**Capital regime, investment and property business case approval guidance for NHS trusts and foundation trusts**

Annex 12: Disposal of land/property – template recommendation report

**November 2016**

**For completion by NHS Improvement**

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**To:** Director of finance or Resources Committee(see delegated limits in Table 1 of the main guidance)

**For meeting on:** Date/month/year

**Agenda item:** X

**Report by:** Name (job title)

**Report on:** XXX NHS Trust/Foundation Trust outline/full business case for disposal of XXX and retention of sale proceeds

|  |
| --- |
| **Disposal of land/property recommendation report template guidance**  This template should be used for disposal of land/property business cases.  Foundation trusts in financial distress and all NHS trusts will be required to submit capital investment and property transaction business cases to NHS Improvement in line with the delegated limits set out in Section 3 of the *Capital regime, investment and property business case approval guidance for NHS trusts and foundation trusts*.  The Department of Health (DH) deems a foundation trust to be in financial distress if any of the following apply:   * in financial special measures * in breach of their licence (financial or non-financial breaches) * in receipt of distress funding (received or planned).   NHS Improvement regional teams will review the trusts’/foundation trusts’ business case and will complete a recommendation report that will be used internally by NHS Improvement to discharge the governance arrangements in line with the delegated limits set out in Table 1 of the main guidance.  The report will follow the five case model and summarise each of the sections in the business case. This will include clinical quality considerations. NHS Improvement regional teams should refer to the business case core checklist in Annex 1 of the guidance when reviewing business cases and completing the recommendation report. |

XXX NHS Trust/Foundation Trust outline/full business case for XXX [project name]

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# Executive summary (two to three pages)

# Purpose

## This section of the report provides an executive summary of the outline/full business case (OBC)/(FBC) for XXX scheme at XXX NHS Trust/Foundation Trust. Following a detailed review of the business case, NHS Improvement’s regional team recommends NHS Improvement director of finance/Resources Committee approval of the OBC/FBC for gross disposal proceeds of £X million (£X million net of disposal costs).

## If the NHS trust/foundation trust is seeking to retain the proceeds, as a minimum it will need to give an indication of what the retained receipt will be used for.

## (**Foundation trusts only**) XXX Foundation Trust is in financial distress because it is in financial special measures/in breach of its licence/in receipt of distress funding. As such, under the capital delegations confirmed by HM Treasury this business case requires approval.

**Background**

## The following questions will be addressed when summarising the business case:

* + 1. What is the background to development of the business case?
    2. What is the driver for the disposal and why does the existing system/provision need re-procuring/ re-providing?
    3. What are the key timescales and phases for the project?
    4. How will the disposal and any subsequent re-investment improve services? How will the proceeds be re-invested? Note that the trust will need to agree the proposed use of proceeds with NHS Improvement.
    5. What efficiencies will be delivered and service improvements made?
    6. What are the capital and revenue consequences of the disposal and any subsequent re-investment?
    7. What are the downside risks of the disposal (eg range of market valuations)?

### Has the trust circulated the details of the surplus asset to nearby NHS organisations, NHS Property services, providers of NHS services and local authorities, and placed it on e-PIMs register, allowing for the appropriate timeframe before placing the land/property on the open market.

### Specifically for disposal schemes, the report should provide information on the NHS trust’s/foundation trust’s estates strategy and how the disposal forms part of it.

* + 1. Confirmation of the governance and business case sign off arrangements that have been made at trust/foundation trust level, eg the business case has received NHS trust/foundation trust board sign off before being submitted to NHS Improvement for approval.

## **Recommendation**

## The NHS Improvement director of finance/Resources Committee is asked to approve the OBC/FBC for XXX NHS Trust/Foundation Trust for capital expenditure of £X million and the associated revenue costs.

# Summary of the full business case

## **Strategic case**

## Provide a short organisational overview, including current financial performance.

## Table 1 provides guidance on areas to include in this section of the report. For further guidance, refer to the document *Capital regime, investment and property business case approvals guidance for NHS trusts and foundation trusts*.

