

Capital investment and property business approval guidance for NHS trusts and foundation trusts

Annex 3: Guidance on letters of support for capital business cases

13 February 2023

NHS England requires letters of support to be submitted in support of a capital business case. We expect all system commissioning bodies and providers submitting business cases to the NHS England national Capital and Cash team for approval to adhere to this guidance setting out the standard approach for letters of support; this approach is supported by the Department of Health and Social Care (DHSC).

Why are letters of support important for capital business case approvals?

Business case approvers need assurance that, eg:

- any public consultation or engagement requirements on service change have been met
- the integrated care system/board (ICS/ICB) supports the proposed investment
- any activity, growth or financial assumptions in capital business cases are agreed between commissioning bodies and providers
- capital and revenue funding requirements can be afforded within system funding envelopes, and that system funding support is confirmed and affordable
- the scheme aligns with the ICS/ICB estates and digital strategies.

When are letters of support required for capital business cases?

- Letters of support are required for all SOC, OBC and FBC for capital schemes that require NHS England and DHSC approval.

- New letters will be required for each stage of the business case process with the latest position and more detail as appropriate to the stage of the business case.
- NHS England reserves the right to request a SOC, FBC, OBC for lower value business cases if there are specific issues (eg novel, contentious or repercussive), in which case letters of support will also be required.
- Letters of support should be provided at the time the capital business case is submitted to NHS England for consideration.

Who do letters of support need to come from?

- The accountable officer of all major commissioning bodies (>10% of provider turnover) whose commissioned services will be affected by the capital investment; letters of support need to be provided for no less than 80% of the income of the services affected by the proposal.
- Regional director of specialist commissioning if specialist commissioning services income is more than 10% of the total services affected by the change.
- ICS/ICB lead.
- NHS England Transformation Directorate for digital cases requiring central funding.
- New Hospitals Programme (NHP) for schemes requiring NHP funding.

What must letters include?

1. Letter from each accountable officer of major commissioning bodies *and* regional director of specialised commissioning (*where applicable*)

- Public consultation:
 - Confirmation that providers and commissioning bodies have agreed with the relevant local authority whether or not the service changes (as a result of the capital investment) are sufficiently substantial to require public consultation.
 - If public consultation is required, this must take place prior to the submission of the SOC.
- Support for the investment:
 - Commissioner view of how the proposed solution assists the health system in managing present and future issues.
- Activity finance and growth:

- Commissioner and provider agreement of activity and finance levels which underpin the case, including impact on all sectors.
- The business case should set out figures and supporting assumptions around new or existing commissioner activity and income on which the capital scheme is built. Commissioning bodies should confirm specifically that these are agreed and that they are not considering divesting in those activities after the investment is commissioned.
- In principle support may be sufficient at SOC stage, but NHS England will require firm written commitment to values at OBC and FBC stage.
- Confirmation that commissioning bodies and the provider are making assumptions based on reasonable levels of growth in allocations/funding.
- Provider savings:
 - Confirmation that commissioning bodies have reviewed the provider efficiency savings assumed in the business case and believe that these align with the activity/income commissioning plans.

2. Letter from integrated care system/integrated care board

- Operational capital/revenue envelopes:
 - Where the trust/ICS/ICB is part funding the scheme, confirmation that this is affordable within operational capital envelopes and revenue envelopes. The confirmation should include the total value supported (capital and/or revenue) and the funding profile, which should match the equivalent information/tables presented in the business case.
 - This applies to all types of capital scheme where the trust/ICS/ICB is providing capital or revenue funding.
- Estates strategy:
 - Confirmation that the capital investment fits within the ICS/ICB plan and supporting estates strategy.
 - This should include consideration of planned disposals and acquisitions, alternative suitable estate and lifecycle costs/funding.
- Digital strategy:
 - Confirmation that the capital investment fits within the ICS/ICB plan and supporting digital strategy.
- Overall support:
 - Confirmation that the scheme is a priority for the ICS/ICB and has its full support.

3. Letter from NHS England Transformation Directorate

- Digital:
 - Confirmation of support for the business case.
 - Confirmation of funding.

4. Letter from New Hospitals Programme (NHP)

- Overall support:
 - Confirmation that the business case has been approved by the NHP Investment Committee, where applicable.
 - Confirmation of funding, where this is being provided by NHP.