



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

# **Leicester, Leicestershire & Rutland ICB Joint Capital Plan 2023/24**

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

A proud partner in the:



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

## Joint Capital Plan for 2023/24

### 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.

### Capital Plan Overview:

LPT is investing £7m in its existing estate, supporting backlog maintenance and health and safety schemes, to ensure a safe environment for patients and staff. The final phase of the 3-year dormitory elimination programme will be undertaken in 2023/24, with the Trust using £4m of its own cash to support this project. £2m is being invested at Coalville Hospital, to create additional beds for the Urgent and Emergency Care Capacity programme. £2m is also being spent on IT equipment, including tools for the robotic automation of processes and E-prescribing.

The completion of ongoing projects and precommitments (including managed equipment services, digitisation investment in Linear accelerator and the completion of robotics investments), utilises £33m of capital funds within UHL in 23/24. This is a significant proportion of resources and limits the additional work that can be done to refurbish theatres, and other high risk areas across the Trust, this work has been replanned into 24/25. The remaining funding is focussed on Medical Equipment, with funding available to act on emergency bids for the replacement of obsolete equipment, and Estates linked to backlog maintenance.

## **Review of 22/23:**

In 22/23 the providers within LLR system planned to spend £78.334m on capital assets. Due to availability of additional national funding the system is forecasting an end of year spend of £116.211m, spending £58.608m on self / charitable funded schemes and a further £41.077m on nationally funded schemes. The remaining related to IFRS 16 capitalisation (£15.333m) Charitable donations £1.087m and technical capital issues £0.1m

The main schemes attracting national funding included:

- Elective recovery (TIF) schemes totalling £16.49m
- Ambulance Hub / Discharge lounge schemes £6.9m
- Front Line digitalisation schemes £5m
- Mental Health Dormitory scheme £4m

The main spending areas for internally funded schemes were:

- Backlog Maintenance (£12.9m) including £3.1m on schemes slipped from 21/22, £2m relating to Rutland memorial Hospital and £2.6m on repairs and replacements due to breakdowns.
- New Build Theatres & Critical Care (£12.4m) including £8m on endoscopy decontamination at Glenfield.
- New Build land and Buildings (£11.4m) including £3.4m on St Peters Health Centre and £3.7m for Vanguard endoscopy.
- IT Hardware (£7.4m) including £2.8m on EQuip

## **Assumed Sources of Funding:**

The Leicester, Leicestershire & Rutland (LLR) capital plan for 23/24 is funded from a combination of internally generated resources, charitable funds, national programmes, and regionally funded capital.

The Capital Departmental Expenditure Limit (CDEL) allocated to the LLR system for 23/24 is £63.334m, made up of Base Operational Capital £59.417m (£1.847 ICB/PC and £57.565m provider), revenue linked CDEL of £3.917m and National Programme funding.

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. (£22.459m)

The system has reserved a contingency to support in year priorities of £3.917m, this is being held by the ICB at planning stage.

## Capital Plan 23/24:

Planned Provider Capital Expenditure 23/24	UHL	LPT	Total
Backlog Maintenance - Significant and high risk (CIR)	1,400	0	1,400
Backlog Maintenance - Moderate and low risk	22,834	2,247	25,081
Equipment - clinical diagnostics	11,924	0	11,924
Equipment - clinical Other	6,998	450	7,448
Equipment – non-clinical	1,000	0	1,000
Fleet, Vehicles & Transport	0	260	260
IT - Cybersecurity, Infrastructure/Networking	4,850	0	4,850
IT - Hardware	5,682	1,227	6,909
IT - Other	0	396	396
IT - Other Software	250	0	250
New Build - Land, buildings, and dwellings	46,651	11,307	57,958
New Build - Theatres & critical care	2,310	0	2,310
Routine maintenance (non-backlog) - Land, buildings, and dwellings	0	4,391	4,391
<b>Total</b>	<b>103,899</b>	<b>20,278</b>	<b>124,177</b>

Backlog maintenance includes spend on enabling works for linear accelerator, winter schemes and elective hub, these schemes utilise existing estates and will improve the efficiency and capacity of the hospital.

Clinical diagnostic equipment the vanguard extension, but also includes £6m of leases capitalised under IFRS 16 which are funded outside of the operational capital.

