Joint Capital Resource Use Plan 2024/25

Region	South West
ICB / System	Devon
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1. Introduction

Infrastructure plays a pivotal role in enabling the future of healthcare delivery within the region. This infrastructure not only paves the way for quality health services but also serves as a cornerstone for broader, systemic improvements. The strategic deployment of capital in both revitalising our current assets and developing new ones is of utmost importance, especially considering the financial challenges being experienced by the system.

Faced with a diverse array of challenges, Devon's journey toward an integrated health and care delivery system is ambitious. We must navigate the complexities of socio-economic disparities, logistical hurdles, the needs of an increasingly elderly population and the currently proposed addition of 53,380 new homes over the next 5-10 years, with an additional 120,000 patients. All this is set against the backdrop of a demanding financial landscape, where the imperative to achieve operational efficiencies must be balanced with the critical need for strategic investments in our infrastructure. To compound matters, the existing estate deals with a range of inherent challenges, including many sites near or past their useful life and the condition of many existing sites.

There are significant challenges we have to delivery, including financial constraints, with Devon currently at level 4 of the NHS Oversight Framework. With that in mind, this document outlines how we will deploy our resources, including delivering on identified and funded projects, a prioritised pipeline of projects (that needs funding) and a commitment to actively pursue opportunities including focussing on wider system collaboration and innovative delivery models. This document provides detail behind these themes and the key messages are below:

- The Devon population is growing and ageing from a base already older than the England average. As a health system, we are facing challenges, such as increased frailty and long-term conditions, around 15 years before some other parts of the country.
- Primary Care Estate is generally at capacity, or over capacity – this is not sustainable. Much of our estate across primary and acute care cannot be extended to create additional capacity.
- Devon faces the joint challenge of healthcare accessibility to rural, and often elderly populations, in addition to its cities, which are large centres of population growth and will need expanded service capacity to reflect this.
- The pipeline of investment needed across Devon is at circa £3bn and this will only rise, and significantly in excess of current capital funding levels.
- Investment into the estate and digital are clear enablers – in the absence of further funding the risk of maintaining our estate at ‘steady state’ is rising. Opportunities to maximise delivery will need to be pursued, including innovation and collaboration.

Overview of Devon ICS

- Located in the South-West of England, NHS Devon Integrated Care System (ICS) is a partnership that brings together health and care organisations in the county of Devon. It serves as the **third-largest county in England** and is home to two national parks in Dartmoor and Exmoor.
- The ICS in Devon is known as **'One Devon'** and brings together all the county's local authorities, NHS organisations and the voluntary section to create the **partnership across One Devon**. NHS Devon is the Integrated Care Board (ICB) for the ICS.
- The partnership works in collaborative arrangements at county-wide level, through **five Local Care Partnerships (LCP)** (i.e. the 'places') and also in the heart of communities (neighbourhoods) to provide sustainable, quality health and care outcomes for the 1.2 million people in Devon.
- Devon also serves a significant population in North East Cornwall, which is very rural and, due to road networks, experiences less difficulty accessing services in Plymouth than central Cornwall.

Our five LCPs

broadly reflect the geography of the county:

Our Place

Devon covers a coastal, rural (including 2 national parks), and urban geography. We are comprised of over 45 towns, and the cities of Plymouth and Exeter.

- **West Devon**
- **Plymouth**
- **South Devon**
- **Eastern Devon**
- **Northern Devon**

Our Care

is delivered by hundreds of providers across Devon, all working within the One Devon ICS. Our system is comparatively complex, including 12 LPAs, relative to neighbouring Dorset's 2.

- **8** District Councils
- **3** Upper Tier Local Authorities *(one county and two unitary)*
- **12** Local Planning Authorities (LPAs)
- **1** Community Interest Provider
- **1** NHS Trust-Based Mental Health Provider
- **3** Main Acute Hospital Trusts
- **194** GP Sites and **120** Practices

One Devon – Our Partners

Health Care Providers

- Royal Devon University Healthcare NHS Foundation Trust
- University Hospitals Plymouth NHS Trust
- Torbay and South Devon NHS Foundation Trust
- South-Western Ambulance Service NHS Foundation Trust
- Livewell Southwest
- Devon Partnership NHS Trust
- NHS Devon (integrated care board)
- All GP practices in Devon
- Pharmacy, Optometry and Dental

Health and Wellbeing Boards

- Devon Health and Wellbeing Board
- Plymouth Health and Wellbeing Board
- Torbay Health and Wellbeing Board

Healthwatch

- Healthwatch Devon
- Healthwatch Plymouth
- Healthwatch Torbay
- Healthwatch Cornwall

Local Authorities

- Devon County Council
- Torbay Council (unitary authority)
- Plymouth City Council (unitary authority)
- District Councils

Voluntary and community sector organisations

We work with a range of voluntary and community sector organisations to help us make decisions that improve services and outcomes for people and communities.

NHS Property Companies

- NHS Property Services
- Community Health Partnerships

One Devon – Our Five-year Integrated Care Strategy

The One Devon Partnership has one over-arching statement of intent:

> ***"One Devon will strengthen its integrated and collaborative working arrangements to deliver better experience and outcomes for the people of Devon and greater value for money"***

The ICS produced an Integrated Care Strategy in December 2022, setting out the **12 key challenges** that Devon faces and identifying a set of **strategic goals** that will help to address the challenges. The strategy sets out how we will plan and organise health, care and other support services so that joined-up, preventive care is available to everyone in the population across the course of their lives.

The goals set out in the strategy look to achieve the four aims common to every ICS in England and Wales:

- **Improving outcomes** in population health and healthcare
- **Tackling inequalities** in outcomes, experience and access
- Enhancing **productivity** and **value for money**
- Helping the NHS **support broader social and economic development**

For each of these aims, a series of ambitious goals have been developed to set out how we will measure progress towards achieving them.

Challenges faced by the One Devon System:

- An ageing and growing population, with more frail people and more with one or several long-term conditions
- Climate change, with increasing pollution and extremes of heat and cold
- Complex pictures of deprivation in both rural and urban areas
- The quality and affordability of housing
- Accessibility to services
- The pressure on our services, especially for planned care.
- Variable opportunities for education, training and work and in some areas a shortage of staff caused by burnout, inability to fill vacancies and high turnover
- People carrying out unpaid care, with the associated consequences for their health
- A need for stronger economies
- Poor health caused by habits that could be changed, and the earlier onset of health problems in more deprived areas
- Changing patterns of infectious diseases such as COVID-19, with a disproportionate impact on disadvantaged communities
- Poor mental health, social isolation and loneliness

One Devon

One Devon – Joint Forward Plan 2023

The ICS developed its response to the Five-year Integrated Care Strategy with a Five-year Joint Forward Plan (JFP), setting out how all the elements will be delivered by 2028.

