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Association of UK University Hospitals

Investment Policy

(Replaces Policy No: V1 TP/CO/073)

POLICY NUMBER	TP/CO/073
POLICY VERSION	V2
RATIFYING COMMITTEE	Trust Board
DATE RATIFIED	03rd February 2021
DATE OF EQUALITY & HUMAN RIGHTS IMPACT ASSESSMENT (EHRIA)	
NEXT REVIEW DATE	02nd February 2023
POLICY SPONSOR	Chief Executive
POLICY AUTHOR	Chief Finance Officer

EXECUTIVE SUMMARY:

- Applies to all staff
- Should be read when considering all capital projects and revenue investments
- Sets out criteria for assessing and prioritiing investment
- Links to Care Delivery Service Operating Plans
- Does not apply to pensions, Heads On Trust Charity or other funds connected to the Trust
- Includes guidance on significant transactions
- Includes overview of the role of the Committee functions and structure for making investment decisions
- Should be read in conjunction with the Trust Standing Financial Instructions but includes summary of financial delegation limits

If you require this document in another format such as large print, audio or other community language please contact the Corporate Governance Team on 01903 843041 or email policies@sussexpartnership.nhs.uk

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Please be advised that the Trust discourages the printing and retention of hard copies of policies and can guarantee that the policy on the Trust website is the most up-to-date version.

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1. Purpose of the Investment Policy

1.1 This policy sets out the governance process for all major capital projects and revenue investments undertaken by the Trust. It covers decision rights and the function of the Finance and Investment Committee and the scheme of delegation limits.

1.2 This policy builds on the Trust's existing governance arrangements, in particular those relevant to the Finance and Investment Committee. This policy should be read in conjunction with the Trust's Standing Financial Instructions[1] and the Treasury management policy.

1.3 In reviewing the policy, the Trust has also taken into account the changes required to enable fast, effective decision making during the Covid period in 2020/21, and aims to bring the benefits that this approach has brought to the organisation into business as usual.

1.4 As part of our Organisational Strategy we look to create the conditions where our staff are encouraged, supported and able to be innovative in finding ways to continue improving care and treatment for the communities we serve. The Trust will only invest in those opportunities that are consistent with its vision and aims, and the organisational Strategy.

1.5 This policy will be reviewed every two years by the Trust Board. This version of the policy relates to the implementation of the Long Term Plan (LTP) for mental health, and the ambitions of this programme will drive the majority of investments over the period of this policy (2020 - 2023).

Investments covered by the investment policy

1.5.1 The Trust's Investment Policy focuses on both capital and revenue projects and investments and does not apply to investment of surplus operating cash, that is, surplus cash likely to be needed within 12 months to support ongoing operations, which is covered by the Trust's Treasury Management Policy. *For the avoidance of doubt, included within the scope of this policy would be the formation of any partnership agreements.*

1.5.2 This policy applies to those funds relating to the operations of the Trust and the financial approval values refer to the <u>overall</u> estimated contract value of the project or scheme. It does not apply to pensions, associated charities, or other funds connected with the Trust.

1.5.3 This policy places particular emphasis on the governance process in relation to signing off revenue investments, and capital projects that are reportable to NHS Improvement.

1.5.4 Transactions that could be reviewed by the Competition and Markets Authority (CMA) under the Enterprise Act 2002 will also require a business case in line with the Investment Policy. This includes transactions resulting in two or more enterprises ceasing to be distinct (such as mergers, acquisitions, joint ventures, transfers of services, asset swaps and management arrangements). The thresholds for a CMA review are high where the acquired organisation exceeds £70m, or if the merged organisation will supply or acquire at least 25% of particular goods or services in a substantial part of the UK and the merger increase that share.

[1] In the event this policy conflicts with the SFIs; the SFIs will always take supremacy

2. Investment Committee Functions and Structure

2.1 Investment in Trust services or property will, in the usual course of business, be agreed with our Trust Board and commissioners, and form part of the Trust's annual financial plan. Investment decision making forums outside of the budget setting process are set out in the table below.

