

NHS Ayrshire & Arran



Meeting:	Ayrshire and Arran NHS Board
Meeting date:	Tuesday 26 March 2024
Title:	Capital Investment Plan: Five Year FY2024-2029
Responsible Director:	Nicola Graham – Director of Infrastructure & Support Services
Report Author:	Fraser Bell – Assistant Director Programmes

1. Purpose

This is presented to the Ayrshire and Arran NHS Board for:

- Decision

This paper relates to:

- Annual Operational Plan

This aligns to the following NHSScotland quality ambition(s):

- Safe
- Effective

2. Report summary

2.1 Situation

NHS Ayrshire & Arran Board received the proposed Capital Investment Plan for approval following scrutiny and recommendation from Infrastructure Programme Board Advisory Group, Infrastructure Programme Board, Corporate Management Team and Performance Governance Committee.

A Capital Investment Plan had been prepared for a five year period from Financial Year (FY) 2024-2025 through to FY2028-2029. The five year plan supports strategic decision making around investment.

The five year Capital Investment Plan FY2024-2029 is attached for scrutiny and approval by NHS Ayrshire & Arran Board.

2.2 Background

2.2.1 NHS Ayrshire & Arran's Capital Investment Plan (CIP) is dependent upon funding provided annually from Scottish Government. This funding is usually provided under three primary headings; (a) on a "Core Capital Formula" basis set nationally, (b) earmarked for specific programmes / projects and (c) additionally in year for programmes / projects selected by the Board that meet the specific funding criteria.

Programmes and projects includes capital expenditure in equipment, digital infrastructure, certain obligations and built infrastructure works.

2.2.2 The CIP has been prepared taking cognisance of the “Scottish Government Budget 2024-25” letter dated 19th December 2023, from the Directorate for Health and Social care Finance, Digital and Governance and subsequent informal discussions with the Health Finance and Infrastructure Team.

The letter and discussions specifically impact upon the CIP as follows:-

1. Funding will be limited to the Core Capital Formula allocation and this will be maintained at FY2023-24 levels. Core Capital Formula is announced annually by Scottish Government (SG) and the plan will be amended for future years should the allocation be different.
2. Core Capital Formula allocation is recommended to be focussed upon maintaining our current estate and essential equipment and digital replacement.
3. SG have stated that; no funding will be provided for development costs for any new projects, it is not anticipated that construction of any new projects will commence for a period of at least two years and Boards should stop any project development spend. Projects that require SG approval because they are above the Board's delegated limit have been rescheduled.
4. SG have also stated that their ability to fund any relatively small scale investments is extremely limited and Boards should not anticipate receiving additional funding in FY2024-25, even if funding had previously been agreed.
5. Additional national in year funding for equipment is unlikely in FY2024-25.
6. Funding previously returned by the Board to SG (Building for Better Care (BfBC) and National Labs Information Management System (LIMS)) will be re-provided. This has been assumed in the CIP as in FY2024-25 and FY2025-26.
7. Ongoing operational costs related to the retention of Carrick Glen Hospital (CGH) are anticipated to be supported until the National Treatment Centre (NTC) progresses.

2.2.3 CIP Total Funding

The CIP has been developed to reflect expected funding of; (a) Core Capital Allocation of £8,720k, (b) Return of funding from previous years of £1,600k, (c) Programme specific funding for Foxgrove and NTC of £473k and (d) the retention of a capital receipt of £175k. The total funding is expected to be **£10,968k** for FY2024-25.

2.2.4 Five Year Funding (non formula)

Assumptions have been made for earmarked funding being provided for a number of prioritised programmes / projects from FY2026-27 onwards. These programmes / projects exceed the Board's delegated limit and would therefore be subject to approval of a Full Business Case by Health Finance and Infrastructure Capital Investment

Group (CIG) at the appropriate time. They are noted in the five year plan to reflect their position within the Infrastructure Programme Board's prioritisation plan.

2.2.5 Available Funding v Demand

The demand for funding significantly exceeds what is expected to be available over the planning period and therefore very difficult decisions are required to prioritise what can be supported to deliver an affordable CIP. Certain investment requests have been rescheduled later to ensure that expenditure matches funding. Should additional funding become available over the period, the timing of specific projects could be brought forward. Prioritisation has considered potential risks to the Board.

