

Joint Capital Resource Use Plan 2024/25

Region	Midlands
ICB / System	Lincolnshire ICB
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Introduction

This capital resource plan provides transparency for local residents, patients, NHS health workers and other NHS stakeholders on the prioritisation and allocation of capital funding within the NHS bodies in Lincolnshire to achieve their strategic aims and ambitions. This aligns with the ICBs' financial duty to remain within the allocated capital funding levels and to report annually on their use of resources.

As set out in our Integrated Care Partnership (ICP) Strategy, our Joint Forward Plan (JFP) and our Lincolnshire Older People's Strategy, our Integrated Care System (ICS) ambitions and priorities have been developed by partners across the Lincolnshire health and care system and have been informed by understanding the needs of our population.

The ICS has a mixture of NHS owned and leased estate. Within Lincolnshire there remains limited opportunity for further development of our existing sites and there are significant constraints both operationally and financially to the continued expansion of our existing estate.

Recognising the ICS priorities and challenges, the capital investment strategy looks to ensure that Lincolnshire meets several requirements.

1. There should be a high-quality estate that supports the delivery of operational service developments and ongoing transformational projects and investments.
2. Lincolnshire ICS should have an affordable, well utilised and fit for purpose estate. This will be driven by information from a recent 6-facet survey that allows Lincolnshire to take into consideration the level of risk and backlog maintenance that exists and plan accordingly.

3. The ICS should maximise digital and technology opportunities. Lincolnshire will look to have a digitally mature ICS supported by a smarter network of intelligent and connected systems to connect and transform.

4. This ICS is keen to improve our energy efficiency and deliver estate which meets the NHS Green principles.

5. There should be an effective medical equipment replacement programme. This will ensure our patients are being treated with up-to-date equipment and advanced technologies that support patient care.

The role of the ICB is to provide strategic leadership across the Lincolnshire health and care system, and to convene and work with partners to improve the health and wellbeing of our population, and the quality of care which people receive. To do this, the ICB has a workforce of around 350 whole time equivalent staff. The ICB is guided by the views of the population and patients we serve, of our clinicians, our partners, and the health needs of our population, as well as national government in how we should best deploy our resources.

The Lincolnshire NHS occupies about 300,000 square metres at a cost of more than £191m per annum (in 2022/23). There are significant backlog maintenance requirements across the system, with estimated costs of £400m.

Information about the Lincolnshire population is shown at Appendix A, with the Lincolnshire geography shown at Appendix B.

The NHS in Lincolnshire works very closely with a wide range of partners across our Integrated Care System, including colleagues in local government, the care sector, the third sector, the further and higher education sectors and the police service. By working closely with our partners we know that we can have the best possible combined positive impact on the health and wellbeing of the people of Lincolnshire. We are hugely grateful for the support and input of all of our partners, many of whom are also experiencing significant challenges.

Our vision for Lincolnshire's infrastructure

To have safe, good quality, sustainable infrastructure that enables the delivery of the right care in the right place to meet the needs of the Lincolnshire population and supports local communities to thrive.

Infrastructure that supports: the transformation and integration of care, seamless delivery, better patient outcomes, and empowers health, social care and partners to provide the best possible proactive, preventative care and wellbeing.

Our vision will be driven through robust system wide estate and infrastructure planning, providing the direction towards an accessible, adaptable/flexible quality, sustainable and efficient estate that acts as an enabler to deliver transformed services for the local population

2024/25 CDEL allocations and sources of funding

The Lincolnshire system capital funding and spending plans are shown in the table below.

There is a provider operational capital allocation of £35.8m, and also capital for the ICB to support primary care of £1.5m. Together this gives the operational capital of £37.24m.

There is additional capital of £76.7m granted by NHS England for specific schemes and priorities funded through public dividend capital (PDC).

Finally, the table shows IFRS16 allocation of £3.8m. This relates to leases which are now classified as capital expenditure under new accounting rules.