The JFP is a system wide plan, which broadly describes the services we have in place and will develop to meet the needs of our whole population as set out in the Integrated Care Strategy. It reflects an **intention to work in collaboration and partnership** to deliver our system ambitions, but it is important to acknowledge that statutory duties remain with individual organisations

There are **9 key delivery programmes** and **10 enabling programmes** that make up the Devon JFP.

Estates & Infrastructure is one of the key enabling programmes; the aims of which are to **support development of primary care, mental health, community and acute hospital estate**, develop a road map for **reaching net carbon zero** and **work collaboratively to maximise opportunities.**

As a key enabler, this document will outline the **challenges and opportunities** to supporting the delivery of the clinical strategy

The Estates & Infrastructure enabling programme strategic vision and ambitions are to:

- To redevelop the acute hospital estate through the funds available via the New Hospital Programme
- To develop the community services and mental health estate to ensure it remains relevant, fit for purpose and located within the right places with an ambition to provide more specialist services outside of the traditional hospital setting
- To enable and support the development of the primary care estate through PCN strategies and supporting GPs to integrate primary care with community service developments
- To develop a roadmap for estates and facilities activity to reach Net Carbon Zero by 2040
- To undertake strategic procurement of estates and facilities contracts to leverage buying power for providers on behalf of the ICS
- To work in collaboration with the public sector in Devon to ensure One Public Estate opportunities are maximised
- For estates and facilities expertise to work in collaboration across the ICS to ensure optimal efficiency, skill sets and joint delivery programmes

Strategic leadership of the Estates & Infrastructure enabling programme is the System Management Executive; with programme governance via the Estates Programme Board.

One Devon

As the availability and accessibility of capital resources has become increasingly restricted over the last two years, the associated risk has also significantly increased. There is more complexity in allocations, funding streams and reporting requirements. As the availability and accessibility of capital resources has become increasingly restricted over the last two years, the associated risk has also significantly increased.

There is more complexity in allocations, funding streams, assurance and reporting requirements. The centralised business case, bidding and approval processes for new capital add a further complexity.

This means additional pressure for prioritising and careful risk assessment and management of expenditure to minimise equipment and building failure leading to reductions in performance, quality and clinical risk.

The Integrated Care System (ICS) for Devon, known as One Devon, has developed an Infrastructure Strategy for Devon to identify future estates opportunities and priorities. This has enabled the ICS to take a strategic approach to the identification of estate priorities and planning and also serves as a key input to the prioritised capital pipeline.

Our Capital Pipeline – 2024/25-2029/30

The prioritised capital pipeline provides a basis from which our current understanding of risk carried within the system can be improved and future funded and unfunded capital pipelines will be developed. In infrastructure terms, it informs the strategic focus in the short to medium term.

Digital projects (64) and Equipment projects (64) are excluded from the analysis. The total capital pipeline of these projects is £339m.

A further 172 Primary Care projects have been identified through the system pipeline exercise, noting that PCNs are reviewing this and is subject to review.

454 Estates Projects

	156 'Critical and/or urgent'	238 'Important'	294 'Desirable'	5 New Hospitals
*Project Need Categorisation**				
Estimated Capital Required (Estates: £2.5bn; Total Pipeline: circa £3bn)	£516m	£1.4bn	£604m	New Hospitals are included in this assessment
Total Funded (125)	36	58	26	

2. 2024/25 CDEL allocations and sources of funding

The capital allocation for the system totals £107.5m, of which £12.1m is for specific schemes, leaving general capital (core and lease CDEL) at £95.4m. This includes a revenue deficit penalty of £5.0m CDEL reduction.

	System £k	DPT £k	RDUH £k	TSD £k	UHP £k	ICB £k
System CDEL	80,347					
Core CDEL		7,200	27,144	16,908	26,395	
System priority (BI)			2,700			
UEC ACTIF	2,976				2,976	
Aseptics	5,000		500		4,500	
UEC Performance	2,000		2,000			
Penalty	-4,958	-221	-1,020	-1,538	-2,181	
ICB CDEL	2,153					2,153
Lease CDEL	20,013	1,501	4,503	2,102	11,907	
	107,531	**8,480**	**35,827**	**17,472**	**43,597**	**2,153**

In addition to this resource, the system will spend a further £93.4m of capital on nationally driven and funded priorities detailed below.

	System £k	DPT £k	RDUH £k	TSD £k	UHP £k	ICB £k
National Schemes						
CDC Community Diagnistic	22,898		3,948		18,950	
Diagnostic Digital	1,220		705		515	
Diagnostic Imaging	2,214		2,092	122		
Endoscopy Capacity	1,499		1,499			
FLD	17,090	1,622		6,008	9,460	
MH	17,835	17,100		735		
NHP	30,700		1,300	4,900	24,500	
	93,456	18,722	9,544	11,765	53,425	0

If it is assumed that the level of depreciation is an indicator of the level of capital replacement and maintenance expenditure required to maintain and replace the asset base, then a comparison of the two is helpful context of the likely pressures for business as usual, and availability of capital for developments.

The analysis below shows that system-wide depreciation outstrips capital funding by 28%, ranging from 17% to 45%.

	System	DPT	RDUH	TSD	UHP	ICB
	£k	£k	£k	£k	£k	£k
Core & Lease CDEL (note 1)	92,700	8,480	30,627	17,472	36,121	
Depreciation at plan (note 2)	119,044	10,295	44,267	20,414	44,068	
Dep'n as percent of Capital	128%	121%	145%	117%	122%	

Note 1: excluding top slices

Note 2: Depreciation excludes PFI, donated

The indication therefore is that there will be limited capital available for any developments as the level of depreciation indicates it is currently insufficient to support replacement of assets. Nonetheless, the system should consider the options for distribution of capital in different ways.

To date, this capital has been distributed based on a localised version of the national methodology, driven mainly by levels of depreciation and high priority backlog maintenance.

3. Capital prioritisation

In 2024/25 the Directors of Finance, after agreeing the CDEL allocation split methodology, approved a top slice from the system core CDEL resource for a system-wide priority. In this case, the infrastructure for the development of a system-wide Business Intelligence function.

This sets a precedent for the top slicing, and this needs to be incorporated into the financial framework for the allocation of capital resources and the risk this poses to replacement assets acknowledged.