2.2.6 Methodology

The CIP has been prepared incorporating key tools and considerations that have been developed under the supervision of Infrastructure Programme Board, to inform decision making in an objective data-based and risk based methodology:

Equipment Lifecycle Plan:

A detailed ten-year lifecycle plan has been developed to plan equipment replacement through to FY2023-34. This incorporates equipment assets across all areas of the organisation including;

- Clinical Support Services (Catering, Central Decontamination Unit, Portering & waste, Domestic),
- Digital Services,
- Estates,
- Laboratories,
- Medical Physics,
- Pharmacy.

Data captured for each asset item includes age, risk and reliability in addition to a wide range of detailed asset details. This allows equipment to be replaced in a strategic approach over multiple years and can quickly identify equipment that can be brought forward should additional funding become available in year.

Prioritisation Process:

A prioritised pipeline of projects has been collated for implementation when funding allows and the information incorporated into the asset and property strategy being developed under the Caring for Ayrshire workstreams. This pipeline includes proposals from across the whole organisation such as:

- Elements unsupported from the lifecycle plans for Digital Services, Electro Medical, Estates and Clinical Support Services Equipment.
- Refurbishment and new facilities within HSCP sites and primary care.
- Refurbishment and new facilities within acute sites.
- Refurbishment and equipment requests from pharmacy, laboratories etc.

Requests for capital funding are assessed and considered against a prioritisation process that scores requests against a number of criteria to "rank" requests to identify

which provide would deliver the greatest benefits to the organisation. The assessment criteria include:

- Improving patient experience, delivering a more effective service and improved patient outcomes.
- Improving staff working environment and staff effectiveness.
- Increase efficiency, flexibility and utilisation of accommodation.
- Operational improvements.
- Supporting organisational change / strategic initiatives / national priorities.
- Supporting NHSAA's sustainability and net zero obligations.
- Financial improvements including a reduction in operational costs.
- Delivering a sustainable and affordable health and well-being service.
- Reduces risk and makes what we do safer.
- Improve sub optimal facilities and equipment.
- Supports Community Wealth Building and Ayrshire Regeneration.
- Supports caring for Ayrshire strategy.

Projects are then ranked based upon their score with projects progressed theoretically on the basis of their ranking (highest scoring first). However, the proposed timing of progression will also be determined by affordability and potential interface with other projects / programmes. It is noted that where projects exceed the Board's delegated limit, the programme will be impacted by key external factors including the approval of a Full Business Case.

Digital Reform Plan

NHS Ayrshire & Arran Board had approved the Digital Reform Plan (DRP) and Corporate Management Team had confirmed that it should be funded from the CIP. These DRP requirements have been included within the lifecycle plan for digital equipment within the combined equipment lifecycle plan.

National Programmes / Initiatives

Consideration how proposals align with and support national programmes and initiatives such as the National Treatment Centre and Foxgrove etc.

Caring for Ayrshire Strategy

Consideration how proposals align with and support Caring for Ayrshire is fundamental to maximise the benefits from our limited funding, particularly over several years.

2.27 Expenditure Reviews

A detailed review of actual expenditure on approved projects/programmes is undertaken quarterly (June, September, December, March-end of year). Where these reviews identify that slippage is likely to occur and expenditure on specific approved projects will be less than planned, the quantum of "released" expenditure will be established and reported to Infrastructure Programme Board Advisory Group and Infrastructure Programme Board. This "released" expenditure will then be considered for deployment against other alternative proposals (build and equipment) included within the five year CIP. Decisions around the reallocation of funding outlined in the

CIP will be made by the Infrastructure Programme Board Advisory Group and/or Infrastructure Programme Board.

2.28 Contingency

A central contingency allowance of 5% of the Core Capital Formula allocation has been included with expenditure to be approved by the Infrastructure Programme Board Advisory Group and/or Infrastructure Programme Board.

2.3 Assessment

2.3.1 The Proposed Capital Investment Plan (CIP), is recommended for approval by Board following scrutiny by members of; Infrastructure Programme Board Advisory Group, Infrastructure Programme Board, Corporate Management Team and Performance Governance Committee.

