

Capital Investment, Property, Equipment & Digital Technology proposals

**NHS England Project Appraisal Unit
Project Initiation Document - Type 5
Digital Technology Capital**

Sponsors and authors of documents seeking appropriate authority to fund or proceed with a scheme or project must consider whether the content or strategy to which the document applies at this stage is sensitive or may have commercial implications. If it is considered necessary, the document should be headed and watermarked appropriately.

Document version control <i>(for use by PID sponsors)</i>	Version No.	Status	Issue date	Notes
Add rows as required. Last entry should read: 'Final for signatures'	2.0	Final for signatures	17.07.17	Reflects feedback from David Scannell
	3.0	Final for signatures	27.07.17	Reflects feedback from David Scannell

1. TITLE OF SCHEME	DocMan Cloud	
Scheme reference number and source of number (organisation). <i>Please ensure the relevant unique reference (for all Schemes) is used in all correspondence and reporting using an appropriate format: e.g. XXX – YY - XXX (Org Code – 17 – 001) as used in NHS England South Region</i>	Reference No.	12F-17-12088
	Confirm the Organisation issuing the reference number.	NHS Wirral CCG

2. DATE OF FORMAL PID SUBMISSION	Date	17 th July 2017
---	------	----------------------------

3. IS THIS A RESUBMISSION OF AN EARLIER PID? If so, provide details and reference no.	Reference number	No
IF YES: Will this resubmission result OR potentially result in a duplicate funding application already covered by another PID, etc.? Is any element of this PID actually, or potentially funded through any other previous (already approved), parallel (current) or planned (future) application for funds?	Please provide details	Not applicable

4. NHS ENGLAND FUNDING STREAM Please confirm the NHS England capital funding stream relevant to this investment e.g. BAU, etc. <i>(Use standard NHS finance codes) Where capital funding is from a special initiative e.g. ETTF, please use the first two rows opposite to denote initiative name and scheme reference number</i>	If applicable, funding initiative name	DocMan Cloud
	Scheme reference No.	12F-17-12088
	Funding stream	ETTF
	Cost Centre	
	Subjective Code	

5. NHS ENGLAND REGION/LOCAL DIRECTOR OF COMMISSIONING OPERATIONS (DCO) OFFICE	Region	North
	DCO	Cheshire & Merseyside

6. SPONSORING ORGANISATION MAKING THE APPLICATION	Organisation Name	NHS Wirral CCG
	Registered Address	Old Market House
		Hamilton Street
		Birkenhead
		Wirral
	CH41 5AL	

7. LEAD CONTACT Please include a named lead contact for this application from the organisation who can answer any queries relating to this PID	Title	Assistant Director of Primary Care & Partnerships
	Name	Iain Stewart
	Organisation	NHS Wirral CCG
	Office tel.	0151 651 0011
	Mobile tel.	07887 503 262
	e-mail	iainstewart@nhs.net

8. DIGITAL TECHNOLOGY SCHEME DESCRIPTION Please specify what equipment is being purchased and for what site(s). Include a description of the scheme, which should include, but need not be limited to: <ul style="list-style-type: none"> scope and content objectives and benefits – these may be financial and/or non-financial location and distribution (where appropriate) wider stakeholders and their interest e.g. potential users of the technology indicative scheme value for approval purposes 	<p>(a) The principal aim of the project is to implement a hosted document management solution using the PCTi Docman Vault solution as a starting point and migrating across all GP practices within boundary of NHS Wirral CCG to the Docman 10 Cloud Solution. This will provide access to clinical correspondence that is not stored with their EMIS Web clinical solution. The practices and federated services within NHS Wirral CCG are moving to a more agile workforce where access to hosted solutions will support access to patient information at the point of care.</p> <p>(b) Wirral 7-Day service will be the first commissioned service within the CCG to benefit from utilising the Cloud solution.</p> <p>(c) The project will provide access to all clinical correspondence health care information held within Primary Care for patients via a Docman hosted solution. Docman 10 Cloud is fully web-based and enables clinicians and healthcare professionals access to Docman 10 from anywhere, anytime via a browser to provide greater flexibility and to support new ways of working and treat patients. The platform provides the technology to deliver federated working and new models of care, including cross organisation task and workflow management.</p> <p>(d) GPs would be able to access their Docman data from home, from the nursing home or other care settings or even in front of the patient ensuring our clinicians have the very latest access to information to</p>
--	---

