

Joint capital resource use plan – 202425

REGION	East of England
ICB / SYSTEM	Hertfordshire & West Essex ICB
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Introduction

Hertfordshire and West Essex Integrated Care Board (HWE ICB) became a statutory body on 1 July 2022 and employs 792 including the staff of hosted ICT Service (HBLICT). HWE ICB is the NHS commissioner responsible for delivering health and related care including emergency and urgent care, General Medical Services, pharmacy, optometry and dentist services, community nursing, mental health support, rehabilitative care, most planned hospital care and continuing healthcare for adults and children with long-term complex physical or mental health needs to the 1.6 million people living in Hertfordshire and west Essex.

The system brings together a wide range of organisations, committed to a shared vision of working together to improve the health and wellbeing of the people who live in our area, there are four Health Care Partnerships (HCP) with the following the system partners:

East and North Hertfordshire NHS Trust
 West Hertfordshire Teaching Hospitals NHS Trust
 Princess Alexandra Hospital NHS Trust
 Hertfordshire Partnership University NHS Foundation Trust
 Hertfordshire Community NHS Trust
 Central London Community Healthcare NHS Trust
 Essex Partnership University NHS Foundation Trust
 135 General Medical Services Practices within 34 Primary Care Networks
 278 Pharmacies, 184 Optometrists, 228 Dentists
 Hertfordshire County Council, Essex County Council and 13 District or Borough Authorities
 And voluntary sector organisations.

In common with other areas of England, HWEICS face significant challenges and opportunities. A high proportion of our residents are in good health with life expectancy for both men and women higher than the national average. However, the system has the challenge of an ageing population, with people who live longer often having greater need for health and care. In addition, the health and care system is under immense strain, with increased demand for mental health services, the elective care backlog, access to primary care, long waiting times for urgent care among many pressing issues. Although the health and wellbeing of our population is similar or better than in England as a whole, there is variation within our Integrated Care System and there are some areas that experience poorer outcomes, including areas in Harlow, Stevenage, Broxbourne Watford and Welwyn Hatfield districts.

Many of these challenges have been exacerbated by the COVID-19 pandemic which had a significant impact on our population, worsened the inequalities that exist in our communities, and caused immense strain on our services. The current cost of living crisis is likely to further impact people's livelihood and health, widening further the divisions that exist in our geography, and creating additional pressure on health and care services. This is particularly pertinent in our area as, while levels of deprivation are generally low, the local population experience significant challenges in housing affordability that are expected to be worsened as a result of the cost-of-living crisis.

Our system priorities are to: give every child the best start in life, support our communities and places to be healthy and sustainable, support our residents to maintain healthy lifestyles, enable our residents to age well and support people living with dementia, improve support to people and families living with life-long conditions, long term health conditions and physical disabilities, and improve our residents' mental health and outcomes for those with learning disabilities and autism. You can read more about our plans in our approved [Integrated Care Strategy](#)

Based on Estates Returns information Collection (ERIC) 2022/2023 the secondary healthcare estate within the ICB comprises 123 assets with a Gross Internal Area of 404,000 square meters, an annual running cost of c£198m and backlog maintenance totalling £123m. The Primary Care Estate within the ICB comprised 202 (Branch, Main and PCB sites) General Medical Services Premises with a Net Internal Area of 80,000 square meters and an annual running cost of £20m.

2024/25 Allocations and Sources of Funding

Funding resources available to HWEICS in 2024-25 are:

2024-25 Provider Capital Allocation	£61.875m
2024-25 ICB GPIT Capital Allocation	£2.448m
2024-25 System Performance Capital Allocation	£3.654m
∴ 2024-25 Total System Capital Allocation	£67.977m
2024-25 IFRS 16 Allocation	£15.439m
2024-25 National Capital	£53.665m
2024-25 Technical Adjustment	£0.144m
∴ Total system Capital available	£137.225m

2024-25 National /Central Capital Programmes include the following schemes:

- New Hospital programme for WHTH & PAH
- Community Diagnostic Centres
- Endoscopy Unit
- Vascular Surgery Hub
- Elective Hub
- Front Line Digitisation
- Diagnostic Digital Capability Programme

Overview of Ongoing Scheme Progression

Guidance:

Please provide an overview of scheme progression. Probably should only be schemes above a certain level

Princess Alexandra Hospital and West Hertfordshire Teaching Hospital NHS Trusts are both in the National New Hospital Programme advancing plans for the delivery of two new hospitals by 2030. West Hertfordshire Teaching Hospital NHS Trust has secured planning consent and acquired the land for its new hospital. Therefore, investment at both sites needs to be managed and minimised as much as possible whilst having regard to patient and staff safety.

