

Joint capital resource use plan – 2022/23 and 2023/24

REGION	North West
ICB / SYSTEM	Cheshire & Merseyside ICB

Introduction

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 total Providers spend £507m, £5.4m in Primary Care and £501m in Secondary Care. This was funded by £236m 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. See Annex A for detail.

They key priorities for 2023/24 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 Hospitals 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). See Annex B for detail

Assumed Sources of Funding for 2023/24

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

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

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

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

The capital allocation for Northwest Ambulance Service NHS Trust (NWS) is held by Lancashire and South Cumbria ICB. NWS 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

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 2022/23 Capital Delivery

	CDEL	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	Total	
		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	Full Year Plan £0
Provider	Operational Capital		8,923	1,645	2,490	19,640	6,744	11,382	40,037	8,859	10,259	38,564	37,313	4,507	7,206	5,543	12,328	9,381	11,743	236,564	
ICB	Operational Capital	5,423																			5,423
Provider	Impact of IFRS 16			3,047		458	313		12,152		1,251	4,282	125	282	81	907	1893	-294			24,497
ICB	Impact of IFRS 16	550																			550
Provider	Upgrades & NHP Programmes								57926								12290				70,216
Provider	National Programmes (diagnostics, Front line digitisation, Mental Health, TIF)		4,762	640	2,000	1,767	9,478	4,897	12,065	2,200	34,634	9,927	14,337	18,005	16,574	3,411				31,405	166,102
Provider	Other (technical accounting)						12		940		276			2,554							3,782
	Total system CDEL	5,973	13,685	5,332	4,490	21,877	16,535	16,279	123,120	11,059	46,420	52,773	51,775	25,348	23,861	9,861	26,511	9,087	43,148	507,134	

Annex B – 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		238,101
Operational Capital	4,700																				4,700
Impact of IFRS 16			- 747	406	2,000	162		2,000	139	6,236	3,372		714	83	1,400	4,984					20,749
Impact of IFRS 16	-																				-
Upgrades & NHP Programmes								18,210													18,210
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		121,074
Other (technical accounting)								1,026		309			2,590								3,925
Total system CDEL	4,700	21,102	1,633	8,282	47,512	12,869	6,111	80,313	5,154	61,670	47,907	19,545	12,238	7,407	6,245	24,822	4,384	26,794	8,071		406,759