	<p>support patient treatment. Once Docman 10 is available on GPSoC vault will be used.</p> <p>(e) This will allow more care to be provided out of hospital, in the community. The adoption of the Year of Care model will transform the way care is delivered to those with long term conditions. By giving patients information about their condition they will be empowered to manage their own care by recognising when they are becoming unwell and being confident to take the right action to stay well.</p> <p>(f) Docman 10 will dovetail in to Wirral CCG's Mobile Working strategy and will also allow interconnectivity with trusts in the area.</p> <p>(g) Reliance of local site servers will no longer be a risk, and the server footprint within Wirral will be reduced in 2020/2021 as they will not need to be replaced.</p>	
--	---	--

<p>9. STRATEGIC NEED</p> <p>Please describe the need for capital investment and what measurable benefits the capital investment will provide.</p> <p>Confirm the strategic drivers and justification for the scheme. Please describe how the investment links in and aligns with the Local Digital Road Map (LDR), STP, national priorities and other strategies as appropriate</p> <p>Please identify any other possible sources of funding that have been considered.</p> <p>For the more complex and substantial schemes, please provide any contextual information which if missing can delay the approval process while additional information is sought.</p>	<p>The 7-Day service requires access to clinical documentation and annotations to ensure the best outcome for the patient is achieved in this setting.</p> <p>As all patient information is accessible a full medical history is presented within the 7-Day Service along with the Wirral Care Record.</p> <p>This solution would align with STP, GP Forward View and the Local Digital Roadmap.</p> <p>Docman 10 is fully web-based and enables clinicians and healthcare professionals access to Docman 10 from anywhere, anytime via a browser to provide greater flexibility and to support new ways of working and treat patients. The platform provides the technology to deliver federated working and new models of care, including cross organisation task and workflow management.</p> <p>Through EMIS data sharing the 7-Day Service clinicians are empowered to access the patients primary care record but do not have access to any letters stored within the locally hosted document management solutions. The provision of a hosted document management solution would enable these clinicians to have full access to a complete record of the patients health care held within Primary Care. In addition this information will also be available to mobile clinicians providing clinical support in health care settings such as care homes and the patient's home.</p> <p>GPs can access their Docman data from home, from the nursing home or other care settings or even in front of the patient ensuring our clinicians have the very latest access to information to support patient treatment. It also means that urgent tasks and workflows can be started immediately to ensure timely patient care.</p>	
---	---	--

<p>10. CONSISTENCY WITH SUSTAINABILITY AND TRANSFORMATION PLANS (STP), COMMISSIONING AND ESTATES PLANS</p> <ul style="list-style-type: none"> confirm alignment with the NHS England Five Year Forward View, GPFV and related implementation plans. confirm that the proposed scheme is consistent with the 	<p>The Wirral Local Digital Roadmap describes the economy's position of strength in terms of the ability to exploit informatics solutions in health and social care, based upon:</p> <ul style="list-style-type: none"> long-term investment across all health sectors excellent cross-working and shared systems between organisations long-term culture and expectation from clinical staff significantly less complex geography and health care system than most integrated organisation-wide enterprise grade informatics solutions deployed at scale within our 	
--	---	--

