



MEETING TITLE Trust Board Meeting held in Public		MEETING DATE 27/04/2021	
TITLE of PAPER	2021/22 Capital Plan	PAPER REF	TB21.012
KEY PRIORITIES	Generate resources to support patient care and the delivery of our long-term plans, by being as efficient as we can be and maximising opportunities for new funding Equip our people with the best tools, technology and environment to support excellent outcomes Create a safe and high performing organisation based on openness, ownership and accountability		
PURPOSE OF THE PAPER	The purpose of the paper is to: - Inform the Board of the Capital Plan submission		
For Approval	<input checked="" type="checkbox"/>	For Assurance	<input checked="" type="checkbox"/>
For Decision	<input checked="" type="checkbox"/>	Discussion/Information	<input checked="" type="checkbox"/>
AUTHOR / LEAD	Louise Engledow – Head of Financial Strategy	ACCOUNTABLE DIRECTOR	Kathryn Vause – Interim Director of Finance
DISCUSSED AT / INFORMED BY – Further to presentation to TEG 7 th April 2021: 21/22 Capital Plan Capital Planning Group 6 th April 2021			
PREVIOUSLY AGREED AT:	Committee/Group: Trust Executive Group Choose an item.	Date: 07/04/2021 Click to enter date	
RECOMMENDATION(S)	Approve the 2021/22 Plan Note the risks Support the revised process for committing future capital resource Support the recommendation to develop further/multi-year schemes to maximise available funding in this year and next		
RISK ASSESSMENT		Yes	No
Corporate Risk Register and/or Board Assurance Framework amended <i>If 'Yes' – expand in Section 4. / attached paper</i>		<input type="checkbox"/>	<input type="checkbox"/>
Equality Impact Assessment <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input type="checkbox"/>
Resource Implications (Financial, Workforce, other - specify) <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Legal implications/Regulatory requirements <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input type="checkbox"/>
ASSURANCE/COMPLIANCE			
Care Quality Commission Choose a DOMAIN(s)		4: Responsive 5: Well led	

NHSI Single Oversight Framework Choose a THEME(s)	3. Finance & Use of Resources 5. Strategic Change
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2021/2022 CAPITAL PLAN

1. Purpose/Aim

- 1.1 The purpose of this paper is to formally present the 21/22 Capital Plan to the Board and seek retrospective approval, following submission of the plan to NHSE/I on the 9th April.
- 1.2 The draft plan was reviewed and agreed by the Capital Planning Group on 6th April, and subsequently presented to TEG on 7th April.

2. Capital Funds

- 2.1 Capital resources at organisation level are agreed with the WY ICS in collaboration with ICS partner organisations.
- 2.2 The total resource available to Providers is £154.326m, with YAS being indicatively allocated £15.744m. Overall, there was a shortfall against the total Provider funding requested.
- 2.3 As YAS' current funding requirement is £14.2m, the Trust have agreed to contribute £1.54m towards the ICS shortfall, with the expectation that this will be available in future years.
- 2.4 The Trusts' capital funds are derived from three sources of Internally Generated Capital Cash:

i) depreciation (less repayment of the Springhill loan)

Annual depreciation has increased by £567k (from £10.89m in 2020/21) due to the purchase of assets using external capital funds available last year for Covid and digital projects (£1.8m).

ii) disposals of assets

The disposal relates to the sale of Bentley Ambulance Station which is expected to proceed in 2021/22.

iii) internal cash reserves generated from prior year I&E surpluses

- 2.5 On this basis YAS have agreed a Capital Resource Limit (CRL) with the ICS of £14.2m, and have had confirmation of external funds of £60k. The breakdown of total available capital funds (£14.264m) at the start of the financial year is shown below in table 1.