## **Table 1: Recommendation report guidance: Strategic case**

|  |  |
| --- | --- |
| Area | Guidance |
| Approvals and support | Has the business case been approved by the trust board? |
| Rationale and objectives for the scheme | * Scope of the disposal and any subsequent re-investment * Case for change. What is the driver for the disposal and any subsequent re-investment and what will it achieve? What will be the consequences if it does not go ahead? * Spending objectives * Existing arrangements * Business needs – current and future * Expected benefits of the disposal |
| Strategic and policy context including: | * Current strategies * Impact on existing service configuration and wider health system * Evidence of support from other bodies, eg commissioners * Consistency with government and strategic policies and priorities * Compliance with relevant Carter efficiency recommendations * Does activity and capacity planning demonstrate consistency with related service planning? |
| Risks, constraints and dependencies | * Has the strategic case summarised the main risks, constraints and dependencies? * Consider planning permission, s106 requirements, community infrastructure levy, engagement with estates, legal and planning advisors * Compliance with DH estates guidance |

## The key milestones of the project are set out in Table 2 below.

## **Table 2: Key milestones**

|  |  |
| --- | --- |
| Stage | Date |
|  |  |
|  |  |

**Clinical quality**

## Highlight how re-investment of sale proceeds will impact on/improve clinical quality for patients.

## **Economic case**

## The trust should adopt the following process to establish the preferred option for the investment:

### Step 1: Generate a list of critical success factors against which the options could be assessed.

### Step 2: Identify a long list of potential options for satisfying the investment objectives.

### Step 3: Evaluate the long list of options against the critical success factors.

### Step 4: Create a shortlist by forming composite options from the individual options that emerged from each category in the previous step;

### Step 5: Undertake a full value-for-money appraisal of these shortlisted options to identify a preferred option.

## Table 3 provides guidance on areas to include in this section of the report. For further guidance, refer to the document *Capital regime, investment and property business case approvals guidance for NHS trusts and foundation trusts*.

## **Table 3: Recommendation report guidance: Economic case**

|  |  |
| --- | --- |
| Area | Guidance |
| Options appraisal | * Has a wide-ranging long list of options including ‘do nothing’ (unless not credible) and/or ‘do minimum’ been identified? * Have critical success factors been developed? * Shortlisted options (including ‘do minimum’, three or four is the recommended number) and a description of how these have been shortlisted * Consideration should be given to a public sector comparator (PSC) as part of the option appraisal where appropriate |
| Costs/values | * The economic appraisal should be clear on the basis and timing of the valuation of the land/property being disposed * The basis of costs and assumptions should be set out * Have all relevant capital and relevant costs been identified and properly assessed in line with Her Majesty’s Treasury (HMT) *Green book*? * Have sunk costs, transfer payments, VAT, capital charges and depreciation been excluded from the net present cost (NPV)? * Is the appraisal period appropriate to the life of the asset? |
| Benefits | * Have appropriate and credible cash- and non-cash releasing benefits been identified? |
| Risk | * Have the risks been quantified and costed? * Have the assumptions and impact of risk been explained? |
| Net present value (NPV), optimism bias and sensitivity analysis | * A discounted cash flow model should be used such as the generic economic model (GEM) (soon to be replaced by the CIA) to calculate an NPV as part of the economic appraisal * Have costs, benefits and risks been adjusted for optimism bias? * Has an appropriate sensitivity analysis been included? |
| Summary | * Is there a clear conclusion and clear recommendation of a preferred option? |

## Tables 4 to 11 are examples that can be included in the recommendation report as appropriate.

## Describe the long-list options and how they were developed, for example by completing Table 4.

# Table 4: Summary of long list of options

|  |  |  |
| --- | --- | --- |
| Option | Name | Description |
|  |  |  |
|  |  |  |

## Tables 5 to 7 below provide examples of the qualitative assessment.

## For the economic case, a detailed NPV calculation should be included in the report; for example by completing Table 8. Capital and revenue costs should be analysed as appropriate to the business case.

## **Table 5: Qualitative assessment of long-listed options against critical success factors (CSF)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Option | Weighting | Total score available | Do nothing | Do minimum | Option A | Option B | Option C |
| CSF 1 |  |  |  |  |  |  |  |
| CSF 2 |  |  |  |  |  |  |  |
| CSF 3 |  |  |  |  |  |  |  |
| CSF 4 |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |

# Table 6: Key benefits of shortlisted options (qualitative scores)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Key benefits | Options | | | |
| **Do minimum and/or do nothing** | **Option A** | **Option B** | **Option C** |
| List benefits |  |  |  |  |  |
| Rank |  |  |  |  |  |