<p>relevant STP, commissioning, clinical and (where appropriate) estates and or digital technology strategies.</p> <ul style="list-style-type: none"> confirm that any proposed digital technology development will be compliant with appropriate and relevant NHS guidance. As part of the STP, show alignment and then align to the Operating plan metrics to allow for measurable outcomes. confirm alignment with Target Architecture being developed by the National team 	<p style="text-align: center;">organisations</p> <p>The Wirral health economy has many years of award winning informatics implementations and a well-developed informatics workforce and capability with reputation spreading beyond the NHS in hosting/attending conferences to discuss local successes and plans in Europe and the USA.</p> <p>The vision for the Wirral Digital Roadmap covers prevention; self-care, integrated delivery and high quality information leading to improved outcomes for patients. The detail for “high quality information” extends to;</p> <ul style="list-style-type: none"> single point of access to health and social care services care portal to enable people to manage their health and social care integrated record of care enables joined up care planning and promotes the delivery of evidence-based care across organisational boundaries information systems to enable optimisation of population health management and population risk stratification <p>This proposed digital development will be compliant with all appropriate and relevant NHS guidance.</p> <p>The NHS Operational Planning & Contracting Guidance 2017-2019 determines “9 must do’s”, which for Primary Care requires;</p> <ul style="list-style-type: none"> Ensure the sustainability of general practice in your area by implementing the General Practice Forward View, including the plans for Practice Transformational Support, and the ten high impact changes. Ensure local investment meets or exceeds minimum required levels. Tackle workforce and workload issues, including interim milestones that contribute towards increasing the number of doctors working in general practice by 5,000 in 2020, co-funding an extra 1,500 pharmacists to work in general practice by 2020, the expansion of Improving Access to Psychological Therapies (IAPT) in general practice with 3,000 more therapists in primary care, and investment in training practice staff and stimulating the use of online consultation systems. By no later than March 2019, extend and improve access in line with requirements for new national funding. Support general practice at scale, the expansion of MCPs or PACS, and enable and fund primary care to play its part in fully implementing the forthcoming framework for improving health in care homes. <p>The Government’s Mandate to NHS England 2020 Goals describes the Technology requirements as;</p> <ul style="list-style-type: none"> Support delivery of the National Information Board
---	--

	<p>Framework 'Personalised Health and Care 2020' including local digital roadmaps, leading to measurable improvement on the new digital maturity index and achievement of an NHS which is paper-free at the point of care.</p> <ul style="list-style-type: none"> - 95% of GP patients to be offered e-consultation and other digital services; and 95% of tests to be digitally transferred between organisations <p>The Cheshire & Merseyside STP contains twenty distinct, but inter-related programmes of work, each developed with clear objectives and eight supporting clinical programmes – there are five programmes that support and enable these programmes including “Technology, including Digital”.</p> <p>The digital enabler programmes include;</p> <ul style="list-style-type: none"> - Operational control centre for risk stratified population - Shared care records (Wirral Care Record) - Enhanced technology supporting care through strategic alliances and relationships with subject matter experts (e.g clinical registries) - Teletracking - Real time data <p>At Cheshire & Wirral LDS level, the enhancement of primary care is critical to new models of care development including improvement of infrastructure (estates, IT). The LDS describes joint level digital ambitions for the future:</p> <ul style="list-style-type: none"> - Digitally empowered individuals (e.g. access to online services) - Connected Health & Social Care economies (e.g. professionals accessing appropriate information when needed; in near real time; wherever it is held) - Exploiting the digital revolution (e.g intelligence-led services; population health capabilities) <p>To deliver these ambitions the following themes demonstrate how they will be achieved (with some cross-cutting areas):</p> <ul style="list-style-type: none"> - A set of digital principles - Information sharing/governance framework - Digital maturity of all providers (inc primary care) - Rationalisation of systems in and out of hospital - Interoperability between systems - Upscaling of assistive technology - Advanced analytics/population health - Consolidated infrastructure at LDR level and connectivity between LDRs where clinical services overlap <p>This development proposal aligns with Target Architecture being developed by the national team.</p>
--	--

<p>11. ESTATES IMPACT Confirmation that any estates issues have been addressed (such as adequate ventilation, cooling, server room space, where appropriate, cabling for power or data, any room space considerations for new equipment,</p>	<p>CCG Estates strategy supports the Five Year Forward view for transformation of primary care premises from traditional converted buildings to purpose-built, multi-service provision. Conditions surveys and utilisation studies on the remaining converted buildings have been completed.</p> <p>Reasonable adjustments required to be made to primary care premises to enable this proposed development to be implemented, will be met by CCG Business As Usual GPIT contingency funding – where improved premises or</p>
---	---

any docking, charging, storage or security considerations, cost of decommissioning existing services where relevant, etc.) and that funding is in place to cover this. Please confirm the source of any such funding and its current approval status.

new builds offer the opportunity to incorporate the estates requirements within overall costs, this will be pursued as part of those due processes.