Capital Funds	Annual Total £000s
Depreciation	£ 11,458
Less: Loan Repayments	-£ 334
Internal Cash Reserves	£ 3,000
Disposals	£ 80
Total Internally Generated Capital Funds	£ 14,204
Confirmed Funds from External Sources:	
NHSX - Ambulance Data set	£ 60
TOTAL CAPITAL FUNDS	£ 14,264

Table 1: 2021/22 Available Capital Funds

3. Capital Expenditure Plan

3.1 Capital expenditure is driven by:

- i) Replacement - funds required to replace existing assets that are at the end of their life
- ii) Investment - larger capital projects that enable delivery of the Trusts Strategic objectives

3.2 A range of mitigating actions were implemented in 2020/21 to manage the underspend that arose as a result of delays in Hub & Spoke land purchases, the uncertainty regarding COVID funding and latterly, supply chain issues. As a result a number of purchases were brought forward. This plan reflects the consequences of those mitigating actions.

NB All planned replacement expenditure for Medical Equipment was brought forward.

3.3 The summary plan is shown below at table 2; a more detailed breakdown is attached at Appendix 1.

Capital Expenditure Budgets	Annual Total £000s	Quarterly Profile of Expenditure			
		Q1	Q2	Q3	Q4
Estates	£ 1,387	£ 312	£ 617	£ 386	£ 72
Fleet	£ 5,561	£ 1,435	£ 1,034	£ 1,223	£ 1,869
IT	£ 2,936	£ 320	£ 1,047	£ 785	£ 785
Medical Equipment	£ -	£ -	£ -	£ -	£ -
Transformation	£ 3,550	£ -	£ -	£ 2,000	£ 1,550
Contingency	£ 829	£ -	£ -	£ -	£ 829
TOTAL	£ 14,264	£ 2,067	£ 2,698	£ 4,394	£ 5,105

Table 2: 2021/22 Summary Capital Expenditure Plan by Directorate

3.4 Transformation:

3.4.1 £2m has been reprovided for the purchases of land in Hull & Scarborough (Hub & Spoke), that were deferred from 2020/21.

3.4.2 An additional £1.55m has been allocated for further Hub & Spoke developments/central warehouse/asset management system. These schemes are subject to further development and have yet to be and approved.

3.5 ICT:

3.5.1 The plan includes reprovided funds for ePR (£464k) and Integrated Digital Care Records (£225k).

3.5.2 The Trust have received £60k from NHS Digital to develop the Ambulance Data Set.

3.6 The plan includes a contingency of £829k.

4. Risk

4.1 There are a number of risks in the plan that need to be carefully monitored throughout the financial year:

4.1.1 The expenditure profile is heavily weighted towards the latter half of the year. Slippage on these schemes could mean that it is not possible to implement mitigating actions in a timely way, resulting in an underspend against the CRL and lost opportunity.

4.1.2 There is a significant amount of funding (£2.38m) unallocated, or allocated to schemes that are not fully developed and approved. Again this increases the possibility of an underspend and potential inability to obtain best value from the available capital resource.

Subject to Approval	£000s
Hub & Spoke	£ 1,000
Logistics Warehouse	£ 300
Asset Management System	£ 250
Contingency	£ 829
	<u>£ 2,379</u>

5. Next Steps

5.1 Detailed expenditure plans for each scheme are being developed and reviewed at the Capital Planning Group. This will support in-year monitoring via the Capital Monitoring Group.

5.2 Throughout the year, we will work towards improving the process for allocating capital resources, moving away from the current method of allocating funds based on generated depreciation towards a weighted scoring system of prioritisation. A suite of documentation has been developed that will define multi-year commitments and clearly outline revenue implications. This will facilitate the development of a rolling 3-5 year plan.

This is particularly important when requests exceed available funds and enables other options to be considered, i.e. continuing to use assets that may still have useful life whilst being fully depreciated.

This is considered a fairer system of allocation and enables the Trust to give equal consideration to investment schemes that support long-term strategic objectives.

5.3 We will work with capital budget holders/transformation leads to develop further capital projects that could be implemented in-year, in order to mitigate any potential slippage and obtain best value of potentially higher funds available next year.