Year 1 - 2024/25					
Lincolnshire System Capital					
2024/25 CDEL for Final Planning return					
Funding Source	24/25 Capital £000	ULHT £000	LPFT £000	LCHS £000	Primary Care £000
Resources available by Organisation	39,606.0	32,706.0	3,974.0	2,926.0	0.0
System envelope CDEL balancing amount	-2,366.0	-1,462.0	-1,546.0	-840.0	0.0
Revised Resources available by Organisation to meet NHSE settlement allocations	37,240.0	31,244.0	2,428.0	2,086.0	0.0
Lincolnshire Operational Capital allocations by Provider/ICB					
Lincolnshire Capital SOP - Allocation based on resources available	37,240.0	29,400.0	3,662.0	2,696.0	1,482.0
Intra-System transfers	0.0	1,844.0	-1,234.0	-610.0	0.0
Sub-Total of Lincolnshire Operational Capital allocations by Provider/ICB	37,240.0	31,244.0	2,428.0	2,086.0	1,482.0
Total Operational Capital	37,240.0	31,244.0	2,428.0	2,086.0	1,482.0
PDC allocations as part of the Lincolnshire envelope					
National Programme - Endoscopy - PDC	11,500.0	11,500.0	0.0	0.0	0.0
National Programme - Community Diagnostic Centres - CDC-2 (Skegness) - PDC	9,948.0	9,948.0	0.0	0.0	0.0
National Programme - Community Diagnostic Centres - CDC-3 (Lincoln) - PDC	18,300.0	18,300.0	0.0	0.0	0.0
National Programme - MH Dormitories - Boston (PDC)	21,000.0	0.0	21,000.0	0.0	0.0
National Programme - MH Dormitories - Boston (UEC Funding PDC)	1,587.0	0.0	1,587.0	0.0	0.0
National Programme - Electronic Patient Record (PDC) - Planning values	14,350.0	9,350.0	2,500.0	2,500.0	0.0
Sub-Total of New PDC allocations as part of the Lincolnshire envelope	76,685.0	49,098.0	25,087.0	2,500.0	0.0
Total Lincolnshire System Capital allocations	113,925.0	80,342.0	27,515.0	4,586.0	1,482.0
IFRS16					
IFRS16 - New ROU "operating leases" - Coverage provided	3,818.0	2,340.0	678.0	800.0	0.0

Capital prioritisation

Lincolnshire is constantly reviewing the capital requirements to meet the needs of two key elements:

- 'business as usual' investment required to 'keep the lights on', and;
- transformational investment required to support continued improvements for the population of Lincolnshire.

Lincolnshire has implemented a System Investment Group that brings together all the requirements of the key groups at both a local provider level and also from a strategic perspective. This covers Digital, Estates and Medical Devices.

This group supports the prioritisation process of available resources to ensure that services continue to be provided but that funding is available to promote continuous improvement. This process often highlights need for further funding into Lincolnshire as supporting current services requires significant investment for backlog maintenance, medical device replacement and digital infrastructure.

Capital planning

The system capital expenditure plan is seeking to address both immediate pressures and backlog requirements through operational capital while applications are made to national monies for new innovations.

For 2024/25 the providers capital planning is largely managed by Finance and the technical sub groups (Estates, Digital and Medical Devices) to ensure those areas most in need of investment are given priority.

Capital investment requirements are assessed against the following:

- Strategic fit
- Investment requirement (cost)
- Deliverability
- Risk

All capital plans are ratified within organisational governance structures comprising of Capital Investment Groups reporting upwards through the Executive Infrastructure Groups, Performance and Finance & Performance Committees and Trust Boards. These are then further assessed as part of the ICS approval processes in place.

All capital expenditure is managed by controls as set out in the Standing Financial Instructions.

