

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 30 th March 2023
Submission of published Joint plans to NHS England	By 21 st 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

Midlands

ICB / SYSTEM

Staffordshire and Stoke-on-Trent ICS

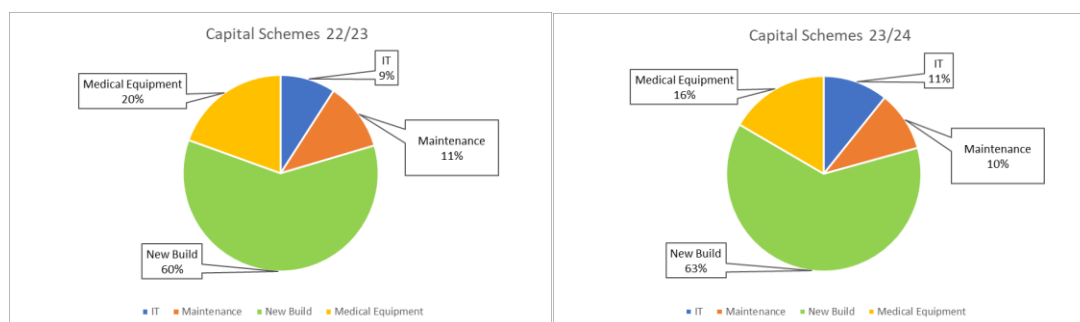
Introduction

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.

2023/24 is year 2 of the current 3-year capital plan. At this point, the plan has been developed to refresh the existing capital plans taking into account known slippage in timetables and the impact of inflation and any new anticipated PDC. As part of the planning process, we have assumed receipt of the additional £5.9m capital resource as part fair share revenue performance of prior year.

Our current 3-year capital plan has been constructed to live within the available resources for the system and reflects the individual organisational priorities which were set and predated the creation of the ICB.



There are further system level priorities which are not reflected within the current capital plans and for which the system is seeking further capital resource:

- Our north community hubs – NHS England’s position is that a strategic outline case needs to be developed for each hub and to progress through a national investment committee process. MPFT has agreed to develop the four strategic outline cases rather than a single case.
- The Stoke on Trent City community diagnostic centre which is currently progressing through the business case process with NHSE
- The Cannock Transformation Programme is ongoing. There is a risk regarding timeliness for vacating Cannock Chase Hospital and the ability to secure a provider for urgent care.
- The Hatherton replacement scheme is still awaiting the outcome of the funding bid input from the national hospital scheme. If this scheme isn’t funded there is several already identified risks for the Hatherton centre, the building being non-compliant with inherent design deficiencies as MH and building standards are updated and improved, substantial backlog maintenance increasing over time that will not be addressed as currently there is no funding within this plan.

We have established a system wide capital group which comprises capital leads, finance leads and subject matter experts. All system partners are represented on the Group. The Groups terms of reference are included as Appendix A and this meets in place to collate and discuss the system capital position a monthly basis. The aim of this group is to ensure a collaborative approach to capital and to ensure capital investment is prioritised and used effectively.

The Capital Investment Group consider in two distinct categories of spend:

- Funded by provider’s annual depreciation charges – No system level capital prioritisation required, and backlog maintenance is also to be included in this category.
- Capital funded from other sources – System capital prioritisation to be completed for consideration by the Capital Prioritisation Group and CFOs. This will then be considered by the System Performance Group and if approved it will be used for the system capital planning submissions; and a “reserve” list maintained to respond to in year opportunities.

The Capital Investment Group is a sub-group of the System’s Finance and Performance Committee

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.

Funding Source (£'000)	UHNM	NSCHT	MPFT
Self Financed - Depreciation less PFI/Finance Lease payments	18,043	1,325	7,657
Self Financed - other internal capital cash	18,420	903	6,219
Capital loan repayments	0	0	-1,332
Lease liability	482	1,100	0
RAAC Plank	0	0	6,000
Front Line Digitisation	0	1,000	2,078
Mental Health	0	182	2,885
Mental Health Dormitories	0	2,000	0
Elective Recovery/Targeted Investment Fund	4,770	0	0
STP wave 4b	1,645	0	0
UEC Capacity	11,754	0	0
PFI Capital Charges	2,868	480	636
Total	57,982	6,990	24,143

Funding sources as per provider returns in draft plan submission.

The plan is compliant with confirmation of the following:

- Brokerage of the UHNM car park (Project STAR) across 23/24 and 24/25.
- Additional RAAC funding via PDC.