Group	Level	Requirement
NHS E &I	**£15.0m and over**	**SOC, OBC, FBC and checklist**
Board of Directors	**£500k and over**	**SOC, OBC and FBC**
Finance and Investment Committee	**£ 250k - £ 500k**	**Business Justification**
Executive Management Committee	**£50k to £ 250k**	**Business Justification**
Chief Executive and Chief Finance Officer (*through Executive Management Team)*	**Up to £150k**	**Business Justification**
Operational Management Board	**Up to £ 50k**	**Business Justification**

A description of the each of the decision making forum within the organisation is set out below :

2.2 **Operational Management Board** -
The Operational Management Board will continue to have delegated authority to approve financial changes up to the value of £ 50k, led by the Chief Operating Officer, and in line with the delegated authority of the COO. This will assist in providing a route for CDS to obtain approval for small revenue schemes which are in line with the aims of efficient, effective use of resources. This approach aims to empower CDS to lead responsible and accountable service planning and leadership. In order to facilitate this an investment reserve will be set annually to allow transformative change.

2.3 **Executive Management Team -** *this is a new step in the investment approval process* and is designed to enable fast, effective decision making. The EMT meet once a week and will be chaired by either the Chief Executive or Chief Finance Officer, both have a delegated approval limit of up to £ 150k. Those decisions that need to happen at rapid pace may happen at EMT up to the level of £ 150k. In order to facilitate this an investment reserve will be set annually to allow transformative change.

2.4 **Executive Management Committee -** the purpose of the Executive Management Committee is to ensure robust systems of governance, risk management and internal control that enable clinical and managerial leaders to ensure safe, high quality, patient-centred care, and delivery of Trust plans and strategies. EMC will continue to have authorisation to approve up to £ 250k of investment. In order to facilitate this an investment reserve will be set annually to allow transformative change.

2.5 **Finance and Investment Committee -** The Finance and Investment Committee is a Committee of the Trust Board and has delegated authority to fulfil its terms of reference, with authority to approve up to £ 500k of investment.

2.5.1 The functions of the Committee in relation to investments are:

- Approval of investment and any borrowing strategy and policies
- Approval of investment performance benchmarks
- review of the performance of investments against benchmarks
- ensure that proper safeguards are in place for the security of the Trust's funds
- monitor compliance with the Trust's Standing Financial Instructions and investment policies and procedures
- scrutiny of proposals for acquisition and disposal of assets
- approval of capital projects and divestments above the minimum value set out in the summary of delegation limits (5.17)
- scrutiny of external funding arrangements within the Committee's delegated authority
- monitoring return on all investments authorised over an agreed payback period to demonstrate return on investment
- monitoring the development of the annual investment plan (developed by the Service Delivery Board).

2.5.2 **Membership of the Finance and Investment Committee -** The Trust's Finance and Investment Committee membership is set down in the Terms of Reference agreed by the Trust Board.

2.5.3 **Estates and Facilities Executive Group -** will monitor and review the Trust's Capital Programme and make recommendations for approval for schemes between £150k and £500k to the Executive Management Committee and will provide the first stage review of all other capital proposals.

3. Investment Criteria

Measure	How it will be assessed / measured?
Supports the organisation goal of effective, efficient use of resources	Assessment against our strategic goals and values. e.g. Does it support delivery of the Long Term Plan for MH and the Trust's transformation programme?
We have the legal power to make the investment.	Review against terms of authorisation.
Investment will not deteriorate Care Delivery Service and Trust risk profiles.	Risk and quality impact assessment complete with mitigating actions.
Impact the investment will have on the EBITDA of the organisation	Incremental EBITDA margin of 9% or above.

4. Investment Prioritisation

The annual planning cycle will ensure there is a prioritised investment plan comprising the projects that have been assessed to enable delivery of our Trust strategy within the resources available. As part of that process an **investment reserve** will be included to enable decisions made outside of the annual planning cycle. This reserve will be managed across the decision making committees and will be limited to that which is affordable. The Executive Management Committee will sign off the annual financial plan, including the investment plan, and this will be scrutinised by the Finance and Investment Committee.

All investments (capital and revenue) will be scored against the following weighted criteria and the judgement of each Committee involved in the review of proposals and business cases will be made in their prioritisation of the investment. The assessment criteria and weightings are included below for reference and will be used to assist decision making. **Appendix A** provides more detail around how the scoring system supports evaluation of an investment proposal. **Appendix B** provides a short form template for investment proposals.