Overview of ongoing scheme progression

Updates on the key schemes included within the capital plan:

Lincoln Endoscopy - Capacity within the Endoscopy Department at Lincoln County Hospital does not support the growth in endoscopy demand and new diagnostic procedures. Demand will increase further from the age extension of the Bowel Cancer Screening Programme, requiring an additional 10 endoscopy sessions per week by 2025. The current state of the Lincoln Endoscopy Unit has serious outstanding building maintenance issues requiring urgent works to ensure compliance with requirements for infection prevention and control, health and safety and also the Joint Advisory Group (JAG) for GI Endoscopy. This scheme therefore proposes a new endoscopy unit at Lincoln County Hospital designed to current standards with additional rooms and facilities. This will provide the additional capacity to meet growing demand and age extension of the Bowel Cancer Screening Programme and retention of JAG accreditation. The benefits created will be numerous but most important are improvements to patient experience, increased early detection of pathology to improve the quality of life of our patients and an environment that supports our staff to do their work with pride.

Community Diagnostic Centres (CDCs) – Lincolnshire has been successful in bidding for funding against the national Community Diagnostic Centre (CDC) Programme. Investment is taking place in Lincoln and Skegness, with both facilities due to open in the second half of the financial year. These centres offer patients a wide range of diagnostic tests closer to home and greater choice on where and how they are undertaken, reducing the need for hospital visits and potentially expediting the start of treatment. Key benefits are:

- Improve the population's health by allowing quicker, more local access to a wider range of diagnostic tests and treatment.
- Support Covid recovery through increased system capacity.
- Improve productivity and efficiency by streamlining activity, remove duplication and redesign pathways to achieve optimal efficiency.
- Reduce health inequalities within the area through increased service provision, addressing unmet demand and encouraging patients to seek early treatment and reduce emergency presentations.
- Support integration of care and improve the personalisation of a patient's diagnostic experience

Electronic Patient Record - The aim of this project is to replace outdated and unsuitable paper-based notes / records and multiple disparate systems. The proposal aligns to the national policy of ensuring digital transformation to improve digital maturity to HIMSS (Healthcare Information and Management Systems Society) level 5 by March 2025. Lincolnshire aspires to a transformational change rather than digitising its current processes. The largest investment will be in United Lincolnshire Hospitals NHS Trust (ULHT). Through procuring a high functioning electronic patient record (ePR) system which will be implemented across ULHT, this scheme, whilst led by ULHT

(the lead provider of acute care services in the county) will support both the Trust and the wider Integrated Care System (ICS) achieve its ambition of providing excellent patient care. Patients, visitors and staff will gain a range of benefits from the proposal, not seen with the current arrangements. It will not only provide a single care record to be viewed securely and appropriately via any site patients attend but it will support the recruitment and retention of clinical staff by providing a better care experience for both staff and patients.

Eradication of Mental Health Dormitories – There is a national priority to eradicate dormitory accommodation in mental health facilities to improve safety, privacy and dignity of patients experiencing mental illness. The aim of this project is to replace the remaining LPFT outdated dormitory style accommodation provided on the Pilgrim Hospital site. The current ward is mixed gender with multi-bed bays and very limited single room provision. In 2017, it was identified by the CQC that the use of dormitory style sleeping accommodation on mental health wards with multiple occupancy rooms did not provide privacy and dignity nor is it conducive to good sleep or recovery. In 2018 LPFT initiated a plan to eradicate dormitory accommodation, replacing it with single ensuite bedrooms across all its inpatient wards. In both 2020 and 2023 LPFT successfully replaced 3 of those wards funded by a mixture of Trust internal funds and Public Dividend Capital (PDC). Ward 12 in Boston is now the only outstanding ward requiring replacement in order to meet the mandate set by the government, CQC and NHSE. The Lincolnshire Integrated Care System and the CQC identified this situation as a significant risk that needed to be addressed.

Risks and contingencies

2024/25 is year 3 of a 3-year allocation which results in a lack of clarity for future allocations in 2025/26 and beyond to aid longer term strategy capital planning. The commitments and pressures for 2025/26 already exceed the likely capital resource, so we need to urgently engage in a strategic conversation with regulators about the options.