East and North Hertfordshire NHS Trust (ENHT) will complete the development of hybrid theatre for vascular surgery providing crucial extra vascular capacity for the ICS and improve elective recovery capacity at WHTH and PAH. ENHT will also create a compliant and modern Home Dialysis Unit with the aim of preventing in-centre infections and carry out refurbishment works to enhance LINACs purchased in 2023/24. ENHT will also add a modular X-ray solution to improve patient pathway at Adult UTC at the Lister Hospital, relocate paediatric ward and invest in digital infrastructure including electronic Bed and Capacity Management System (eBCMS).

Hertfordshire Community Trust (HCT) will invest building an extension to Danesbury Neurological Rehabilitation Centre and refurbish Hoddesdon Health Centre, carry out ventilation works to Peace Children's centre. HCT will also invest in Robotic Process automation, net zero road map, fire safety and carry out routine maintenance to community dental facilities.

Hertfordshire Partnership University NHS Trust (HPFT) continue to work with ENHT in developing a Mental Health Urgent Care Centre in Stevenage which adjoins other mental health services on the Lister Hospital site. Whilst the unit partially opened in 2023/24 there will be further investment in 2024/25 to allow it to become fully operational and this will redirect service users in crisis from EDs via an alternative pathway and provide an improved patient experience. HPFT has a deficit of circa 40-50 adult acute beds compared to national benchmarks and has for a number of years commissioned private hospital beds in order to meet service user needs. In addition, the Trust has some bedded estate that doesn't reach the standards expected for this patient group. HPFT was unsuccessful in a bid for national funding to build a 54 bedded unit in Stevenage; However, the Trust is assessing options for increasing its bed base and improving estate quality across a number of wards, in particular those in Stevenage and St Albans. To date the Trust has been unable to secure the external capital necessary for these works to progress – redevelopment works have been estimated to cost upwards of £20m, which in the context of Internally generated Capital Departmental Expenditure Limit (CDEL) of c£9m is not feasible. A programme of CCTV installation continues at a number of units, as does replacement of old and unsafe bathrooms on a number of units. HPFT is also continuing its programme of investment in digital infrastructure including electronic Patient Record (EPR), Electronic Prescribing and Medicines Administration (EPMA) and Bed Management System (BMS); additionally in 24/25 a programme to replace devices incompatible with Windows 11 will be implemented, as support for older versions of Windows will cease. A number of essential telecommunications works will also be undertaken across a number of sites to replace systems that will become obsolete within the next year.

Princess Alexandra Hospital (PAH) is investing in a Community Diagnostic centre, Frontline digitisation to improve patient flow and experience, building two new Intensive care unit beds, introducing pharmacy robot to increase efficiency of prescribing and reducing waste, refurbishment of Maternity ward to comply with Ockenden requirements and an additional staff car parking due to existing facility no longer being available.

West Hertfordshire Hospital Trust (WHTH) will build the Elective Care hub for the ICS at St Albans City Hospital site to support all three acute provider's routine elective care capacity and is expected to open early 2025 offering hip and knee surgery, spinal injections and minor ear, nose, and throat (ENT) operations and is expected to reduce the long waiting lists accumulated since COVID in the system. WHTH will invest in a new endoscopy unit and Community Diagnostic Centre to increase west Hertfordshire capacity at the St Albans City hospital. WHTH will continue to work on multiple areas on new hospital build under National Hospital Programme at the Watford Site and will also carry out maintenance works to existing estate as well as progressing the green plan.

The System Finance Director forum is used to ensure continued implementation, progress and assess any arising risks to delivery.

The Capital and Estates Forum includes operational updates from all organisations.

Risks and Contingencies

Risks around the supply chain, increased labour costs, higher inflation and higher borrowing costs were notable in previous years and are on-going into the current year although the supply chain shows signs of improvement notwithstanding potential consequences of global conflicts.

Inflation has and will continue to impact the cost of investments widely and business cases have become out of date (in terms of cost), where delays in agreement have occurred.

System capital can be used to mitigate against this, but impacts/reduces the provision of backlog maintenance projects, causing further delay to Trusts projects and programmes.

Each provider leads on the monitoring of their programmes and projects and reports to their organisations, the ICB, ICS and NHS England as appropriate.

Business Cases in 2024/25

As mentioned earlier, two of the hospital trusts within the ICS are in the National New Hospital Programme for delivery of two new hospitals by 2030.

Business cases are currently being considered by NHSE in relation to Community Diagnostic Centre (CDC) MRI and Ophthalmology investment. Additionally, a business case for endoscopy is currently awaiting feed-back from NHSE.

A further business case for phase 2 of the CDC plan is being developed within West Essex.

Work around the Elective Hub business case is on-going.