# 

# Table 7: Risk assessment of shortlisted options (qualitative scores)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Qualitative risk | Weighting | Options | | | |
| **Do minimum and/or do nothing** | **Option A** | **Option B** | **Option C** |
| List of risks |  |  |  |  |  |
| Rank |  |  |  |  |  |

# Table 8: Net present value summary

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Costs | Do minimum and/or do nothing | Option A | Option B | Option C |
| Capital |  |  |  |  |
| Revenue |  |  |  |  |
| Total costs |  |  |  |  |
| Discount factor |  |  |  |  |
| Net present cost |  |  |  |  |
| Rank |  |  |  |  |

## Provide information in the report on the cash-releasing and non-cash releasing benefits (for example by completing Tables 9 and 10), what these are and how they have been derived and phased over the appraisal period.

## If the trust has not identified or quantified benefits, this should be explained and a condition of approval should be considered as part of the business case development.

## The report should include a table which outlines the rankings and scorings of the short-listed options as per the example in Table 11.

**Table 9: Cash-releasing benefits**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Option | Year  £’000 | Year  £’000 | Year  £’000 | Year  £’000 | Year  £’000 | Year  £’000 | Year  £’000 | Total  £’000 |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

**Table 10: Non-cash releasing benefits**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Option | Year  £’000 | Year  £’000 | Year  £’000 | Year  £’000 | Year  £’000 | Year  £’000 | Year  £’000 | Total  £’000 |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

# Table 11: Options appraisal summary

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Heading | Option | | Option | Option |
| Qualitative benefits score | |  |  |  |
| Rank | |  |  |  |
| NPV | |  |  |  |
| Rank | |  |  |  |
| Affordability | |  |  |  |
| Rank | |  |  |  |
| Risk | |  |  |  |
| Rank | |  |  |  |
| Overall ranking | |  |  |  |

## **Commercial case**

## Table 12 provides guidance on areas to include in this section of the report. For further guidance refer to the document *Capital regime, investment and property business case approvals guidance for NHS trusts and foundation trusts*.

## **Table 12: Recommendation report guidance: Commercial case**

|  |  |
| --- | --- |
| Area | Guidance |
| Disposal strategy | The business case should set out the disposal strategy |
| Commercial feasibility | Has a suitable range of procurement options been considered and has a realistic and credible timetable been set out? |
| Scope | * The business case should clearly describe the output to be procured * Has a realistic and robust procurement strategy been identified? * Confirm compliance with EU procurement law |
| Procurement process | * Does the tender process ensure robust competition, shortlisting of supplier responses and adequate tender evaluation? |
| Accounting treatment | * Is the accounting treatment set out and does the trust have written confirmation from its external auditors? This should include consideration of any gain/loss on disposal * NHS trusts and foundation trusts should refer to the [*DH Group Accounting Manual*](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/549985/2016-17_DH_GAM.pdf)for further guidance |
| Valuation | * Where a revaluation is required, the NHS trust/foundation trust should provide: * confirmation that the NHS trust/foundation trust has obtained written professional valuation advice (recommended minimum is two independent professional valuations) * the basis and rationale of the valuation should be set out, eg alternative use, existing use or Modern Equivalent Asset (MEA) * Evidence that the valuation is in accordance with the [*DH Group Accounting Manual*](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/549985/2016-17_DH_GAM.pdf) and the Estates Code ([HBN 00:08](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/370592/HBN_08_Part_A.pdf)) |
| Key contractual issues | * Is there a summary commentary of key contractual issues, legal advice and contractual milestones and delivery dates? * Does the legal contract include overage and clawback provisions? |
| Risk | * Has the risk been appropriately allocated between public and private sectors |
| Personnel | * Are any staff likely to be transferred? If yes, does TUPE apply? |
| Technical requirements | * Does the report include a summary of compliance with the Estates Code ([HBN 00:08](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/370592/HBN_08_Part_A.pdf)) |

## **Financial case**

## Table 13 provides guidance on areas to include in this section of the report. For further guidance, refer to the guidance document *Capital regime, investment and property business case approvals guidance for NHS trusts and foundation trusts*.

