

## Integrated Care Board

<b>Date of meeting</b>	3 May 2023
<b>Title of paper</b>	Joint Capital Resource Use Plan 2023-24
<b>Presented by</b>	Sam Proffitt, Chief Finance Officer
<b>Author</b>	Gareth Jones, Deputy Director of Strategic Finance
<b>Agenda item</b>	12
<b>Confidential</b>	No

### Purpose of the paper

This paper describes the background to the Joint Capital Resource Use Plan 2023-24 and provides a copy of the plan itself.

### Executive summary

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

### Recommendations

The Board is asked to **note** the content of this report.

### Governance and reporting (list other forums that have discussed this paper)

Meeting	Date	Outcomes
ICB Executive Meeting	25 April 2023	Supported the paper for the Board.

### Conflicts of interest identified

Not applicable

### Implications

If yes, please provide a brief risk description and reference number	Yes	No	N/A	Comments
Quality impact assessment completed			N/a	
Equality impact assessment completed			N/a	
Data Privacy impact assessment completed			N/a	
Financial impact assessment completed			N/a	
Associated risks			N/a	
Are associated risks detailed on the ICB Risk Register?			N/a	

**Report authorised by:** Sam Proffitt, Chief Finance Officer

# Integrated Care Board – 3 May 2023

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## Joint Capital Resource Use Plan 2023-24

### 1.0 Introduction

- 1.1 The National Health Service Act 2006, as amended by the Health and Care Act 2022 (the amended 2006 Act) sets out that an Integrated Care Board (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.
- 1.2 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.
- 1.3 The template for the 2023/24 plan was provided by NHS England, with a requirement to submit this to NHSE alongside the finance system and provider planning templates by the final plan submission date of 30 March 2023 which was done to the deadline specified. A copy of the Joint capital resource use plan is attached as Appendix 1.

### 2.0 Recommendations

- 2.1 The Board is asked to note the content of this report and the Joint Capital Resource Use Plan 2023-24.

**Sam Proffitt**

Chief Finance Officer

3 May 2023

# Appendix 1: Joint capital resource use plan – 2023/24

<b>REGION</b>	<b>North West</b>
<b>ICB / SYSTEM</b>	<b>NHS Lancashire and South Cumbria ICB</b>

## Introduction

*Figures based on M11 forecast outturn and exclude the impact of IFRS16.*

In 2022/23 the ICB incurred capital expenditure of £212m; £209m in providers and £3m in primary care. This was funded by £95m of trust internal resources, £23m of approved loans and lease liabilities and £94m of national Public Dividend Capital (PDC) funding. Of the £94m PDC funding £19m was spent on community diagnostic centres and a further £24m went to supporting recovery of elective activity.

The key priorities for 2023/24 are the completion of the elective recovery and community diagnostic centre schemes as well as the eradication of Reinforced Autoclaved Aerated Concrete (RAAC) from Trust premises. Further priorities are the implementation of electronic patient record systems where these are not currently present or fit for purpose as well as reducing backlog maintenance in Trust estates. Funding is also anticipated for the development of the business case to develop the Royal Preston and Lancaster Royal Infirmary sites as part of the New Hospital Program.

## Assumed Sources of Funding for 2023/24

As shown in Annex A, the total capital programme for 2023/24 is £184.6m. Excluding the impact of IFRS 16 the plan is £174m with the funding for this being as follows:

- Trust own resources £107m
- Pre-approved loan funding £1m
- PDC £63m
- Primary care £3m

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

## Overview of Ongoing Scheme Progression

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

- Elective Recovery £25m
- Community Diagnostic Centres £10m
- Eradication of RAAC £3m
- Front line digitisation £15m
- New Hospitals Programme (NHP) - ongoing development of the business case

## Risks and Contingencies

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. Given the ICB and provider track records of spending within capital allocations the risk is considered as low risk.

## Business Cases in 2023/24

The main business case expected to be submitted in 2023/24 is for a new Electronic Patient Records (EPR) system at Blackpool Foundation Trust with £14.8m planned to be spent in 2022/23 (£23.4m in total). Work will also continue on the NHP business case with £1.2m planned to be spent in year.

## Cross System Working

Northwest Ambulance Service NHS Trust (NWAS) operates across all ICBs in the Northwest region and as such the capital expenditure incurred by them directly impacts these systems.

The ICB works closely with Cheshire and Merseyside ICB on capital plans for Southport and Ormskirk Hospitals NHS Trust.

## Capital Planning & Prioritisation

Community Diagnostic Centres and Elective Recovery schemes represent a prioritisation process that was operated by the system.

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

Capital funding was allocated between providers based on their need to replace existing assets by using depreciation as the basis allocating funding.

**Annex A – NHS Lancashire and South Cumbria ICB 2023/24 CAPITAL PLAN**

	CDEL	Lancashire and South Cumbria ICB £000	Blackpool Teaching Hospitals NHS Foundation Trust £000	East Lancashire Hospitals NHS Trust £000	Lancashire and South Cumbria NHS Foundation Trust £000	Lancashire Teaching Hospitals NHS Foundation Trust £000	Northwest Ambulance Service NHS Trust £000	University Hospitals of Morecambe Bay NHS Foundation Trust £000	Total Full Year Plan £000
Provider	Operational Capital		21,139	14,011	14,353	22,370	23,787	19,215	114,875
ICB	Operational Capital	3,113							3,113
	Total Op Cap		21,139	14,011	14,353	22,370	23,787	19,215	117,988
Provider	Impact of IFRS 16		0	4,970	0	362	4,672	0	10,004
ICB	Impact of IFRS 16	504							504
Provider	Upgrades & NHP Programmes		0	0	0	880	0	350	1,230
Provider	National Programmes (diagnostics, Front line digitisation, Mental Health, TIF)		22,748	4,924	1,408	12,708	0	10,667	52,455
Provider	Other (technical accounting)		0	2,375	1	0	0	0	2,376
	Total system CDEL	3,617	43,887	26,280	15,762	36,320	28,459	30,232	184,557