Criteria	Score	Weighting
Strategic fit - Delivery of the organisational strategy and long term plan for MH (goals and values)	35%	2
Governance - quality, regulatory and statutory compliance	30%	3
Value for money – return on investment	25%	2
Inequalities and access	10%	2

5. Decision Rights

5.1 **Board of Directors -** The Board provides regular oversight of the Finance and Investment Committee and authorises projects that are defined by NHSE&I as being “high risk” or above a defined monetary amount of **£500k**. The decision to approve or reject a proposed project will take into account the recommendation of the Finance and Investment Committee.

5.2 In accordance with best practice the Board of Directors will also review and approve the Investment Policy on a biennial basis. The Board of Directors will approve the investment plans.

5.3 **Finance and Investment Committee -** The Finance and Investment Committee will be responsible for considering the business cases for proposed projects over **£**500k in advance of commencement to the Trust Board.

5.4 If the Committee recommends a proposed project that is defined by NHSE&I as being "high risk" , the recommendation to proceed must be approved by the Board of Directors before the Trust enters into the project.

5.5 The Committee is responsible for setting and monitoring investment performance and the process in place at the Executive Management Board to develop the investment plan and priorities.

5.6 The Committee is also responsible for reviewing the Investment Policy every two years and recommending updates of the policy to the Board, where necessary.

5.7 The Committee is responsible for obtaining assurances that there is compliance with the Investment Policy, e.g. projects are being approved at the appropriate level within the Trust, that the Trust has the legal power to enter into the project, that there is good strategic fit and that risk is effectively assessed and managed.

5.8 **Project Sponsor -** Each proposed investment will be supported by a Project Sponsor, who will be responsible for the submission of a business case to the Finance and Investment Committee. For the sake of clarity the financial values relate to the full life of a project and not the annual value:

- Below £0.5m: approved by F&I Committee and Executive Management Committee
- Over £2.0m: Staged approval process as defined by NHSE: Strategic Outline Case (SOC), Outline Business Case (OBC) and Full Business Case (FBC)

5.9 For projects over £2m, as a minimum, the Strategic Outline Case will cover the following points:

- nature of investment
- strategic fit
- benefits, both financial and non-financial
- confirmation that the Trust has the legal power to make the investment
- high level risk assessment and a strategic approach to its management
- alternatives considered
- financial appraisal – revenue, sources of funding, amount of funding, IRR and affordability
- is supported by a EHIRA (Equality and Human Rights Impact Assessment)
- project management methodology
- stakeholder involvement and consultation, including governors
- timetable and delivery
- delivery structure
- strategic approach to post project evaluation.

5.10 If the Board approves the SOC, in the case of major investments it is recommended that NHSE&I is informed that the preliminary case is complete and a detailed business case will be developed.

5.11 After approval of the SOC, the Executive Sponsor will proceed to develop a detailed business case which will build upon the preliminary work and cover the following points:

- points covered by the SOC and
- full option appraisal, long to short list and preferred option
- financial projections including Internal Rate of Return
- sensitivity analysis on financial projections
- impact of the investment on the Trust's risk rating
- risk mitigation plans
- how the investment will be executed (e.g., public procurement, PFI etc)
- KPIs
- formal and planned consultation requirements
- arrangement for monitoring and managing the investment
- post project evaluation plan - Capital - directly following completion of the works:
  - Revenue - within 12 months of becoming operational
  - These reviews are for presentation at the F&IC

5.12 The Trust will inform NHSE&I once it has completed its detailed review of a major investment before it approves the project. This is set out in Appendix A.

5.13 All business cases must set out the proposed arrangements for the ongoing monitoring of the investment and benefits realisation. The Committee will determine the appropriate level of reporting based on an assessment of risk with reference to NHSE&I's risk evaluation guidelines.

6. Investment Philosophy and Objectives

6.1 The Trust will only invest in those opportunities that are consistent with our organisational strategy, goals and values. The Trust will actively seek suitable investment opportunities and acknowledges that all capital projects and revenue investments involve a degree of risk. In deciding whether to invest the Trust will take into account the risk and return of the proposed capital project or revenue investment.

6.2 The returns associated with a capital project may be financial or non-financial. The Trust will consider both financial and non-financial returns to the Trust in evaluating potential projects.

6.3 The Trust will not enter into any project that would result in a breach of the terms of its authorisation as an NHS Foundation Trust.

