

<b>Meeting Title</b>	<b>Open Board of Directors</b>		
<b>Date</b>	<b>14 July 2022</b>	<b>Agenda item</b>	<b>Bo.7.22.15</b>

## 2022/2023 CAPITAL PROGRAMME

<b>Presented by</b>	Matthew Horner, Director of Finance		
<b>Author</b>	Michael Quinlan, Deputy Director of Finance & Matthew Horner, Director of Finance		
<b>Lead Director</b>	Matthew Horner, Director of Finance		
<b>Purpose of the paper</b>	To seek approval of the Capital Programme for 2022/23		
<b>Key control</b>	Deliver the Financial Plan		
<b>Action required</b>	For approval		
<b>Previously discussed at/ informed by</b>	Capital Strategy Group (Various) Executive Team (Various) Finance & Performance Academy (Various)		
<b>Previously approved at:</b>	<b>Committee/Group</b>	<b>Date</b>	
	Finance & Performance Academy	May & June 2022	

### Key Options, Issues and Risks

The Capital Programme for 2022/23 has been discussed at a number of Executive Team and Finance and Performance Academy meetings over recent months and has needed to consider a range of uncertainties, which include;

- Agreement of the ICS allocation to the Trust. The distribution of the ICS allocation has been through a number of iterations with direct allocations made for specific issues and commitments and a redistribution of the pot based on risk and deliverability.
- The Trust understanding the final 2021/22 slippage figure impacting on the availability of funds in 2022/23.

### Analysis

The Trust has a capital programme value of £25.7m which includes:

- ICS allocation of £21.6m
- ICS agreed uplift of 5% to cover in year slippage £1.0m (noting that there is an expectation that this isn't committed at the planning stage)
- Internally generated funds £2.3m
- External PDC £1.8m

The indicative values for the next two years are £22.5m for each year, which provides an opportunity to consider a longer term capital plan, noting that the value is subject to change and will be influenced by ICS planning priorities and adjustments.

The proposed internal allocation of the £25.7m can be summarised as follows:

1. Medical Equipment Replacements £5.4m (which includes £1.7m for a replacement MRI scanner at BRI)
2. IT & Informatics Replacement £1.0m
3. Estates Backlog £2.1m
4. 2021/22 slippage £4.5m
5. Committed Schemes £3.7m

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6. Capital Prioritisation £6.7m
7. Other (including External funding) £2.4m

For 1-3 above, a risk based priority list has been established and will be allocated until the funds are exhausted. For medical equipment, each Care Group has risk profiled their £0.5m allocation together with Radiology who will allocate £1m. In addition there is a general allocation of £0.5m that is managed by Clinical Engineering. Estates have risk stratified their schemes and will allocate the funding accordingly.

To allocate the capital prioritisation value of £6.7m, the Executive Team received a long list of capital expenditure requests. This was subsequently rationalised based on size, risk, deliverability and the potential for new external funding. Short bid templates were then requested from the respective teams. The risk stratification process of the bid templates resulted in the final shortlist, with teams submitting and presenting a more detailed rationale and scoping document to the Executive Team. Following the presentations, the final allocations are to be discussed and approved at the Executive Team Meeting on 11<sup>th</sup> of July. The attached presentation details the 5 schemes shortlisted.

With the exception of the Radiology scheme, it is unlikely that the schemes could be delivered in full in 2022/23 due to the scale of the scheme and supply chain challenges. As such there is a potential opportunity to phase the investment over a number of years into the proposed schemes, but the implications of such an approach regarding future commitments would need to be clearly understood.

### Recommendation

The Board of Directors is asked to:

- Approve the capital programme for 2022/23
- Note the current position regarding the prioritisation process to allocate the £6.7m

Risk assessment						
Strategic Objective	Appetite (G)					
	Avoid	Minimal	Cautious	Open	Seek	Mature
To provide outstanding care for patients, delivered with kindness		g				
To deliver our financial plan and key performance targets			g			
To be one of the best NHS employers, prioritising the health and wellbeing of our people and embracing equality, diversity and inclusion			g			
To be a continually learning organisation and recognised as leaders in research, education and innovation				g		
To collaborate effectively with local and regional partners, to reduce health inequalities and achieve shared goals					g	
The level of risk against each objective should be indicated. Where more than one option is available the level of risk of each option against each element should be indicated by numbering each option and showing numbers in the boxes.	Low		Moderate	High	Significant	
<b>Explanation of variance from Board of Directors Agreed General risk appetite (G)</b>	Risk (*)					

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Risk Implications (see section 4 for details)	Yes	No
Corporate Risk register and/or Board Assurance Framework Amendments	Yes	
Quality implications	Yes	
Resource implications	Yes	
Legal/regulatory implications	Yes	
Diversity and Inclusion implications	Yes	

Regulation, Legislation and Compliance relevance
<b>NHS Improvement:</b> (Risk assessment framework, quality governance framework, code of governance , annual reporting manual)
<b>Care Quality Commission Domain:</b> ( <i>Safe, caring, effective, responsive, well led</i> )
<b>Care Quality Commission Fundamental Standard:</b>
<b>Other (please state):</b>

Relevance to other Board of Director's Committee:			
People	Quality	Finance & Performance	Other (please state)
Yes	Yes	Yes	