



**Leicester, Leicestershire  
and Rutland**  
Integrated Care Board

# **Leicester, Leicestershire & Rutland ICB Joint Capital Plan 2022/23**

**30<sup>th</sup> March 2023**

A proud partner in the:



**Leicester, Leicestershire  
and Rutland**  
Health and Wellbeing Partnership

## Joint Capital Plan for 2022/23

### Background:

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.

2022/23 represents a transitional year and for this year only ICB's are required to prepare the plans for 2022/23 as soon as is practicable after the Secretary of State issues direction. These directions were issued on 2<sup>nd</sup> March 2023. Plans should be published by 30<sup>th</sup> March 2023.

### Assumed Sources of Funding:

The Leicester, Leicestershire & Rutland (LLR) capital plan for 22/23 is funded from a combination of internally generated resources, national programmes, and regionally funded capital.

The Capital Departmental Expenditure Limit (CDEL) allocated to the LLR system is £65.626m, made up of Operational Capital £60.498m (£1.847 ICB/PC and £58.651m provider) and National Programme funding £5.128m

National programme funding is expected in relation to University Hospitals Leicester NHS Trust (UHL) Reconfiguration scheme, supported by the New Hospital Programme (£1.128m), and Leicestershire Partnership NHS Trust's (LPT) Mental Health Dormitory elimination scheme (£4m).

The operational capital available to the ICB & Primary care is cash backed.

Capitalisation of expenditure due to the implementation of IFRS16 is outside the systems CDEL limit and expected to be fully covered at a national level.

The system has over planned against its CDEL limit to cover the potential risk of slippage against planned schemes in year.

## **Overview of Planned Schemes:**

The system plans to spend 27% (£16.5m) of its provider operational capital on Backlog maintenance, this includes electrical infrastructure, fire safety, water compliance as well as work on Cat 3 Lab, PICU at Glenfield, the Windsor extension, and further investment in Mental Health inpatient units and Rutland Memorial Hospital.

17% (£10.4m) will be spent on new build theatres and critical care, the main element of which relates to Endoscopy decontamination at Glenfield.

A further 15% (£9.2m) is planned to be spent on equipment, with diagnostic equipment accounting for £7.6m of this and relating mainly to LINAC, CT and MRI services.

19.5% (£12m) will be spent on IT, this includes clinical systems (including UHL's eHospitals developments), cybersecurity, hardware, and software.

A reserve of £1.5m has been retained for system in year projects – including the virtual ward pathway project.

## **Risks:**

Risks facing the 22/23 capital plan include increasing inflation which may result in actual costs being higher than planned and shortages in building supplies and equipment which may result in delays to schemes as well as premium costs.

As the system has over planned against CDEL some slippage in projects, (£3m), is required in year to bring the system into balance. Although slippage is a normal occurrence there is a risk that increasing costs and early planning may reduce this to a minimum.

A small contingency has been held at organisational level within plans and a system reserve of £1.5m has been created, all of which could be released to assist with in year mitigation.

## **Capital Planning and prioritisation:**

Schemes for inclusion in the 22/23 joint capital plan have been through prioritisation within each organisation before coming together for review.

Internal prioritisation included the consideration of:

- Risk associated with non-commissioning.
- Capital costs and revenue impact of the scheme (value for money).
- The strategic fit of the scheme.

- The impact on asset life.

## Summary:

The ICB has worked together to plan its utilisation of the allocated capital spending allowance for 2022/23.

Schemes have been chosen based on the risk to service delivery, strategic fit and value for money.

The ICB has over planned its operational capital spend by £3m to take account of potential in year slippage on planned schemes.

## Appendix 1

### 2022/23 Capital Plan

| CDEL              |  | Total Plan<br>Months 1-12<br>£'000 | Narrative on the main categories of<br>expenditure                |
|-------------------|--|------------------------------------|---|
| Provider          | Operational Capital  | 61,436                             | see main report - overview of planned schemes                     |
| ICB               | Operational Capital  | 1,847                              | GP IT renewal and replacement scheme                              |
| Total Op Cap      |  | 63,283                             |   |
| Provider          | Impact of IFRS 16  | 9,817                              | Expenditure capitalised only due to the implementation of IFRS 16 |
| ICB               | Impact of IFRS 16  | 0                                  |   |
| Provider          | Upgrades and NHP Programmes  | 1,128                              | New Hospital programme - UHL Reconfiguration                      |
| Provider          | National Programmes<br>(diagnostics, Front line<br>digitisation, Mental Health, TIF) | 4,000                              | MH Dormitory elimination  |
| Provider          | Other (technical accounting)   | 106                                |   |
| Total system CDEL |  | 78,334                             |   |