

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

## Introduction

In 2023/24, in addition to core CDEL (Capital Departmental Expenditure Limit) allocated to the System the System secured a number of additional capital funding streams (a number of which continued on from 2022/23) which support delivery of key strategic priorities, these included 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 additional sub-acute bed capacity at Shrewsbury and Telford Hospitals (SATH).

The 2024/25 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 subcommittee 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 Strategic Commissioning Committee which is a subcommittee 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 2024/25 the Financial Framework was updated to reflect a reduction to systems provider capital spend at 15% of the deficit value or capped at 10% of CDEL, for STW this means provider operational capital is reduced by 10%, £2.8m.

The Hospital Transformation Programme (HTP) continues to be an area of focus for the System following Full Business Case (FBC) approval.

## Assumed Sources of Funding for 2024/25

The capital programme for 2024/25 will be funded from internally generated sources and approved national funding programmes for the Hospital Transformation Programme (HTP), Frontline Digitisation Programme and the Targeted Investment Fund (TIF).

Annex A demonstrates that the System total CDEL allocation is £107m (including national funding). Operational capital which is for improvements in estates backlog, digital and replacement equipment amounts to £26m.

STW also have plans for £72.5m of national funding in 2024/25. This includes funding for the Hospital Transformation Programme and Frontline Digitisation/TIF Programmes.

## Overview of Ongoing Scheme Progression

### RJAH Developments

- Additional elective theatre capacity – finalisation of an additional theatre and supporting infrastructure is planned to go live in October 2024 supported by the national Targeted Investment Fund (TIF2). This will support additional surgical capacity for elective orthopaedics.
- Implementation of new Electronic Patient Record (EPR) – the completion of a new EPR system Trust wide is planned to Go Live in September 2024 supported by Frontline Digitisation funds. This will see the Trust go fully electronic and support an improved level of digital maturity.

### SaTH Developments

The Trust has £71.56m relating to national externally funded capital allocations on 2024/25 which includes the funding for the Hospitals Transformation Programme (HTP), the final year of the three-year digital funding to meet minimum digital foundation standards and the Diagnostic Digital Capability Programme.

### SCHT Developments

The main areas of the SCHAT capital investment plan cover fire safety maintenance, completing mandatory ventilation upgrades, increasing clinic capacity, Investment in frontline digital and renewing x-ray equipment.

### Primary Care Estates

The Primary Care Estates Plans have now been completed and the detailed Primary Care Estates Strategy document is currently in development and to include a prioritisation of proposed projects, this will be submitted through Integrated Care Board Governance in Q2. It is expected that practices/primary care networks will submit business cases for approval by the Integrated Care Board in line within the agreed list of priorities Q2 onwards in 2024/25.

## Risks and Contingencies

The 2024/25 NHS England Financial Framework has reduced the system Operational Capital by 10% in year, this means there is no contingency and a risk that the cost of essential backlog maintenance and urgent clinical and estates equipment replacement will exceed this limit.

National funding made available for the impact of capitalising leases under IFRS16 indicates that there is a funding shortfall in year which is expected to be funded within the available capital spend limit, this is an additional risk to delivery of capital spend within the capital plan spend limit.

National funding for the SCHAT frontline digital scheme in 2024/25 has not been forthcoming, this presents a further risk to affordability within the available capital spend limit, timing of this investment is therefore under review with NHS England.

The system will mitigate the risk of overspending of capital plans by applying the Capital Prioritisation Framework and regular monitoring of spend through CPOG (Capital Prioritisation and Oversight Group).

## Business Cases in 2024/25

SaTH - Year 3 of the Digital Funding and the Hospital Transformation Programme (not new business cases).

ICB - It is expected that practices/PCNs will submit business cases for approval by the ICB in line within the agreed list of priorities Q2 onwards 2024/25.

SCHAT - Frontline digital business case, timing is currently under discussion with NHSE.

## 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 subcommittee 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 as required 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 infrastructure strategy.



## Annex A – STW 2024/25 CAPITAL PLAN

The table below is the Final Capital Plan as per the plan submission to NHSE on the 12<sup>th</sup> of June:

Shropshire, Telford and Wrekin ICS						
CDEL - (Capital Departmental Expenditure Limit)	ICB	SATH	SCHT	RJAH	Total Full Year Plan	Narrative on the main categories of expenditure
	£000's	£000's	£000's	£000's	£000's	
Provider - Operational Capital		16,768	2,250	6,185	25,203	90% of the previously notified Capital Resource Limit as per the Financial Framework to cover essential estates backlog, digital infrastructure and replacement of clinical equipment.
ICB - Operational Capital	883				883	GP Grants/GP IT
<b>Total Operational Capital</b>	<b>883</b>	<b>16,768</b>	<b>2,250</b>	<b>6,185</b>	<b>26,086</b>	
Provider - Impact of IFRS16		4,150	5,135	200	9,485	The system IFRS16 uplift is £6.24m - the £3.25m is expected to be funded from Operational Capital in addition to the 10% cap
ICB - Impact of IFRS16					-	No impact of IFRS16 in 24/25
Provider - National programmes (HTP, Frontline Digitalisation, TIF2)		71,565		1,000	72,565	TIF2, Frontline Digitalisation and Hospital Transformation Programme
<b>Total System Provider CDEL</b>	<b>883</b>	<b>92,483</b>	<b>7,385</b>	<b>7,385</b>	<b>107,253</b>	<b>Excludes ICB Operational Capital</b>