

REGION

Midlands

ICB / SYSTEM

NHS Birmingham and Solihull ICB

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.

The Health and Care Act 2022 established ICBs with effect from 1 July 2022. Under sections 14Z56 and 14Z57 of the act, systems are required to publish the joint capital resource use plan before the start of the financial year and publish any significant amendments to that plan.

The capital plan has been developed jointly by Birmingham and Solihull ICB and the system partner Foundation Trusts.

Sources of funding for system capital include both internally generated funds from system organisations, and Public Dividend Capital in respect of nationally funded programmes, along with grants, such as the Public Sector Decarbonisation Scheme, donations and disposal proceeds

The system is forecast to underspend against total CDEL in 2022/23, with the main variances being:

- reduced IFRS16 expenditure compared with plan including:
 - additional leases at Birmingham and Solihull MH NHSFT;
 - a reduction in leases at Birmingham Women's and Children's NHSFT where planned multi-year leases have been replaced with rolling replacements to incorporate decision-making in relation to the accommodation strategy;
 - reductions at University Hospitals Birmingham including the delay in the signing of the lease at Harborne Hospital; projects which have not progressed in relation to new Vanguard Theatres and new PET-CT centre lease; and lower than planned impact of Community Diagnostic Centre lease, partially offset by higher values for leases for new inpatient modular wards on the Heartlands and Good Hope sites.
- additional PDC allocations in year, including Elective Recovery Fund/Targeted Investment Fund; Cancer Treatment; R&D Capacity; Mental Health; Diagnostic Digital Capacity; Ambulance Hub/Discharge Lounge; Front Line Digitisation; Critical

Cybersecurity Infrastructure risks; Diagnostic Imaging Capacity and Endoscopy Capacity

- Underspends on Community Diagnostic Centre spend compared with plan.

The plan that Birmingham and Solihull ICS set for 2023/24, which covers business as usual provider capital including backlog maintenance and replacement of minor equipment and primary care capital, as well as national programmes, totals £177.1m. This comprises a provider capital programme of £174.5m and a primary care capital programme totalling £2.6m.

Assumed Sources of Funding for 2023/24

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.

The envelope for the system totals £177.1m and the breakdown of this programme is:

- Operational capital totalling £77.8m (Provider capital £75.2m; Primary Care £2.6m)
 - this covers the day-to-day operational investments that have typically been self-financed by organisations in integrated care systems (ICS) or financed by the department of Health and Social Care through normal course of business loans or system capital support PDC
- Impact of IFRS 16 £43.1m
 - This is the impact of the requirement that leases be placed on the balance sheet by recognising a 'right-of-use' asset and a lease liability
- Upgrades and NHP Programmes £zero
 - This covers national strategic projects announced and in development or construction, such as new hospitals and hospital upgrades
- National Programmes £51.8m
 - This includes national programmes such as elective recovery, diagnostics, national technology funding and mental health dormitory eradication
- Other technical accounting £4.4m
 - This includes PFI residual interest charges

Further detail is shown in appendix A.

Overview of Ongoing Scheme Progression

Guidance:

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

Detailed monitoring of scheme progression against plans will take place at organisational level in the first instance.

Progress against the overall capital plan will be monitored through the Chief Finance Officers' group and the System Finance and Performance Committee.

Details of capital performance against plan will be included in the ICB Annual Report.

Key schemes which commenced in 2022/23 and which will continue into and be completed in 2023/24, include the Solihull Elective Hub and the Paediatric Hub, which were funded through the Targeted Investment Fund.

Risks and Contingencies

Guidance:

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

This current investment plan leaves the system facing:

- High costs relating to out of area inpatient beds for Mental Health patients as a result of the lack of capacity within the system.
- Average age of medical equipment getting older, with increased potential for breakdown;
- Backlog maintenance value and challenge increasing leading to higher maintenance costs;
- No material rolling ward refurbishment for another year;
- Underlying need for £1 billion + investment across the sites to modernise hospital buildings in line with current clinical standards;

No contingency is included within the plan.