6.4 Corporate Strategy

6.4.1 **Operating Plan -** All investments entered into by the Trust must be consistent with the Trust's corporate strategy as set out in the Annual Operating Plan and Care Service Delivery Plans. It should also link to the Sussex Heaclth and Care Partnership plan. If the investment includes capital spend, the proposals should be within the framework for investments set out in the appropriate strategy e.g. IT, Estates, participation etc.

6.4.2 **The Long Term Plan for Mental Health -** The Trust's investments will be focussed on the achievement of the Long Term Plan for Mental Health and the expansion of services prescribed within, but will not exclude other opportunities, where developments are consistent with our organisational strategy..

6.4.3 Specific reference is to be made in the business case that the clinical and service models have been evaluated and risk assessed (including quality and Equality and Human Rights impact analysis) with the participation of service users and where appropriate carers, and agreed prior to presentation at the Finance and Investment Committee.

6.5 **Sustainability and partnerships -** Any investment will demonstrate how it will improve the Trust's social, economic and environmental sustainability. It will also consider the impact on strategic partnerships, alliances and local health and care systems.

6.6 Any new service line will aim to deliver a 5% EBITDA margin in the first year with a 1% net margin and in the second year onwards a 9% EBITDA and a 2% net margin - unless pump-priming has been agreed by the Finance and Investment Committee by way of mitigation. The projected margin must take into account any marginal increases in overhead contribution assessed as part of the project. New service lines will make a minimum 1% income and expenditure surplus, taking full account of all costs including the cost of capital (i.e. interest if a loan or dividend if public dividend capital) after 24 months. Full absorption costs should be calculated using the agreed overhead rate and built into the business case assumptions.

6.7 **Calculation of Return on Investment -** The return on investment (ROI) for an individual project should adequately reward the Trust for the associated risk of the project. The ROI will vary between projects based on the assessment of risk.

6.8 The target ROI for each project is 5%, 2.5% in year 1 and 5% from year 2 onwards. Where there are borrowing arrangements in place the EBITDA may vary to cover any additional interest payments.

6.9 Where the Finance and Investment Committee is being asked to choose between mutually exclusive capital projects, it will also request that a net present value analysis be presented in the business case supporting each capital project.

6.10 **Time Frame for Realising the Desired Return on Investment –** The Trust will calculate the financial metrics for all projects over the expected life of the projects or where this is on-going over a reasonable period to reflect the payback of life of fixed assets, if applicable.

7 Process for Managing and Evaluating Investments

7.1 **Evaluating Investments -** All proposed investments above £0.5m and/or that fall within NHSE&I's definition of high risk investments will be evaluated by the Finance and Investment Committee based on the business case submitted by the Project Sponsor.

7.2 As noted in Section 3 above, the Finance and Investment Committee will adopt a two stage process to approving investments in relation to all investments above £2m, which will consist of a SOC followed by an OBC and then FBC.

7.3 The business case should be submitted to the Finance and Investment Committee at least five working days prior to the meeting of the Committee where the business case is to be evaluated.

7.4 As part of this evaluation process, the Finance and Investment Committee should consider whether to engage professional advisers such as financial advisers or lawyers.

7.5 **Executing Investments -** The arrangements for the execution of the project will be documented in the detailed business case submitted by the Project Sponsor who is also responsible for ensuring that the arrangements set out the detailed business case are implemented.

7.6 The final terms of the transaction should be reported to the Finance and Investment Committee and the Trust Board following the conclusion of the transaction.

7.7 **Monitoring Project Benefits Realisation -** Finance and Investment Committee will keep a benefits realisation register (see section 9) and receive reports on the performance of the projects that have been approved and implemented. This report will show the actual performance of the projects compared to the projections in the business case and the realisation of the benefits and outcomes. The report will also highlight, by exception, any material issues concerning a project. The timing of these reports will be linked to key milestone dates within each individual project plan (which will include a final review date) with a maximum period between each report of 6 months.

7.8 The project executive sponsor will be responsible for providing the information required to compile the performance report.

8 Attitudes to Risk and Process for Managing Risk

8.1 **Definition of Risk -** NHSE&I defines risk as “the probability of an adverse outcome that is different from the expected outcome and the potential impact of such an outcome”.

