

Disposal of Haemodialysis machines and Mobile Diagnostics WDR

**September Board Meeting
24 September 2026**

Presented for:	Approval
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Previous Committees:	None

Freedom of Information Act (FOIA) Exemption	☐ YES (restricted from the FOIA) ☒ NO (available to the public under the FOIA)
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Link to Strategic Objective	Outcomes – being outstanding now and in the future.
Link to Provider Capability Assessment	Financial performance and oversight
Link to CQC Well-led Statement	Governance, Management and Sustainability
Regulatory Impact	Regulation 17: Good governance

Key points	Purpose
The Board are asked for the approval to write off 38 Haemodialysis machines and 3 Mobile Diagnostics WDR systems that were replaced as part of the MSE capital programme.	<i>Approval</i>

Risk Appetite Framework			
Level 1 Risk	Level 2 Risks	(Risk Appetite Scale)	Impact
Financial Risk	Financial Reporting Risk - We will deliver sound financial management and reporting for the Trust with no material misstatements or variances to forecast. Any variances to forecast that materialise will be well signalled & socialised with key stakeholders	Minimal	Operating within
Financial Risk	Revenue & Cash Management - We regard less than 10 days' operating cash as a trigger for enhanced risk management and will at least retain a minimum balance of £3m in line with requirements for a Trust of our size	Cautious	Operating within

1. Summary

A review has identified 38 Haemodialysis machines and 3 Mobile Diagnostics that were replaced as part of the MSE rolling replacement capital programme, and these have subsequently been decommissioned and are currently occupying valuable storage space and, in some cases, are stored in locations that raise fire safety compliance concerns. The combined net book value of the 38 Haemodialysis machines is £196,000, less estimated proceeds of £1,900. The write off will be £194,100.

The 3 Mobile Diagnostics WDR have a combined net book value of £178,000 less estimated proceeds of £10,700. The write off is £167,300.

Under the SFI's the Board is required to approve any write-off over £50,000. Total proposed write-off is £361,400.

The proposed accounting treatment is to derecognise the assets and recognise the remaining carrying value as a loss on disposal. The request is presented to ensure transparent executive oversight of a material loss and a controlled, auditable disposal process.

Background to the service

Whilst a depreciation life of 16 years has been applied for accounting purposes following a review of reasonable asset life, it is important to recognise that the operational life of specialist medical equipment can be often shorter. The service has carried out an assessment of the machines and deemed that they are obsolete and no longer fit for purpose.

2. Proposal

It is proposed that the Trust approves the write-off and disposal of 38 haemodialysis machines with a combined net book value of £196,000, less estimated proceeds of £1,900. The write off will be £194,100. In addition, there are 3 Mobile Diagnostics WDR with a combined net book value of £178,000 less estimated proceeds of £10,700. The write off is £167,300. The machines have been replaced under the approved 2025/26 capital programme, decommissioned from clinical use and determined to have no viable alternative use within the Trust. Following completion of all required governance checks, the assets will be removed from the capital asset register and disposed of through approved Trust processes.

To note that, as part of the Finance the Leeds Way improvements, the remaining economic life of the asset will be incorporated into the yearly asset verification exercise from this financial year.

3. Quality and Performance Implications

The write-off will not have an adverse impact on the quality or performance of haemodialysis services, as the machines were withdrawn only after the responsible clinical service had a sufficient replacement capacity and appropriate contingency arrangements. Removing equipment that is obsolete, unreliable, unsupported or uneconomic to repair this will reduce the risk of equipment failure and avoid disruption caused by unplanned

downtime. Replacement machines have completed the required acceptance testing, commissioning, staff training and infection prevention checks and are in operational use.

4. Financial Implications

The SFIs state that any individual debt write-off above £50,000 needs to be approved by the Board (see table below for details, noting that the SFIs have not yet been updated for the change in job title of the Director of Finance to Chief Finance Officer):

Losses and special payments including ex gratia payments

This includes debt and stock write-off

Value	Authorisation
up to £1k	Invoice write-offs at this level to be approved by the Credit Income Manager
up to £10k	Level 3
up to £25k	Level 4
up to £50k	Level 6 (Director of Finance)
£50k+	Level 7 (Board)

Measure	Amount / impact
Number of assets	38 haemodialysis machines
Total net book value	£196,000
Average net book value per machine	£5,158
Proceeds	£50 per asset. £1,900 for the 38 assets.
Accounting impact	Non-cash loss on disposal of up to £194,100, however it impacts the I&E position by the same amount.
Cash impact	No direct cash outflow from the write-off; disposal costs and receipts to be confirmed
Capital expenditure impact	No new capital expenditure arises from the write-off itself; any replacement programme is outside the scope of this paper unless separately approved

Measure	Amount / impact
Number of assets	3 Mobile Diagnostics WDR
Total net book value	£178,000
Accounting impact	Non-cash loss on disposal of up to £167,300, however it impacts the I&E position by the same amount.

Cash impact	No direct cash outflow from the write-off; disposal costs and receipts to be confirmed
Capital expenditure impact	No new capital expenditure arises from the write-off itself; any replacement programme is outside the scope of this paper unless separately approved

5. Risk

From a financial reporting perspective, it is important that the Trust's capital asset register accurately reflects assets that remain in productive use. Disposing of these machines and removing them from the asset register will ensure the Trust's financial statements continue to present a true and fair view of its asset base. Governance controls, including clinical condemnation, technical assessment, physical verification and disposal documentation, mitigate the risk of inappropriate disposal and ensure a complete audit trail is maintained.

6. Communication and Involvement

The paper will be shared with MSE for awareness.

7. Impact on Equality & Health Inequalities

There is no requirement for an E&HI, as this has no impact on the wider Trust. This is an accounting adjustment.

8. Publication Under Freedom of Information Act

This paper has been made available under the Freedom of Information Act 2000.

9. Recommendation

The Board is requested to approve the write-off and disposal of 38 haemodialysis machines with a combined net book value of £196,000. The write off is £194,100. In addition, there are 3 Mobile Diagnostics WDR with a combined net book value of £178,000 less estimated proceeds of £10,700. The write off is £167,300.

The machines have been replaced through the approved capital replacement programme, withdrawn from clinical use and assessed as no longer suitable for redeployment. All reasonable options to recover value through sale, transfer or alternative use have been considered.

Approval of the write-off will enable the Trust to ensure the capital asset register accurately reflects assets that remain in productive use and is in line with the Standing Financial Instructions.