## **Table 13: Recommendation report guidance: Financial case**

|  |  |
| --- | --- |
| **Area** | **Guidance** |
| **Affordability** | * Has a clear statement of capital and revenue affordability been included? * Where required, is the investment consistent with commissioners financial plans and has support been confirmed in writing? * What are the implications for the trust’s cost improvement plan (CIP) and reported financial performance? |
| **Incremental impact on the primary financial statements** | * Trusts are required to show the incremental impact on the Statement of Comprehensive Net Income (SoCI), Statement of Financial Position (SoFP) and Cash Flow (see examples below). * The trust should demonstrate that it does not require the retained receipt to support its end-of-year position and overall cash requirements. A five-year Source and Application of Funds Statement should be provided showing: * the projects that the final disposal proceeds will be used to complete * evidence that the NHS trust/foundation trust has exhausted its available internally generated resources within the NHS trust’s/foundation trust’s capital programme, and that the retention of proceeds is required to meet the costs of the scheme(s) subject to funding via the disposal proceeds (eg critical backlog maintenance work) * Note in the report that the NHS trust/foundation trust will need to agree the use of proceeds with NHS Improvement * The accounting treatment should be set out and written confirmation should be obtained from the trust’s external auditor * If the investment has an adverse impact on the trust’s financial position, describe the mitigating actions |
| **Impact on overall trust financial position** | * An appendix should be included to show the impact of the investment on the whole trust SoCI |
| **Technical checks** | * Consideration should be given to the relevant accounting standards, treatment of VAT and the issues noted in the business case core checklist |
| **Contingencies** | * Are contingency plans described and sensitivity analysis included on the relevant variables, eg disposal proceeds |

## Tables 14 to 18 below show the sales proceeds less attributable disposal costs and the incremental impact of the scheme on XXX NHS Trust’s/Foundation Trust’s Statement of Comprehensive Net Income (SoCI), Cash Flow and Statement of Financial Position (SoFP). Where the trust wishes to retain the receipt, it should also provide a source and application of funds statement.

### **Table 14: Sales proceeds less attributable disposal costs**

|  |  |  |
| --- | --- | --- |
|  | £’000s | £’000s |
| Sale proceeds |  | X |
| Less: Net book value (in accordance with IAS 16) | (X) |  |
| Less: Trust disposal costs, eg demolition and enabling costs | (X) |  |
| Less: Professional fees | (X) |  |
| Less: Planning fees | (X) |  |
| Less: Other | (X) |  |
| Subtotal |  | **(X)** |

## **Table 15: Impact on the Statement of Comprehensive Net Income (incremental)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Activity | Year £'000 | Year £'000 | Year £'000 | Year £'000 | Year £'000 | Year £'000 | Year £'000 | Year £'000 | Year £'000 | Year £'000 | Year £'000 | Total  £'000 |
| Revenue costs |  |  |  |  |  |  |  |  |  |  |  |  |
| Change in capital charges |  |  |  |  |  |  |  |  |  |  |  |  |
| Other charges |  |  |  |  |  |  |  |  |  |  |  |  |
| Change in depreciation |  |  |  |  |  |  |  |  |  |  |  |  |
| Gain/loss on disposal |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash-releasing benefits |  |  |  |  |  |  |  |  |  |  |  |  |
| Incremental impact on I&E surplus/(deficit) |  |  |  |  |  |  |  |  |  |  |  |  |

**Table 16: Impact on Cash Flow (incremental)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Activity | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Total  £'000 |
| Net sale proceeds |  |  |  |  |  |  |  |  |  |  |  |  |
| Revenue costs |  |  |  |  |  |  |  |  |  |  |  |  |
| PDC |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash-releasing benefits |  |  |  |  |  |  |  |  |  |  |  |  |
| Incremental impact on Cash Flow |  |  |  |  |  |  |  |  |  |  |  |  |
| Cumulative impact on Cash Flow |  |  |  |  |  |  |  |  |  |  |  |  |

**Table 17: Statement of financial position**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Activity | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 |
| Property plant and equipment |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents |  |  |  |  |  |  |  |  |  |  |  |

**Table 18: Five-year Source and Application of Funds Statement**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Year £’000s | Year £’000s | Year £’000s | Year £’000s | Year £’000s | Year £’000s |
| Internally generated funds |  |  |  |  |  |  |
| Depreciation | X | x | x | x | x | x |
| Proceeds for surplus asset sales | X | x | x | x | x | x |
| Application of funds |  |  |  |  |  |  |
| Eg critical backlog maintenance | (x) | (x) | (x) | (x) | (x) | (x) |
| List projects to be funded by the retained capital receipt | (x) | (x) | (x) | (x) | (x) | (x) |
| Total capital resources | **X** | **x** | **x** | **x** | **x** | **x** |

**Management case**

## Table 19 provides guidance on the areas to include in this section of the report. For further guidance, refer to the document *Capital regime, investment and property business case approvals guidance for NHS trusts and foundation trusts*.