Fundamentally, Lincolnshire's CDEL limit is significantly lower than the level of investment that is required. This is the biggest block to being able to deal with the key risks and developments that need to be resolved and/or invested in for the benefit of the Lincolnshire population.

Therefore, the key risks are:

- continued inability to invest in areas that require development;
- supply chain and worldwide resource issues;
- inflationary pressures;
- governance process in terms of business case approval;
- business cases produced exceeding the funding available and directly impacting back on operational capital allocations and plans.

In short, how this is mitigated is as follows:

- 'best endeavour' maintenance and 'fixes' to delay issues (although this impacts on day to day running costs);
- early discussions with suppliers to mitigate long lead times;
- risk appetite of organisations to go at risk or over-commit capital programmes knowing that this can be managed by the end of the financial year;
- 'do minimum' options are the only potential choice that can be made (but this leads to losing some potential benefits that would be available).

The Lincolnshire system has materially altered the capital plan in order to submit a balanced operational capital plan.

With pressure across both operational capital and IFRS16, Lincolnshire faces some very significant risks and a major concern about the current year. These risks are contained in local and system risk registers/reports.

Business cases in 2024/25

The key Lincolnshire business cases that are likely to be submitted during 24/25 are:

- Electronic Patient Record (ePR) – Full Business Case
- Stroke Services
- Research & Innovation
- Net Zero Carbon

Cross-system and collaborative working

System collaboration is key to ensure capital expenditure is maximised to provide the optimum outcome for the patients we serve. This section provides evidence of the strong partnership working within schemes and across the wider system.

Lincolnshire has an agreed Standard Operating Procedure (SOP) in place. The key principles for the distribution of resources are as follows:

- Capital resources, within the 3 providers, are required to address significant on-going business as usual priorities at an organisational level. Funds need to be allocated to support this.
- Where capital resources are provided for a specific purpose they should be allocated and used to support that scheme or programme of works.
- Capital resources should be used to address the system strategic priorities. Hence, funds will be distributed recognising priorities across the Lincolnshire system (rather than fair shares to each organisation).
- Actively seek external funding sources to maximise capital resources available to the system.

Lincolnshire has established a number of cross-system working groups or committees that seek to identify the capital investment requirements. The key groups cover Estates and Digital technology. These groups/committees have representation from all key stakeholders to ensure collaborative working.

Further to this, Lincolnshire have established a system wide finance capital group. All finance system partners are represented on the Group. The aim of this group is to ensure a collaborative approach to capital and to ensure capital investment is prioritised and used effectively.

Capital plans are agreed taking into account the information and outcomes from these groups/committees to ensure that financial resources are being invested in the best way.

Net zero carbon strategy

Our Trusts have made considerable progress in their net zero journeys over the years. The challenge now is to set a long-term vision for sustainability within the System and define the actions that the System and our stakeholders will take to achieve it.