Business Cases in 2023/24

Guidance:

Please insert detail of some of the key business cases in the ICB that are likely to be submitted in 2023/24.

Subject to completion of business cases, approval by the Board of Directors of the respective organisation and prioritisation by the system, it is anticipated that business cases may be brought forward for NHS England consideration during the year for following areas;

- Mental Health Capacity bid
- Heartlands Hospital Maternity Unit Refurbishment (including Neonatal facility)
- Heartlands Hospital Emergency Village development
- Birmingham Children's Hospital Emergency Department
- Community Diagnostic Hub for South Birmingham

- Frontline Digitisation bids for Birmingham Women's and Children's NHS FT and Royal Orthopaedic Hospital NHS FT
- Potential bid for ICU/HDU/Neonatal Surgery at Birmingham Women's and Children's NHS FT

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.

The system works collaboratively with NHS England regional colleagues to keep them updated, in order that any slippage may be utilised by other systems.

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.

The system has historically allocated a proportion of the allocated provider capital for organisational level schemes, whilst retaining a proportion as a System Capital Investment Fund with prioritised bids made against this fund and approved by the System Investment Committee. This has included strategic development initiatives as well as pressures on organisational plans on business-as-usual schemes such as backlog maintenance.

Partners collaboratively manage the spend against the system envelope to ensure that any potential overspends are mitigated and underspends are utilised.



Annex A – Birmingham and Solihull ICS 2023/24 CAPITAL PLAN

	CDEL	ICB £'000	B'ham and Solihull MH NHSFT £'000	B'ham Comm. Healthcare £'000	B'ham Women's and £'000	Royal Ortho- paedic £'000	Univ Hospitals B'ham £'000	Total Full Year Plan £'000	Narrative on the main categories of expenditure
Provider	Operational Capital		6,977	6,372	20,875	3,909	37,071	75,204	Provider contributions to Targeted Investment Fund schemes re Solihull Elective Hub (expanded cold site/6 theatres) and Paediatric Elective Hub ; service improvements including Solihull Minor Injuries Unit ; Ambulance Decision to Admit area and Same Day Emergency Care areas ; Cardiac Cath Lab replacement (BWC); commencement of modernisation of Maternity Unit at Heartlands; expansion of PET-CT centre (UHB) . Other general Business As Usual Capital ie backlog maintenance; statutory standards; IT capital including equipment and network infrastructure; risk assessment works; clinical equipment replacement; estates reconfiguration and provider contributions to Public Sector Decarbonisation Schemes.
ICB	Operational Capital	2,638						2,638	Replacement IT equipment for GP Practices (PCs, laptops, monitors, printers) across Birmingham and Solihull; Upgrades to GP computer networks; Works to upgrade NHS owned premises to facilitate increased utilisation of empty space in Primary Care; Contingency in connection with planned HQ relocation
	Total Op Cap	2,638	6,977	6,372	20,875	3,909	37,071	77,842	
Provider	Impact of IFRS 16		0	2,375	9,902	0	30,780	43,057	Medical equipment, vehicle and accommodation leases across the system; space for new Private Patient facility on QE site. Potential for additional lease impact relating to replacement of ageing Imaging equipment
ICB	Impact of IFRS 16							0	
Provider	Upgrades & NHP Programmes		0	0	0	0	0	0	
Provider	National Programmes (diagnostics, Front line digitisation, Mental Health, TIF)		0	0	20,355	0	31,430	51,785	Paediatric Elective Hub ; Solihull Elective Hub (expanded cold site and six theatres); Frontline digitisation ; BSOL Laboratory Information Management System ; Estimates for national endoscopy funding and Community Diagnostic Centre funding (East Birmingham)
Provider	Other (technical accounting)		655	1	1	0	3,773	4,430	PFI residual Interest
	Total system CDEL	2,638	7,632	8,748	51,133	3,909	103,054	177,114	