12. CAPITAL COST ESTIMATES

(including VAT)

Using the appropriate tables please detail the capital requirements to deliver this scheme in the relevant financial year.

Please also indicate, if applicable, and provide details of any further capital spend that may be required to support or develop this scheme in future years(s).

If the PID covers a number of organisations, please provide an appropriately detailed separate cost breakdown by organisation in the space provided below.

Please ensure that all proposed expenditure set out in these tables is for capitalisable digital technology items in accordance with the guidance at Appendix A

Please insert the relevant dates in the [square brackets]

Capital Summary

Add extra rows if required.

Table 1. <u>Total</u> Capital requirement inc. VAT for current and future years					
Summary Description	£ Current year (year 1) 20[../..]	£ Second year (year 2) 20[../..]	£ PID total Years 1 & 2	£ 20[../..] <u>Indicative only</u>	£ Total
Total in Programme		£0			£0

Capital breakdown by individual year

The costs for each main item/class of item, as well as the project management costs, should be separately identified. Add extra rows if required.

Table 2. Capital requirement current year (year 1) 20[../..] £					
Item/Type	Quantity	Unit cost	Total	Vat	Total (inc Vat)
Total in programme					£0

If this is part a multi-year project please provide details by subsequent year in the following tables of the **total** estimated value of the project by type per year. Add extra rows if required.

Table 3. Capital requirement second year (year 2) 20[../..] £					
Item/Type	Quantity	Unit cost	Total	Vat	Total (inc Vat)
Total					£0

Table 4. <u>Indicative only</u> - Capital requirement third year 20[../..] £ Any approval of this PID will <u>not</u> include funding for a third year					
Item/Type	Quantity	Unit cost	Total	Vat	Total (inc Vat)
Total in programme					£0

	If the PID covers a number of organisations, please provide an appropriately detailed separate cost breakdown by organisation below.
CCG cost breakdown and / or relevant notes Which organisation will own the digital technology asset/s and on which balance sheet will it be recorded.	State name of organisation that will own the assets and cover depreciation costs. The capitalised assets would be owned by NHSE.
	Please confirm that depreciation costs will be met by the asset owner. Capital depreciation costs will be met by NHSE
For multi year schemes please confirm extent of any dependency on future years' funding. (i.e. if capital could be provided for the current and or 2 nd year only, would the goods and services secured deliver benefits and value for money without the proposed future years' investment). What mitigation/contingency arrangements are in place to manage associated risks.	n/a – Docman is available via GPSoC Lot1 and centrally funded.

13. REVENUE IMPACT Please specify what the revenue impact will be (separately itemising and profiling costs and any savings) and when it will be expected.	Table 2. Revenue requirement current year (year 1) 2017/18.] £					
	Item/Type	Quantity	Unit cost	Total	Vat	Total (inc Vat)
	CSU Project Management Resource Band 7 at LPF Day Rate	14	£587	£8,218		£8,218
	CSU Technician Resource Band 6 at LPF Day Rate	53	£315.88	£16,742		£16,742
	PCTI DocMan Migration costs Vendor Implementation Costs	53	£1,000	£53,000	£10,600	£63,600
Total in programme					£88,560.00	

The revenue costs above are requested of NHS England via the ETTF as a non-recurrent investment sum for 2017/18

The day rate is based upon the LPF contract day rates which were set by NHS England

Table 5. Net revenue impact (by financial year)

	20[../..] Current financial year	20[../..]	20[../..]	20[../..]	20[../..]	20[../..]	20[../..]	Total
Costs £								
Savings £								
Net revenue impact £	n/a provided through GPSoC							

total revenue request via the ETTF to support the reasonable implementation, roll out and training connected to the scheme is £88,560.

14. REVENUE FUNDING

Please confirm which organisation has committed to meeting the revenue costs

2017/18 revenue costs are requested to be met by NHSE via ETTF Bid

15. DEPRECIATION

Please specify what the depreciation impact will be.

