

Joint capital resource use plan – 2023/24

REGION	East of England
ICB / SYSTEM	Mid and South Essex

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 System Investment Group leads on the monitoring of in-year performance and development of future plans for the two provider Trusts and ICB. All organisations have completed an internal risk assessment and prioritisation process, and taken through the relevant governance route.

Plans have been aligned to organisational objectives and system priorities of,

- contractual commitment,
- replacement / end of life,
- health and safety / quality
- productivity / efficiency.

The system worked well to deliver on the system position for 2022/23 and looks to continue to build on this with further system-wide developments in 2023/24. EPUT is supporting MSEFT with the development of a Community Diagnostic Centre on one of its sites and the Trust have agreed a balanced system funding approach to EPUTs urgent care department to help ease pressure on the acute system.

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 ICB is in the second year of an agreed three-year capital funding envelope.

The two provider Trusts have an agreed envelope of £59.8m including £5.7m of RAAC funding for MSEFT. In addition, the system has access to further discretionary capital subject to the delivery of the agreed financial position for 2022/23. This totals £4.5m and has been allocated £2.1m to MSEFT and £1m to EPUT for safety schemes. The residual sum of £1.4m is being held by EPUT and will be managed via the MSE System Investment Group, for system priorities.

The ICB has an agreed allocation of £2m for 2023/24.

In addition to the above funding, both provider Trusts have identified further sources of external funding in respect of the development of Electronic Patient Record (£21m across both Trusts), Community Diagnostic Centres at MSEFT (£21.7m) and development of a 23 hour surgical hub at MSEFT (£9.9m).

Further impacts arising from IFRS16 (leases) has been included by both Provider Trusts at £10.6m. Funding for IFRS16 currently sits nationally rather than at a local level.

Although the ICB has submitted a capital expenditure plan in line with funding, the system as a whole remains overcommitted in excess of £135m. Where possible, the system is seeking additional funding through allocations, and individual organisations are looking at potential estate disposals with a view to increasing the level of capital investment to be made.

Overview of Ongoing Scheme Progression

Guidance:

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

Both provider Trusts have bought forward a high level of commitments from the previous financial year. Other new schemes for 2023/24 are in the process of being tendered.

Risks and Contingencies

Guidance:

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

The capital plans include the following main risks,

- The Trusts plans include spend of £36.2m on the development of Electronic Patient Record of which £27m is DHSC funded. The Business Case has been developed and going through final stages of internal governance following which the procurement process will commence. There is a risk that scheme will be unaffordable or undeliverable to the expected envelope in-year which would require reprioritisation of internal plans and potential loss of DHSC funding.
- Both provider Trusts are holding minimal levels of contingency (£2.8m combined) to address any in-year risks or bids. The ICB has nil. If insufficient, an in-year reprioritisation of plan would be required. In addition to the organisation specific contingencies, EPUT is holding a further £1.4m of discretionary capital for the system which remains unallocated and is subject to an in-year prioritisation and bidding process.
- The Primary Care Estate development pipeline has been reviewed and prioritised within the available envelope, however the allocation is a significant constraint to enabling us to deliver the breadth of improvements required to improve quality as well as capacity and access in Primary Care. All other routes are being explored but there is a significant risk to being able to fulfil Primary requirements within existing envelopes.
- Both the provider Trusts and the ICB have significant unfunded schemes in excess of £135m.

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.

The ICB has a number of Business Cases in progress or already approved for 2023/24.

This includes Electronic Patient Record which is a system-wide project which is going through final stages of internal governance ahead of submission to NHSE. MSEFT has two approved business cases for the Thurrock and Braintree Community Diagnostic Centres, and one further case for Pitsea Community Diagnostic Centre subject to approval.

The EPUT plan includes DHSC mental health funding for an approved business case with Suffolk and North East Essex ICS.

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.

MSE FT works predominantly in the MSE ICB footprint. EPUT delivers services across four ICBs and shares information about the capital plan and initiatives through finance and estates networks.

EPUT works across several ICB's and has utilised external funding sources via SNEE to improve seclusion rooms across north Essex in 2022/23. A further bid is pending final approval to utilise mental health funding identified in SNEE for 2023/24 and 2024/25.

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 operated a System Investment Group, chaired by EPUT since October 2021. This forum has been used to discuss and recommend major investment cases to the Senior Financial Leaders Group, and more recently the Finance Investment Committee, since the creation of the ICB.

The System Investment Group has also been the forum at which capital allocations and plans are reviewed and agreed.

In addition, the capital teams work closely together on a less formal basis, and meet weekly for the two months of the year to ensure the maximum deployment of the system capital allocation and manage within the ICB envelope.

Annex A – MSE ICB 2023/24 CAPITAL PLAN

2023/24					
MSEFT £k's	EPUT £k's	Provider Total £k's	Primary Care £k's	System Total £k's	
System Envelope	43,544	10,513	54,057	1,987	56,044
RAAC	5,700		5,700		5,700
Discretionary Capital	2,100	1,000	3,100		3,100
Discretionary Capital (held for system allocation)		1,387	1,387		1,387
Internal Funding (Charge against envelope)	51,344	12,900	64,244	1,987	66,231
MH Urgent Emergency Care		726	726		726
EPR	21,000	6,000	27,000		27,000
Thurrock CDC (approved)	8,347		8,347		8,347
Braintree CDC (approved)	5,528		5,528		5,528
Pitsea CDC (case submitted)	7,799		7,799		7,799
23 Hour Surgical Hub	9,948		9,948		9,948
Fleet Replacement		781	781		781
Lease Remeasurement	8,004	1,839	9,843		9,843
PFI - Residual Interest	3,073	117	3,190		3,190
External Financing	63,699	9,463	73,162	0	73,162
TOTAL CDEL	115,043	22,363	137,406	1,987	139,393