

Joint Capital Resource Use Plan – 2024/25

Region	East of England
ICB / System	Bedfordshire Luton & Milton Keynes
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Introduction

The Bedfordshire Luton and Milton Keynes Integrated Care Board (BLMK ICB) came into operation on 1 July 2022, as the statutory Board of the new Integrated Care System (ICS).

Our population and geography are diverse. Milton Keynes (288,000 residents) is mostly urban with significant ethnic minority communities and some rural areas. Bedford Borough (186,000 residents) has both rural and urban areas with about two-thirds of the population living in the towns of Bedford and Kempston. Central Bedfordshire (296,000 residents) comprises of a mix of market towns and rural villages. Luton (225,000 residents) is the most urban, deprived and ethnically diverse. In the most deprived areas of Bedford Borough, Luton, and Milton Keynes 1 in 4 children aged from 0 to 15 are living in families experiencing income deprivation. Central Bedfordshire is the most affluent and least ethnically diverse of the four areas. It does, however, have pockets of deprivation and an ageing population.

The population is growing fast. Three of our four places saw population growth of over 15% in the decade to 2021. It is one of the fastest growing areas in the country. According to the Office for National Statistics (ONS) the population of Bedfordshire, Luton and Milton Keynes is projected to increase by 5.6% between 2020 and 2040. This is likely to be an underestimate as it doesn't account for all the planned housing developments which suggest around 6,000 new homes will be built each year. The number of people aged 85 and over in our area is projected to almost double between 2020 and 2040, increasing by 89%.

About our area

Our area

The four places in our Integrated Care System are vibrant and culturally diverse and cover a population of 1 million. Whilst there are health inequalities, there is growth and opportunities for us to improve the health and wellbeing of people who live here.

Bedford Borough

Primarily an urban area surrounded by many villages. Over 100 languages are spoken by an ethnically diverse population.

Milton Keynes

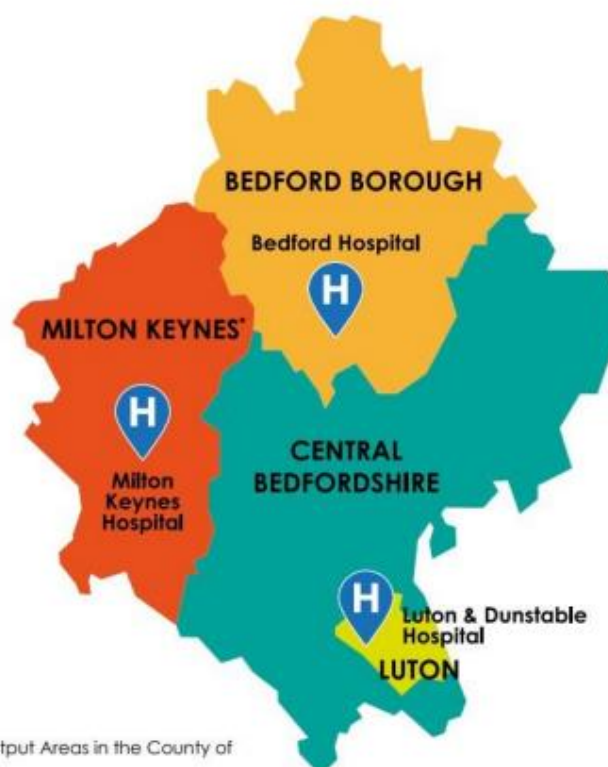
Ethnically diverse population with 90% of people living in Milton Keynes itself and 10% living in rural areas.

Central Bedfordshire

Older, more affluent population with less ethnic diversity than its neighbours. Life expectancy is better than the national average.

Luton

Young and highly culturally diverse population living in our most urban of areas.