6. Action/Recommendations

6.1 Board are asked to approve the 2021/22 Capital Plan.

6.2 Note the risks identified.

6.3 Support the proposal outlined in 5.2 in respect of allocating future capital funding, and

6.4 Support the recommendation in 5.3 to develop further (multi-year) schemes to obtain maximum value from the capital resources available and make best use of potentially higher funding available in future years.

7. Annexes and Appendices

- Appendix 1: 2021/22 Capital Plan

Appendix 1: 2021/22 Capital Plan

2021/22 Capital Plan Phasing	Annual Total £000s	Quarterly			
		Q1	Q2	Q3	Q4
Estates					
Ambulance Station Carparks	£ 81		£ 81		
Ambulance Station Refurbishment [high/significant backlog]	£ 196		£ 98	£ 98	
Bradford ambulance station - internal works	£ 720		£ 360	£ 288	£ 72
Bradford station roof	£ 390	£ 312	£ 78		
Sub total	£ 1,387	£ 312	£ 617	£ 386	£ 72
Fleet					
DCA chassis purchase x 53	£ 1,869				£ 1,869
Purchase 12 x Ford 4x4 (deferred from 20/21 plan)	£ 700		£ 700		
Conversion 12 x Ford 4x4	£ 785			£ 785	
DCA Conversion x 41 chassis b'fwd to 2020/21 - 50% balance of cost	£ 1,227	£ 1,227			
Driver Training Programme	£ 237		£ 237		
Electric Vehicle - DCA x 1	£ 148			£ 148	
Workshop equipment	£ 55		£ 55		
Private & Events	£ 85		£ 43	£ 43	
Special Ops Vehicles - (2 x incident support; 2 x decontamination units)	£ 208	£ 208			
Telematics	£ -				£ -
2 x A&E DCA Mid Yorks Uplift	£ 248			£ 248	
Sub total	£ 5,561	£ 1,435	£ 1,034	£ 1,223	£ 1,869
ICT					
ePR development	£ 464	£ 116	£ 116	£ 116	£ 116
ESMCP/ESN/CRS	£ 480			£ 240	£ 240
YHCR digital integration	£ 225	£ 56	£ 56	£ 56	£ 56
ICT Server Refresh	£ 188		£ 188		
ICT Network Switches	£ 163		£ 163		
Unified Comms enhancements	£ 355		£ 118	£ 118	£ 118
ICT Refresh - balance after mitigating action	£ 427	£ 107	£ 107	£ 107	£ 107
Getac - additional ICT/Testing stock and 2 for air ambulance expansion	£ 26	£ 26			
PTS	£ 58		£ 19	£ 19	£ 19
EOC Development	£ 123		£ 41	£ 41	£ 41
111 Development & GPOOH	£ 216		£ 72	£ 72	£ 72
CAD Servers	£ 151		£ 151		
Ambulance Data Set Development	£ 60	£ 15	£ 15	£ 15	£ 15
Sub total	£ 2,936	£ 320	£ 1,047	£ 785	£ 785
Transformation					
Hull AVP land purchase	£ 600			£ 600	
Hull AVP - design fees	£ 270			£ 270	
Scarborough land purchase	£ 1,130			£ 1,130	
<i>Additional Hub & Spoke developments (subject to approval)</i>	<i>£ 1,000</i>				<i>£ 1,000</i>
<i>Logistics Warehouse (subject to approval)</i>	<i>£ 300</i>				<i>£ 300</i>
<i>Asset Management System (subject to approval)</i>	<i>£ 250</i>				<i>£ 250</i>
Sub total	£ 3,550	£ -	£ -	£ 2,000	£ 1,550
Other					
Contingency	£ 829				£ 829
Sub total	£ 829	£ -	£ -	£ -	£ 829
Grand Total	£ 14,264	£ 2,067	£ 2,698	£ 4,394	£ 5,105