Risks and Contingencies

Guidance:

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

As part of the planning, we have assumed receipt of the additional £5.9m capital resource indicated by our local NHSE capital team of which £4.1m has been earmarked to offset the RAAC. The remaining £1.8m has yet to be committed in plans. However, there is still a pressure relating to RAAC in future years.

There remain four material risks to our capital plan specifically:

- Funding for the north Community Hubs
- Funding for the Community Diagnostic Hub
- Reliance on capital receipts related to Project Star (the UHNM carpark)
- Mental Health Dormitory project funding shortfall

The Hatherton centre could be an additional risk if not successfully funded from the national hospitals funding round.

Overview of Ongoing Scheme Progression

Guidance:

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

Key schemes included within the financial plan

Reinforced Autoclaved Aerated Concrete (RAAC) – MPFT are working on a business case in relation to the issue of potential collapsed ceilings in the future at Haywood Hospital. The business case requires approval from NHSE. The initial allocation indicated for Haywood is £8.2m short of the funding required for the works. The outline business case is due to go to the April national approval meeting, the planning application was submitted on 1st March and the full business case will be submitted in July 2023. As a system, we have earmarked £4m of the additional £5.9m capital “bonus” anticipated in recognition of the system delivering revenue breakeven in 2022/23.

Project Star (UHNM Staff carpark) – Project Star is the project to build a multi-story car park at UHNM to provide staff with parking. The project is on track regarding progressing the build and expected expenditure in 2023/24. Work continues on future receipts for the car park solution optimising bringing forward sales balanced against compromising the value achieved due to sale without planning permissions.

Mental Health Wards (Dorms scheme) – There is a national priority to improve the quality of Mental Health Dormitory wards. The system has received a fair share allocation however, the funding for this issue is short of the funding required for the proposed solution. NSCHT were funding this from their BAU capital allocation but have been notified of a further £0.9m dormitory conversion from PDC funding late in the year. This scheme remains a high priority for 2023/24 and is reflected in the plan.

Targeted Investment Funds (TIF) – To support schemes that promote recovery from the Covid-19 pandemic. Over the next 3 years our system has been allocated £27.6m of this funding. UHNM remains on track to draw down the £27.6m to support the Elective Recovery Hub at County Hospital, Stafford. The monies will be drawn down by 3 separate Business cases (the first of which is already approved) the capital will be drawn down over the next 2 years. Phase 1 remains on track to be fully commissioned before the end of March 2023.

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.

Cannock Transformation Programme - There is an established working group, bringing together primary care, UEC, CDCs and elective care with a focus on delivering healthcare appropriate for the population of Cannock. Planning application is to be submitted in March and engagement with local councillors and MPs is ongoing.

Regarding CDC/mobile scanner in Tamworth/Lichfield, SSOT have agreed with the regional diagnostics lead the requirement for 3.5 CDCs. Two of the CDC business case have been developed working with neighbouring systems; Derbyshire ICS/UHDB for the CDC at Sir Robert Peel Hospital and Black Country and West Birmingham ICS/Royal Wolverhampton for Cannock Chase Hospital CDC.

We have commenced work in building strong foundations with local authority partners to understand local growth aspirations (housing and employment) and the associated trajectories for delivery. In developing these working relationships with the 9 local planning authorities across Staffordshire and Stoke-on-Trent we have started to secure inward investment through Community Infrastructure Levy (CIL) and Section 106 mechanisms to secure additional capital to support the transformation and resilience of our estate.

We have established a system wide capital group which comprises capital leads, finance leads and subject matter experts. All system partners are represented on the Group. The aim of this group is to ensure a collaborative approach to capital and to ensure capital investment is prioritised and used effectively.

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.

Community Diagnostic Hubs (CDH) – This is a high priority national scheme to create additional elective diagnostic capacity. There are two aspects within Staffordshire and Stoke on Trent – mobile scanners to be located in the South of the county which have been commissioned and the new build diagnostic hub based in the Stoke on Trent City Council area. Initially, the system identified a number of options including use of existing NHS sites, however none of these met the criteria for location. A preferred site in the Smithfield area of the city and the business case is being developed in agreement with NHSE with the timetable below:

31.03.23	PwC submit the full business case (SFBC) to UHNM
11.04.23	SFBC to Exec Team
25.04.23	SFBC to UHNM Performance and Finance Committee
29.04.23	SFBC to System Performance Group (ICS)
02.05.23	SFBC to Finance & Performance (ICS)
03.05.23	SFBC to Trust Board and issued to NHSE for Review/Approval
16.06.23	NHSE Approval received (allowed 6 weeks)

