

Integrated Care Board

Date of meeting	10 January 2024
Title of paper	ICB Infrastructure Strategy 2023-2040
Presented by	Sam Proffitt, Chief Finance Officer
Author	Alistair Rose, Director of Strategic Estates, Infrastructure and Sustainability
Agenda item	8
Confidential	No

Executive summary

This paper presents the Lancashire and South Cumbria ICB Infrastructure Strategy 2023 to 2040. It builds on the previous Infrastructure Strategies of 2018 and 2019.

All ICBs are asked to produce and update their Infrastructure Strategies and following Board approval this Infrastructure Strategy will be submitted to NHSE.

This strategy will assist NHSE and Department of Health to better understand the long-term aspirations and objectives of the ICB in terms of its capital and estate.

The 17 year timeline set out in this strategy aligns with key local and national dates including those of the New Hospital Programme, some of the existing building contractual dates for working with partners and the dates the NHS has committed to be at Net Zero Carbon.

The full Strategy can be viewed here: [https://www.healthierlsc.co.uk/ICB/Infrastructure Strategy 2023 2040](https://www.healthierlsc.co.uk/ICB/Infrastructure%20Strategy%202023%202040)

Recommendations

The ICB Board is requested to approve this strategy.

Which Strategic Objective/s does the report relate to:		Tick
SO1	Improve quality, including safety, clinical outcomes, and patient experience	Y
SO2	To equalise opportunities and clinical outcomes across the area	Y
SO3	Make working in Lancashire and South Cumbria an attractive and desirable option for existing and potential employees	Y
SO4	Meet financial targets and deliver improved productivity	Y
SO5	Meet national and locally determined performance standards and targets	Y
SO6	To develop and implement ambitious, deliverable strategies	Y

Implications				
	Yes	No	N/A	Comments
Associated risks	Y			
Are associated risks detailed on the ICB Risk Register?	Y			BAF risk 013 (to be updated) Notes the implication of the current resources in estates to support the planning and delivery of the areas of this Infrastructure Strategy
Financial Implications	Y			Capital requirements and associated revenue costs
Where paper has been discussed (list other committees/forums that have discussed this paper)				
Meeting	Date		Outcomes	
Estates Directors Monthly Meeting	Monthly		Strategy discussed during its development	
ICB Exec Team Meeting	17 th October 2023 2 January 2024		Strategy noted and discussed Approved	
ICB Board Development Session	6 th December 2023		Highlights of the strategy discussed	
Capital workshop (Trusts)	29 th September 2023		Input and consolidation of Trust capital aspirations over the strategy duration	
Capital workshop (Primary Care)	8 th September 2023		Input and discssion about emerging Primary Care capital plans	
Conflicts of interest associated with this report				
Not applicable				
Impact assessments				
	Yes	No	N/A	Comments
Quality impact assessment completed		N		
Equality impact assessment completed		N		
Data privacy impact assessment completed		N		
Report authorised by:	Sam Proffitt, Chief Finance Officer			

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ICB Infrastructure Strategy 2023-2040

1. Introduction

- 1.1 This is a Lancashire and South Cumbria wide Infrastructure Strategy updating and building on Infrastructure Strategies of 2018 and 2019.
- 1.2 As a key and critical document for the ICB and our partner organisations it sets out the current and developing service strategies and plans of the ICB, our partner Trusts and associated Primary Care Networks.
- 1.3 It draws from and supports the ICB Strategic Objectives and Strategic Priorities.
- 1.4 The Strategy maps the service aspirations and transformational plans and sets these in the context of the existing infrastructure to identify actions to meet these service plans and aspirations.
- 1.5 Business cases and plans are supported that have an infrastructure component and in many instances will form a key component of the Strategic Case element of a Green Book business case for capital investment.
- 1.6 National policy initiatives affecting the infrastructure along with key dates are incorporated in the strategy including the new hospitals in the New Hospital Programme and our requirement to get to Net Zero Carbon by 2040.
- 1.7 The infrastructure can be both an enabler and a blocker to the service and transformational plans. As service strategies and plans are developed they can be aligned to this Strategy. This enables developments to be both affordable and deliverable from the perspective of our infrastructure and associated investment and disinvestment costs.
- 1.8 This Infrastructure Strategy introduces some key language that has been developed nationally by NHSE for describing NHS Infrastructure (Core Flex and Tail) which in turn will provide support and challenge for future investment prioritisation and funding locally and nationally.

2. Key components of the Infrastructure Strategy

- 2.1 The strategy has been developed over many months with our partners and a wide number of stakeholders.