*The area covered by the ICB also includes the following Lower Layer Super Output Areas in the County of Buckinghamshire: E01017695, E01017696, E01017669, E01017670

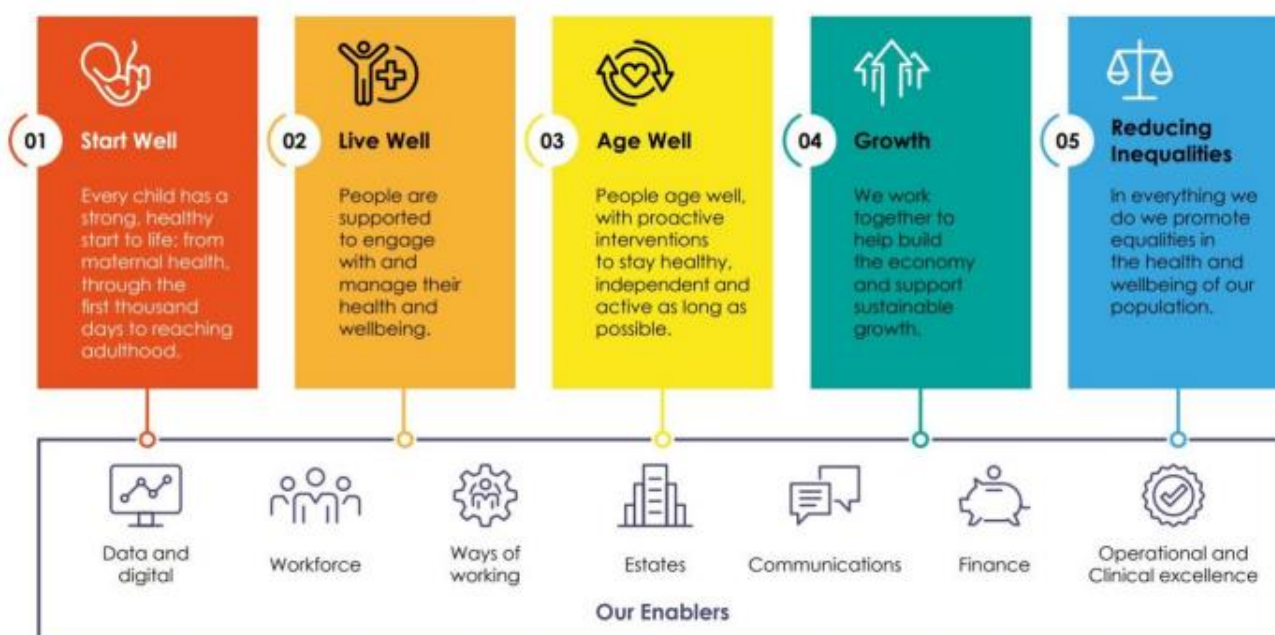
Bedford Borough Council
 Bedfordshire Hospitals NHS Foundation Trust*
 BLMK Integrated Care Board*
 Cambridgeshire Community Services NHS Trust
 Central Bedfordshire Council
 Central North West London NHS Foundation Trust
 East London NHS Foundation Trust
 East of England Ambulance NHS Trust
 Luton Borough Council
 Milton Keynes City Council
 Milton Keynes University Hospitals NHS Foundation Trust*
 South Central Ambulance NHS Trust

*These organisations form the financial control total for BLMK ICS. Our partner NHS organisations are based outside of BLMK and as such their plans form part of their host system revenue and capital programme, rather than BLMK.

BLMK ICB has its headquarters in Luton, and further office accommodation for its staff co-located with each of our local authority partners. In total, the ICB employs 379 staff (31st March 2023).

Our aim is to increase the years of healthy life that every one of our residents have – adding life to years, not just years to life. Following discussions with our partners, local people and patient forums, our Integrated Care System (ICS) has identified five priorities for health and social care across our area. These build on the factors we know support a healthy life, including access to high quality health care, healthy behaviours, education, economic stability, employment, and the built environment. Estates is one of our key enablers.

Our Strategic Priorities



The system CDEL allocation for BLMK in 2024/25 is £35.1m (excluding bonus payment based upon 23/24 system revenue and UEC performance), but Trust depreciation in 2024/25 is expected to be much higher.

