

**HEALTHCARE IMPROVEMENT SCOTLAND**  
**REGISTRATION OF INDEPENDENT HEALTHCARE SERVICES**  
**FINANCIAL GUIDANCE FOR APPLICANTS**  
**IN-PATIENT SERVICE ONLY**

**Legislation**

The *National Health Service (Scotland) Act 1978* requires that any person who seeks to provide an independent healthcare service must apply to Healthcare Improvement Scotland for registration of the service. As part of this process, the applicant must provide Healthcare Improvement Scotland with any information which it may reasonably require.

In order to properly assess an application for registration, it is important that the applicant demonstrates sound business planning and financial viability. Accordingly, the financial requirements have been designed to be both risk based and proportionate in approach.

**New service providers (In-patient services only)**

**All new service providers** must provide the following financial documentation:

- Business plan.
- Financial forecast.
- Reference from your bank.
- Existence of a business bank account. Should one not exist you should contact your bank to establish a business bank account independent of any domestic accounts.

**Existing service providers (In-patient services only)**

**All existing service providers** must provide the following financial documentation:

- Financial forecast.
- Annual accounts for the last three financial years. If no accounts exist, you should provide copies of tax returns to HMRC covering the same period.
- Reference from your bank.
- Existence of a business bank account. Should one not exist you should contact your bank to establish a business bank account independent of any domestic accounts.

## **Business plan**

### **Introduction**

A business plan is a written document that describes your business. It covers such as objectives, strategies, sales, marketing and financial forecasts.

A business plan helps you to:

- clarify your business idea
- spot potential problems
- set out your goals, and
- measure your progress.

It can also help to convince the bank, customers, suppliers and potential employees to support you.

A good business plan contains more than just financial information. Rather it provides the rationale behind the proposal and demonstrates how the various aspects come together in the plan to result in a viable business model upon which the enterprise can be taken forward with a reasonable chance of success.

The quality and content of a business plan will vary between proposals but whilst not exhaustive the following are examples of topics that might be included.

- Aims and objectives of the business
- Ownership
- Evidence of market research
- Investment, and
- Operating assumptions.

Please complete the template and the financial plan that supports this to the best of your ability. It is your opportunity to explain to us your business aims and objectives and outline how you intend to implement these, any investment that may be necessary and the timescale for this process. An example of a completed financial plan and cash flow statement has been provided on the Healthcare Improvement Scotland website ([http://www.healthcareimprovementscotland.org/our\\_work/inspecting\\_and\\_regulating\\_care/independent\\_healthcare/register\\_a\\_new\\_service.aspx](http://www.healthcareimprovementscotland.org/our_work/inspecting_and_regulating_care/independent_healthcare/register_a_new_service.aspx)) to be of assistance. Please note the cash flow statement will complete automatically with the exception of “cash introduced” and “Asset Acquisitions” (the cells appear in blue). In recognition that some businesses may be relatively small, the attached **Business plan template may be used (see Appendix 1)**.

**Appendix 1: business plan template**

**Business name:**

**Ownership:**

**The management:**

**Goals and objectives:**

**Services being provided:**

**Competitors & market research:**

**Investment required:**

**Operating assumptions:**

## **Appendix 2: Bank reference template**

**[Insert Bank Name and Address]**

**[Insert Date]**

Dear Sirs

**[Insert company name and address]**

The following information is given in confidence for your private use only without responsibility on the part of this bank, or the writer and where the information has been obtained from another bank or informant, without responsibility on the part of themselves or of the officials

**[Insert company name]** are good for the normal business engagements and financial commitments. It is not thought that the owners would enter into any commitment that they could not see their way clear to fulfil.

This bank is not a credit reference agency within the terms of section 145 (8) of the Consumer Credit Act, 1974. Subject to the obligations of the credit reference agencies under the Act, disclosure of the content and source of this opinion is not required.

Yours faithfully

**[Insert name of bank]**