

## BNSSG Integrated Care Board (ICB) Joint capital resource use plan – 2023/24

Date: 19<sup>th</sup> May 2023

- The Health and Social Care Act 2022, sets out a new requirement for integrated care boards (ICBs) and their partner NHS trusts and NHS foundation trusts to publish joint resource capital plans.
- The figures reported Below are consistent with the final system and Provider financial plans for 2023/24, as submitted to NHS England on the 4<sup>th</sup> May 2023.
- In the event of significant in-year changes to this published plan (for example in light of significant additional national funding), the ICB will publish a revised plan. Minor changes to the plan will not lead to a full re-publish of the plan, but will be notified in a document setting out the changes.
- Delivery against this plan will be monitored through the year, and reported regularly to the ICB Finance, Estates & Digital Committee, as well as through routine monthly reporting to NHS England.

### 1) Assumed Sources of Funding for 2023/24

BNSSG ICBs notified Capital Allocation for 2023/24 is £75.3m (£75.8m in 2022/23), comprised of £68.5m core provider and £1.7m ICB operational capital allocation, and a further £5.1m on a fair shares basis relating to the ICBs prior year revenue performance (break-even in 2022/23).

Table 1: Notified System Capital Allocation 2023/24

	ICB Allocation
Depreciation less PFI / Finance Lease Payments	£51,619
Total Gross Assets	£9,852
Backlog Maintenance	£7,066
<b>Sub Total - Core Allocation</b>	<b>£68,536</b>
Indicative Prior year revenue performance allocation	£5,096
ICB Operational Capital Allocation	£1,660
Op Cap Funding - Maternity Programme	£0
<b>Total System Operational Allocation</b>	<b>£75,292</b>

In addition to the £75.3m notified capital expenditure limit, the system is planning to utilise a further £49.4m of national funding, to support national strategic priorities:

- Elective Recovery £25.0m
- Diagnostic Imaging £2.2m
- Increased Endoscopy capacity £8.5m
- Front Line Digitisation £2.8m
- Mental Health £4.7m

The full break down of funding sources is shown in the table below:

**Table 2: 2023/24 Capital Expenditure Funding Sources**

Funding Sources	ICB	AWP	NBT	UHBW	Total
Self-Financed depreciation		3,687	18,558	33,908	56,153
Cash Reserves		-448	10,808	11,153	21,513
Capital loan repayments		0	0	-5,834	-5,834
NHSE/I Centrally Funded	1,348				1,348
Capital Grants	2,112				2,112
<b>Total Charge against Capital Allocation</b>	<b>3,460</b>	<b>3,239</b>	<b>29,366</b>	<b>39,227</b>	<b>75,292</b>
Borrowings		3,800	4,678	9,332	17,810
Nationally Funded Impact of IFRS 16	5,500				5,500
National Funding (Public Dividend Capital)		12,703	31,289	5,400	49,392
PFI capital charges (e.g. residual interest)		906	9,430	0	10,336
<b>Total Capital Departmental Expenditure Limit (CDEL)</b>	<b>8,960</b>	<b>20,648</b>	<b>74,763</b>	<b>53,959</b>	<b>158,330</b>

## 2) Overview of Ongoing Scheme Progression

Full business cases signed off by the ICB board and submitted to NHS England in 2022/23, expected to commence in 2023/24

- AWP Callington Road re-development (ST Wave 3 capital)
- New GP facility in Central Weston

In addition, the ICB submitted an outline business case for the development of a BNSSG elective care centre to NHSE in 2022/23. It is expecting to submit a full business case in 2023/24.

## 3) Risks & Contingencies

The funding allocated to the system, outside of the national programme funding, remains very constrained, and as such, the ability for the system to fund local strategic priorities is very limited.

Within this allocation, the system has to ensure that high risks such as critical infrastructure risk, fire safety, and replacement of clinical equipment that could impact operational and patient safety are prioritised and managed.

The system also has to fund routine maintenance of buildings, infrastructure and equipment from this funding, as well as rolling replacement programmes for clinical machinery and IT equipment.

As a result, the system has to manage these costs over a multi-year period, and any unexpected costs arising in-year present significant financial risk to the systems ability to manage within funding levels.

#### 4) Business Cases in 2023/24

- BNSSG elective care centre (OBC submitted in 2022/23)
- Stroke Re provision programme (Additional Capacity Targeted Investment Fund)

#### 5) Cross-System Working & Capital Planning & Prioritisation

Outside of the national programmes listed above the only other potential sources of capital funding are those funds which are annually allocated to Systems.

These funds are already extremely constrained, and so difficult decisions must be made about where they will have the greatest benefit in deployment, whilst balancing operational risk, and the need for strategic development.

During the course of 2022/23, and as part of planning for 2023/24, the ICB developed a prioritisation process through which these difficult decisions have been channelled to enable the system to collectively agree where investments will deliver the greatest benefit in minimising risk and supporting the strategic direction of travel.

This process continues to be developed and iterated with the input of all system partners, to inform the ICBs medium-term capital prioritisation.



## Appendix 1 BNSSG ICB 2023/24 Capital Plan £'000

Capital Expenditure Analysis (High Level)	ICB	AWP	NBT	UHBW	Total
Operational Capital	3,460	3,239	29,366	39,227	75,292
<b>Total Operational Capital</b>	<b>3,460</b>	<b>3,239</b>	<b>29,366</b>	<b>39,227</b>	<b>75,292</b>
Impact of IFRS 16	5,500	3,800	4,678	9,332	23,310
Upgrades & NHP Programmes		6,220	0	0	6,220
<b>National Programmes</b>					
Diagnostic Digital Capability Programme			289	290	579
Diagnostic Imaging Capacity			400	1,200	1,600
Elective Recovery/Targeted Investment Fund			25,000		25,000
Endoscopy - Increasing Capacity			5,600	2,900	8,500
Front Line Digitisation		1,748		1,010	2,758
Mental Health		4,735			4,735
Other (technical accounting)		906	9,430		10,336
<b>Total system CDEL</b>	<b>8,960</b>	<b>20,648</b>	<b>74,763</b>	<b>53,959</b>	<b>158,330</b>

Categories of Expenditure	ICB	AWP	NBT	UHBW	Total
Routine maintenance	5,500	2,318		17,832	25,650
Backlog Maintenance - Significant and high risk (CIR)			3,372	3,500	6,872
New Buildings	1,500		29,644	14,727	45,871
Plant and machinery			24,544		24,544
Clinical Equipment			5,600	7,600	13,200
Fire Safety				2,500	2,500
Fleet, Vehicles & Transport		120			120
IT - ICB Corporate	274				274
IT - Primary Care	1,074				1,074
IT - Clinical Systems & Hardware		3,428	3,599	7,800	14,827
Primary Care - Minor Improvement Grants	612				612
Other - including investment property		14,635			14,635
Net PFI impact		147	8,204		8,351
Charitable donations			-200		-200
<b>Total system CDEL</b>	<b>8,960</b>	<b>20,648</b>	<b>74,763</b>	<b>53,959</b>	<b>158,330</b>