spending authorities. This supersedes all previous communication on delegated authorities, and includes the arrangements for approving:

- new policy proposals and announcements
- projects and programmes

HM Treasury (Treasury) approval for expenditure is one aspect of the convention whereby the Treasury controls all other departments in matters of finance and public expenditure on behalf of Parliament. Formally, Treasury consent is required for all expenditure or resource commitments. In practice, the Treasury delegates to departments the authority to enter into commitments and to spend within predefined limits without specific prior approval from the Treasury (with certain exceptions). Such delegated authorities strike a balance between the Treasury's need for control in order to fulfil its responsibilities to Parliament and the department's freedom to manage within its agreed budget limits and Parliamentary provision. Annex 2.2 of Managing Public Money sets this out in further detail. The controls applied to Department of Health and Social Care (DHSC) also apply to all our arms-length and central government bodies, unless other arrangements are in place, and DHSC may also add further controls for these bodies.

The delegated authorities set out in this letter from DHSC give NHSCFA standing authorisation to commit resources or incur expenditure without specific prior approval from both the DHSC and Treasury in specific areas and within specific limits, through NHSCFA's own robust internal delegations, approvals and governance processes. The delegated authorities do not make any distinction between Departmental Expenditure Limit (DEL) and Annually Managed Expenditure (AME) spending. Where expenditure does not fall within these delegations, relevant DHSC or Treasury consent will be necessary. These include proposals for expenditure, which is novel and contentious, or could cause repercussions elsewhere in the public sector. Expenditure slotting into any of these categories requires Treasury consent. If no delegation is set out specifically in the letter, then the delegation is nil and Treasury consent will need to be sought.

This delegation letter commences from the date of this letter and will be reviewed on an annual basis by the DHSC. Your delegations will be reviewed by 1 April 2026. The letter should be read in conjunction with other guidance setting out the parameters of departmental spending authority, such as Managing Public Money. Any questions on the contents of this letter should be referred to your Sponsorship Team.

Accounting Officer (AO) responsibilities and approvals

As it constitutes a delegation from Treasury consent, spending without the required Cabinet Office approval, or without meeting the conditions set for delegated or Cabinet Office approval, may be considered irregular. As AO you must immediately notify DHSC as soon as you become aware of a breach of spending controls.

Process for obtaining approval outside your delegated authorities

You must ensure you allow sufficient time to obtain all approvals required before any spending commences.

Before any expenditure outside the delegated authorities is submitted by the DHSC to Treasury for formal approval, it should already have passed the highest level of scrutiny within NHSCFA, which as a minimum will require sign-off by NHSCFA's Accounting Officer, Finance Director, or another official with full delegated powers, as well as all appropriate DHSC approvals. Expenditure submitted to the Treasury for approval should also have been signed off by the relevant minister within the department (excepting cases related to special payments). Where the Principal Accounting Officer assesses that a ministerial direction will likely be needed in relation to the expenditure, the reasons for this should be discussed with the DHSC Principal Accounting Officer and Treasury. No direction should be sought in advance of obtaining Treasury approval for the expenditure.

After obtaining the necessary internal approvals, as indicated above, relevant approval from DHSC and Treasury is also required. Applications for approval should be submitted to the DHSC finance team, and DHSC Sponsorship team who will liaise with the Treasury spending team, on your behalf. The Treasury team will communicate in writing to DHSC whether approval has been granted and your DHSC Sponsorship Team will advise you accordingly.

Where projects fall outside delegated authority, these will also be scrutinised through the Treasury Approval Point process, or the Major Projects Review Group for government's largest and riskiest projects and programmes. You will normally receive a response within 28 calendar days of the business case formally being received by Treasury.

New policy proposals, projects, programmes and announcements

Departments and their arm's length bodies must adhere to the obligations to seek Treasury approval for new policy proposals and announcements under Managing Public Money and Consolidated Budgeting Guidance.

New policy proposals and announcements with financial implications must be cleared with the Treasury when:

- they are outside the department's delegated authorities
- they are included within the list of categories of spending which always require Treasury approval
- they are to be submitted to the Cabinet or a ministerial committee for collective approval.

Project and programme spending

Projects and programmes require DHSC or Treasury approval where they exceed, or are likely to exceed, NHSCFA's delegated authorities. The need for approval extends to the renewal of existing projects and programmes where significant changes are being proposed as well as for new projects and programmes.

Cabinet Office controls

Cabinet Office controls will continue to operate a subset of spending controls on behalf of the Treasury. They apply to the following types of expenditure:

1. Advertising, marketing and communications
1. Commercial activity, including dispute disclosure
2. Digital and technology, including identity assurance
3. Grants
4. Property
5. Facilities management
6. Contingent labour
7. Learning and development (Civil Service Learning)
8. Redundancy and compensation

You can read more about the operation and requirements of these spending controls in the guidance published alongside the framework agreement, and further detail is available in the [Cabinet Office Controls](#).