8.2 **Attitudes to Risk -** The Trust acknowledges that all investments involve a degree of risk. In deciding whether to invest, the Trust will take into account the risk and return of the proposed investment.

8.3 Not all risks associated with a proposed investment can be quantified. However, the Trust will seek to quantify risks wherever possible in reaching its investment decision and incorporate these on the Trust Risk Register.

8.4 Having made the decision to invest, the Trust will actively monitor and manage its investment to minimise the probability and impact of adverse outcomes.

8.5 **Process for Managing Risk -** In deciding whether to invest, the Trust will adopt the following four step process to evaluate the risks associated with the proposed investment:

- identify potential sources of risk
- document and describe the likely consequences of each risk
- quantify the expected financial impact of the risk.
- draw on the output of the EHRIA

8.6 If the Trust decides to approve the proposed project, it will implement controls to minimise the probability and severity of loss associated with the project.

8.7 **Identification of Risks -** To identify the risks associated with a proposed investment, it would be good practice for a risk workshop to be convened by the Project Sponsor.

8.8 The NHSE&I risk evaluation guidance will be used to assess the risk and also ensure the evidence is collated to support the assessment. The major categories of investment risk will include the risks shown in the table below:

Major Categories of Investment Risk	Description
Strategic	Risks associated with a particular strategy, for instance, overcapacity, product or service line obsolescence, competitor reactions.
Financial	Risks associated with the financial structure of a business, the financial transactions made by the business, and the financial systems which are in place, for instance, interest rate risk, foreign exchange risk and credit risk. There will also be risks associated with the financial magnitude of the proposed investment.

Operational	Risks associated with the operational and administrative procedures of a business, such as: clinical operations, supply chain management, IT systems, recruitment, labour management and post-merger integration process. In addition, the Trust should consider the distance of the proposed investment from the Trust's core competence and existing operations.
Regulatory & Political	Risks posed by potential changes in the regulatory and political environment, e.g., tariff changes, policy changes and changes in healthcare targets.
Reputation	Risks to the perceived quality or brand of an institution, for instance through bad press resulting from association with a failed joint venture.
Contingent	Risks that will come into existence if a certain contingent event takes place, e.g., guarantees of a joint venture that are only payable if it defaults.

8.9 The Trust will use the categories above to assist in identifying the specific risks associated with the proposed investment.

8.10 **Documentation and Description of Individual Risks -** Having identified the specific risks associated with the proposed investment, the Trust will document and describe the individual risks in a risk log for the investment which will also form part of the Trusts Risk Register.

8.11 The risk log should include an initial quantitative assessment of the likelihood of occurrence for each risk and the severity of its consequence.

8.12 The Trust may decide not to prepare a quantitative assessment of those risks that result in a negligible consequence. However, the assessment of any risks that are not quantified should still be reviewed by the Finance and Investment Committee in deciding whether to approve a proposed project.

8.13 The risk log should also identify any correlation between risks and gaps in assurance. These can be brought to the attention of the Audit Committee to ensure adequate assurance is obtained.

8.14 **Sensitivity Analysis -** In addition to considering value at risk in deciding whether to approve a proposed project, the Finance and Investment Committee will also require the Project Sponsor to include a sensitivity analysis within their business case. The sensitivity analysis will show the outcome on the project when key variables within the financial projections supporting the project are flexed. The outcome will clearly show the impact on the key risk rating, cash, EBITDA margin, Return on Capital and I&E Surplus. Some examples of possible sensitivities are:

- potential changes if a tariff were introduced under Payment by Results
- price sensitivity in a competitive market
- reduced demand due to competition from other providers, practice based commissioners, etc
- cost savings achieved being lower than forecast
- premium staff payments in a difficult labour market
- capital spend overrun
- interest rate volatility
- timing differences.