The ICB Estates Team follows the ICBs overall governance structure and provides reports and briefings to key committees as required, in particular the Primary Care Committee and Finance & Investment Committee. The ICB Chief Finance Officer is SRO for estates. The Estates Team has a broad remit and is responsible for primary care and corporate estate.

Both providers are currently rated Good by the CQC and are not explicitly using capital to improve their ratings.

2024/25 CDEL allocations and sources of funding

The system has received a system-level allocation (system CDEL) to cover day-to-day operational investments that have typically been self-financed by organisations in ICSs or financed by DHSC through normal course of business loans or system capital support PDC. From 2022/23 onwards this also includes capital for investment in primary care.

The table below shows the expected sources of capital income for NHS partners in 2024/25. The system has been successful in bidding for several funding sources from outside of the operational capital envelope. NHS England announced further digital and technology funding in the 2024 spring budget. The details of this funding have not yet been announced. The system expects to bid for funding from this pot to support system digital strategies.

Key points to note:

- The system CDEL allocation in 2024/25 is £35.1m (excluding £1.7m of ICB capital). In addition, the ICS has received:

- A capital allocation to reflect the impact of the remeasurement of lease liabilities relating to IFRS16, £8.7m.
- Capital funding allocations in line with the NHSE financial framework for prior year and planned financial performance, £13.5m

The system also plans to receive c£33m relating to strategic capital schemes. This will be funded from national capital sources via PDC (although some schemes will be subject to the approval of Outline Business Cases by NHSE and DHSC). Schemes include enabling works associated with the New Hospitals Programme at Milton Keynes, Community Diagnostic Centres and Front-Line Digitisation.

Planned sources of funding for 2024/25 capital plans	2024/25 Plan £000	ICB	BHFT	MKUH
Operational Capital				
2024/25 Capital Allocation (excluding Prior Year Revenue Performance allocation)	35,067		23,378	11,689
Confirmed Prior Year Revenue Performance Allocation	2,421		1,614	807
23/24 Revenue Surplus Bonus	360	145	192	23
24/25 Revenue Fair Shares Allocation Adjustment	10,680	355	6,883	3,442
ICB Capital Allocation	1,661	1,661		
IFRS 16 CDEL Uplift Allocation	8,728		5,819	2,909
Operational Capital Funding	58,917	2,161	37,886	18,870
Central Capital (PDC)				
Community Diagnostic Centres	8,678		8,042	636
Front Line Digitisation	2,500		2,500	
STP Wave 4 Capital	7,163		7,163	
New Hospitals Programme: Enabling Schemes	14,689			14,689
Diagnostic Digital Capability Programme	300			300
Diagnostic Imaging Capacity	130			130
Central Capital PDC	33,460	-	17,705	15,755
Total Capital Funding	92,377	2,161	55,591	34,625

The System CDEL is currently allocated to our in-system NHS acute providers based on historical depreciation (two-thirds Bedfordshire Hospitals one-third Milton Keynes Hospital). The plan explicitly states where funding is expected beyond System CDEL allocations, and these are in line with the agreed drawdown profiles of schemes.

The system ringfences the ICB capital allocation which is predominantly used to pay for GP IT infrastructure and minor works in General Practice.

In addition (but excluded from the table above), c£1.3m of funding has been confirmed to support net zero commitments in 2024/25. This grant funding is received from the Public Sector Decarbonisation Scheme (PSDS). The system continues to seek public sector funding for works required to test feasibility and/or meet net zero targets, including Low Carbon Skills Funding and Public Sector Decarbonisation funding.

Capital Planning & Prioritisation

In prioritising operational capital, the system considers the following factors:

- Addressing operational risk such as estates infrastructure risk, equipment replacement requirements and IT upgrades/replacement.
- Supporting national programme capital using local funds.
- Capital requirements to support larger strategic priorities.