The system estate directors have agreed a pipeline methodology and first cut of a prioritisation of estate development needs. However, it is as yet unclear if this is in reality what materialises at provider level, as, once CDEL allocations are made, individual organisations have sovereignty over their investment decisions.

Currently the System does not have a process for joined up prioritisation of digital capital or equipment capital needs.

This risk has been acknowledged and there have been discussions on how digital and equipment investments can be prioritised via system working. There is a piece of work ongoing for system partners to manage collectively reporting, risk, position management, in-year prioritisation and delivery.

4. Capital planning

University Hospitals Plymouth NHS Trust

The total capital resources available for 2024/25 used in the planning process were as follows (prior to CDEL penalty):

Funding Source	£m
PDC	£67.425
CDEL	£33.871
IFRS 16 CDEL (Leases)	£11.905
Other Capital Receipts	£11.403
Total 2024/25 Capital Programme	**£124.604**

A detailed capital planning process, and submission timetable for 2024/25 was approved by the Board and disseminated to the Programmes and Care Groups. A total of £186m of bids were received against the capital programme.

Programme/Care Group	CDEL £000's	PDC £000's	Total Bids £000's
Estates Development	£76,774	£57,450	£134,224
Clinical Support Services (CSS)	£10,069	£0	£10,069
Site Management	£8,091	£0	£8,091
Rolling Replacement Programme (RRP)	£7,154	£0	£7,154
Digital & Innovation Services	£5,858	£11,313	£17,171
Site Services	£3,650	£0	£3,650
Surgery	£1,874	£0	£1,874
Medicine	£1,832	£0	£1,832
Facilities	£1,517	£0	£1,517
Women's & Children's (W&C)	£458	£0	£458
Total Bids to Capital Programme	**£117,277**	**£68,763**	**£186,040**

Total bids made to the 2024/25 Capital Programme by Care Group and Programme

Existing and ongoing funding streams exist for the majority of the £68.7m bids under Public Dividend Capital (PDC).

CDEL Allocation to Programmes, Projects and Care Groups

The £117.277m of CDEL bids included £29.846m of expenditure already included as CDEL/PDC pre-commitments, leaving a requirement of £87.431m, significantly exceeding the £10.970m of CDEL funding available for these programmes (after CDEL funding had been allocated to schemes in process). Care Group and Programme leads were asked to review and further prioritise bids, this reduced the immediate requirement to £38.290m of bids, these being classified as essential and urgent with no business continuity plan to mitigate non-investment.

Bid Process	CDEL £000's
Total Bids to Capital Programme	**£117,277**
CDEL/PDC bids already pre-committed in 2024/25 plan	£29,846
Revised total bids after pre-commitments	**£87,431**
Less - Bids that can be mitigated or deferred until 2025/26	£49,141
Remaining Bids deemed essential and urgent and with no or no appropriate Business Continuity Plan available.	**£38,290**

Prioritised CDEL bids made to 2024/25 Capital Programme

In total £7.380m of the £38.290m essential and urgent bids have been funded in the 2024/25 capital programme. Of these £5.690m has directly come from the £10.970m of CDEL funding available and £1.690m had been included as a pre-commitment in the lease programme. **Error! Reference source not found.** table below details how the £7.380m of funding has been distributed across programmes and care groups.

Care Group/Programme	Essential and Urgent Bids Received £000's	Essential and Urgent Bids Approved £000's
CSS	£1,631	£0
Site Management	£907	£34
RRP	£1,788	£958
Digital & Innovation Services	£5,858	£1,987
Site Services	£3,450	£2,125
Surgery	£1,007	£0
Medicine	£1,228	£228
Facilities	£335	£213
W&C	£178	£145
Estates Development	£18,710	£0
System CDEL	**£35,092**	**£5,690**
Other Essential and Urgent Bids Pre-Committed in Lease Programme		
CT Lease East Equipment	£1,140	£1,140
RRP Leases	£2,058	£550
Total Essential and Urgent Bids	**£38,290**	**£7,380**

CDEL - Essential and Urgent Bids made and approved.

This shows that there is insufficient funding to address all the £38.290m of significant risks identified. To partly address this a contingency of £4.780m has been included in the capital programme. The contingency will be used during the year to address immediate issues that are expected to emerge because of not being able to fund all essential and urgent bids.

Devon Partnership NHS Trust

The CDEL limit for 2024/25 is £6.979m (2023/24 £7.124m) with unfunded capital expenditure for 2024/25 of £9.042m. The original CDEL allocation of £7.200m was reduced by £221k due to an imposed capital penalty on all systems that have failed to meet the expected revenue position.

IFRS 16 leases funding for 2024/25 is £1.501m (2023/24 £0.326m), with unfunded IFRS 16 expenditure for 2024/25 of £1.253m. This figure excludes inter-NHS leases.

Assuming a CDEL of £7.200m in the future years, DPT is underfunded on capital for all five years of the plan. Total unfunded expenditure for 2024/25 – 2028/29 is £172.869m (including IFRS 16 leases).

Draft Capital 5 year plan	Draft Plan					
	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Adult	1,259	727	1,727	2,377	3,277	9,367
OPMH	0	0	0	0	0	0
Secure	1,225	2,000	1,000	0	0	4,225
Specialist	17,245	550	550	900	0	19,245
Children's Services	200	200	200	200	200	1,000
HQ – Estates and Facilities	2,779	2,423	2,423	2,423	2,423	12,471
HQ – IT	1,551	1,300	1,300	1,300	1,300	6,751
HQ – Other (EPR)	1,665	0	0	0	0	1,665
Slippage required	(221)					(221)
Total Plan Capital Expenditure	**25,701**	**7,200**	**7,200**	**7,200**	**7,200**	**54,501**
Add IFRS 16 leases (separately funded)	2,102	766	2,204	1,139	1,567	7,778
Total Plan Capital Expenditure including IFRS 16	**27,803**	**7,966**	**9,404**	**8,339**	**8,767**	**62,279**
CDEL funding	6,979	7,200	7,200	7,200	7,200	35,779
PDC funding	18,722	0	0	0	0	18,722
IFRS 16 funding	2,102	766	2,204	1,139	1,567	7,778
Total Funding Sources	**27,803**	**7,966**	**9,404**	**8,339**	**8,767**	**62,279**
Total Unfunded Capital Expenditure	**10,295**	**45,414**	**42,248**	**46,248**	**20,840**	**165,044**

Torbay and South Devon NHS Foundation Trust

TSD has developed the following capital plan:

	2024/25 Planned budgets / schemes	
	£m	£m
A. ICB (cash) CDEL cash budget - see table 2		**15.4**
B. IFRS16 (non-cash) CDEL schemes		**6.7**
C. Sub-total - ICB CDEL & IFRS16 CDEL		**22.1**
D. National CDEL schemes		
Digital EPR	6.0	
NHP Enabling works	4.0	
NHP Seed funding	0.9	
ED - Mental Health expansion	0.8	
PACS	0.1	
		11.8
E. CDEL Total		**33.9**
F. PFI Lifecycle costs - Newton Abbot		**1.3**
G. Total Capital Expenditure		**35.2**

The progression of the Digital Electronic Patient Record (EPR) and New Hospital Programme (NHP) Enabling schemes are subject to full business case approval by both the Trust Board and NHSE/Department of Health and Social Care (DHSC). No expenditure will be committed by the Trust until those approvals are in place.