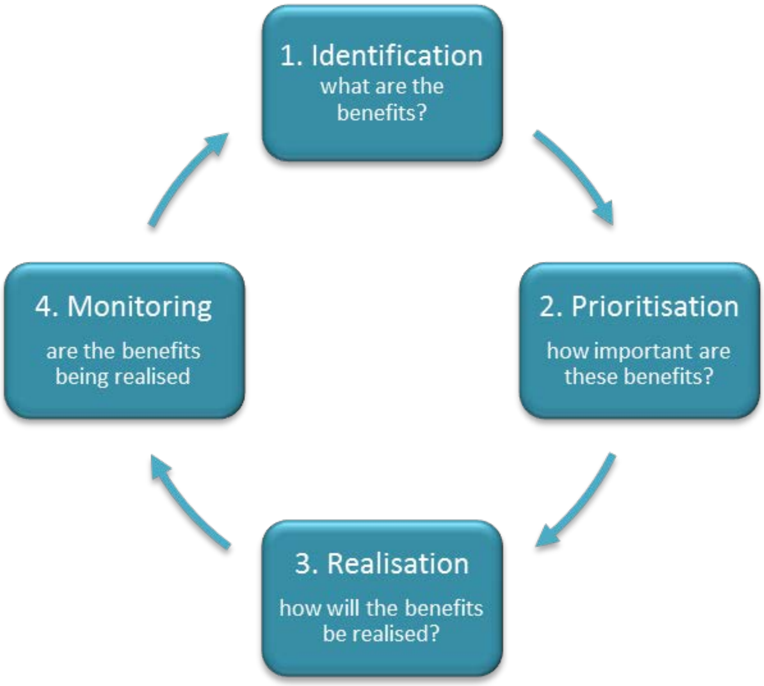
8.15 A base, upside and downside case will be prepared to support the investment. The downside case will clearly set out how the Trust will mitigate against the risks and outcomes identified.

9 Benefits Realisation Management

9.1 The rationale for an investment should be reflected in the potential benefits to be gained from the investment. This provides both the evidence base that a proposal is worthwhile, represents value for money and our commitment to continuous improvement.

9.2 If value is to be created and sustained from the investment the benefits need to be actively managed throughout the whole investment life cycle. The delivery of the investment aims to create the capability and execution of the clinical and operational changes required, including the eventual retirement of the resulting assets.

9.3 Benefits Realisation is a planned and systematic process consisting of 4 defined stages set out in the diagram below.



Adopted from NHS Scotland Capital Investment Manual, 2015.

9.4 Investment proposals must include at the minimum the following:

- the investment outcomes
- defined benefit measures for each outcome
- a summary of the benefits realisation management (BRM) approach, including the evaluation of the learning and knowledge gained to improve investment decisions and benefit realisation approaches in the future.

9.5 Benefits Register

For all investments over £0.5m a benefits register will be maintained and overseen by the Finance and Investment Committee. The benefits register should include the following:

- A brief description of the benefit.

- An indication of how the benefit is to be assessed i.e. qualitatively, quantitatively, or financially (more details will need to be given by OBC stage).
- A description of the benefit measure (or an indication of why it is currently unquantifiable).
- The baseline value of that measure which reflects the current arrangement.
- The target value which indicates the level of improvement expected of that measure once the benefit is realised (this may be indicative at SOC stage but needs to be confirmed by OBC stage).
- Information on the assumptions used in setting the baseline and target values should be provided where it is necessary. This will ensure appropriate assessment when monitoring and evaluating the benefits at a later stage.
- Dis-benefits which have a negative impact on beneficiaries.
- The relative importance of each benefit (see prioritisation below).

As an example the benefits register will include the following:

Benefits Register						
1. Identification						*2. Prioritisation (RAG)*
Ref No.	*Benefit*	*Assessment*	*As measured by:*	*Baseline Value*	*Target Value*	*Relative Importance*
1.	*Supporting people in looking after and improving their own health and wellbeing*	*Quantitatively via Survey*	*The proportion of adults within 'A place' who assess their health as good or very good*	*74%*	*80%*	*4*

The above is an example of how each benefit might be recorded in the Benefits Register

9.5.1 Benefits Prioritisation

Each identified benefit needs to be prioritised so that resources can be focussed on the delivery of those of greatest importance and/or highest impact. The following is an example of how this might be done, but the important feature is the ability to evaluate the relative importance of each benefit to the proposal.

Scale / RAG	**Relative Importance**
1	Fairly insignificant
2	↕
3	Moderately important
4	↕
5	Vital

Benefit Prioritisation RAG Rating

9.6 Benefits Evaluation, Assurance and Learning

On completion of an investment programme a summary of the learning and benefits realisation should be reviewed by the Committee who approved the programme (see section 5.17). It may also be appropriate to receive internal and / or external sources of assurance on the benefits realisation e.g. internal audit. The forms of assurance sought should be considered commensurate with the scale and impact of the investment alongside the potential for learning. This is in addition to the statutory responsibility of ensuring best value use of public sector resources.

