

Joint capital resource use plan 2024/25

Region	North East & Yorkshire
ICB / System	West Yorkshire
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Introduction

2023/24 Outturn/Background

The capital plan for West Yorkshire was developed between NHS West Yorkshire Integrated Care Board (the ICB) and partner NHS Trusts and Foundation Trusts and covers the full financial year 2023/24, from 1 April 2023 to 31 March 2024.

The West Yorkshire system worked together successfully to deliver an operational capital plan for 2023/24 which was fully utilised.

The capital plan for 2023/24 combined the system operational capital allocation, reflecting year two of a multi-year settlement, and other confirmed national programmes of funding.

The NHS provider system allocation is resourced through internally generated funding (cash and depreciation within organisations), and national programme schemes are resourced through the issue of public dividend capital (cash).

Primary Care developed schemes are implemented in places within the ICB, with management support provided by NHS England colleagues. Most Primary Care schemes are focused on the procurement of digital technology and hardware, as well as improvement grants related to the development of primary medical care premises.

2024/25 Plan

The provider capital plan for 2024/25 combines the system operational capital allocation (year three of a multi-year settlement) and other confirmed national programmes of funding.

The system allocation is resourced through internally generated funding (cash and depreciation within organisations), and national programme schemes are resourced through the issue of

public dividend capital (cash). There are no planned material disposal of assets within our plans.

The system operational capital resource is used for schemes within organisations which primarily support day-to-day operational investment in infrastructure, clinical equipment and information management and technology. The plans are developed by individual trusts based on their prioritised cycle of reinvestment/replacement of assets and assessment of backlog and safety works.

Key Strategic Priorities and Schemes

The ICB has allocated the provider system operational capital resource to the 10 NHS providers in West Yorkshire based on the national methodology utilised by NHS England to set the system allocation. This incorporates factors such as the level of backlog maintenance in each organisation and the value of the depreciation charge on assets. NHS providers utilise this resource to support 'business as usual' capital schemes, such as backlog maintenance, equipment replacement and IT expenditure.

The system aims to best deploy operational and national capital to support strategic priorities. It is however recognised that the level of capital resource available to West Yorkshire does not allow all strategic priorities to be delivered. The extent to which this creates risks for organisations, places and the wider system is captured through established risk management systems and processes. Some of these issues are highlighted below in the 'Risks and Contingencies' section.

Funding Sources

The ICB has been notified by NHS England of its provider system operational capital resource which has been allocated to individual organisations based on the national methodology, adjusted to incorporate three specific allocations;-

- £15m for remedial works at Airedale General Hospital related to the Reinforced Autoclaved Aerated Concrete (RAAC) issues prevalent on that site
- £13m for Aseptics scheme at Leeds Teaching Hospitals
- £1.5m for additional ambulances at Yorkshire Ambulance Service

The total operational capital allocation for 2024/25 is £178.5m. For the purposes of financial planning, the system plan includes a 5% (£7.7m) over programming allowance, resulting in a total capital plan of £186.2m. It should be noted, however, that expenditure must be contained within the overall funding envelope.

The ICB capital allocation relating specifically to primary medical care for 2024/25 is £4.3m which is similar in value to 2023/24 allocation.

Our NHS provider plans also include a number of pre-committed and agreed national programme funding streams. These are linked to; -

- enabling works related to the approved New Hospital Programme development at Leeds Teaching Hospitals and Airedale NHS Foundation Trust; and
- a range of other national programmes, including Endoscopy, Mental Health, Diagnostic equipment, schemes to support elective recovery, and digital schemes which support clinical care.

In addition, we have identified capital plan requirements for long term leases which are now a charge against capital resource due to changes in accounting treatment (International Financial Reporting Standard 16 – IFRS16) introduced in 2022/23. These remain funded by organisations through depreciation but are a capital resource charge. This resource is in addition to the system envelope and national programmes.

Organisations have reviewed all leases to ensure the correct level of IFRS16 resource which for providers equates to £49.7m in 2024/25 and for the ICB £1.0m.

