Joint capital resource use plan – 2023/24

Overview

The National Health Service Act 2006, as amended by the Health and Care Act 2022 (the amended 2006 Act) sets out that an ICB and its partner NHS trusts and foundation trusts:

- must before the start of each financial year, prepare a plan setting out their planned capital resource use
- must publish that plan and give a copy to their integrated care partnership, Health & Well-being Boards and NHS England
- may revise the published plan - but if they consider the changes significant, they must re-publish the whole plan; if the changes are not significant, they must publish a document setting out the changes.

In line with the amended 2006 Act, ICBs are required to publish these plans before or soon after the start of the financial year and report against them within their annual report.

The relevant section of the Health and Care Act 2022 can be found via the following Health and Care Act 2022 (legislation.gov.uk) and reference should be made to sections **14Z56 and 14Z57.**

Guidance & requirements

Overview

To support ICBs in meeting these requirements of the amended 2006 Act, an ICB joint capital resource use plan this template has been devised and issued to systems via the PFMS organisation ICB portal inboxes.

Joint Plan requirements

The joint planning template covers the following key elements:

- the overall funding envelopes the system is assumed to be working to, with an explanation of assumptions (and related risks) associated with the assumed source and quantum of funding for the ICB and its partner trusts
- a description of how the system prioritises available resource for investments that contribute to the wider local strategic priorities of the ICS, and maximises efficiencies within an affordable envelope
- a description of notable risks and/or contingencies associated with the capital plan, alongside any proposed mitigations

- detail of how ICB plans that support cross-system working.

ICBs and the partner Trusts should complete this template and provide the information as requested in each of the sections, including a high level summary of the total CDEL impact of system plans for the forthcoming financial year as set out in Annex A.

The figures included in Annex 1, should be based upon the total ICB spend, and the sum of total Provider CDEL from all providers in the system. The figures reported must be consistent with the final system and Provider financial plan submissions.

Annex A should also include a narrative on the main CDEL categories of expenditure. This narrative should include;

- An outline of key schemes planned for the year, including funding assumptions
- An outline of the types of schemes, e.g. new buildings and developments, backlog maintenance or other types of expenditure;
- any other relevant information not included in other sections which provides additional supporting information as to how capital is prioritised and spent within the system to support its strategic objectives and ultimately deliver benefits to patients.

Overall any information reflected in the published plan produced by the start of the financial year must be consistent with

- information provided in the template submission.
- information contained within the final System and Provider financial plan submissions.

Submission

The completed 23/24 template should be submitted via the PFMS portal alongside the finance system and provider planning templates by the final plan submission date of **30th March 2023.**

ICBs should follow instructions in the portal submission guide on the steps to be followed to submit documents on the PFMS portal.

Timescales

ICBs and their partner organisations, should prepare their joint capital plans in line with the requirements as set out in the templates and then submit the completed templates and plans to NHS England in line with the following timescales.

	Deadline
Submission of completed Joint plan templates	By 30th March 2023
Submission of published Joint plans to NHS England	By 21st April 2023

For 2023/24 the requirement is to share this completed template with NHS England **by 30th March 2023**, which is in line with the final financial plan submission deadline.

The 2023/24 template should be submitted via the PFMS portal alongside the finance system and provider planning templates, by the final plan submission date.

Note this template is a guide as to the type of information the plans should cover and sets out the minimum requirements. ICBs can provide more and in a format of their design when publishing their final plan. In addition this template does not reflect the final format and its not the intention this template reflects the final published plan document.

Therefore, to avoid any additional burden and duplication, where systems have produced final capital plans ready for publication by 30th March 2023, this plan can be submitted in lieu of this template. **However as a minimum the final published plan must still meet the requirements as set out in this template.**

Publication

Once finalised, systems are required to ensure publication of the joint resource plan by the date set out above, and also share with

(a) the integrated care partnership for the board's area,

(b) each relevant Health and Wellbeing Board, and

(c) NHS England.

A copy of the published plan, or link to the website must be shared with NHS England in line with the dates set out above by emailing england.capitalcashqueries@nhs.net.

Revised plans

The Act also sets out the requirements should an ICB significantly revise their capital plans as submitted by 30 March.

In this scenario, the revised plan must be published and a copy of the plan shared with the bodies outlined above as soon as reasonably possible, which is deemed to be within one month.

While revised plans may be published and shared, any financial planning information as submitted in the final system and provider financial planning submissions will not be updated. Instead, any revisions to Joint capital plans should be treated as a revised forecast. The exception to this where a formal capital plan resubmission process is required.

Annual report

In addition, the Act requires an annual report on how an ICB has discharged its functions in the previous financial year. This includes a requirement to review the extent to which the board has exercised its functions in accordance with the plans published under section 14Z56 (capital resource use plan).