Community Hubs – The capital commitments by MPFT for development of four integrated care hubs (Leek, Haywood, Longton and Bradwell) requires a strategic outline case developed for each hub progressing through a national investment committee process. Work is complete on the estate baseline and developing the schedules of accommodation. The workshops have begun with the Care Group and Project Board on the strategic outline case. These documents will be completed in May and the 81 appendices for a green book compliant case will be completed June/July 2023. Work is then scheduled to commence on the chosen outline business case in July 2023.

Frontline Digitisation – Nationally there is support to substantially improve NHS Trust's Electronic Patient Record (EPR) systems which will; further improve integrated care and future operating security. Currently, the business case to consolidate our EPRs across the ICS is being worked through and £0.7m enabling funding has been received. The system has further bid for £4.9m capital funding for infrastructure & readiness, confirmation of provider with NSCHT received £0.8m, UHNM received £1.2m, MPFT received £0.7m. The system total provisional allocation is £6.578m for 23/24 and £6.383m 24/25.

Urgent Treatment Centres - The ICS is currently completing the options appraisal process for potential type III sites to be designated as Urgent Treatment Centres. Depending on the outcome of the process there may be capital business cases to support any reconfiguration of existing sites to meet capacity requirements.

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.

A paper was taken to the system capital group in December to try and establish a prioritisation process for system capital. It was proposed that all capital that is subject to the prioritisation process must have been through an internal governance process within the relevant provider with the proposal being submitted by the organisation's CFO. The capital expenditure will then be considered by the CFOs and passed to the System Performance Group for approval as part of the annual plan or any in year bids.

The aim was to introduce a more formalised and systemic approach to managing our collective capital costs which would enable us to become more proactive in anticipating capital opportunities, more coordinated in our plans, and more transparent around our decision making for capital items.



Annex A – Staffordshire and Stoke on Trent ICB 2023/24 CAPITAL PLAN

	CDEL	ICB	MPFT	NSCHT	UHNH	Total Full Year Plan £'000	Narrative on the main categories of expenditure
Provider	Operational Capital		12,544	3,328	36,945	52,817	
ICB	Operational Capital	1,949				1,949	
	Total Op Cap						
Provider	Impact of IFRS 16			1,100	482	1,582	
ICB	Impact of IFRS 16						
Provider	Upgrades & NHP Programmes						
Provider	National Programmes (diagnostics, Front line digitisation, Mental Health, TIF)		10,963	3,182	18,169	32,314	
Provider	Other (technical accounting)		636	480	2,868	3,984	PFI Capital Charges
	Net CDEL	1,949	24,143	6,990	57,982	91,064	Excluding Impact IFRS16



Appendix A

Staffordshire and Stoke-on-Trent ICB

Terms of reference – Capital Investment Group

Purpose of the Group

- To formulate the system's annual and medium term NHS capital programme, for all aspects of capital investment, in the context of the available capital resources:
 - Agree a system-wide prioritisation policy
 - Be sighted on all the various sources of capital and how these are being accessed by the system
- To work collectively to maximise available resources from NHS CDEL, other NHS sources and external options such as working with Local Authority partners.
- To utilise available capital resources effectively, efficiently and economically by ensuring that there is not an unplanned impact upon the system's revenue I&E account.
- To monitor in year delivery, review risks and mitigations and revisit the capital programme on a regular basis in order to reprioritise/rephase as necessary to ensure maximum use of the available resources.
- To ensure that capital business case and procurement processes are fit for purpose and in line with best practice.
- To assure and (if appropriate) approve capital business cases as required by the powers delegated to ICSs from NHSE&I
- To provide the basis for capital reports to the ICS Board.
- To receive (or possibly commission?) appropriate Post Implementation Reviews and disseminate any lessons learnt from them appropriately.

Membership

Chair – ICB CFO

- Directors of Finance or representatives
- System Estates lead – representing the System Estates Forum
- Chief Digital Officer



- System Planning and Development Lead
- Medical Equipment Lead
- Primary Care Estates and Digital Lead
- Capital Finance lead (to be nominated from the system financial controllers)
- System lead for sustainability
- Head of System Finance

Reporting Line

Working group reporting to the System Finance Committee.

Date – 1 June 2022

Due for review – 1 June 2023