The system is working with NHSE regional teams to identify providers' planned IFRS16 values, and following the conclusion of the planning process NHSE will seek to finalise the system's share of the IFRS16 allocation.

In 2022/23 and 2023/24, NHSE received an uplift to the capital mandate in respect of the incremental CDEL impact of IFRS16. Allocation of the capital mandate against schemes in the plan is being nationally managed. Funding for schemes against this nationally managed allocation will be confirmed once the final uplift to NHSE capital for 2024/25 is confirmed. At this time ICB IFRS16 resource is assumed to be funded in 2024/25, but this is not yet confirmed and is noted in the risks below.

2024/25 CDEL allocations and sources of funding

Please see attached Annex A which details the funding at Provider and ICB level.

The total West Yorkshire capital plan for 2024/25 is £319.9m which is broken down as follows:

- Provider operational capital £186.1m;

- ICB operational capital £4.3m;
- IFRS16 impact £49.7m; and
- Nationally funded schemes £93.3m

Key points to note:

- The provider operational capital plan includes £15m additional funding for the RAAC issues at Airedale General Hospital. A solution for the replacement of the full hospital has been approved nationally as part of a bid to the New Hospital Programme, for which planning work has started in 2023/24.
- Operational capital expenditure plans predominantly relate to the replacement of medical equipment that is at the end of its life, backlog maintenance and IT infrastructure.
- Plans assume IFRS16 implications are fully funded.
- Nationally funded capital schemes include some of the following key elements:
 - o Costs associated with schemes already approved, or those relating schemes approved through the New Hospitals Programme (NHP);
 - o Projects funded through the Targeted Investment Fund programme to support elective recovery and reducing waiting lists and waiting times;
 - o Implementation of Community Diagnostic Centres;
 - o Digital infrastructure projects, including Electronic Health Records, end user modernisation, Digital Diagnostic Capability investment and frontline digitisation; and
 - o The programme of work to support the Regional Imaging Collaborative across Yorkshire.

Capital planning and prioritisation

The system recognises the need to refresh our ICB estates strategy, aligning this to the digital plan to develop a comprehensive Capital Infrastructure Plan which identifies the medium-term requirements for NHS Capital.

It should be noted that Leeds Teaching Hospitals NHS Trust was successful in being included in an earlier wave of the New Hospital Programme and is moving forward to finalising enabling works business cases to support delivery of the new hospital. The trust is expecting further confirmation of next steps from the New Hospital Programme imminently. In addition to this, we have several providers that made expressions of interest into the next wave of New Hospitals Programmes and submitted business cases in 2023/24.

The ICS had one successful bid to the next wave of New Hospitals Programmes, with approval to build a new hospital for Airedale NHS Foundation Trust; for which enablement works are now underway.

As national programme funds become available, the ICB ensures full adherence to well established collaborative arrangements to identify and prioritise investment, the most current examples being the multi-year community diagnostic allocation and the urgent and emergency care allocation for Mental Health Crisis.

The aim is to refresh the system WY Capital Infrastructure Strategy by end of July 2024. A main area of focus within this will be the use of Primary Care estate as this is significantly linked to the system's long-term ambitions and priorities for care.

Overview of ongoing scheme progression

Providers

For the majority of operational capital schemes, the level of development is dependent on the expected scheduling of backlog maintenance and when replacement equipment is required.

Key national schemes which are ongoing are as follows:

- Airedale NHS FT - Remedial works to support the RAAC issues at Airedale General Hospital and enablement works for New Hospital Programme.
- Airedale NHS FT – Electronic Patient Record project;
- Bradford Teaching Hospitals NHS FT - Completion of the Endoscopy unit

- Calderdale and Huddersfield NHS FT - Hospital Reconfiguration, planned continuation of the overall scheme in 2024/25, subject to HMT approval;
- Calderdale and Huddersfield NHS FT – Community Diagnostic Centre
- Calderdale and Huddersfield NHS FT – New Medicine Manufacturing Unit
- Leeds and York Partnership NHS FT – Mental Health (Perinatal and High Intensity Services)
- Leeds Teaching Hospitals NHS Trust – New Hospital Build
- Yorkshire Ambulance Services NHS Trust – Mental Health Electric Vehicles
- Yorkshire Ambulance Services NHS Trust – UEC Ambulance Funding for DCA fleet

ICB

The ICB capital plan is currently progressing, with a mixture of schemes to develop Primary Care buildings and technology in primary medical care.