A subgroup of the Trust's Capital Investment Delivery Group (CIDG) was formed to help with the initial prioritisation of the Trust's ICB CDEL budget of £15.4m. The sub-group has taken the approach of focusing on reducing risk and ensuring business continuity as part of the prioritisation.

Risk scoring across categories has been carried out in a consistent manner, thereby ensuring that the proposed expenditure plans are optimum with risk reduction/ ensuring business continuity.

Actions outstanding from the prioritisation exercise include: -

- Agreeing a process to ensure that the ICB CDEL – Lease (IFRS16) budget is maximised.

Lastly, a strategic decision needs to be made on whether a proportion of this year's capital programme needs to be set aside for further investment to be made in Digital EPR to reduce the financial burden that will occur in 2025/26 where the Trust's current ICB CDEL allocation will be insufficient to meet the full cost of the Digital EPR implementation. The provisional ICB CDEL cash budget for 2025/26 is currently circa £17.5m. Projected costs of the Digital EPR project that require to be funded from that provisional allocation currently exceed £20.0m. CIDG should note too that an exercise is also currently underway to identify the must-do investments that need to be delivered in 2025-26 alongside that of the Digital EPR project's needs so that fully informed decisions can be made by the Trust Board / ICB.

The table below summarises the current CDEL planning position:

	2024/25 Planned £m	£m
i) IM&T; Committed and High risks		**4.2**
ii) Estates Backlog; Committed and High risks		**4.4**
iii) Medical Equipment; Contingency and High risks		**2.3**
iv) Sub-total		**10.9**
v) Over-commitment of 15%		**(1.6)**
vi) Sub-total		**9.3**
vii) Service developments		
Purchase of Dawlish PFI	2.0	
Reconfig 'bank'	0.1	
Installation Radiology CT	1.2	
St Edmunds reconfig	0.5	
Funds for feasibility studies	0.2	
		4.0
vii) Sub-total		**13.3**
vii) Contingency		**0.3**
ix) Digital EPR - Provisional		
Likely required sums in 2024/25	1.8	
Potential to accelerate 2025/26 expense	TBA	
		1.8
x) Sub-total		**15.4**
xi) Disposal of vacant Dartmouth properties		**0.0**
xiv) ICB (cash) CDEL total		**15.4**

The Trust has incorporated into its latest five-year Operational Plan a rolling annual sum of money to support investment in IM&T, Estates Maintenance and Medical Equipment maintenance.

The phasing of the Trust-funded element for Digital EPR is still under scrutiny for 2025/26 and 2026/27, subject to full business case approval by both the Trust Board and NHSE/DHSC. Depending on the outcome, this will impact the annual sum of funds available for IM&T, Estates Maintenance and Medical Equipment Maintenance. Work is progressing with regards to identifying high risk schemes over the next two financial years and what is a priority for the Trust.

Royal Devon University Healthcare NHS Foundation Trust

The programme is funded by a share of the ICB CDEL allocation, including leases, central allocations of PDC and donations / contributions to purchase capital assets. The planned source of funds is set out below, however is it acknowledged that lease funding has been allocated below plan.:

Funding Source	£'m
CDEL	31.3
PDC	9.5
IFRS 16 CDEL (Leases)	19.2
Donated	5.3
Total 2024/25 Capital Programme	**65.4**

A detailed capital planning process was followed that ensured comprehensive engagement across Care Groups, Estates and Facilities and Digital services to fully optimise the total funding available.

Bids were received that exceeded the available funding so risk scoring for each bid, across all categories was undertaken in a consistent manner ensuring the most significant risks were prioritised allowing clarity of the remaining risk of items not included in the programme. All capital domains were assessed against a 5x5 matrix considering consequence and likelihood of occurrence with an additional triangulation methodology to support the assessment of equipment, taking into account age, maintainability, fitness for purpose and technological maturity.

The capital plan for 2024/25 is summarised below:

Theme	Committed £'m	Un-committed £'m	Total £'m
Equipment	11.9	5.6	17.5
Digital	3.4	3.5	6.9
Estate backlog maintenance	0.4	6.9	7.3
Estate developments	14.2	18.5	32.7
Contingency	0.0	1.0	1.0
Total CDEL programme	**29.9**	**35.5**	**65.4**

5. Overview of ongoing scheme progression

University Hospitals Plymouth NHS Foundation Trust

The Trust's initial allocation of £26.395m has been augmented by a further £7.476m of specific non-recurrent CDEL allocations provided as direct contributions toward:

- the delivery of the Aseptic Suite (£4.500m) and
- the Urgent Treatment Centre (£2.976m)

taking the Trust's overall 2024/25 CDEL capital allocation to £33.871m.

The Trust's CDEL allocation has subsequently been reduced by £2.181m moving the in-year allocation from £33.871m to £31.690m. This reduction to the 2024/25 CDEL allocation has been imposed as the System has a financial deficit plan higher than its notional fair share value.

CDEL Capital Lease Funding

The Trust's initial 2024/25 IFRS 16 CDEL allocation is £11.907m. The Trust's leasing requirement is higher than the proposed allocation, containing both replacement equipment requirements and several pre-commitments on equipment for ongoing key infrastructure projects, such as Orthopaedics, Neurosurgery's fourth theatre and the UTC. The Trust has reported a leasing requirement of £22.707m to NHSE. It is hoped that an increased leasing capacity will be provided during the year, however at this stage the allocation and planning remains at £11.907m.

Public Dividend Capital

The Trust is also expecting to receive £67.425m of Public Dividend Capital (PDC), issued to support the delivery of nationally strategic projects such as the New Hospital Programme, Elective Recovery Programmes (ERP), and the Community Diagnostic Centre.

