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South East London Integrated Care System Joint Capital Resource Use Plan – 2023/24

REGION	London
ICB / SYSTEM	South East London

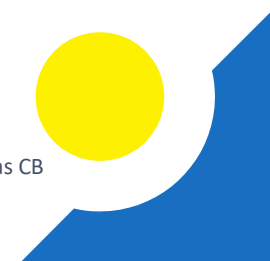
This report outlines the South East London Integrated Care System (SEL ICS) Joint Capital Resource Use Plan for financial year 2023/24.

South East London Integrated Care Board (SEL ICB) and the five partner NHS trusts and foundation trusts in the integrated care system (ICS) have collaboratively developed the joint capital resource use plan for 2023/24. The plan sets out how the SEL system capital allocation is to be used, together with other capital resource assumptions and anticipated in-year adjustments to plans for providers.

The joint capital plan draws on multiple sources of funds and/or resource:

- system capital allocation, as notified by NHS England (NHSE)
- capital provided by NHSE to implement national priority programmes, such as digital maturity.
- capital support to the private finance initiative (PFI) arrangements at Queen Elizabeth Hospital (QEH) and Princess Royal University Hospital (PRUH)
- capital provided for immediate priorities such as elective recovery programmes and urgent and emergency care capacity.
- resource provided in relation to technical accounting changes, for example, the adoption of IFRS 16 (accounting for leases)
- assumed additional capital for paediatric oncology and QEH critical infrastructure.

The ICS system capital allocation is not intended to enable the building large new estate such as hospitals. Its origins are, primarily, in maintaining existing operational capability. The SEL ICS system is seeking to balance organisational operational priorities with system strategic priorities. For 2023/24, SEL has identified 10% of its system capital allocation for system strategic priorities with 90% directed to trust specific priorities.



SEL ICS is required to operate within the total delegated Capital Departmental Expenditure Limit (CDEL). This comprises the system capital allocation, specific additional capital approvals (for example, for national priorities such as community diagnostics and urgent and emergency care capacity), charitable donations, asset disposals and new capital resource such as via public dividend capital (PDC).

Key priorities for SEL ICS, that our joint capital resource use plan supports, includes:

- generating and maintaining elective capacity, including ensuring capacity in theatres and diagnostic services to support our elective activity targets.
- expanding and maintaining capacity in urgent and emergency care services to support new pathways of care, admission avoidance and shorter lengths of hospital stay.
- developing our digital maturity in clinical settings, for example implementing and developing electronic health record systems and the capability for records to be shared across care providers.
- Continuing, to completion, those longer-term capital programmes that have already started in previous years, such as the building of the Evelina London Children's Hospital by Guy's and St. Thomas' NHS Foundation Trust (GSTT), redevelopment of Douglas Bennett House for modern adult inpatient, eating disorder and neuropsychiatry facilities and the development of the Pears Maudsley Centre for Children and Young People by South London and Maudsley NHS Foundation Trust (SLaM).

We anticipate the following risks to delivery of our plan:

- Rising inflationary costs experienced since the beginning of the Covid pandemic and the war in Ukraine.
- Associated delays to building completion and the supply chain for materials and components.
- Risk of not securing additional resource from NHS England for the QEH critical infrastructure programme.

We will manage these risks through a combination of

- Overplanning – At the start of the year trusts are permitted to have additional plans for schemes, that may commence in-year if capital resource becomes available in-year. For example, through new capital approvals or slippage in the expenditure against planned schemes.
- Seeking to bring forward schemes from future year plans.
- Working collectively across SEL system to manage overall capital expenditure within the system CDEL.

Annex A summarises the 2023/24 Joint Capital Resource Use Plan for South east London ICS.



Assumed Sources of Funding for 2023/24

Description	Plan 23/24 - £'000	Narrative
Total System Capital Allocation	228,482	
Leases	41,147	Impact of IFRS 16
Provider Public Dividend Capital	38,322	National programmes (UEC Capacity, diagnostics, Children hospital capacity)
Other (technical accounting)	7,240	PFI costs
Total system CDEL opening plan	315,191	

The SEL ICB system capital allocation for 2023/24 is £228.482m; of which £3.253m is for primary care IT and local improvement grants schemes and £2.444m is for the neonates programme at KCH. The remainder of the system capital allocation has been distributed to SEL providers on a fair shares basis.

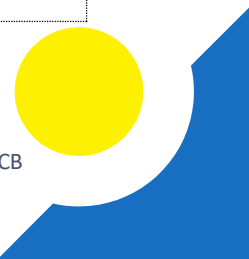
Main Risks, Contingencies and Mitigations

Risks include:

- Rising inflationary costs experienced since Covid pandemic and war in Ukraine.
- Delays to building, materials and components.
- NHSE unable to confirm funding for QEH infrastructure.

Mitigations

- Trusts are additional plans to commence if slippage occurs on funded schemes.
- Bring forward schemes from next year or extend completion dates of existing schemes as funding dictates.
- Unallocated strategic element of system capital allocation



Annex A – SEL ICS 2023/24 CAPITAL RESOURCE USE PLAN

	CDEL	ICB £'000	Provider GSTT £'000	Provider KCH £'000	Provider LGT £'000	Provider Oxleas £'000	Provider SLaM £'000	Total Full Year Plan £'000	Narrative on the main categories of expenditure
Provider	Operational Capital		89,607	42,793	28,534	16,078	23,722	200,734	Childrens Day Treatment Centre & Cancer ward. Critical Infrastructure/ Backlog maintenance Apollo Electronic record (GSTT, KCH). ICT Infrastructure Medicine modernisation (KCH) Ventilation/Air handling. UEC capacity (acutes) Pears Maudsley Centre CYP & Douglas Bennett house (SLaM)
Provider	Neonates			2,444				2,444	Confirmed
ICB	Primary Care	3,253						3,253	GP IT Local Improvement Grants
ICB	Operational Capital	22,051						23,051	System strategic developments
Sub total	Operational Capital	25,304	89,607	45,237	28,534	16,078	23,722	228,482	
Provider/ICB	Impact of IFRS 16		41,147					41,147	
Provider	National Programmes (diagnostics, Frontline digitisation, Mental Health, TIF)		17,675	3,880	16,422		345	38,322	Paediatric oncology and increase fire safety resilience (GSTT) CDC TIF 2
Provider	Other (technical)			1,815	5,425			7,240	PFI capital charges (residual rent)
Total	System CDEL	25,304	148,429	50,932	50,381	16,078	24,067	315,191	
Outside of Plan	QEH Infrastructure				8,000				QEH critical infrastructure – assumed as an additional in year capital resource via NHSE