## **Table 19: Recommendation report guidance: Management case**

|  |  |
| --- | --- |
| Area | Guidance |
| Project plan | Is there a project plan with delivery plan dates and detailed milestones? |
| Project management | Are the programme and project management structures and plans set out? |
| Project reporting and management | * Have reporting structures and monitoring arrangements been set out? |
| Use of specialist advisors | * The use of specialist advisors (estates, valuers, advice on overage and clawback options throughout the disposal process linked to guidance in HBN 00-08 should be included) |
| Benefits management | * Is there a benefits realisation plan with detail underpinning project plans for delivery? |
| Change management | * Is there a detailed, resourced and robust change management plan with appropriate contingency plans? |
| Risk management | * Is there a comprehensive, costed risk register and are risks being appropriately mitigated and managed? |
| Post-implementation evaluation | * Are post project evaluation plans clearly set out? |

# Summary of NHS Improvement review

* 1. NHS Improvement will seek assurance that an NHS trust/foundation trust has subjected the business case to an appropriate governance and clinical engagement process and that the proposed investment is affordable and represents good value for money to the taxpayer.
  2. NHS Improvement will require assurance that a capital investment business case has been through an appropriate level of scrutiny and governance by the NHS trust/foundation trust proposing the investment, before the case is submitted to NHS Improvement. NHS Improvement will ask for NHS trusts/ foundation trusts to demonstrate the following:

**Summary of the disposal and re-investment of retained proceeds**

* The case for the disposal of the land/buildings.
* The preferred option and appraisal process.
* Purpose of re-investment of retained proceeds and demonstration that internally generated resources have been exhausted.
* The disposal proposal is consistent with the trust’s estates and clinical strategy, and supports the provision of high quality care.
* The case includes appropriate engagement with relevant parties, including commissioners and clinicians, estates and professional advisors.
  + 1. The trust has the resource and capacity to deliver the disposal programme within a realistic timeframe.
    2. Issues relating to the sustainability of the wider local health system have been addressed and the proposed solution adequately assists the health system in managing present and future issues.
    3. The quality, safety, productivity, affordability, value for money and workforce implications associated with the disposal proposal are robust, well thought through and described in the business case.

**Finance, value for money and affordability**

* + 1. Provide commentary and details on the following areas:
       - Is the business case included in the trust’s long-term financial model (LTFM) or equivalent strategic financial planning model/plan?
       - Are the figures consistent with LTFM or equivalent strategic financial planning model?
       - What is the impact on the NHS trust’s Statement of Comprehensive Income?
       - What is the impact on the Statement of Financial Position?
       - What are the cash implications?
       - Does the trust require the retained receipt to support its end-of-year position and overall cash requirements? For distressed trusts, this should be agreed with NHS Improvement.
       - What is the profile of expenditure/savings?
       - How will the disposal costs be financed?
       - What is the capital cost of the option proposed?
       - What are the on-going revenue consequences (depreciation/ capital charges)?
       - What are the CIP implications? Comment on overall CIPs position and impact upon business case.
    2. Provide summary/extracts from the business case to help the reader if this strengthens the case.
    3. Provide a comment on the NHS trust’s/foundation trust’s current financial position.
    4. If the trust is in deficit or is behind plan:
       - What are the plans to address this position and does the disposal business case affect this?
       - include a comment on this and why the OBC/FBC can be approved.

1. **Conclusion**
   1. The following questions should be addressed when summarising the conclusion of the business case:
      1. Does the business case demonstrate the requirement and sufficiently robust reasoning for the investment, are financial benefits stated and are risks adequately described and mitigated?
      2. What is the current financial position, year-to-date and forecast outturn?
      3. What are the key actions required during implementation/next stage?
      4. Is any immediate action required before approval is given?
   2. The OBC/FBC is recommended for approval by the NHS Improvement executive regional managing director with a number of actions that XXX NHS Trust/Foundation Trust needs to ensure are incorporated into the OBC/FBC. (Note: minimal actions would be expected in the FBC recommendation report as these should have been fully addressed through the OBC and FBC process).
   3. The trust is satisfied that it has followed the NHS Estate Code but does not have the delegated authority to dispose of the land/property without NHS Improvement approval of the disposal process and price.
   4. Key actions required during the next stage/implementation are:

* XXX
* XXX
* XXX.