UHP is committed to spending the £67.425m of PDC funding on the items for which it has been received. This is largely to support the ongoing delivery of the New Hospital Programme and the Electronic Patient Record programme, as well as funding the remaining element of the construction of the Community Diagnostic Centre. Details of the PDC capital allocation to programmes are included below.

PDC Scheme	Care Group/Programme Responsible	PDC Allocation £000's
Electronic Patient Record	Digital & Innovation Services	£7,623
Electronic Bed and Capacity Management Systems (EBCMS)	Digital & Innovation Services	£1,837
PACS	Digital & Innovation Services	£515
NHP (Phase 1)	Estates Development	£38,500

Community Diagnostic Centre	Estates Development	£18,950
Total PDC Allocation in Capital Programme		**£67,425**

Total 2024/25 PDC Capital Allocation to Programmes

Other expected capital income

The capital programme is underpinned by a further £11.403m anticipated credits, each of which will be progressed by the finance and procurement teams.

Pre-commitments to be funded from 2024/24 capital programme

The Trust has a significant number of projects that are in delivery which will complete during 2024/25 and so there is a high level of pre-commitment required to enable completion. Of the £57.179m of CDEL, IFRS 16 CDEL and other expected capital income, £46.209m will be required to fund pre-commitments, ahead of any further allocations. **Error! Reference source not found.** table below summarises the pre-commitments that are required to be funded from the £57.179m of available funding. After funding these pre-commitments there is £10.97m available for other programmes.

Pre-Committed Projects	Care Group/ Programme Responsible	CDEL £000's	IFRS 16 Lease £000's	Total Pre-Committed Projects £000's
Aseptic Suite	Estates Development	£9,500		£9,500
UTC Building	Estates Development	£16,676	£432	£17,108
Completion of Orthopaedic Theatres	Estates Development	£680		£680
Orthopaedics Equipment	Surgery		£1,514	£1,514
CT East enabling works	Estates Development	£750		£750
CT East Equipment	CSS		£1,140	£1,140
Estover Modular - building protection	Estates Development	£150		£150
Mammography Relocation	Estates Development	£290		£290
Completion of IR Rooms 5&6	Estates Development	£600		£600
CDEL contribution to LINAC project	Estates Development	£500		£500
Avon Design fees	Estates Development	£250		£250
Cath lab design fees	Estates Development	£300		£300
Shipley / Moorgate relocations	Estates Development	£115		£115
Property Leases	Estates Development		£881	£881
DWMS Incinerator	Facilities	£600	£2,000	£2,600
EPR	Digital & Innovation Services	£2,213		£2,213
Neurosurgery 4th theatre	Surgery		£1,600	£1,600
Pre-commitment to Rolling Replacement Programme and Other Equipment	Various Care Groups		£2,398	£1,398
Provision for outstanding 2023/24 costs	Various Care Groups/Programmes	£1,680		£1,680
Valuation changes			£1,940	£1,940
Total Pre-Commitments		**£34,304**	**£11,905**	**£46,209**

Torbay and South Devon NHS Foundation Trust

Section 4 of this document contains the Trust's outline capital programme for 2024/25. Significant schemes that are planned for progression in 2024/25 are as follows:

Digital EPR £7.8m	The Trust is in a multi-year programme to implement a new Electronic Patient Record application. Enabling works have taken place in future years. Upon approval of the final business case, new software will be purchased that will implemented and rolled out in full across a three-year period of time.
Purchase of Dawlish PFI £2.0m	The contract with the current operator expires in June 2024. The Trust has exercised its right to purchase the Community Hospital from the PFI operator. This will ensure continuity of service in the locality.
New Hospital Programme £4.9m	The Trust continues to develop its plans for the construction of a partial new hospital on the Trust's Torbay Hospital site. £0.9m of planning funds have been earmarked to help further develop a Strategic Outline Case for the main build and three smaller Outline Business Cases are being developed for the associated Enabling works, such as improving light, heat and power infrastructure. £4.0m is planned to be spent on these enabling works in 2024/25.

Devon Partnership NHS Trust

CDEL Capital Lease Funding

The Trust's initial 2024/25 IFRS 16 CDEL allocation is £1.501m. The Trust's leasing requirement for 2024/25 is £3.354m including £0.600m of internal leases (internal to the system). The requirement is therefore higher than the proposed allocation by £1.253m. Since the majority of the requirement relates to existing leases due to be renewed in 2024/25 it is likely that lease terms will need to be amended to stay within IFRS 16 limits.

Public Dividend Capital

The Trust is also expecting to receive £18.722m of Public Dividend Capital (PDC). This is to support the delivery of the Trust's new EPR system (£1.622m) and for the build of its new Learning Disability and Autism ward at the Langdon site (£17.100m).

Other expected capital income

Some small VAT reclaims have been received on 2023/24 invoices. No other capital income is expected to be received.

Capital slippage

Capital slippage is monitored on an ongoing basis. There were £10.3m of unfunded capital projects for the 2024/25 plan which have been prioritised along with any new requests that have come in to date. Any confirmed slippage will be used against these priority schemes so no capital underspend is expected in 2024/25.

Pre-commitments to be funded from 2024/24 Capital Programme

DPT is committed to spending the £18.72m of PDC funding on the items for which it has been received. This is largely to support the ongoing delivery of the Learning Disabilities and Autism Unit and the Electronic Patient Record programme. Details of the PDC capital allocation to programmes are included below.

PDC Scheme	Care Group/Programme Responsible	PDC Allocation £000's
Electronic Patient Record	Digital & Innovation Services	£1,622
Learning Disability and Autism Unit	Estates Development	£17,100
Total PDC Allocation in Capital Programme		**£18,722**

Total 2024/25 PDC Capital Allocation to Programmes

Of the remaining £9.08m of CDEL, IFRS 16 CDEL and Other Anticipated Capital Receipts, £8.43m will be required to fund pre-commitments, ahead of any further allocations. The table below summarises the pre-commitments that are required to be funded from the £9.08m of available funding.