Criterion (weighting)	Proposal score			
	HIGH (10 – 8)	**MEDIUM (8-6)**	**LOW (6-1)**	**NONE (0)**
STRATEGIC FIT 35% **Weighting2**				
Key notes: a. Delivery of our organisational strategy b. National Targets c. Local Targets d. Innovation	The plan demonstrates that there is a major contribution to our goals and values plus one or more local and national targets. Innovation that has potential to be adopted at scale and improve quality, outcomes and efficiency	The plan demonstrates a contribution to our strategic goals and also contributes to one or more key local or national targets e.g. Local Sustainability and Transformation Plans. Innovation that will improve quality, outcomes and efficiency.	The plan demonstrates a contribution to one or more key local or national targets. Investment required for proof of concept of innovation.	There is no evidence showing that the plan contributes to any of the strategic objectives. The proposal is not innovative.
GOVERNANCE 30% **Weighting 2**				
	There is a legal and/or regulatory requirement to undertake this.	The case is covered by guidance or recommendations from an external source (e.g. Care Quality Commission, NICE, NHSE&I).	This is considered to be recommended 'best' practice.	There is no requirement or recommendation that we undertake this.
VALUE FOR MONEY & ROI 25% **Weighting 2**				
	Need has been assessed locally through the local Joint Strategic Needs Analysis and Care Delivery Service.	Need has been assessed. Costs of the service have been benchmarked to similar or alternative services	Need has been demonstrated through health profiling locally, regionally or nationally.	There is no evidence of need. There is no evidence of the cost of the service being benchmarked to

Criterion (weighting)	Proposal score			
	HIGH (10 – 8)	MEDIUM (8-6)	LOW (6-1)	NONE (0)
	Costs of the service have been benchmarked to similar or alternative services and are lower for a higher output. The planned intervention is proven to be more cost-effective and will create efficiencies.	and are lower for a comparable output. The planned intervention is proven to be more cost-effective than any currently commissioned intervention for the same condition.	Costs of the service have been benchmarked to similar or existing services and are comparable, for a similar output, or costs are higher for a higher output. The planned intervention is no more cost-effective than any currently commissioned intervention for the same condition.	similar or alternative services, or costs have been benchmarked to existing or alternative services and are higher for a similar output. The planned intervention has no cost-effectiveness evidence or is less cost-effective than any currently commissioned intervention for the same condition.
INEQUALITIES & ACCESS 10% Weighting 2				
	This plan is proven to reduce health inequalities and an EHIRA has been carried out which identifies the proposal will make services accessible for seldom heard communities where there is a clear unmet need, and the planed capacity has been clearly evaluated.	This plan is likely to result in a reduction of health inequalities and there is a clear indication that this proposal will make services more accessible for patients and the required capacity has been clearly evaluated and matched to demand.	The plan is not likely to affect health inequalities and the scheme provides health care in a setting more convenient to patients but the required capacity has not been robustly calculated or matched to demand.	There is a possibility that this plan may increase health inequalities and the scheme does not make services more accessible to patients.

Appendix B

INVESTMENT APPROVAL FORM 2020/21

**** This form will be revised annually**

Investment proposal title: ____

Care Delivery Service/Corporate Function :_______________________________

Lead: ______________________ **E-mail**: ___________________ **Tel:** ______________

Please give a brief outline of the proposal – include purpose, timeframe, benefits, risks and any other information deemed appropriate. Ensure you address each of the criteria the proposal will be assessed against (refer to investment policy)

Example /aid to completion

- *Brief description of response and expected impact*
- *Cost of service and staff required to deliver*
- *Expectation between redeployment and recruitment*
- *If redeployment, impact on MH services elsewhere*
- *Capital Outlay required (see below)*
- *Sign off requirements - which Committee needs to sign off ?*

Capital
In order to understand the total financial outlay for any schemes the short business case form will need to include a section on capital costs. This will include:

- *In brief Capital investment description and options open*
- *The indicative costs/ quotes involved*
- *The timings of the purchase and the plans around mobilising the assets.*

This will be used for sign off to the Capital Review Group and via Executive Management Committee