

Norfolk & Waveney Integrated Care System

Report title: Norfolk & Waveney NHS System Capital Distribution for 2022/2023

Reason for the Report

The purpose of this report is to inform the Integrated Care System of the NHS Norfolk and Waveney System Capital Departmental Expenditure Limit (CDEL) plan for capital infrastructure investment.

Report summary

The report shows the distribution of the £52m of available capital resource for 2022/23. After due process via the N&W Strategic Capital Board (SCB) the resource was distributed to Norfolk and Waveney NHS organisations in the following way:

- **James Paget University Hospital - £10.2m**
- **Norfolk and Norwich University Hospital - £17.9m**
- **Queen Elizabeth Hospital - £10.5m**
- **Norfolk and Suffolk Foundation Trust - £9.9m**
- **Norfolk Community Health and Care - £6.0m**

The system distributed £54.5m, £2.4m more than the £52.1m available resource limit. This is possible due to the NHS “over-programming” option as per the NHS planning guidance.

1. Background

1.1 The National Health Service Act 2006, as amended by the Health and Care Act 2022 (the amended 2006 Act) sets out that an Integrated Care Board (ICB) and its partner NHS trusts and foundation trusts:

- Must before the start of each financial year, prepare a plan setting out their planned capital resource use.
- Must publish that plan and give a copy to their Integrated Care Partnership, Health and Wellbeing Board and NHS England.
- May revise the published plan – but if they consider the changes significant, they must re-publish the whole plan; if the changes are not significant, they must publish a document setting out the changes.

2. The Norfolk and Waveney 2022/23 Distribution of Capital Resource for Capital Infrastructure

2.1 Norfolk and Waveney NHS Provider organisations are all members of the Norfolk and Waveney Strategic Capital Board (SCB). This sub-committee of the NHS ICS Board is where the prioritisation of capital proposals are considered, prioritisations are agreed and capital resource is proposed for distribution to enable the organisational delivery of capital schemes.

2.2 The available capital resources for the Norfolk and Waveney NHS ICS as per the NHS planning financial settlements is as follows: the funding envelope for our Norfolk and Waveney system CDEL (allocation) for 2022/23 was £52,107m and for 2023/24 and 2024/25 it is proposed at £41,991m.

2.3 As per the agreed process of the SCB, all capital investment requests from each organisation are prioritised in the categories of:

- 1) Prior Commitment/already agreed and commenced.
- 2) Legal/statutory compliance requirements.
- 3) Care Quality Commission (CQC) compliance "Must Do", where not already identified as a legal/statutory issue.
- 4) System wide strategic priority schemes.
- 5) Other "local" schemes.

2.4 Items specifically identified in 1, 2 and 3 are prioritised as first call on the CDEL resource. Items categorised in 4 or 5 are individually assessed and given a score of one to ten (ten high) on three categories with a weighting as per the below:

2.5 Patient and public safety – 60% Weighting

- Addressing current high risks relating to one or more of the following areas, which cannot be mitigated through alternative routes at lower cost e.g.
- Clinical safety (not clinical quality), i.e. where there is high risk of patient harm.
- Health and safety of patients, staff and/or visitors.
- Fire safety.
- Cyber security.
- Regulatory instruction in relation to safe patient care, e.g. CQC 'must do'.

2.6 Maintaining an acceptable level of service quality – 30% Weighting

- Addressing current high risks, for existing services, relating to one or more of the following areas, which cannot be mitigated through alternative routes at lower cost.
- Clinical quality which adversely impact patient experience but do not carry high risk of patient harm.
- Service continuity.
- Regulatory instruction in relation to quality of patient care, e.g. CQC 'should do'.

2.7 Business case (strategic and financial case) – 10% Weighting

- A sound case for investment based on strategic fit and financial case.

2.8 Utilising this process all capital scheme proposals are able to be ranked, prioritised and assessed for capital resource funding. The table below shows how the proposals were prioritised at the first stage of the process:

Norfolk and Waveney Capital Plan prioritisation	Total Spend
System CDEL committed	£24.3m
Uncommitted: Legal/Statutory compliance schemes & CQC compliance "must do"	£15.8m
Sub total cost for highest priority schemes	£40.1m

2.9 The table above shows that the £40.1m of the £52.1 was identified against the three highest priorities leaving £12m for distribution on the proposals that were subject to the weighted scoring.

2.10 After a number of adjustments, updates and iterations, The final distribution of system CDEL for each organisation in 2022/2023 was:

- **James Paget University Hospital - £10.2m**
- **Norfolk and Norwich University Hospital - £17.9m**
- **Queen Elizabeth Hospital - £10.5m**
- **Norfolk and Suffolk Foundation Trust - £9.9m**
- **Norfolk Community Health and Care - £6.0m**

2.15 As can be seen from the listing above, the system has distributed £54.5m, £2.4m more than the £52.1m available resource limit. This is possible due to the NHS “over-programming” option as per the NHS planning guidance. Guidance states this is possible on the basis of: *“so long as this is based on a clear plan that allows elements to be scaled back or deferred if necessary.” [to then deliver the system CDEL limit by 31 March 2023].*

Officer Contact

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