



NHS capital expenditure (UK)

How large and expensive assets are bought, managed and sold

Developed for non-finance professionals seeking a better understanding of capital expenditure and accounting in the NHS, this module provides an overview of what capital expenditure is and the impact the acquisition of assets such as property, plant and equipment can have on finances of an NHS body.

Who will benefit?

Budget holders, business managers, clinicians and non-executive directors.

The syllabus

Overview

- What is capital?
- What is the difference between capital and revenue?
- Why does that difference matter?

What are assets?

- Tangible assets
- Intangible assets
- Common terminology

What is capital expenditure?

- Initial purchase price
- What can and cannot be included in the value of an asset
- On-going costs
- Low cost assets and grouped assets

Planning for capital

- Deciding what assets to buy
- Determining the best price and supplier
- Funding streams
- The financial impact over the life of the asset
- Business cases

Funding capital expenditure

- Ways of paying for capital expenditure
- Outright purchase
- Borrowing
- Leases and PFI
- Donated assets

The impact of capital on the financial position of an NHS body

- Depreciation
- Useful asset lives
- Residual value
- Component depreciation
- PDC dividend
- Financial targets

Valuation of assets

- Fair value
- Depreciated replacement cost
- Modern equivalent asset
- Depreciated historic cost
- External valuation
- Movements in valuation

Managing assets

- Asset registers

Disposing of assets

- Surplus assets
- Effect on depreciation
- Gains and losses on disposal

To find out more

 www.hfma.org.uk/e-learning

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- If you are studying towards the Introductory Award in Healthcare Finance this module can be counted alongside the compulsory module NHS Finance as one of your five modules.