Pre-Committed Projects	Care Group/ Programme Responsible	CDEL £000's	IFRS 16 Lease £000's	Total Pre-Committed Projects £000's
Pre-committed / rolling programmes				
Haldon Bathroom refurbishment	Estates Development	£145		£145

Estates Infrastructure Improvement Works Backlog H&S Moderate	Estates Development	£1,399		£1,399
Fire improvements	Estates Development	£200		£200
Estates Infrastructure Improvement Backlog H&S Significant	Estates Development	£300		£300
Equality and Disability works	Estates Development	£100		£100
Anti-ligatures	Estates Development	£100		£100
CQC General Improvements	Estates Development	£100		£100
Feasibility fund - estates	Estates Development	£100		£100
Food production unit (Langdon Prentice)	Facilities	£270		£270
Ivybridge health check room	Estates Development	£86		£86
Laptop/ Tablet / PC General Replacements	Digital & Innovation Services	£500		£500
Local EPR - Frontline Digitisation Funding	Digital & Innovation Services	£43		£43
IT - Improved primary site resilience and IT satellite site (Langdon)	Digital & Innovation Services	£300		£300
Feasibility fund to incorporate at approach to DR with homeworking	Digital & Innovation Services	£50		£50
IT and Cyber Security Enhancements (Dark trace software)	Digital & Innovation Services	£100		£100
Capitalised IT Equipment	Digital & Innovation Services	£350		£350
Laptop/ Tablet / PC General Replacements	Digital & Innovation Services	£171		£171
Lease Re-measurements SLAs			£600	£600
Lease for Oaklands Service Expansion			£259	£259
Leased Properties (estimate based on current lease end dates)			£1,143	£1,143
Leased Vehicles (estimate based on current Trust leases)			£99	£99
Total pre-committed / rolling programmes		**£4,314**	**£2,101**	**£6,415**

Safety issues - essential improvements and / or without this work, income may be restricted				
Improvement works at Haytor	Estates Development	£759		£759
New leaf ventilation system	Estates Development	£28		£28
Permanent Expansion of ECA in Medium Secure Unit	Estates Development	£500		£500
Additional anti-ligature works - doors, windows, ensuite doors	Estates Development	£650		£650
DPT website funding	Digital & Innovation Services	£80		£80
Total safety issues		**£2,017**	**£0**	**£2,017**
Grand Total Pre-Commitments		**£6,331**	**£2,101**	**£8,432**

CDEL Pre-commitments 2024/25
NOTE: The Website is essential following receipt of notification from Cabinet Office that it is non-compliant.

Royal Devon University Healthcare NHS Foundation Trust

Overall, the capital programme invests in prioritised backlog maintenance, replacing existing assets that have reached the end of life and delivering some new developments to create greater capacity to diagnose and treat patients and is summarised in the tables below:

CDEL	£'m
Providing greater Endoscopy capacity.	5.6
Investment in Urgent and Emergency Care.	2.0
Completion of the expansion and redevelopment of Emergency Department (Exeter).	1.9
Providing a new Sexual Assault Referral Centre.	1.2
Replacement of medical equipment, digital assets, backlog maintenance.	19.7
Contingency	1.0
Total CDEL programme	**31.4**

PDC	£'m
Completion of a Community Diagnostic Centre	3.9
2nd MRI at North Devon District Hospital	2.8
Endoscopy capacity expansion	1.5
New Hospital Programme at North Devon District Hospital	1.3

Total PDC programme	**9.5**

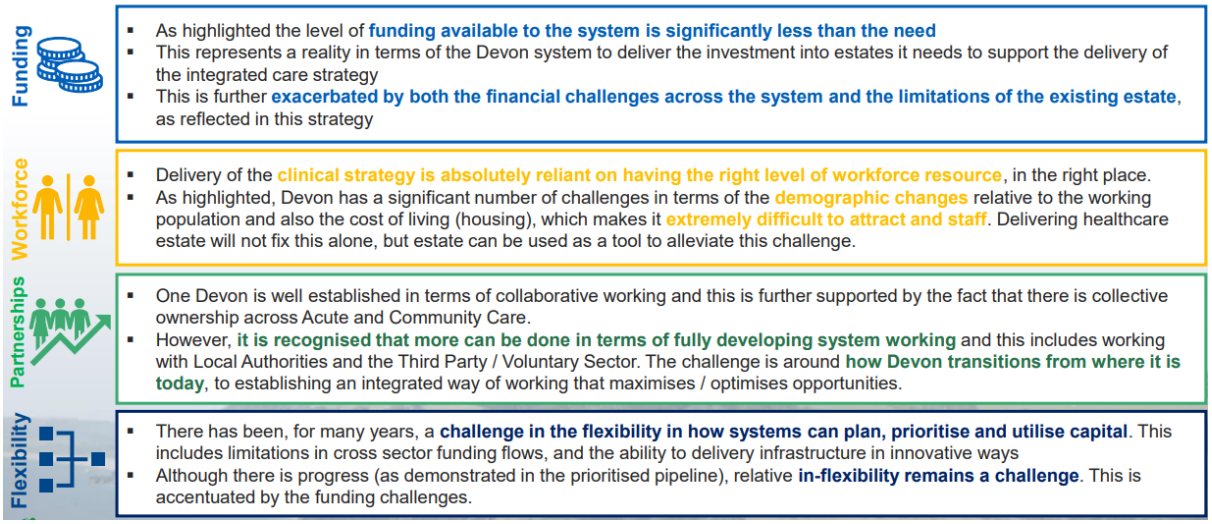
Leasing	**£'m**
Pathology laboratory service	12.0
Renewals of expiring leases	7.2
Total Leasing programme	**19.2**

Leasing	**£'m**
Hybrid theatre at Wonford Hospital	2.8
New Helipad at North Devon District Hospital	1.5
Various other	1.0
Total Leasing programme	**5.3**

6. Risks and contingencies

Key Themes and Associated Challenges

There are four key themes that represent both challenges and opportunities in the delivery of the estate infrastructure strategy as an enabler to the wider clinical strategy. These are outlined below:



In relation to changes in lease accounting standards, IFRS16 has led to increased pressure in terms of lease commitments compared to the lease CDEL allocation.

	System £k	DPT £k	RDUH £k	TSD £k	UHP £k	ICB £k
IFRS Lease CDEL						
Resource	20,013	1,501	4,503	2,102	11,907	
Forecast at Plan	51,964	3,354	19,204	6,700	22,706	
Over(under)	31,951	1,853	14,701	4,598	10,799	0

The full commitments have been included in plan as forecasts to highlight the level of need. These commitments are driven by a combination of new leases, renewal of leases and revaluation of leases. By way of an example, using the Linear Accelerator replacement in Plymouth in 2025/26, the replacement would be by lease in 2025/26 and would cost in excess of £20m in lease capital. This is more than the entire system lease CDEL for the year.

As previously mentioned, the level of CDEL allocation is inadequate to replace existing assets as system-wide depreciation outstrips capital funding by 28%.