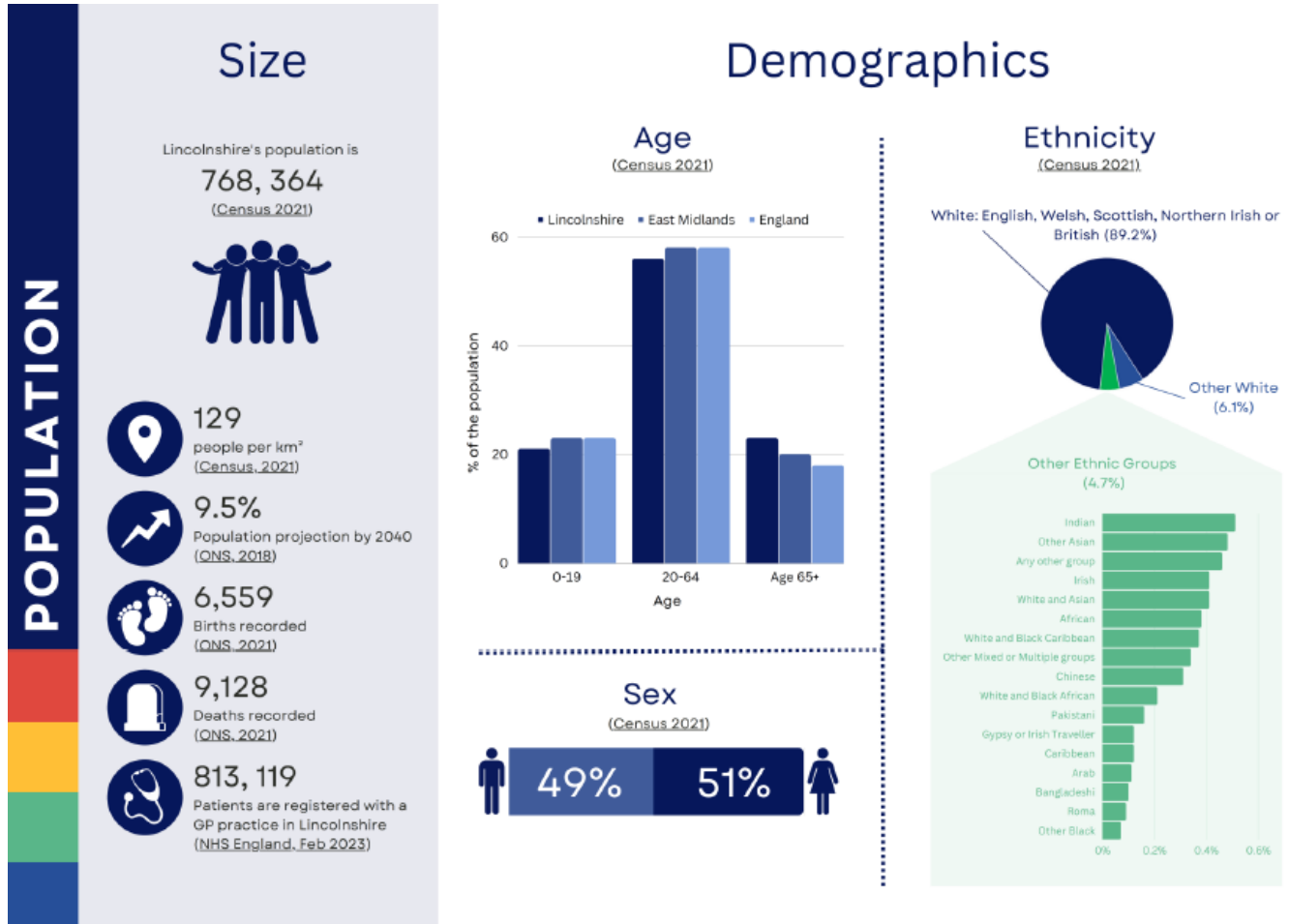
The end goal of the NHS Green Plans is to reach net zero by 2045. This plan will take us through the next three years. As the System develops and matures as an organisation it will be possible to further develop our longer-term strategy and vision to get to 2045.

The pace of change within the system is beginning steadily, as there is new architecture around healthcare in Lincolnshire. However, as our relationships with stakeholders grow and develop, environmental progress is hoped to increase exponentially. This will also allow conversations around budgets funding to develop further. Some financial saving will be feasible by choosing a more sustainable approach, but in many cases, investment will be needed too. Funding should therefore be of focus in the delivery of this Green Plan.

The net zero journey will require changes to infrastructure, policies, practices, behaviours, values and the alignments of activities with the green agenda. Therefore, it is important that a green thread persists throughout all our workstreams. Each area of focus details the actions NHS Lincolnshire will take to reach net zero within that workstream. The actions also need to ensure that the Green Plan will be rooted in the 'place' rather than the 'provider', meaning that it will bring a broader Lincolnshire focus.

Appendix A – Lincolnshire population summary

The financial information from the systems ICB and provider planning submission showing the breakdown of planned expenditure by the source of capital.



Appendix B – Lincolnshire geography and population projections

Projected population increases by district council are shown from the base of 2022 to the estimated figures in 2042.

