

## BOARD MEETING

<b>Title</b>	2024/25 Financial Plan and Joint Capital Resource Use Plan		
<b>Paper Date:</b>	04 July 2024	<b>Meeting Date:</b>	16 July 2024
<b>Purpose:</b>	Approval	<b>Agenda Item:</b>	10
<b>Author:</b>	Nicola Wildman, Head of Financial Planning, Capital and Programme Costing	<b>Exec Lead/ Senior Responsible Officer:</b>	Matthew Metcalfe, Chief Finance Officer

### Executive Summary

This paper sets out (10.1) the 2024/25 Financial Plan and (10.2) the Joint resource capital use plan for BOB ICS.

The 2024/25 Financial Plan was submitted to NHS England on 12 June and meets the £60m system deficit control total set by them. The ICB budgets have been set to deliver this control total.

The National Health Service Act 2006, as amended by the Health and Care Act 2022 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.

The ICB is required to publish the plan for 2024/25 by 31 July 2024.

### Action Required

The Board is asked to:

- Note the 2024/25 Financial plan and budgets for the ICB in line with the 12 Juen submission to NHSE.
- Approve the Joint resource use capital plan for publication.

### Conflicts of Interest

Conflict noted: conflicted party can participate in discussion and decision.

The 2024/25 financial plan and capital plans outlined in this paper have an impact on organisations that members of the board lead/work for. The perspective of these members is an important aspect to development and delivery of our priorities and plans.

### Date/Name of Committee/ Meeting, Where Last Reviewed:

System Productivity Committee 7 May 2024 and 2 July 2024

# BOB Financial Plan 2024/25

# BOB ICS Budgets 2024/25

	Sub total - 2024/25 recurrent Resource Limit
	£k
<b>Total Income</b>	<b>3,593,105</b>
Expenditure	ICB Budget Total - 2024/25
	£k
Acute	1,797,377
Mental Health	358,129
Community services	394,283
Continuing Care	224,067
Prescribing	282,837
Primary Care	42,570
Other Programme	10,071
<b>Delegated Co-Commissioning - Primary Care Medical</b>	<b>332,002</b>
<b>Delegated Co-Commissioning - POD</b>	<b>137,125</b>
<b>Primary Care Co-Commissioning</b>	<b>439,395</b>
<b>Total - Commissioned services</b>	<b>3,578,461</b>
<b>Running costs</b>	<b>28,387</b>
<b>Total Expenditure - Application of Funds</b>	<b>3,606,848</b>
<b>In Year Underspend/(Deficit)</b>	<b>(13,743)</b>

- As previously approved by delegated authority, the total BOB system plan submitted on 12 June 2024 showed a £60m deficit for the system.
- This “system control total” was set by NHSE at a meeting on 15 May 2024
- The system control total is £32.1m less than the £92.1m planned deficit submitted on 2 May 2024
- The table on the left shows the application of the ICB allocation. The BOB ICB element of the plan of £13.7m deficit was agreed after discussion between the ICB and providers.
- Overall, this is a very challenging target requiring a robust monitoring strategy across the ICB and the rest of the System.
- ICB Executive colleagues agreed that a stretch target of £20m savings was to be set and there were a series of budget reviews meetings that took place over the w/c 10 June 2024 and 14 June 2024 to identify the £20m target in full.
- Detailed budgets have been updated to reflect the actions above
- There is an overall CIP target for the ICB of £35m

# BOB ICS Capital Plan 2024/25



ICB - Allocation	£k
2024/25 Capital Allocation	2,995
Plus transfer from Provider Allocation	0
<b>2024/25 Total Capital Allocation</b>	<b>2,995</b>
5% over programming	0

2024/25 Total Charge against Capital Allocation (£k)	£k
GPIT - IT Refresh	1,579
GPIT - Core Equipment	613
ICB - IT Refresh	52
General Practice - Minor Improvement Grants	751
<b>2024/25 Total Charge against Allocation</b>	<b>2,995</b>

IFRS16 – External to DHSC groups	£k
Office Lease - new	808
Office Lease - restatement	24
<b>2024/25 Total</b>	<b>832</b>

- The BOB ICB Capital plan submitted on 12 June 2024 of £2.995m was as shown in the table to the left, this remained unchanged from the previous submission on 2 May 2024.
- NHSE have approved the plan and have requested the ICB move to completing Project Initiation Documents (PIDs) for each scheme to submit to NHSE regional team for individual approval.

# Joint capital resource use plan – 2024/25

## 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**.

**REGION****South East****ICB / SYSTEM****Buckinghamshire Oxfordshire and Berkshire West**

## 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.*

## Our Vision

Our vision for the Estates workstream across BOB is to work collaboratively to provide an estate that facilitates the delivery of the BOB ICS long term plan, responding to, and supporting the delivery of, the aims of each of the service workstreams.