Risks and contingencies

The system has reviewed risks relating to the capital programme and has summarised them as outlined below.

System Planning and National Funding

The system operational capital available is focused on delivering operational demands, and is not sufficient to allow the progression of some of the key strategic developments that are considered priorities within West Yorkshire. We are reliant on securing funding through national funding sources and their related bidding processes which are generally over-committed.

The ICB continues to work to support NHS provider trusts in West Yorkshire with their respective planning and profiling of nationally approved capital plans awaiting the next phase of national support or capital bids awaiting a national decision.

Inflation

The current level of inflation is having a significant impact on the ability to manage project expenditure to original plans, particularly across multi-year projects.

Delivery

We are continuing to manage the consequences of the worldwide economic conditions which has dramatically affected the lead times of some items of equipment and makes capital planning less certain.

IFRS16

The system is working with NHSE regional teams to identify providers' planned IFRS16 values, and following the conclusion of the planning process NHSE will seek to finalise the system's share of the IFRS16 allocation.

Cash

As described above, operational capital is funded through a combination of depreciation and cash. There is a risk that some organisations may not have sufficient cash to support capital investment in 2024/25 due to challenging revenue plan positions.

PFI

One of our providers has identified a significant increase in cost of PFI Lifecycle costs, which could lead to these costs being capitalised in future years. This would have a significant impact on the use of capital allocation at this provider in future years.

Specific Risks

There are further specific risks from Trusts which are highlighted on their published risk registers.

Business cases in 2024/25

Further business cases that are being developed and submitted and/or expected to reach a conclusion in terms of their bid outcome by NHS England in 2024/25 include:

- Airedale NHS FT – Successful in funding bid for New Hospital Programme (NHP) to redevelop the hospital site in 2023/24. Funding for enabling works was funded in 2023/24 and an offer of further programme funding from the national NHP team has been received for 2024/25. Short form businesses cases are being developed for funding of further elements of the enabling works, and work is underway to develop the Strategic Outline case for the whole programme.
- Airedale NHS FT - Business cases have been submitted for two main projects: RAAC and EPR. RAAC – the trust is working with NHSE national and regional teams to finalise the

proposal and access capital funding. EPR programme is continuing with a planned go-live date of September 2024.

- Bradford District Care NHS FT – Redevelopment of acute mental health services on the Lynfield Mount Hospital site. A recent expression of interest to the NHP was unsuccessful. Given the pressing need for investment, bids will continue to be made to secure funding. The development will make significant improvements in the Trusts carbon footprint.
- Bradford Teaching Hospitals NHS FT – In 2023/24 the trust were awarded funding for a new Endoscopy Unit at Bradford Royal Infirmary, which will increase room capacity by 25%, and offer facilities for general anaesthesia provision and fluoroscopy. The Strategic Outline Case submitted April 2021 for re-provision of Bradford Royal Infirmary and St Luke's Hospital was unsuccessful.
- Calderdale and Huddersfield NHS FT – Outline Business Case submitted October 2021 for redevelopment of services at Calderdale Royal Hospital.
- Calderdale and Huddersfield NHS FT – Huddersfield Pharmacy Specials (HPS) to expand pharmaceutical manufacturing was submitted in 23/24 and will commence development in 24/25.
- Calderdale and Huddersfield NHS FT – Community Diagnostics Schemes (CDCs) – completion of the Halifax CDC, operational in Summer 24; commencement of the Huddersfield CDC, expected to be operational in 25/26.
- Leeds and York Partnership NHS FT - A Strategic Outline Case was due to be submitted in 2023/24 in relation to mental health inpatient estate in Leeds, but is not being progressed. Work is progressing on a small number of business cases approx.£17m due to be submitted in 2024-25 in relation to the inpatient estate in Leeds for Perinatal and high intensity services.
- Leeds Teaching Hospitals NHS Trust (2023/24) – Elective Hub at Chapel Allerton is currently paused due to TIF funding being withdrawn, alternative plan is for development of 2 new theatres and ward to aid elective recovery; Development of Aseptics facility has progressed with the business case approved late in 2023, Community Diagnostics Centre scheme is progressing, NHP scheme is progressing, finalisation of enabling works business cases to support delivery of the new hospital in Leeds.
- Leeds Teaching Hospitals NHS Trust (2024/25) – 3 current bids submitted and awaiting approval; 2 Emergency Department (ED) Bids and an EPR bid. The ED bids will refurbish part of the Leeds General Infirmary site to create a new multi-specialty Same Day Emergency Care (SDEC) area, and redesign and expand the current Resus area in St James' Hospital. EPR is in the final year of a 3 year scheme approved in 2022/23. Leeds Teaching Hospitals are also working on other urgent priorities which don't yet have identified