2.2 Six Infrastructure Principles support the strategy. These are

- Our Infrastructure is **transformational**
- Our future is **digital**, smart, and intelligent
- We have **usership** of the right infrastructure
- Our future is **green** and environmentally sustainable
- Our future infrastructure is **affordable** and financially sustainable
- Our infrastructure **shapes healthier places**.

2.3 The Strategy has a long-term approach, including the key elements that will affect our infrastructure e.g. opening two new hospitals as part of the New Hospital Programme (NHP) by 2035. These new hospitals are a component of the wider investment and transformational requirements over the full timeline to 2040.

2.4 By 2040, the NHS is committed to operating in a Net Zero Carbon environment.

2.5 The operating cost of our L&SC Infrastructure is £274M per annum

2.6 The system has an aging estate and some of it is in poor condition or with low functional suitability. It therefore has a large level of high and significant risk backlog requiring investment of £187m. This is largely supported through the annual capital resource of c£100m per annum leaving little available for other developments.

2.7 Our investment needs over the seventeen years of this Infrastructure Strategy are summarised on page 39 of the strategy and have included recent workshops with both Primary Care Teams and strategy, financial planning and estates teams from Trusts. At today's values we need £5.2bn investment over the period of the strategy including the new hospital program.

2.8 The requirements exceed the current capital envelope, but business cases will be developed for priority plans to enable timely access to any capital becoming available in the future.

2.9 This investment does not include the investment requirements for the Digital agenda and we are not yet clear on the sums required and consequences of achieving Net Zero Carbon. These will be included in a future update to this Infrastructure Strategy as well as being documented in their own specific strategies and plans.

2.10 Key contractual timescales

Our infrastructure has a number of absolute timescales which are contractual and certain. We will need to work with the support of colleagues to determine our service options and develop plans for end of concession for our PFI estate and our LIFT estate. These timescales are set out on page 41 of the strategy along with milestones for achieving Net Zero Carbon. It also sets out the

delivery assumption dates of our two new hospitals in the New Hospital Programme.

2.11 Core Flex and Tail

NHSE have established three categories to assist ICBs, ICSs and Trusts / Property Owners in categorising their infrastructure and estate. This intends to assist investment and disinvestment planning along with providing critical challenge for future investment prioritisation and decisions.

Core – Our built infrastructure is fit for purpose, good quality, flexible and adaptable – it is or can reasonably be adapted to achieve Carbon Neutrality – It is infrastructure we intend to keep and where larger / longer-term investments are planned will align to our strategic direction.

Flex – Our built infrastructure is a partial version of core, it will need further work to understand its potential. An assessment of costs and return on investment needs to be undertaken to bring it up to core standard and meet Net Zero Standards. These reviews and future investment considerations will move “Flex” infrastructure to either Core standards or Tail standards.

Tail – Our built infrastructure is poor quality, in poor condition, may not be in the right location and will need an unacceptable amount of investment to bring it up to Core and Net Zero standards. This built infrastructure will need to be phased out and the services within them need to be re-planned to be provided in different ways.

2.12 Future business cases that are considering significant investment in our infrastructure and estate will consider the core flex or tail position of the estate in their prioritisation.

2.13 Section 4 of the Infrastructure Strategy is a visioning section that has been developed and predicts what the future of our NHS infrastructure may look like in the context of the next seventeen years. It is intended to be thought-provocative for strategic planners and service planners, the development of Place and functions and decisions at Place and Neighbourhood level. It also supports emerging programmes and projects for investment and infrastructure efficiency.

3. Conclusion

3.1 The infrastructure Strategy is an update of the existing Infrastructure Strategy reflecting the current infrastructure and what could or needs to change to it through the lens of current policy, existing infrastructure condition and future service strategies, plans and transformations.

- 3.2 It is intended as a document that helps Place discussions locally as our infrastructure is anchored in geographic locations serving the populations and conurbations of Lancashire and South Cumbria and supporting the health and care needs of our dispersed populations throughout the whole ICS.
- 3.3 There will be challenges affording and delivering our investment plans, which are a consequence of current activity and predicted commissioning and service delivery intentions. These should be considered in the context of delivery confidence and likely or predicted future infrastructure investment.
- 3.4 The strategy is contemporaneous with the ICB Green Plan and those of the providers. This strategy assists with future green plan updates and future investment business cases by providing a longer-term vision.

3.5 The full Strategy can be viewed here:

<https://www.healthierlsc.co.uk/ICB Infrastructure Strategy 2023 2040>

4. Recommendations

- 4.1 The ICB Board is requested to approve this strategy.

Alistair Rose

Director of Strategic Estates, Infrastructure and Sustainability

10th January 2024