Depreciation (by financial year) £

	20[../..] Current financial year	20[../..]	20[../..]	20[../..]	20[../..]	20[../..]	20[../..]	Total
Total	0	0	0	0	0	0	0	0

16. VFM

Please explain how VFM is being determined. e.g. through comparison with region wide benchmark costs

Outline how this capital investment will deliver VfM, summarise the benefits:-

- Financial (cash and non-cash releasing); and
- Qualitative

Describe how the realisation of benefits will be tracked and the plan for Post Project Evaluation.

Cash releasing

Best price will be obtained through GPSOC lot 1.

Local Infrastructure Benefits:

The following IT cost and associated services are directly related to the hosting of Docman locally and would be saved when Docman 10 is hosted centrally. The figures quoted below have been verified NHS Digital under the GPSoC process.

The figures quoted below have been verified by NHS Digital under the GPSoC process.

Local Infrastructure Costs

- Docman file server

- Tape backup
 - Terminal Server for branch sites
 - Leased line for branch sites
- The above infrastructure costs average £1,498 per practice per annum

GP Practice Personnel Costs

- Facilitating Docman software updates
 - Local client updates and new installs
 - Daily backup routine
 - General IT administration of the system
- The above staff costs average £932 per practice per annum

CSU Personnel Costs

- Raise and lower permissions to run updates
 - Address issues with Anti-Virus to run updates
 - Hardware refresh (labour)
 - Docman engineering days
- The above staff costs average £521 per practice per annum

Non-cash releasing

This solution would eventually replace or enhance locally deployed Hubs with a Docman Network Enterprise Delivery Service as an integral part of the overall Docman Network and allow other providers within the region with the opportunity to achieve the same benefits with minimal deployment effort

Provide the ability for smaller independent providers to ‘plug-into’ the Enterprise Docman Network delivery service and the network of end points who are contracted by the CGG as outsourced providers and currently contributing to the paper in the system.

The process capability is about delivering standardisation around business process automation within organisations but more importantly going forward between organisations. The key objective is around efficiency delivered through automation, the technology enables Doctors to free up their time to deal with patients

The Five Year Forward View sets out a clear direction for the NHS such that it should be ‘paper free at the point of care’, which is further reinforced via targets to move towards standardised structured Transfer of Care messaging with a national reach

Qualitative

Qualitative benefits will be found through ability for staff to access clinical systems whilst at patient homes and care homes and through the ability to support federated GP working including extended hours support.

helping to deliver the new models of care and the ability to share clinical transfer of care documents and messages across a health economy

Allow for basic cross-organisational workflow functionality ie Federated working, Extended hours access to patient documents

Federations: Docman 10 will allow (permission permitting) practice administration and clinical staff to access each other’s Docman systems using comprehensive role based access control (RBAC). This means that as a user you can exist across more than one practice. The user will simply switch in and out of the practices they are part of and wish to work on – with no extra sign on.

The platform provides the technology to deliver federated working and new models of care, including cross organisation task and workflow management

Relieve unnecessary pressure on the GP Practice to ensure all collections are dealt with and completed through a managed delivery service

a platform that can be built on for the future to support the new healthcare configurations and drive the levels of transformation that will come about through the delivery of Primary Care and scale and the emergence of Accountable Care Organisations

Measurement

Quality:

The Share capability allows sharing a read only view of data with systems outside the network and conversely, systems outside the network can share a view of their data within and across the network. One of the most prominent use cases for this capability is the shared care records which have been stipulated as part of the LDR's. Docman Share will enable third party applications like clinical portals to call on demand a view of any patients documents to compliment the data presented within the shared care record. Docman Share could also be used to pull in data views to compliment information presented through the Docman interface, for example this could be patient summaries from other clinical systems to assist clinicians when reviewing documents, tasks, or discussions within the Docman Continuum of Care Network.