The CIP has been prepared for a five year period from FY2024-25 to FY2028-29 and includes estimated funding to be confirmed by SG. The plan will be updated as appropriate to reflect actual funding when confirmed in year and will be updated annually to provide a continuous five year strategic planning horizon.

The CIP has been prepared on a pragmatic basis to deliver an affordable programme, reflecting the funding constraints and taking cognisance of the prioritisation factors described in this paper.

2.3.2 Structure

The CIP is structured as follows:

- **A Funding Allocations**
- **B Expenditure Allocations**
 - B1 Formula
 - B2 Earmarked
 - B3 Rolling Programmes.
 - B4 Prioritisation Programmes
 - B5 Equipment
 - B6 Contingency
- **C Summary**

The full five year plan is attached at Appendix1.

The CIP for FY 2024-25 is highlighted in yellow and FY 2025-26 to FY2028-29 in grey. Projects with a value higher than the Board's delegated limit are subject to a Scottish Capital Investment Manual (SCIM) process being completed, including the approval of a project Full Business Case by Health Finance and Infrastructure Capital Investment Group (CIG). Cost estimates reflect current prices at December 2023 and exclude inflation.

2.3.3 A Funding Allocations

It is anticipated that £10,968k of funding will be provided for FY2024-25 as outlined in the table below. Final figures are to be confirmed by Health Finance and Infrastructure.

Table A1: Funding Allocation

A	Funding Allocations (To be confirmed by S.G.)	Expected Allocation		Estimated Allocation	Estimated Allocation	Estimated Allocation	Estimated Allocation	TOTAL
		FY24-25	% of Total	FY25-26	FY26-27	FY27-28	FY28-29	5 YEARS
	Core Capital Funding Estimate (BLUE subject to FBC approval by SG CIG)	0%		0%	0.00%	0.00%	0.00%	
A.1	Scottish Government Allocations	£k	%	£k	£k	£k	£k	£k
A.1.1	Core Capital Allocation	8,720	79.5%	8,720	8,720	8,720	8,720	43,601
A.1.2	Foxgrove: National Secure Adolescent Inpatient Service (NSAIS)	300	2.7%	0	0	0	0	300
A.1.3	Whole System Estates Plan (Building for Better Care)	1,600	14.6%	0	0	0	0	1,600
A.1.4	National Labs Information Management System (LIMS)	0	0.0%	441	0	0	0	441
A.1.5	National Treatment Centre Ayrshire & Arran (NTC)	173	1.6%	173	26,000	26,000	0	52,346
A.1.6	Doon Valley Community Campus	0		0	3,600	0	0	3,600
A.1.7	Caring for Ayrshire Whole System Strategy (CiA)	0		0	0	0	0	0
A.1.8	Additional SG Equipment Funding	0		0	0	0	0	0
A.1.9	Additional SG Maintenance Funding	0		0	0	0	0	0
A.1.10	Additional SG Capital Building Funding	0		0	736	31,584	37,500	69,820
A.1.11	Disposal Capital Receipt Harbourside (anticipated in FY24/25)	175	1.6%	0	0	0	0	175
A.1.12	TOTAL CIP FUNDING	10,968		9,334	39,056	66,304	46,220	171,883

2.3.4 B Expenditure Allocations

Expenditure has been allocated under six headings; B1 Formula, B2 Earmarked, B3 Rolling Programmes, B4 Prioritisation Programmes, B5 Equipment and B6 Contingency. These are as outlined in the following tables.

Table B1: Formula Allocation

B	Expenditure Allocations	Proposed	% of Formula	Proposed	Proposed	Proposed	Proposed	
		FY23-24		FY25-26	FY26-27	FY27-28	FY28-29	5 YEARS
B.1	Formula	£k	%	£k	£k	£k	£k	£k
B.1.1	Furniture & Equipment (Broken Replacement)	75	0.9%	75	75	75	75	375
B.1.2	Theatre Instrument Sets (Replacement)	150	1.7%	150	150	150	150	750
B.1.3	West of Scotland Laundry (Asset Replacement)	150	1.7%	150	150	150	150	750
B.1.4	Capital Investment Plan Workforce Support (AD Progs & HoCP)	200	2.3%	200	200	200	200	1,000
B.1.5	Value Adding Elements from Capital (Backlog Maintenance)	750	8.6%	750	750	750	750	3,750
B.1.6	TOTAL FORMULA	1,325	15%	1,325	1,325	1,325	1,325	6,625