- Ensuring the ICS Estate can support the delivery of the LTP service aims and objectives.
- Driving efficiency and reducing variation wherever feasible by using information related to utilisation, cost and efficiency in relation to the healthcare estate in BOB ICS
- Working across partners to maximise the use of good quality healthcare buildings, where required, and rationalising poor-quality premises.
- Improving the quality and provision of assets across the ICS
- Ensuring a collaborative approach to use of assets across the full extent of the public estate to support the changing models and locations for delivery of care.

## Key Aims of the BOB ICS Estates workstream.

- To develop an estate and capital plan which supports the delivery of the clinical service delivery with the maximum possible flexibility whilst ensuring that estates are safe and as efficient as possible - Continuing to agree priorities and programmes for asset investment and disposal.
- Identifying, prioritising and supporting resourcing options for capital projects, including appropriate involvement and decision making associated with business case development and formal approval.
- Ensuring that the ICS makes the best possible use of assets, and that any capital investment is used to maximise service transformation.
- A commitment to sustainable development and environmental targets and ICS wide sustainable development plans
- Ensuring safe, warm and effective services and environments, recognising the needs of our patients, visitors and staff, working together with our partners in health and public services
- Ensure the Estate responds to the changes and efficiencies driven out by digital transformation.

## Current and forthcoming BOB ICS capital & estates activity

Over 2023/24 BOB worked together to support the improvement of the NHS estate and the delivery of the BOB Clinical Strategy by providing suitable accommodation in the required locations (via the BOB Estates work stream). This work continues to progress through collaborative working across places and organisations to deliver:

- Production of priorities for BOB ICS Estates activity, and plans by organisation for the development of place Estates work.
- Development of a prioritisation framework to inform strategic estates and capital investment across the three places within BOB – to be carried forward into capital investment processes.
- Prioritisation and consolidation of the three place strategies into BOB estates and capital investment priorities. Capital investment priorities and plans were rated 'good' by NHSE.
- Reduction of backlog maintenance within the estate. This is recognised as critical to supporting the delivery of the BOB clinical Strategies. It is recognised that funds are limited and we will work together to ensure that the strategic clinical need for the properties within our estate is understood, ensuring that funds are allocated appropriately.
- Removing Unwarranted Variations. The estates work stream is utilising the model hospital data to identify unwarranted cost variations relating to estates and facilities and investigating opportunities to remove these. Opportunities include shared procurement, and where appropriate the development of shared services.
- Development of BOB wide sustainability plans to deliver the system's required reduction in carbon emissions. The workstream will undertake a self-audit, and identify potential areas for improvement, including co-working and procuring, the use of alternative energy systems.

This work will continue into 2024/25 and beyond to align the estates priorities and vision with the overall priorities and vision of the ICS Long Term Plan. Work will include focusing on development and delivery of robust, affordable local estates strategies that include delivery of agreed surplus land disposal ambitions across places and the ICS as well as maximising opportunities for additional capital into the area.

Primary Care Networks (PCNs) across BOB engaged with the national PCN Toolkit programme during 2023/24 which aimed to build on the initial national Primary Care Estate baseline exercise undertaken in the prior year.

Alongside this the ICB has developed a prioritisation matrix to help provide guidance and strategic direction for both decision making and for practices keen to improve their estate. There are a small number of primary care estates schemes in progress which capitalise opportunities from developer's contributions through Community Infrastructure Levy and s106 although lack of NHS capital for primary care makes improvements to meet the growing demand difficult.

The strategic direction of travel across Primary Care (utilising the Primary Care Strategy published in May 2024) will be built into the overall ICS Estates strategy and allow the evidence base for investment should any new capital streams become available.

Royal Berkshire NHS Foundation Trust has recently been awarded seed funding via the New Hospitals Programme. This will support the development of a long-term investment programme in the health infrastructure, and we are keen to develop these principles further across the ICS and support all our organisations to benefit from future waves to eradicate backlog maintenance, improve safety and transform the way our services are provided to our population.

We are awaiting the formal ministerial announcement relating to associated timeframes for progressing with the project with the ambition likely for delivery in 2028-2030.

### Assumed Sources of Funding for 2024/25

*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.*

Source	£k
24/25 Provider Capital Allocation	92,212
	<b>92,212</b>
24/25 ICB Capital Allocation	<b>2,995</b>
<b>Total Source of 24/25 Capital Funds</b>	<b>95,207</b>

- The above table gives detail of the capital funding envelope that the BOB system will be working to in 24/25.