Access:

The Access capability provides users with access to the Docman Continuum of Care Network anywhere, anytime over N3 (HSCN in the future) or public internet with the appropriate levels of authentication and local approvals

Capacity:

New care models such as federated working, super hubs, and Accountable Care Organisations need access to data on all aspects of the patients from across all care settings. The Analyse capability enables members of the network the ability to review performance data, run analytics on behaviours (such as referral behaviours), deliver real-time business intelligence dashboards, query the unstructured clinical narrative, and feed into Health Population Management systems and algorithms.

Timings

Funding confirmed July-August 2017

Agreed Phase 1 Implementation Plan assessment shared with NHS England Head of Digital Technology/Capital Programme Lead – end October 2017

Procurement Phase (5 weeks) completed by November 2017

Post-Project evaluation

CCG Primary Medical Co-Commissioning Committee (PMCCC) will receive regular updates via the CCG Primary Care Operations Group (PCOG) and provide progress reports to CCG Governing Body

PCOG already includes formal updates from CSU on digital work programme for primary care

Updates provided to PMCCC will include NHS England Head of Digital Technology/Capital Programme Lead on circulation

NHS England Primary Care Leads meetings will receive summary updates on project implementation from CCG representative

CCG GP Members Council monthly meetings will be used for capturing feedback from practices on digital solution effectiveness

17. PROPOSED PROCUREMENT STRATEGY

Please describe the procurement strategy, who will be leading, and when it is anticipated to complete and capital spend will be incurred.

Please outline:-

- Market assessment and plan for market engagement
- Procuring organisation
- Procurement Lead (collaborative procurement hub, health informatics service, etc.), if applicable
- Procurement route (e.g. direct award, competition, framework, EU procurement procedure)
- Procurement plan (key tasks, milestones and timescales) – ensure this is aligned with the planned investment profile
- Key commercial considerations (e.g. Term & Expiry, Service Levels & Standards, Quality Assurance And Performance Monitoring, Business Continuity, Exit Management)

Market Assessment

Docman 10 has been considered alongside of EMIS scanning solution. Docman 10 provides cloud based clinical document storage which allows access from any location which is not available in the EMIS document scanning solution.

Procuring Organisation

- NHS Wirral CCG

Procurement Lead

- MLCSU Programme Manager Philippa Desborough

Procurement Route

DocMan is available through GPSoC Lot 1 and centrally funded as a document management solution to GP Practices.

Orders will be placed via the GPSoC Tracking Database.

Procurement Plan

- Week 1 Place order via GPSoC Tracking Database
- Week 3 Pay order invoice
- Week 5 Initial project kick off meeting with DocMan and CCG to agree approach, task allocations and plan

Key Commercial Considerations

- Contract will be monitored via regular supplier meetings which are already in place

18. KEY RISKS

Please provide adequate information to enable reviewers to understand the level and likelihood of risk and how it is to be mitigated.

Please list any risks to delivery, for example if the spend is dependent on organisational merger, or estates investment, etc.

Risk	Mitigation
Data will already be synchronised to Docman Vault via an earlier project. Some practices may not be synchronised so scheduling would need to be reviewed regularly	Schedule appropriate technical solution Liaise with Docman engineering for agreed schedule
Removal of local server Docman data post Docman 10 Cloud go live –	additional CSU resource has been factored in to the delivery of the solution
Business Continuity assurances required from PCTI in certain circumstances (such as full network failure, data centre failure)	Obtained prior to implementation
Network infrastructure within practices and on MPLS or N3 would need to be reviewed to ensure solution performs to expectations	Review prior to implementation