funding streams, such as Radiotherapy Satellite Expansion and a purpose built Genomics and Haematological Malignancy Diagnostic Service (HMDS) building.

- Mid Yorkshire Hospitals NHS Trust – Expression of Interest to the New Hospital Programme for developments at Pinderfields Hospital and Dewsbury District Hospital in 23/24 was unsuccessful. Given the pressing need for investment, particularly at the Dewsbury site, bids will continue to be made to secure funding. Work is ongoing on developing an OBC for a convergent Electronic Patient Record (EPR) system, expanding the Clinical Research and Innovation Building to grow external research capacity, and a bid for funding for Urgent and Emergency Care (UEC) has been submitted.
- South West Yorkshire Partnerships NHS FT – Expression of Interest to the New Hospital Programme for the redevelopment was unsuccessful.

Cross-system and collaborative working

There are a number of NHS providers which operate across ICB system borders, most notably Yorkshire Ambulance Service NHS Trust (YAS) which serves populations in South Yorkshire and Humber & North Yorkshire, as well as West Yorkshire. South West Yorkshire Partnerships NHS FT which provides community and mental health services in Barnsley, South Yorkshire. Leeds and York Partnership NHS FT provide specialist mental health services in Humber & North Yorkshire.

Each of these Trusts are involved in the partnership arrangements across their health and care systems.

Net zero carbon strategy

In 2023, the WY ICB developed an ICB Green Plan in response to the national Greener NHS document 'Delivering a Net Zero Health Service'. The plan highlights some of the work the ICB is doing, sets ambitious targets for the ICB and system partners, and draws together the green plans of our NHS trusts as well as targets approved by partner organisations.

As hospitals, health centres and GP practices are the most visible manifestation of the NHS, it is imperative that sustainability and carbon reduction are actioned at these facilities at the earliest opportunity. With carbon emissions relating to the estates and facilities services accounting for the largest portion of service-related direct emissions, decarbonising estates and facilities services is an important step towards achieving net zero carbon emissions.

The ICB Green plan sets out actions below in relation to estate;-

- All NHS Trusts to produce a heat decarbonisation plan per site
- All trust sites should explore opportunities for all types of on-site renewable energy generation, such as wind turbine and solar panels
- All capital expenditure should have a documented sustainable impact assessment (SIA)
- All major and minor capital schemes shall be assessed for their operational carbon emissions and their impact on the green plan.
- All new building work will comply with the New Zero Carbon Hospital Standard when available.

Examples of net zero carbon schemes delivered by providers are;-

- LED Lighting across the estate of CHFT Trust hospitals
- LED Lighting across Broadsheet CDC – DHSC Funded
- Air Handling Unit Utility consumption reduction – Energy Project Enabling Fund
- Solar Photo Voltaic (PV) installations (CHFT) – DHSC Funded
- Public Sector Decarbonisation Scheme (PSDS) Phase 1 – LTHT Salix Grant funded
- PSDS Phase 3a at LTHT – Connection to local district heating system, Secondary Glazing installation and draught proofing – Salix Grant funded
- LED lighting installation at LTHT – NEEF Grant funded
- Transition plan for electrification of the Patient Transport Fleet at YAS, including installation of 100 EV charging points
- Full electrification of the Mental Health vehicle fleet at YAS

System CDEL

Please see attached Annex A which details the funding at Provider and ICB level.