University Hospitals Plymouth NHS Trust risks

Delivering the UHP capital programme within budget will require the Trust to overcome a number of financial risks and maximise potential funding opportunities. These include:

Urgent Treatment Centre and Fractures Funding Shortfall: The anticipated cost of construction is £29.1m. However, to date, the Trust has received at total of £26.6m in funding to facilitate this build, and although the Trust is expecting that further funding will be made available, a £2.5m unfunded gap currently exists.

The risk of failure to access anticipated Credits - The programme has been funded through £113.201m of PDC, CDEL and IFRS 16 funding expected to be received from the DHSC. In addition to this, the capital programme is underpinned by a further £11.403m of anticipated capital credits. It should be noted that whilst processes are in place to access these funding streams, this is not secured funding, and failure to access these anticipated credits would create a funding gap.

The risk of unfunded essential and urgent bids - A total of £117.277m of bids made to the 2024/25 capital programme, of which £38.290m were deemed essential and urgent. There was only sufficient capital to approve £7.380m of these bids leaving £30.91m of unfunded risk. To partly mitigate this a contingency of £4.780m has been included in the capital programme, upon which Care Groups and Service Lines have been advised that can make bids in instances of emergency, such as equipment failure. A Capital Contingency Bid Review Group has been established consisting of experts from clinical engineering, D&I, CSS, Procurement, Finance and Estates. The Group will meet monthly to review and approve bids, and report outcomes to the Capital Programme Portfolio Board (Previously Investment Panel) for ratification.

The risk of overspends on key projects - Despite the constraints on the capital programme, there remain a number of key Estate Development projects, either ongoing or due to commence in 2024/25. These include:

- Orthopaedic Theatres (Expected Completion June 2024).
- IR Rooms 5 and 6 (Expected Completion July 2024).
- Community Diagnostics Centre (Expected Completion March 2025).
- Urgent Treatment Centre (Expected Completion December 2024)
- Fractures Clinic (Expected Completion February 2025)
- Aseptics Suite (Expected Completion mid 2025).

Each of the above multi-million pound infrastructure schemes could be subject to overruns and unexpected cost increases. The Estates Development team and project leads will continue to work with contractors and costs advisors to understand these risks and minimise potential exposure on existing schemes. The opportunity of additional PDC funding - The Trust will be firm in seeking additional PDC to support any overruns on national PDC projects where the Trust is being pushed for accelerated delivery which in part is responsible for cost risks. There is an expectation that further PDC will be made available for elective recovery and other urgent national priorities. There is a hope that further PDC will be made available to support improvements to diagnostics and cancer treatments.

The financial constraints within the capital programme have also prevented the Trust from investing in the development of several large infrastructure projects, these include:

- Avon level 3 development

- Mayflower Ward development
- Fal Ward/ Critical Care development
- Cath Lab Phase 2
- Gamma cameras
- Fluoroscopy Rooms
- Any further Estover developments, including Pathology moves and Dialysis Unit refurbishment.

Whilst construction of the above projects will not proceed in 2024/25, there is specific funding in the programme for the design stage to be completed on the Cath Labs and Avon ward. Furthermore, there is £0.5m allocated for other, as yet undefined, design fees.

The most recent six-facet survey highlighting the condition of the Trust's estate and mechanical and electrical infrastructure identified a total backlog maintenance requirement of £80.1m, of which £13.3m was assessed as high risk and a further £28.8m as significant risk. A total of £9.6m of potential Estate investments were identified and submitted for prioritisation, of these a total of £2.125m was approved. Whilst some Estates and Site Services schemes can be deferred for 12 months, and others can be mitigated against if contingency is available, there remain a number of risks that are unable to be robustly mitigated.

The review of the Trust's Medical Equipment Rolling Replacement Programme (RRP) has identified £9.9m of equipment beyond its expected useful life. A total of £7.186m of potential RRP investments were identified and submitted for prioritisation, of these a total of £0.958m was approved. Whilst there are robust processes and controls, the inability to fully fund the RRP will increase the risk of device failure and unavailability, potentially leading to delays and cancellations. The use of aged, damaged, unreliable or obsolete equipment creates an increased risk of suboptimal care or mis-diagnosis.

To mitigate the impact of non-investment in essential and urgent equipment, estate and infrastructure, Care Group managers and Programme Leads have been requested to revisit and update business continuity plans and to complete Quality and Equality Impact Assessments (QEIAs).

Torbay and South Devon NHS Foundation Trust risks

The infrastructure of Torbay's estate is in a poor condition, with significant high-risk backlog that requires urgent remedy. Likewise, much of the Trust's IM&T infrastructure is ageing and several clinical and non-clinical systems are being run past their optimal replacement dates. The Trust's Medical Devices Support Services department continues to use best endeavours to service aging medical equipment that are past manufacturer recommended replacement dates. This position is a consequence of limited capital funding being available.

To safeguard patient care and ensure business continuity the Trust uses a risk matrix to help prioritise where investment is needed and it also develops mitigation plans to reduce risk where capital funding is not readily accessible, e.g. through increased inspection regimes.

The Trust's participation in the governments' New Hospital Programme along with the potential to replace some of its ageing IM&T applications with an integrated Electronic Patient Record system will, over time, help further address some of these risks.

In the interim, the Trust continues to monitor all near-misses and adverse critical incidents to ensure that safety is maintained.

Royal Devon University Healthcare NHS Foundation Trust risks

The Trust is planning to operate within its agreed funding envelope for the year and recognises the most significant risk to the capital programme is a requirement to secure additional IFRS 16 CDEL (leasing) resource limit with ongoing discussions with the NHSE regional team to secure.

Whilst the prioritisation process has addressed the material risks, the plan includes a £1.0m contingency.

Active monitoring by the Trust's Capital Programme Group allows the early identification of risks to allow re-prioritisation and slippage on planned schemes where appropriate.

Capital risks are included in local and corporate risk registers and will inform future years prioritisation.

Devon Partnership NHS Trust risks

CDEL Capital Lease Funding.

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7. Business cases 2024/25

See Section 5

8. Cross-system and collaborative working

A shared strategic estates director across the two ICSs for Devon and Cornwall and the Isles of Scilly supports cross-system working in relation to estates. This role has also enabled the ICS to take a strategic approach to the identification of estate priorities and planning across Devon and also serves as a key input to the prioritised capital pipeline.

Currently, the system does not have a process for joined up prioritisation of digital capital or equipment capital needs. This risk has been acknowledged and there have been discussions on how digital and equipment investments can be prioritised via system working.

