

# Joint capital resource use plan – 2023/24

<b>REGION</b>	North West
<b>ICB / SYSTEM</b>	Cheshire & Merseyside ICB

## 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.

In 2022/23 the system worked together to produce a capital plan that gave providers funding to cover backlog maintenance, IT and equipment replacement, as well as targeted allocations to address specific strategic demands. In totality Providers spend £508m, £6m in Primary Care and £502m in Secondary Care. This was funded by £238m of Trust internal resources and £265m of national Public Dividend Capital (PDC) Funding. The PDC funding was spend on community diagnostic centres, elective recovery investment, Mental Health facility improvement, New Hospital Programme and Digital electronic patient record investments.

They key priorities for 2023/23 are to enable secondary care and primary care and GP Practices to maintain their equipment and premises safe, whilst also investing in a number of key strategic objectives. The completion of Community Diagnostic Centres and elective recovery centres is a key priority as well as the eradication of Reinforced Autoclaved Aerated Concrete (RAAC) from Trust premises (Countess of Chester, Aintree Hopsitals and Mid Cheshire Hospital). Further investment in electronic patient records at Warrington & Halton Hospital, Southport and Ormskirk and Liverpool University Teaching Hospitals remains a key objective),

## 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.

As shown in Annex A, the total capital programme for 2023/24 is £406,759m. Excluding the impact of IFRS16, the plan is £386m with the funding for this being as follows:

- Trust own resources £161m
- Primary Care £4.7m
- Preapproved Loan funding £14m
- Public Dividend Capital £206m

This is considered to be low risk as all the funding has been confirmed.

## Overview of Ongoing Scheme Progression

*Guidance:*

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

In 2023/24 several large schemes which started in previous years will continue. The main ones being:

- Eradication of RAAC £63m
- NHP - £18m
- Community Diagnostic Centres - £10.6m
- Elective Recovery - £25.7m
- EPR development - £39m

## Risks and Contingencies

*Guidance:*

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

The main risk to capital plans in 2023/24 is the risk of inflation creating an in-year pressure on budgets. The risk will be managed through tight monitoring of spend in-year.

## 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.*

The main business cases expected to be submitted in 2023/24 are

- New EPR systems at Liverpool University Teaching Hospitals NHS Trust, Warrington & Halton Hospital Foundation Trust and Southport and Ormskirk Hospital NHS Trust.
- New Community Diagnostic Centres at East Cheshire Trust and Liverpool University Teaching Hospitals NHS Foundation Trust
- Elective Recovery investment at Liverpool University Teaching Hospitals NHS Foundation trust

And work will continue with the completion of the new Royal as part of the NHP programme.

## 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.*

The capital allocation for Northwest Ambulance Service NHS Trust (NWAS) is held by Lancashire and South Cumbria ICB. NWAS operates across all ICBs in the Northwest region and as such the capital expenditure incurred by them directly impacts all 3 systems.

The ICB works closely with Lancashire and South Cumbria ICB on capital plans for Southport and Ormskirk Hospitals NHS Trust.

## 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.*

National strategic capital investment, such as Community Diagnostic Centres and Elective recovery were administered by the national team and reflect a prioritisation conducted by the system's project teams for each programme.

EPR funding has been directed towards those organisations with the lowest digital maturity.

The System's allocation of Capital funding was allocated using a combination methodology. All providers have been allocated a base capital allowance, based on their need to replace existing assets by using depreciation as a proxy. Additional allocations have been made to reflect local system priorities such as Stroke development, UEC upgrades, and neonatal development as well as targeted investment in backlog maintenance at Southport and Ormskirk NHS Hospital Trust and Wirral University Teaching Hospital Foundation Trust.

A reserve of £8m has been held by the ICB to address risks arising in year.



**Annex A – Cheshire and Merseyside ICB 2023/24 CAPITAL PLAN**

CDEL (£000s)	ICB	Provider 1	Provider 2	Provider 3	Provider 4	Provider 5	Provider 6	Provider 7	Provider 8	Provider 9	Provider 10	Provider 11	Provider 12	Provider 13	Provider 14	Provider 15	Provider 16	Provider 17	Reserve	Total	
																				Full Year Plan	
																				£'000	
Operational Capital		14,573	2,100	4,468	45,250	3,529	6,111	39,353	4,966	16,025	30,956	19,545	5,007	7,301	4,845	8,932	4,384	12,685	8,071	<b>238,101</b>	
Operational Capital	4,700																				<b>4,700</b>
Impact of IFRS 16			- 747	406	2,000	162		2,000	139	6,236	3,372		714	83	1,400	4,984					<b>20,749</b>
Impact of IFRS 16	-																				<b>-</b>
Upgrades & NHP Programmes								18,210													<b>18,210</b>
National Programmes (diagnostics, Front line digitisation, Mental Health, TIF)		6,529	280	3,408	262	9,178		19,724	49	39,100	13,579		3,927	23		10,906			14,109		<b>121,074</b>
Other (technical accounting)								1,026		309			2,590								<b>3,925</b>
<b>Total system CDEL</b>	<b>4,700</b>	<b>21,102</b>	<b>1,633</b>	<b>8,282</b>	<b>47,512</b>	<b>12,869</b>	<b>6,111</b>	<b>80,313</b>	<b>5,154</b>	<b>61,670</b>	<b>47,907</b>	<b>19,545</b>	<b>12,238</b>	<b>7,407</b>	<b>6,245</b>	<b>24,822</b>	<b>4,384</b>	<b>26,794</b>	<b>8,071</b>	<b>406,759</b>	