Annex A

	CDEL	ICB	Provider 1	Provider 2	Provider 3	Provider 4	Provider 5	Provider 6	Provider 7	Provider 8	Provider 9	Provider 10	Total Full Year Plan £'000
			AIREDALE NHS FOUNDATION TRUST	BRADFORD DISTRICT CARE NHS FOUNDATION TRUST	BRADFORD TEACHING HOSPITALS NHS FOUNDATION TRUST	CALDERDALE AND HUDDERSFIELD NHS FOUNDATION TRUST	LEEDS AND YORK PARTNERSHIP NHS FOUNDATION TRUST	LEEDS COMMUNITY HEALTHCARE NHS TRUST	THE LEEDS TEACHING HOSPITALS NHS TRUST	MID YORKSHIRE TEACHING NHS TRUST	SOUTH WEST YORKSHIRE PARTNERSHIP NHS FOUNDATION TRUST	YORKSHIRE AMBULANCE SERVICE NHS TRUST	
Provider	Operational capital		22,710	6,706	25,600	26,969	11,874	2,605	50,695	15,619	8,060	15,317	186,155
ICB	Operational capital	4,332											4,332
	Total system operational capital	4,332	22,710	6,706	25,600	26,969	11,874	2,605	50,695	15,619	8,060	15,317	190,487
Provider	Impact of IFRS 16		669	1,330	1,900	5,000	1,050	11,109	5,000	5,635	5,910	12,059	49,662
ICB	Impact of IFRS 16	1,046											1,046
Provider	New Hospital Programme		4,534	-	-	-	-	-	4,900	-	-	-	9,434
Provider	Sustainability and Transformation Partnership (STP)/ Upgrades Programme		-	-	-	3,443	-	-	24	99	-	-	3,566
Provider	National programmes (please list separately as required)												-
	Screening - Diagnostics Programme		-	-	-	-	-	-	-	-	-	-	-
	Community Diagnostic Centres		-	-	190	-	-	-	-	-	-	-	190
	Community Diagnostic Centres - Lease Liability		-	-	-	-	-	-	-	-	-	-	-
	Diagnostic Digital Capability Programme		108	-	601	19,084	-	-	2,699	550	-	-	23,042
	Diagnostic Imaging Capacity		-	-	6	-	-	-	200	-	-	-	206
	Elective Recovery/Targeted Investment Fund		-	-	384	-	-	-	-	-	-	-	384
	Endoscopy - Increasing Capacity		-	-	16,009	-	-	-	-	-	-	-	16,009
	Endoscopy - Increasing Capacity (Lease liabilities)		-	-	-	-	-	-	-	-	-	-	-
	Front Line Digitisation		4,612	202	-	-	1,009	1,306	3,276	2,918	-	-	13,323
	Health Improvement Breast Screening		-	-	-	-	-	-	-	-	-	-	-
	Mandate Transfer - National		-	-	-	-	-	-	-	-	-	-	-
	Mental Health		-	-	-	-	17,819	-	431	-	-	324	18,574
	Mental Health Dormitories		-	-	-	-	-	-	-	-	-	-	-
	Targeted Lung Health Check Programme		-	-	-	-	-	-	-	-	-	-	-
UEC Capacity		-	-	-	-	-	-	-	-	-	-	-	
PFI capital charges (locally funded capital charge on PFI termination)		-	-	-	-	-	-	-	-	-	-	-	
PFI capital charges (e.g. residual interest)		-	-	-	968	-	-	4,281	3,276	-	-	-	8,525
Provider	Other (technical accounting)												-
	Total system CDEL	5,378	32,633	8,238	44,690	55,464	31,752	15,020	71,506	28,097	13,970	27,700	334,448