The system is considering development of a business case to support the green agenda. Please see detail under Net Zero Carbon Strategy below

Cross System Working

The joint capital plan has been agreed at a system level, taking account of capital priorities across the system. The system creating one vascular hub and one elective care hub for caseloads of all three acute trusts demonstrate system level capital and operational planning.

We are improving the system capital planning by agreeing a capital prioritising matrix which will be embedded for 2025/26 planning round.

The system works to maximise the use of the capital it has available, with organisations working together to optimise this – for example, where potentially one Trust may have unforeseen delays, another will be able to make use of this unexpected underspend.

The system will work to maximise investment and value for money for its population and the population it provides services to. Where this requires investment outside of the HWE geography, discussions take place to ensure services are prioritised appropriately for investment and to agree how investment will be made to maintain such services.

In Watford, Borehamwood, Hemel Hempstead, Stevenage, Baldock and Harlow NHS partners and Local Authorities are working collaboratively on regeneration and new town projects and whilst these are not in the 24/25 period, this demonstrates system planning.

Capital Planning & Prioritisation

The ICB holds a regular Capital and Estates forum chaired by the CFO of HWE ICB and HWE ICS, deputised by HWE ICB's Director of Estate and Capital which is attended by all system partners. This ensures a balanced and continuing dialogue across all parties. The system is developing a capital prioritisation matrix to support system level capital planning and prioritisation and will be put into place via Capital and Estates Forum.

Spend Category	All Providers
	£000's
Backlog Maintenance - Significant and high risk (CIR)	6,443
Routine maintenance (non-backlog) - Land, Buildings and dwellings	19,436
New Build - Land, buildings, and dwellings	11,651
New Build - Multiple areas/ Other	28,176
New Build - Theatres & critical care	20,000
New Build - Diagnostics	6,000
New Build – Non- clinical	330
Equipment - clinical Other	6,660
Equipment - clinical diagnostics	8,231
Donation	- 84
IT - Hardware	3,355
IT - Other Software	7,738
IT - Clinical Systems	7,171
IT - Other	3,084
IT - Telephony	441

Fleet, Vehicles & Transport	1,060
Fire Safety	413
Fixtures & Fittings	979
Other - including investment property	3,323
Property, land and buildings Sale	- 1,274
Plant and machinery	1,500
GP IT Capital	2,448
Technical PFI Adjustment	144
Total Plan by Provider Trusts	137,225

All investment and prioritisation decisions will be based on meeting the ICB strategy and achieving value for money, amongst other things. These include balancing health inequalities, deliverability, number of patients impacted, supply chain issues, maintaining safe services and achieving performance requirements.

We hold a pipeline of future investments that will feature in future joint capital plans but could be brought forward if additional in-year capital became available. This pipeline process is on-going and subject to prioritisation.

Net Zero Carbon Strategy

Following on from the Health & Care Act 2022 the HWE ICS formed a Green Plan, alongside all the partner Trusts. This has been the basis of the development of strategic developments of the initial foundation of programmes towards the formative target for 80% reduction by 2032. The Green Plan will be revised for January 2025 for Trusts and March 2025 for the HWE ICS. The plan covers areas which the NHS have control over such as choices and consumption which the system produces and those which the NHS has indirect influence over.

A Transport and Travel Plan is planned by 2026 with the aim of a reduction on carbon footprint now and beyond 2040. Working towards the Net Carbon Zero agenda the system is also looking into the implications of Biodiversity Net Gain and recognises that there will be a demand on the capital budget when measures such as electrical charges points are fitted: especially for blue light services. The system has many work streams working on NCZ initiatives, such as but not limited to medicines, estates and procurement. System Sustainable Leads have delivered improvements such as LED lighting, Polyisocyanurate and Polyurethane insulation to improve thermal performance, Solar Panels, Electric Vehicle Chargers and Air Source Heat Pumps across the estate and is strategically planning more including the General Medical Services Premises Portfolio.



Annex A – HWE 2024/25 CAPITAL PLAN

System CDEL		ENHT	HCT	HPFT	PAH	WHTH	ICB	HWEICS
		£000's	£000's	£000's	£000's	£000's	£000's	£000's
Provider	Operational Capital	15,289	4,556	8,980	14,297	18,753		61,875
ICB	Operational Capital (GPIT)						2,448	2,448
	Total Operational Capital	15,289	4,556	8,980	14,297	18,753	2,448	64,323
Provider	Impact of IFRS 16	7,813	1,961	3,600	5,219	500		19,093
Provider	National Hospital Programme	-	-	-	2,200	4,634		6,834
Provider	National Programmes	-	-	-	13,831	33,000		46,831
Provider	Other (Technical Accounting)	144	-	-	-			144
Total System CDEL		23,246	6,517	12,580	35,547	56,887	2,448	137,225