There is a piece of work ongoing for system partners to identify and manage collectively reporting, risk, position management, in-year prioritisation and delivery in relation to operational and clinical risks across the system around the limitations in CDEL. Alongside this, there is a system focus production of a high-level overview of the capital requirements and phasing associated with major strategic schemes/signature moves over the medium-term financial plan period, and associated funding sources available from outside the system (e.g. national PDC funding), flagging gaps and associated risks to income and expenditure plans and performance improvement plans if these gaps cannot be closed.

On a monthly basis, organisational capital leads meet to plan and review capital spend with input from the NHSE capital team.

9. Net zero carbon strategy

Our Vision

> "To achieve net zero healthcare within Devon in line with the Greener NHS programme. We want to develop greener health and social care systems which strive to deliver high quality services and improve the health and wellbeing of the population."

Emissions relating to estates and facilities services account for over 60% of the NHS Carbon Footprint. In supporting NHSE to reach its Net Zero Carbon targets in our infrastructure, One Devon will also realise greater efficiencies across our built environment. Our efforts will extend across our system and are detailed in the One Devon Green Plan.

Site Management

We will reduce unnecessary travel and site usage by providing a flexible working environment for colleagues through 'Agile Working.' By implementing a workstation/desk booking system, we will make building occupancy visible - enabling control of spaces and occupancy by estates.

Sustainable Investment

We will create greener investment – reducing consumption, better utilising data, purchasing longer lasting equipment, and improving recycling capacities at all sites. New capital projects will achieve a rating of "BREEAM Excellent", and refurbishment projects a "BREEAM Very Good".

Energy Usage

Energy efficiency will be a core priority for sustainable infrastructure. Across the NHS, energy bills are rising, creating an opportunity cost of clinical investment. Building energy forms 41% of the NHS' carbon footprint; our estates and facilities management can reduce this. This is a challenge as the estate will rely on decarbonisation of the energy grid and many sites requiring carbon heavy transportation for access

Renewable Sources - Our ambition is to create an infrastructure in which only green energy and renewable energy are used. Renewable technologies including solar panels, wind turbines, ground-source pumps, biomass installations, air source pumps, LED lighting, and solar water heating have already been incorporated in sites across Devon to support this aim. Significant engineering works are under way to replace the engine in our combined power and heat plant with a sustainable 1.5MW CHP engine, which will deliver savings of around £80k per year. Current plant is being reconfigured to provide heat to the Laundry.

Reducing waste - One Devon will consider and, where possible and appropriate, install measures to reduce inefficiencies across our infrastructure, including utilities monitoring systems and low carbon solutions like strategic planting for better heat control.

Integrated solutions - One Devon will explore funding for sustainable solutions in joined up discussions with its partners. An example of this is through applying for funding from the Salix Energy Efficiency Fund (SEEF), who offer loans and support to the public sector to support with energy costs. Through tackling this as a system, opportunities for savings through bulk purchasing and sharing of ideas and lessons learnt, will be possible.

Supporting our Green Plan with Infrastructure

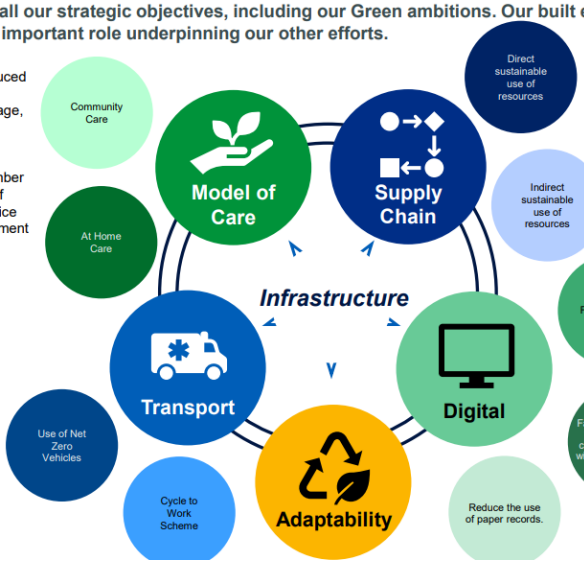
Infrastructure is an enabler for all our strategic objectives, including our Green ambitions. Our built environment not only has a direct impact on sustainability but an important role underpinning our other efforts.

Carbon savings will mainly come from reduced presentations in A&E, primary care and outpatients, reduced staff and patient mileage, reduced bed days, fewer pharmaceuticals prescribed, and less intensive procedures.

We will continue to work to reduce the number of hospital visits and consider the impact of different travel options when planning service changes and expand the provision of treatment closer to home.

We are looking to convert to an entirely net zero fleet and encourage sustainable transport for all our staff.

An annual staff travel survey will take place, measuring uptake of staff schemes. The ratio of cycle storage, changing and shower facilities to staff numbers will be allocated accordingly. We will explore both the provision of electric car charging points at all our sites and the potential for subsidised public transport usage for staff. We will continue to promote home working (where possible) to reduce the carbon footprint caused by travel with the aim of an 80% reduction in miles travelled by polluting modes by 2028- 2032.



Over 60% of current NHS carbon footprint is found in the supply chain.

In Devon, we will minimise unnecessary procurement and resource use and maximise re-use of materials and equipment where appropriate. We will cultivate a sustainable procurement culture and processes that shift consumption to sustainable products and services and considers broad criteria including materials, workforce, manufacturing, transport and buying locally where possible.

Infrastructure will be digitally enabled. We will explore the use of smart booking systems to best utilise all aspects of our space.

We will support the expansion of the One Devon dataset, and best management of our datacentres, allowing clinicians to work across sites.

10. System CDEL

	System £k	DPT £k	RDUH £k	TSD £k	UHP £k	ICB £k
System CDEL	80,347					
Core CDEL		7,200	27,144	16,908	26,395	
System priority (BI)			2,700			
UEC ACTIF	2,976				2,976	
Aseptics	5,000		500		4,500	
UEC Performance	2,000		2,000			
Penalty	-4,958	-221	-1,020	-1,538	-2,181	
ICB CDEL	2,153					2,153
Lease CDEL IFRS16	20,013	1,501	4,503	2,102	11,907	
	107,531	**8,480**	**35,827**	**17,472**	**43,597**	**2,153**
National Schemes						
CDC Community Diagnistic	22,898		3,948		18,950	
Diagnostic Digital	1,220		705		515	
Diagnostic Imaging	2,214		2,092	122		
Endoscopy Capacity	1,499		1,499			
FLD	17,090	1,622		6,008	9,460	
MH	17,835	17,100		735		
NHP	30,700		1,300	4,900	24,500	
	93,456	18,722	9,544	11,765	53,425	0
Total Resources	200,985	27,202	45,371	29,237	97,022	2,153