### Overview of Ongoing Scheme Progression

*Guidance:*

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

The main schemes that will be invested in across BOB during 2024/25 relate to:

- £36m - Routine/Backlog Maintenance
- £18m - Diagnostic Capability Programme
- £20m - Digital & IT Investment
- £14m - Theatre Reprovision
- £7m - Equipment



## Risks and Contingencies

*Guidance:*

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

The estate across BOB is a mix of bespoke buildings built in a range of different eras across multiple sites and includes PFI hospitals and LIFT premises. GP estates is a mixture of converted houses, extensions or purpose-built property many of which are many years old. While several hospitals / buildings are relatively new and in good condition, much of the estate is over 35 years old, no longer fit for purpose, cannot be effectively redesigned and used to provide health services in the 21<sup>st</sup> century. Key details:

- ICS estate extends to some 317 properties on over 116 Hectares and buildings with a gross internal area of over 800,000m<sup>2</sup>
- ICS total estate cost of c.£116m (exc. GP properties)
- c.£204.5m backlog maintenance
- c.£68m high-risk backlog maintenance

As such there are significant risks across the system

- that buildings will fail to conform to modern building compliance regulations.
- to building structure and service provision due to backlog maintenance issues.
- the historic piecemeal nature of the estate gives potential risks to modern joint service provision.

As a result of historic funding challenges and siloed ways of working the majority of estate in BOB is unfit for purpose and unable to accommodate population growth and new ways of working including integrated neighbourhood teams as described in the Integrated Care Partnership Strategy. there is the risk of: BOB ICB being unable to transform primary and community care and meet its access objectives as per the Operational and Joint Forward plans Resulting in: inadequate primary and community access to essential services and an increase in inappropriate A&E attendance.

## Business Cases in 2024/25

*Guidance:*

*Please insert detail of some of the key business cases in the ICB that are likely to be submitted in 2024/25.*

In addition to our core system capital Bob is planning to submit business case against national capital schemes as below:

### **National Upgrades Programme – Wave 2 Capital Funding**

- £5.9m Lacehill Primary Care Development North Buckinghamshire, BOB ICB

## 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.*

There is continual close system working between BOB and other local systems and providers :

- Hampshire and Isle of Wight ICS - co-ordination of capital programme pertaining to South Central Ambulance Service (SCAS)
- Frimley ICS – interlinked working relationships through Berkshire Healthcare Foundation Trust
- Milton Keynes NHS Foundation Trust & Swindon NHS Foundation Trust – interlinked working relationships with Oxford University Hospitals NHS Foundation Trust through Radiotherapy Outreach Services.

## 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.*

Significant investment is required within the estate portfolio to address lack of investment over a number of years, clinical compliance, backlog maintenance, capacity and to support new models of care and transformation. As such whilst more efficient use of the estate is envisaged (supported through digital transformation opportunities, care closer to home and through acute, primary care and community transformation) it is unlikely that either overall running costs of the estate or the GIA footprint will reduce significantly with the existing estate.

The estate workstream will be working to ensure that opportunities identified via Carter, ERIC and model hospital metrics are identified and progressed. This will include opportunities for identifying and resolving unoccupied space across all health partners, and increasingly across the wider public estate.

The estate workstream has already identified a pipeline of major estate investment that will be required to meet these ambitions and reduce cost.



**Annex A – Buckinghamshire Oxfordshire and Berkshire West ICB 2024/25 CAPITAL PLAN**

	CDEL	ICB	Berkshire Healthcare NHS Foundation Trust	Buckinghamshire Healthcare NHS Trust	Oxford Health NHS Foundation Trust	Oxford University Hospitals NHS Foundation Trust	Royal Berkshire Hospitals NHS Foundation Trust	Total Full Year Plan	Narrative on the main categories of expenditure
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Provider	Operational Capital		8,570	18,334	9,956	29,511	25,633	<b>92,004</b>	Digital/IT; Routine Maintenance; Backlog Maintenance; New build; Equipment
ICB	Operational Capital	2,995						<b>2,995</b>	GPIT refresh; Minor improvement Grants
	<b>Total Op Cap</b>	<b>2,995</b>	<b>8,570</b>	<b>18,334</b>	<b>9,956</b>	<b>29,511</b>	<b>25,633</b>	<b>94,999</b>	
Provider	Impact of IFRS 16		2,524	4,385	10,700	19,700	30,870	<b>68,179</b>	Leases
ICB	Impact of IFRS 16	832						<b>832</b>	Leases
Provider	Upgrades & NHP Programmes								
Provider	National Programmes (diagnostics, Front line digitisation, Mental Health, TIF)			8,639	2,006	4,559	16,899	<b>32,103</b>	Front Line Digitalisation; Diagnostic Digitalisation Capability; Elective Care Recovery/Targeted Investment Fund
Provider	Other (technical accounting)		1,578	1,476	1	5,400		<b>8,455</b>	
	<b>Total system CDEL</b>	<b>3,827</b>	<b>12,672</b>	<b>32,834</b>	<b>22,663</b>	<b>59,170</b>	<b>73,402</b>	<b>204,568</b>	Total System