New buildings include the centrally funded elective hub, increased ward capacity, continuation of the eradication of mental health dormitories and enabling works related to mental health facilities at Glenfield

National programme funding is expected in relation to:

University Hospitals Leicester NHS Trust (UHL)

New Hospital Programme - £1.06m - to fund the LLR Reconfiguration scheme,  
 Elective Recovery (Targeted Investment Fund) - £16.151m, to fund Elective Hub,  
 Urgent and Emergency Care Capacity - £30.5m – Additional ward capacity  
 Diagnostic imaging Capacity - £0.9m – CDC at Hinckley

Leicestershire Partnership NHS Trust's LPT)

Community Diagnostic Centres - £0.25m - Hinckley Hub  
 Urgent and Emergency Care Capacity - £2m – Additional beds at Coalville

## Risks and Contingencies:

Risks facing the 23/24 capital plan include increasing inflation which may result in actual costs being higher than planned, shortages in building supplies and equipment which may result in delays to schemes as well as premium costs, pressure from services to increase capacity beyond that included within the capital plan and increased breakdowns due to usage.

The system has not over planned delivery against its CDEL allocation, however both system providers are maintaining a live list of schemes which could be brought online quickly should slippage occur in year. these lists have been ranked in order of need from an organisational perspective.

The level of backlog maintenance due within the system outstrips the resources available, UHL alone have identified the need to invest £104m to bring estate back into condition B (operationally acceptable).

The base CDEL available has been divided between system providers while the revenue linked top up has been maintained as a system reserve. This will be allocated in the first half of 23/24 to schemes the greatest benefit across the system.

A small contingency has been held at organisational level within plans (UHL £1m, LPT £0.5m) to support in year pressures.

## **Business cases expected in 23/24:**

Business cases relating to diagnostics and elective care hubs are at various stages of development, these will provide facilities at a local level, avoiding the need for patients to attend the main hospital buildings for routine appointments, tests and procedures.

Work is also underway on the outline business case for the Mental Health hospital reconfiguration on the Glenfield site, central funding approval of £110m for the overall project is still outstanding.

## **Capital Prioritisation:**

Schemes for inclusion in the 23/24 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.

Schemes included and rejected from the capital plan have been shared across the system, this includes primary care schemes, items from the LLR green plan, IT plan, estates plan and other programmes which are expected to deliver savings for the system, but potentially, not within the organisation required to spend the capital.

These schemes will be reviewed by a cross system multidisciplinary group during the first 6 months of the year, where appropriate the £3.9m reserve held by the ICB will be utilised to support the schemes which will provide the most overarching benefit.

Once allocated to schemes the system will work with providers to ensure cash is available in the right place to deliver the schemes chosen.

## **Summary:**

The ICB has worked together to plan its utilisation of the allocated capital spending allowance for 2023/24.

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

The ICB has reserved 6.8% of its operational capital to spend on schemes which have a wider benefit for patients and the system than the organisation focused schemes prioritised against the base CDEL.

# Appendix 1

## 2023/24 Capital Plan

	CDEL	ICB £'000	UHL £'000	LPT £'000	Total Full Year Plan £'000	See main document for additional narrative on the main categories of expenditure
Provider	Operational Capital	3,917	44,728	12,837	61,482	adjusted for schemes funded by Charitable donations (£0.55m)
ICB	Operational Capital	1,852			1,852	spend planned against GP IT (£1.4m), GP Premises (£0.3m) and ICB offices (£0.2m)
	<b>Total Op Cap</b>	<b>5,769</b>	<b>44,728</b>	<b>12,837</b>	<b>63,334</b>	
Provider	Impact of IFRS 16		10,060	5,036	15,096	Impact of technical accounting treatment of Finance Leases
ICB	Impact of IFRS 16	0			0	
Provider	Upgrades & NHP Programmes		1,060		1,060	New Hospital Programme
Provider	National Programmes (diagnostics, Front line digitisation, Mental Health, TIF)		47,551	2,250	49,801	
Provider	Other (technical accounting)			110	110	
	<b>Total system CDEL</b>	<b>5,769</b>	<b>103,399</b>	<b>20,233</b>	<b>129,401</b>	