Questions

Any further queries should be directed to england.capitalcashqueries@nhs.net.

REGION	**South West**
ICB / SYSTEM	**NHS Devon**

Introduction

Guidance:
Please provide some high level commentary about the joint capital plan which should be developed between the ICB and partner NHS Trust and foundation trusts – key strategic priorities, key schemes throughout the year, background to what happened last year, overview funding sources etc.

NHS Devon initially received £85m System CDEL in 22/23 and £89m in 23/24, this resource has been distributed to NHS Trusts and the ICB in accordance with the national allocation formula. In addition, the system received £2m in year for system capital, £50m for IFRS 16 schemes and £87m national programme capital.

Priorities for 23/24 for system CDEL will be for business as usual including backlog maintenance, IT, equipment, fleet etc. National funding priorities include ongoing schemes for Community Diagnostic Centres, Elective Recovery, Front Line Digitisation and New Hospital Programmes. New developments for 23/24 will also be focussed on the Mental Health, Urgent Care System and Endoscopy Diagnostics. Schemes include:-

• Cardiology Day Case

• Therapeutic Inpatient Facilities for meeting Mental Health needs for those with Learning Disabilities and/or Autism. One of two inpatient units for patients in the South West. To be built over a two year period commencing in 23/24. Total capital scheme value in the region of £20.25m funded via national PDC. Capital and Revenue affordability challenges are being reviewed to seek mitigation.

• Digital Infrastructure – Investment into the Digital Infrastructure (including new EPR) for Devon Partnership Trust. A 3 year project that commenced in 22/23. The next phase i.e. 23/24 and 24/25 includes capital investment of £5.344m, funded via national PDC of £3.512m and local CDEL funding of £1.832m.

Assumed Sources of Funding for 2023/24

Guidance:
Please provide detailed of the overall funding envelopes to which the system will be working to.
Explain any assumptions (and related risks) associated with the assumed sources and quantum's of funding for the ICB and Partner Trusts
Draft table inserted which can be expanded upon.

See attached table. Total resources £277m, £89m system CDEL, £75m IFRS16, £24m NHP and £89m other national schemes

Overview of Ongoing Scheme Progression

Guidance:
Please provide an overview of scheme progression. Probably should only be schemes above a certain level

Significant existing schemes include Community Diagnostics Centres, Elective Recovery, Front Line Digitisation and New Hospital Programme.
The Plymouth capital plan for 23/24 includes £8m for the completion of the nationally funded Elective Recovery project to create 3 new Orthopaedic Theatres. It also includes £3.5m of national PDC and £4m of system CDEL for the completion of the expanded and refurbished Endoscopy unit and Cardiology Cath Labs respectively which will also increase diagnostic and elective capacity. The plan also includes £6m of system CDEL for the refurbishment of the former REI space within the hospital to increase ward capacity to support elective recovery. The lease programme includes three key projects to support areas that face significant risks as they approach and exceed their useful life in their current facilities. This covers the new Pathology relocation and managed equipment service, Pharmacy Aseptic Suite building & equipment and the Radiotherapy decant bunker and HDR facility.
The Torbay plan includes:-
EPR - Electronic Patient Record - we have submitted the OBC to the regional NHSE team, queries are expected w/e 9th June 23 , upon all issues being resolved before the final approval by EPRIB on 19th July 23. The FBC is expected by Nov 23 for the National approval by the end of this financial year for contractor award in Q1 24/25, and implementation from Aug 2024 to Q3 25/26 and 'go live' expected to be from August 25.
TIF - Targeted Investment Fund - the new theatre build project has started ,and is expected to complete in Jan 2024.
NHP - National Hospital Program - Indicative funding envelope received (circa £310m-£400m), values subject to 6-9 month refinement. Site enabling OBC to be submitted to regional/ national team in September 23.

Risks and Contingencies

Guidance:
Insert any notable risks and/or contingencies associated with the capital plan. Consider RAG rating risks also.

• The need for business as usual capital exceeds the level of system CDEL funding allocated and does not provide sufficient funding to support the backlog maintenance and equipment replacement programmes. This is mitigated by a risk based approach to internal prioritisation which is required to live within allocations. However it is only a matter of time before significant diagnostic replacement is required and the risk of CDEL funded programmes of work increases.
• The plan includes very limited general contingences as capital requirements significantly outweigh funding available. Although individual projects include elements of contingency and optimism bias as appropriate, key risks to the programme include cost overruns as projects are implemented due to high inflation and market conditions, and finalisation of design specifications. The System will look to value engineer wherever possible to contain costs, review the capital programme prioritisation where possible, and look for national support where issues within PDC funded programmes cannot be mitigated. In Torbay, their 5% contingency has now been utilised by the pipeline projects to support hospital recovery.
• Primary Care is not prioritised within the current distribution of system CDEL.
• There are cost pressures within the capital programme. In particular with the delivery of the Cardiology and Endoscopy schemes. Further PDC funding would help support these cost pressures.
• Availability and cost inflation on raw materials
• Labour force to undertake the work required
• Confirmation of the IFRS16 CDEL limit is outstanding. If this is not sufficient to cover the programme, then there will need to be significant review of the programme.
• Timing and cashflow are issues within current inflationary pressures.
• Asset disposal including Dartmouth Hospital site which will be monitored on a monthly basis.