Table B2: Earmarked Allocation

B.2	Earmarked							0
B.2.1	National Secure Adolescent Inpatient Service (Foxgrove - client fit works)	300		0	0	0	0	300
B.2.2	National Treatment Centre (NTC)	173		173	26,000	26,000	0	52,346
B.2.3	National Labs Information Management System (LIMS)	0		441	0	0	0	441
B.2.4	Caring for Ayrshire (consultancy allowance)	200		0	0	0	0	200
B.2.5	Doon Valley Community Campus	0		0	3,600	0	0	3,600
B.2.6	TOTAL EARMARKED	673		614	29,600	26,000	0	56,887

Table B3: Rolling Programmes

B.3	Rolling Programmes							
B.3.1	Feasibility Design Works (budget for feasibility works previously approved)	50	0.6%	50	50	50	50	250
B.3.2	Boardwide Distributed Working Programme (rolling programme £300k)	300	3.4%	300	300	0	0	900
B.3.3	Net Zero & Sustainability Initiatives	300	3.4%	300	300	300	300	1,500
B.3.4	GP Premises Contingency	0	0.0%	0	0	0	0	0
B.3.5	TOTAL ROLLING PROGRAMMES	650	7%	650	650	350	350	2,650

Table B4: Prioritisation Programmes

B.4	Prioritisation Projects (listed in ranked order of scoring. BLUE require SG CIG FBC Approval of funding)							
B.4.1	GP Premises Contingency: Stewarton Practice (Slippage from FY23/24)	100	1.1%	0	0	0	0	100
B.4.2	Boardwide Critical Care UHC Upgrade	2,900	33.3%	0	0	0	0	2,900
B.4.3	Boardwide Critical Care UHA Upgrade	100	1.1%	0	0	0	0	100
B.4.4	NA HSCP Three Towns Locality Health Centre (SCIM Approval required)	0		0	84	6,000	6,000	12,084
B.4.5	NA HSCP Beith Health Centre (SCIM Approval required)	0		0	84	3,000	3,000	6,084
B.4.6	Arran Whole System Plan (SCIM Approval required)	0		0	400	15,000	15,000	30,400
B.4.7	NA HSCP Oxenward Health Centre (SCIM Approval required)	0		0	84	3,000	3,000	6,084
B.4.8	NA HSCP Frew Terrace Health Centre (SCIM Approval required)	0		0	84	4,500	4,500	9,084
B.4.9	ACH CT & MRI Building Extension	0		3,000	0	0	0	3,000
B.4.10	Paediatric CAU & Ward 1A/C Refurbishment	0		0	500	0	0	500
B.4.11	Boardwide Access Control Programme	300	3.4%	300	300	300	300	1,500
B.4.12	Boardwide CCTV Programme	100	1.1%	100	100	100	100	500
B.4.13	Hydrotherapy Pool UHC	0		0	65	1,000	0	1,065
B.4.14	Changes to Pathology Lab UHC	0		0	100	0	0	100
B.4.15	NAHSCP Skelmorlie (SCIM Approval required)	0		0	0	84	6,000	6,084
B.4.16	UHC Medical Records	0		0	0	0	0	0
B.4.17	Central Storage Facilities	0		0	0	0	0	0
B.4.18	TOTAL PRIORITISATION	3,500		3,400	1,801	32,984	37,900	79,585