1. **Recommendation**
   1. The following questions should be addressed when summarising the recommendation of the business case:
      1. What is the NHS Improvement recommendation? Ensure this is a clear recommendation.
   2. See paragraph below as an example:

* the Director of Finance/Resources Committee is/are asked to approve the OBC/FBC for XXX Trust for the gross disposal proceeds of £XXX million;
  + 1. The Director of Finance/Resources Committee is/are asked to approve the OBC/FBC for XXX Trust for the gross disposal proceeds of £XXX million subject to……..

1. **Recommendation**
   1. The following points should be considered when summarising the recommendation of the business case:
      1. What is the NHS Improvement recommendation? Ensure this is a clear recommendation.
      2. Is the approval requested subject to loan/Public Dividend Capital funding approval?
   2. An example is given below:

* the NHS Improvement director of finance/Resources Committee is asked to approve the OBC/FBC for XXX NHS Trust/Foundation Trust subject to a successful funding application to the Department of Health/Independent Trust Financing Facility (ITFF) on X to the value of £XXX.
  + 1. The NHS Improvement director of finance/Resources Committee is asked to approve the OBC/FBC for XXX NHS Trust/Foundation Trust to the value of £XXX.
    2. The NHS Improvement director of finance/Resources Committee is asked to approve the OBC/FBC for XXX NHS Trust/Foundation Trust to the value of £XXX subject to……..

# Operational regional director of finance approval

## As operational regional director of finance for XXX region, I am satisfied that XXX NHS Trust/Foundation Trust has subjected the business case to appropriate governance and that the proposed disposal and subsequent re-investment is affordable and represents good value for money to the taxpayer.

## The NHS Improvement director of finance/Resources Committee is asked to note the approval of the FBC for XXX NHS Trust/Foundation Trust from the operational regional director of finance for XXX region.

**Signature:**

**Name:** Name, Operational Regional Director of Finance

X region

**Date:** Date

# Executive regional managing director approval

## As executive regional managing director for XXX region, I am satisfied that XXX NHS Trust/Foundation Trust has subjected the business case to an appropriate governance and clinical engagement process and that the proposed disposal and subsequent re-investment is affordable and represents good value for money to the taxpayer

## The Resources Committee are asked to note the approval of the FBC for XXX NHS Trust/Foundation Trust from the executive regional managing director for XXX region.

# Signature:

# Name: Name, Executive Regional Managing Director

# (XXX Region)

### **Date:** Date

## **Appendix 1: XXX NHS Trust/Foundation Trust Statement of Comprehensive Net Income** (whole trust position including the disposal and any proposed re-investment over the appraisal period)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Statement of Comprehensive Net Income | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Year  £'000 | Total  £'000 |
| Gross employee benefits |  |  |  |  |  |  |  |  |  |  |  |
| Other operating costs |  |  |  |  |  |  |  |  |  |  |  |
| Revenue from patient care activities |  |  |  |  |  |  |  |  |  |  |  |
| Other operating revenue |  |  |  |  |  |  |  |  |  |  |  |
| Operating surplus/(deficit) |  |  |  |  |  |  |  |  |  |  |  |
| Investment revenue |  |  |  |  |  |  |  |  |  |  |  |
| Other gains and losses |  |  |  |  |  |  |  |  |  |  |  |
| Finance costs |  |  |  |  |  |  |  |  |  |  |  |
| Surplus/(deficit) for the financial year |  |  |  |  |  |  |  |  |  |  |  |
| Dividends payable on public dividend capital (PDC) |  |  |  |  |  |  |  |  |  |  |  |
| Net gains/(loss) on transfers by absorption |  |  |  |  |  |  |  |  |  |  |  |
| Retained surplus/(deficit) |  |  |  |  |  |  |  |  |  |  |  |
| Adjustments (including PPA, IFRIC 12 adjustment) |  |  |  |  |  |  |  |  |  |  |  |
| Adjusted financial performance retained surplus/(deficit) |  |  |  |  |  |  |  |  |  |  |  |