Any new bodies, committees or boards being formed should do so with the assumption that new exemptions will not be granted.

Controls requirements

You are required to develop and share spending 'pipelines' containing information on proposed commercial procurement, facilities management contracts, digital and technology, and property (leaseholds, property acquisitions and disposal) spending for at least the next 18 months (publishing commercial procurement pipelines). As well as meeting this requirement, your staff should also continue to produce other business cases and seek other Treasury and Cabinet Office consent as required.

Fees and charges

Treasury agreement is needed to introduce or modify fees and charges schemes and for any proposal to retain fee and charge income to finance expenditure.

Banking and cash management

As with all public sector organisations, NHSCFA must run their cash management processes to provide good value for the Exchequer as a whole. This is achieved by maximising the use of publicly procured banking services (accounts with commercial banks managed centrally by Government Banking). NHSCFA should only hold funds outside of the Exchequer where a good business case can be made for doing so. It should also be noted that specific Treasury agreement to each commercial account is required before it is established. Further details are set out in the 'Banking and Managing Cash' annex of Managing Public Money. This also provides guidance on banking policy. As a matter of good financial management, NHSCFA should never go overdrawn.

NHSCFA should plan its own cash management efficiently and through forecasting of cashflow as accurately as possible, this will contribute to the overall good performance of DHSC within the cash management scheme administered by the Exchequer Funds and Accounts team (EFA) in Treasury. As set out in guidance on OneFinance and Managing Public Money, this will support the achievement of good value for the Exchequer as a whole by minimising the government's borrowing at the end of each working day.

For effective cash management it is important to distinguish cash flow from accrued budgets. Cash flow should be profiled for each day enable DHSC to inform Exchequer Funds and Accounts (EFA) of the collective demand for cash and expectations of income on a daily, weekly and monthly basis. The Debt Management Office (DMO) relies on the accuracy of this information to minimise the risks and cost of managing the government's overall cash position daily, and therefore the earliest possible communication on changes to NHSCFA's cash flow via the DHSC cash management team (DHcashmanagement@dhsc.gov.uk) is essential.

Sharing information with DHSC

To support the effective monitoring of spend, and to inform decision making, NHSCFA's must provide DHSC with robust spending and forecasting information

and share data to demonstrate whether priority outcomes are being achieved and contributing to key departmental objectives.

As part of the department's financial governance framework, NHSCFA is required to provide its budgetary spend position in the format formally requested by the department on a monthly basis. These submissions will be reviewed by the DHSC Finance Business Partner (FBP) to ensure alignment with financial planning and control measures and who will subsequently share outcome of the review with the relevant Sponsor Team.

To support effective financial management, there must be a clear focus on early identification of risks and opportunities, and NHSCFA is expected to proactively share any emerging financial pressures or potential underspends as soon as they arise. Please ensure compliance with these requirements to facilitate robust financial oversight and decision-making.

Review of delegated authorities

NHSCFA's delegated authorities will be reviewed by the DHSC on an annual basis, beginning from the date of this letter. That means that your delegations will be reviewed by 1 April 2026. Notwithstanding these regular reviews, the DHSC reserves the right to withdraw, reduce, or amend these delegated authorities. Before doing this, the DHSC will set out its reasons for making the changes and give NHSCFA the opportunity to comment.

Change of circumstances

For the avoidance of doubt, where there are material changes to the key metrics (for example cost base, forecast benefits, delivery schedule) of a programme, NHSCFA should consult the DHSC, via the usual approval processes, for its view on whether the considerations that led to approval should be revisited, and if fresh consent for the continuation of funding should be sought. Failure to do so may lead the National Audit Office (NAO) to regard spending following the identification of the material change of circumstances, benefits, or costs as irregular.

Additionally, your DHSC Finance Business Partner will conduct a formal Q2 review of all underspends, with any identified surplus to be returned to the department no later than Q3. Underspends declared late will be taken into account when assessing future funding requests.

Change control procedure

Where NHSCFA's delegated authorities are substantively amended, a fresh delegation letter will be issued immediately to record this change. If a new delegation letter is not issued within 14 days of the change, then it will lapse, and NHSCFA's delegation limits will be as in the unamended letter.

However, in instances where Treasury approval conditions are issued as terms of new funding agreements, new delegations will not be issued but will be communicated and monitored through existing governance processes (monthly

finance sponsorship and accountability board) and set out in a funding settlement letter.

Compliance

We will be monitoring NHSCFA's compliance with the delegations set out in this letter and the attached guidance which will inform future delegations. The delegations set out in this letter, any Treasury conditions set out in subsequent funding settlement letters apply to any allocations provided to NHSCFA.

Finally, I would like to thank you and your teams for continuing to engage closely on the governance and controls set out in this letter, and I look forward to further collaboration on this subject throughout 2025 and 2026.

Andy Brittain

DHSC Director General, Finance