Table B5: Equipment & B6 Contingency

B.5	Equipment							
B.5.1	Electro Medical Equipment	1,643	18.8%	992	3,136	2,117	3,077	10,965
B.5.2	Digital Services Equipment Network	945	10.8%	250	100	775	250	2,320
B.5.3	Digital Services Equipment Devices	1,000	11.5%	1,000	1,100	1,153	1,938	6,191
B.5.4	CSS Catering	400	4.6%	303	400	400	400	1,903
B.5.5	CSS CDU	162	1.9%	0	50	50	0	262
B.5.6	CSS Porterage	40	0.5%	40	40	40	40	200
B.5.7	CSS Domestic	24	0.3%	24	24	24	24	120
B.5.8	Estates Equipment	50	0.6%	100	100	100	100	450
B.5.9	Laboratories - Biochemistry	20	0.2%	0	0	0	180	200
B.5.10	Laboratories - Microbiology	0	0.0%	100	100	100	100	400
B.5.11	Pharmacy	0	0.0%	0	94	350	0	444
B.5.12	Electric Vehicles Infrastructure	0	0.0%	0	0	0	0	0
B.5.13	Equipment Emergency Replacement Fund	100	1.1%	100	100	100	100	500
B.5.14	TOTAL EQUIPMENT LIFECYCLE	4,384	1	2,909	5,244	5,209	6,209	23,956
B.6	CIP Programme Contingency							
B.6.1	Contingency Allowance	436	5%	436	436	436	436	2,180
B.6.2	TOTAL UNALLOCATED CONTINGENCY	436		436	436	436	436	2,180

2.3.5 Table C: Summary

C	Summary Plan	Proposed		Proposed	Proposed	Proposed	Proposed	
		FY24-25		FY25-26	FY26-27	FY27-28	FY28-29	
B.1.6	TOTAL FORMULA	1,325		1,325	1,325	1,325	1,325	6,625
B.2.6	TOTAL EARMARKED	673		614	29,600	26,000	0	56,887
B.3.5	TOTAL ROLLING PROGRAMMES	650		650	650	350	350	2,650
B.4.18	TOTAL PRIORITISATION	3,500		3,400	1,801	32,984	37,900	79,585
B.5.14	TOTAL EQUIPMENT LIFECYCLE	4,384		2,909	5,244	5,209	6,209	23,955
B.6.2	TOTAL UNALLOCATED CONTINGENCY	436		436	436	436	436	2,180
B.7.1	TOTAL EXPENDITURE	10,968		9,334	39,056	66,304	46,220	171,882
B.7.2	TOTAL FUNDING ALLOCATION	10,968		9,334	39,056	66,304	46,220	171,882
C.1.3	Proposed Expenditure v Funding allocations (zero indicates balanced)	0		0	0	0	0	0

2.3.6 Quality/patient care

The Proposed Capital Investment Plan implements a prioritisation process that includes criteria that focusses investment on areas that deliver the best outcomes for patient care and manages risk.

2.3.7 Workforce

The Proposed Capital Investment Plan projects supports a number of workforce improvements within specific projects. For example, larger projects will create opportunities for the recruitment of new staff. Other projects will provide

improvements in the working environment to enable services to be delivered and for staff to work more effectively.

2.3.8 Financial

The Proposed Capital Investment Plan has a total funding and expenditure figure of **£10,968k** for FY2024-2025.

2.3.9 Risk assessment/management

The prioritisation for the allocation of funding within the CIP has included consideration of risk within each operational area, in particular prioritisation of expenditure for capital equipment within the ten year lifecycle plan.

2.3.10 Equality and diversity, including health inequalities

Equalities impact assessments are completed for significant high cost projects. The prioritisation process utilised for the allocation of funding includes scoring criteria for improving health inequalities and improving outcomes for patients.

2.3.11 Other impacts

The Capital Investment Plan provides a tool to support NHS Ayrshire and Arran's Community Wealth Building aspirations, across key social, economic and environmental impact themes. This is captured through the procurement of goods, services and works and is actively managed to maximise opportunities for the Ayrshire communities. Larger projects have specific Social Impact Action Plans.

2.3.12 Communication, involvement, engagement and consultation

The Board has carried out its duties to involve and engage stakeholders throughout the development of the Capital Investment Plan.

2.3.13 Route to the meeting

This has been previously considered by the following groups as part of its development. The groups have either supported the content, or their feedback has informed the development of the content presented in this report.

- Infrastructure Programme Board Advisory Group
- Infrastructure Programme Board
- Corporate Management Team
- Performance Governance Committee

2.4 Recommendation

For decision. Members are asked to;

- Consider and approve the Five Year Capital Investment Plan for financial years 2024-2029.
- Note that further prioritisation work and quarterly reviews will be undertaken throughout the year to reflect any in-year changes in expenditure and ensure that funding is aligned to the Board's priorities.