

<b>REGION</b>	<b>Midlands</b>
<b>ICB / SYSTEM</b>	<b>Shropshire, Telford and Wrekin (STW)</b>

## Introduction

The 2023/24 joint capital plan has been developed through collaborative working across the ICB (Integrated Care Board) and Provider organisations. An STW Capital Prioritisation and Oversight Group (CPOG) exists as a sub committee of the Finance Committee to monitor the system capital programme against the operational capital envelope, gain assurance that the estates and digital plans are built into system financial plans and to ensure effective oversight of future prioritisation and capital funding bids. Estates and digital are seen as key enablers to our strategy and are overseen through the System's Strategy Committee and Integrated Delivery Committee (Both sub committees of the Integrated Care Board).

The System recognises that securing capital for infrastructure, both physical and digital, plays a material role in underpinning delivery of our strategic priorities though we also accept that we need to be innovative in our bids and work hard to cover the revenue consequences of that investment given our challenged financial position.

In 2022/23, in addition to core CDEL (Capital Departmental Expenditure Limit) allocated to the System the System secured a number of additional capital funding streams which will help to deliver key strategic priorities, these include funding for an Elective Hub at Princess Royal Hospital (PRH), the theatres programme at Robert Jones and Agnes Hunt (RJAH), a Community Diagnostic Centre (CDC) at Telford as well as funding to redesign the acute floor at the Royal Shrewsbury Hospital (RSH) and an Ambulance Receiving Area (ARA) at PRH. A bid has also been submitted for additional sub-acute bed capacity at Shrewsbury and Telford Hospitals (SATH) for which a final business case is due to be submitted for approval on 4<sup>th</sup> May 2023.

The Hospital Transformation Programme (HTP) continues to be an area of focus for the System and the Strategic Outline Case (SOC) was approved in 2022. It is expected that the Outline Business Case (OBC) will be submitted in the first six months of 2023/24.

## Assumed Sources of Funding for 2023/24

The capital programme for 2023/24 will be funded from internally generated sources and approved national funding programmes for the Elective Hub, CDC and frontline digitisation programmes.

Annex A demonstrates that the ICB total CDEL allocation is £87m (including national funding). Operational capital which is for improvements in estates backlog, digital and replacement diagnostic equipment amounts to £30.1m.

STW also have plans for £51.8m of national funding in 2023/24. This includes multiyear funding to complete the Elective Hub at PRH and the Community Diagnostic Centre at Telford. It also includes a bid for c. £24.5m to provide additional sub-acute beds at the RSH site in collaboration with SCHAT (Shropshire Community Health NHS Trust) (still to be confirmed at the time of writing).

Until final national approval is received there remains risk around the sub-acute bed capacity business case. If the build does not go ahead this would impact on the bed capacity model for SATH and risk our ability to reduce escalation costs.

## Overview of Ongoing Scheme Progression

### Elective Hub

The creation of the Elective Hub at PRH is expected to be completed by the end of June 2023. The expansion of the Elective Hub is expected to be complete by the end of December 2023.

### Community Diagnostic Centre

The CDC at Telford is planned to be open in August 2023.

### Theatre Development at RJAH

Development of an additional theatre and supporting infrastructure is planned for go live early Q4 of 23/24. This will support additional surgical capacity for elective orthopaedics.

### Frontline Digitisation

The frontline digitisation programme will continue in 2023/24 as part of the levelling up initiative across the NHS. Investment will ensure a baseline level of digital capability in all system organisations, ensuring health and care staff have access to health-related information when and where it is needed. This includes the continuation of the roll out of a new Electronic Patient Record (EPR) system at SATH and RJAH.

## Risks and Contingencies

The system will mitigate the risk of in year slippage to capital plans and monitor regularly through CPOG (Capital Prioritisation and Oversight Group). There is full commitment to only deliver 100% of the allocation.

There is no contingency included within the plans which means that should there be equipment failure or urgent estates repairs required, a reprioritisation of the 2023/24 plan will be required to ensure that the system remains within it's CDEL limits.

## Business Cases in 2023/24

### Additional Capacity

A collaborative case is being submitted to provide 64 sub-acute beds on the RSH site.

### HTP

The HTP Outline Business Case is being prepared for consideration at the Joint Investment Committee over the summer following the approval of the Strategic Outline Case in 2022.

### Primary Care Estates

Community Health Partnerships (CHP), National Association for Primary Care (NAPC) and Primary Care Commissioning (PCC) are currently working with all of the system Primary Care Networks (PCNs) to formulate estate plans – business cases may therefore follow in line with this programme.

### RJAH Additional Theatre Capacity

RJAH are currently preparing a business case aligned to the strategic replacement of existing estate. It is expected to be submitted in early 2023/24.

## Cross System Working

MPUFT (Midlands Partnership University Foundation Trust) is a provider that sits within the Staffordshire system but MPUFT representatives are also present on the STW Board and committees and linked into discussions regarding the capital programme to ensure alignment across systems.

## Capital Planning & Prioritisation

The ICB hold a monthly Capital Prioritisation and Oversight Group which is a sub committee of the System Finance Committee. The purpose of this group is to monitor the system capital programme against the capital envelope, gain assurance that the estates and digital plans are built into system financial plans and to ensure effective oversight of future prioritisation and capital funding bids.

Regular review of in year and 5 year capital plans ensure that the capital programme is in line with the strategic priorities of the ICS. There is a prioritisation matrix which has been agreed by all organisations to ensure that the capital plan remains affordable. The group is attended by the system leads for Estates and Digital as well as each organisation to ensure that all recommendations to Finance Committee are in line with the Estates and Digital strategy.



## Annex A – STW 2023/24 CAPITAL PLAN

	CDEL	ICB	SATH	RJAH	SCHT	Total Full Year Plan £'000	Narrative on the main categories of expenditure
Provider	Operational Capital		19,399	7,360	2,500	29,259	The 2023/24 operational capital programme for STW is comprised of essential estates backlog, improvements in digital infrastructure and the replacement of diagnostic equipment.
ICB	Operational Capital	883				883	Investment in primary care
	<b>Total Op Cap</b>	<b>883</b>	<b>19,399</b>	<b>7,360</b>	<b>2,500</b>	<b>30,142</b>	
Provider	Impact of IFRS 16		2,601	120	2,046	4,767	Leases are now held on the balance sheet and are included within CDEL limits.
ICB	Impact of IFRS 16	267				267	Leases are now held on the balance sheet and are included within CDEL limits.
Provider	Upgrades & NHP Programmes					-	
Provider	National Programmes (diagnostics, Front line digitisation, Mental Health, TIF)		47,234	4,600		51,834	This relates to national funding for the Elective Hub at PRH, the Community Diagnostic Centre at Telford and the bid for additional bed capacity. It also includes national digital funding to help the ICS reach the minimum digital foundations standard.
Provider	Other (technical accounting)					-	
	<b>Total system CDEL</b>	<b>1,150</b>	<b>69,234</b>	<b>12,080</b>	<b>4,546</b>	<b>87,010</b>	