19. SCHEME OR PROJECT ENDORSED (AS APPROPRIATE) BY:

ORGANISATION CHIEF FINANCIAL OFFICER	Statement	I hereby confirm that I am satisfied the payment of Digital Technology capital as set out in this PID is necessary expenditure and offers value for money. I also confirm that any commitments made in this PID to the covering of revenue and depreciation costs will be honoured by the organisation and/or its relevant stakeholders. I am satisfied that the capital funding requirement set out in this PID is not replicated in any other NHS capital funding request, e.g. under other parallel capital investment initiatives
	Delete as appropriate	Year 1 proposal
	Organisation	NHS Wirral CCG
	Name	Mike Treharne
	Signature	
	Date	3 rd July 2017
NHS ENGLAND DCO HEAD OF DIGITAL (OR EQUIVALENT)	Statement	I hereby confirm that I am satisfied the payment of Digital Technology capital as set out in this PID is necessary expenditure, offers value for money and conforms with relevant policy.
	Delete as appropriate	Year 1 proposal
	DCO	Cheshire & Merseyside
	Position	Head of Digital Technology/Capital Programmes Lead
	Name	David Scannell
	Signature	
	Date	
NHS ENGLAND DCO DIRECTOR OF FINANCE	Statement	I hereby confirm that I am satisfied the payment of Digital Technology capital as set out in this PID is necessary expenditure and offers value for money. I also confirm that I am satisfied with the commitments made by the sponsoring organisation in this PID to the covering of revenue and depreciation costs. I confirm that all items to be procured are capitalisable in accordance with the NHS England Capital Accounting Guidance at Appendix A
	Delete as appropriate	Year 1 proposal
	DCO	Cheshire & Merseyside
	Name	Phil Wadeson
	Signature	

	Date	
NHS ENGLAND REGIONAL ICT LEAD	Statement	I hereby confirm that I am satisfied the payment of Digital Technology capital as set out in this PID is necessary expenditure, offers value for money and conforms with relevant policy.
	Delete as appropriate	Year 1 proposal
	Region	North
	Position	Regional Head of Information & Transparency / Regional Head of Digital Technology
	Name	Janet King
	Signature	
	Date	
NHS ENGLAND REGIONAL DIRECTOR OF FINANCE	Statement	I hereby confirm that I am satisfied the payment of Digital Technology capital as set out in this PID is necessary expenditure and offers value for money. I also confirm that I am satisfied with the assurance provided by the relevant local DCO office Director of Finance in this PID in relation to the covering of revenue and depreciation costs and the capitalisation of assets. I confirm that this capital expenditure is funded within the Regional capital budget for the relevant year(s) as outlined in this PID. I am assured that there is a credible plan in place to order, receive and account for the capital assets in the appropriate financial year in accordance with NHS England Standard Accounting Practice. I recommend that the NHS England Chief Financial Officer approves the proposed investment of Digital Technology capital set out in this Project Initiation Document.
	Delete as appropriate	Year 1 proposal
	Region	
	Name	
	Signature	
	Date	
PRIORITISATION (For regional use only where required)		

Appendix A: Capital accounting

1. NHS England Capital Accounting Guidance

The NHS England Capital Accounting Guidance is outlined in the Publications Gateway document (Gateway reference 00984: document available on request from england.capital@nhs.net) explains the NHS capital rules. Key points relating to Digital Technology capital use are:

In accordance with NHS England accounting policies, property, plant and equipment is capitalised if:

- It is held for use in delivering services or for administrative purposes;
- It is probable that future economic benefits will flow to, or service potential will be supplied to, NHS England/CCGs;
- It is expected to be used for more than one financial year;
- Individually to have cost equal to or greater than £5k; or
- Collectively have cost at least £5k and an individual cost of more than £250, where the assets are functionally interdependent, they have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Form part of the initial setting-up cost of new building, irrespective of their individual or collective cost.

Given this capital accounting policy, to ensure expenditure meets the requirements for capitalisation, all items have to cost in excess of £250. Any item below that should be charged to revenue. Further, all aggregated expenditure total in excess of £5k with all items being worth in excess of £250. Application of this is essential to meet the capitalisation policy and ensure accurate maintenance of the fixed asset register implemented in April 2015.

Software Licenses can be capitalised if they are for 2 years or more. If they are for a year or less, then they should be revenue expensed as by default they are used in year and do not provide an asset to the organisation.

2. National Systems roll-out/meeting costs of delivering mandated priority programmes

For NHS England to capitalise expenditure in relation to national system roll-out, a tangible or intangible asset would have to be bought or created and maintained on the Fixed Asset Register. These assets would be accounted for in NHS England financial accounts. If the national system is owned by another organisation (e.g. NHS Digital), and is not an asset of NHS England, then any cost incurred by NHS England in terms of initial set-up and including roll-out of national systems, would be created as revenue costs and expenses in year.