Business Cases in 2023/24

Guidance:
Please insert detail of some of the key business cases in the ICB that are likely to be submitted in 2023/24.

• UHPT - As per the plan key business cases with provisional national PDC funding include the Electronic Patient Records system, a truly transformational project for the Trust with the full business case expected to be completed and approved this year. The Trust is also expecting to progress the Business Case for its larger development of the Trust's Future Hospital Phase 1 project to build a new Unscheduled Care and Interventional Theatre Facility, with FBC approval during the year and completion of enabling works. The Trust has also just received approval for Community Diagnostic Centre to deliver key modalities from a city centre location. The Trust has also submitted a Business Case to NHSE for an Urgent Treatment Centre on the Derriford site to provide essential support urgent care performance.
• RDUH is undertaking a refresh of its Vascular Hybrid Theatres business case during 23/24 and will be engaging with system partners
• DPT - Both schemes will have business case that will require NHSE approval. FBC's are scheduled to be submitted as follows:
- Therapeutic Inpatient Facilities for meeting Mental Health needs for those with Learning Disabilities and/or Autism – the proposed target date for the business case approvals are Trust Board 10/07/23, followed by Regional NHSE approval 31/07/23, National NHSE team 31/08/2023.
- Digital Infrastructure – Trust Board approved Full Business Case was submitted to the Frontline Digitisation Team 31/05/2023, commercial gateway discussion 06/06/2023, anticipating needing to submit a further Investment Justification once the template has been created – no confirmed date.

Cross System Working

Guidance:
If applicable, can you detail how your system capital plan is coordinated with other systems or providers located in other systems.

Main issues for cross system working include, Learning Disabilities and Autism priorities across the South West. Also working with Specialised Commissioning and Cornwall round the UHP footprint and priorities. Community Health Partnerships around the LIFT estate in Plymouth. Shared strategic estates director across both Devon and Cornwall ICS's.

Capital Planning & Prioritisation

Guidance:

Please detail how your system is prioritising available resources for investments which contribute to the wider local strategic priorities of the ICS, and maximise efficiencies within an affordable envelopes as well as how this aligns with and supports the ICS' wider infrastructure strategy - in particular, priorities and plans for future use and development of its estate and assets.

NHS Devon is developing its system wide estates strategy, for the first time to include NHS Trusts, the ICB, Primary Care, Local Authority and Voluntary Sector estates and infrastructure status and investment priorities. This is due to be completed in March 2024 and will be used to inform capital investment prioritisation and distribution from 2025/6 onwards. NHS Property Services estate will be incorporated, and the LIFT estate concessions start ceasing within the strategic period (8 years) for which plans will need to be developed and negotiated as a key element of the Plymouth core estate.

- An Estates Infrastructure Strategy shall be completed (and submitted to NHSE) by end of Q4
- The strategy shall map out the entire health estate for Devon
- The strategy shall contain a new system capital prioritisation matrix which covers all categories of estate rather than just the traditional secondary care scheme allocations
- It is aimed to compile and score a detailed investment plan across all estates infrastructure within the initial strategy submission
- In respect to capital, the strategy shall have a practical application from April 2025
- The detail contained within the initial submission is also designed to inform NHSE's 2025 funding review

Annex A – NHS Devon 2023/24 CAPITAL PLAN

	CDEL	ICB	DPT	RDUH	TSD	UHPT	Total	Narrative on the main categories of expenditure
							Full Year Plan	
							£'000	
Provider	Operational Capital		7124	31074	21237	27689	87124	Backlog Maintenance, Clinical Equipment, IT
ICB	Operational Capital	2147					2147	End User Devices
	Total Op Cap	2147	7124	31074	21237	27689	89271	
Provider	Impact of IFRS 16		2384	15488	2800	48043	68715	Clinical Equipment, New Build - Diagnostics and Other
ICB	Impact of IFRS 16	6643					6643	New Property Lease
Provider	Upgrades & NHP Programmes				6390	17674	24064	NHP
Provider	National Programmes (diagnostics, Front line digitisation, Mental Health, TIF)		6128	25743	26327	30473	88671	Elective Recovery, Frontline Digitisation, Endoscopy, Community Diagnostic Centres
Provider	Other (technical accounting)				1		1	
	Total system CDEL	8790	15636	72305	56755	123879	277365	