Capital prioritisation is initially undertaken at organisation level. Prioritisation criteria are bespoke to the individual organisations based on the operational and clinical needs of that organisation – capital programmes are ratified at that organisation's Finance Committee. The plan is sense checked at the ICS Directors of Finance group and the ICS Capital Estates Oversight Group.

In 2024/25, system partners have several pre-commitments that require funding from the operational capital envelope. Much of these pre-commitments arise from nationally funded schemes. Due to timing of available funds, inflation or changes in scope, local capital funding has been required to supplement the capital funds provided.

Primary care funding is allocated for GP IT projects and GP estates projects that will specifically enhance existing registration and consultation capacity. GP Estates bids start with Expressions of Interest and once agreed by NHS England, Project Initiation Documents (PIDs) are produced with the help of the ICB. Projects are shortlisted locally, and Business Cases completed for submission to NHS England for approval.

The ICS is seeking to further enhance the approach to managing our collective capital costs, to enable us to become more proactive in anticipating capital opportunities, more coordinated in our plans, and more transparent around our decision making for capital items.

To support longer-term capital planning, the system has developed a draft ICS Infrastructure Strategy. The ICS Capital & Estates Oversight Group have agreed prioritisation criteria alongside the development of the Infrastructure Strategy. This strategy will look to ensure best value from existing assets, which may lead to disposals in some areas (notably corporate estate). To ensure plans are in place from 2024/25 the system is developing a three-year rolling capital programme with prioritised developments from this long list.

Overview of ongoing scheme progression

Key Schemes included within the financial plan

Bedfordshire Hospitals Foundation Trust

There is a major redevelopment programme underway at the Luton & Dunstable Hospital site, as part of a wider plan to transform many parts of the Trusts' hospital sites. This programme will deliver an Acute Services Block and New Ward Block consisting of:

- Maternity services – delivery suite, 3 operating theatres, midwifery led birthing unit, triage, bereavement. A maternity ward block with maternity wards (antenatal and postnatal) and pre-operative lounge
- NICU – intensive care, high dependency care, special care, transitional care, parental accommodation
- Critical Care – a 22-bed critical care floor

- Surgical arrivals and recovery
- Operating theatres – 8 new operating theatres, including two hybrid theatres, first stage recovery.

This major programme will provide new accommodation for 4 of the 34 services delivered from the hospital site. Further work is needed to transform other parts of this site and the Bedford Hospital site to ensure they are fit for future purpose. The Acute Services Block at the Luton & Dunstable site is due to complete in Quarter 4 of 2024/25.

The Trust has also started work on transforming part of their Gilbert Hitchcock House building in Bedford into a Community Diagnostic Centre, due to complete in 2025. This will deliver therapy services, phlebotomy, and a number of diagnostic services including MRI, CT, ultrasound, x-ray, and cardiology, amongst others. The project is part of a broader programme to transform the Bedford North Wing site (also known as Bedford Health Village) into a one-stop shop for primary and secondary care that will improve access to healthcare and diagnostics for our patients in modern facilities, while reducing the pressure on our main hospital sites.

The refurbishment of the Enhanced Service Centre on the Bedford North Wing site is due to complete in Quarter 3 of 2024/25. This is funded via DHSC capital.

Milton Keynes University Hospital Foundation Trust

MKUH is part of the national New Hospital Programme. A Strategic Outline Case (SOC) has been submitted to NHSE/DHSC, and work has commenced on the Outline Business Case (OBC). The aim of the programme is to deliver a new Women's and Children's and Elective Surgery facility. The facility has been designed to include:

- Elective surgery inpatient beds
- Surgical outpatients
- Maternity inpatient beds & delivery suite
- Obstetric theatres
- Maternity outpatients & ante-natal assessment
- Neonatal unit
- Paediatric inpatient beds
- Paediatric outpatients
- Refurbished Day Surgery Unit

Achieving this will require a number of enabling schemes to be delivered, including i) relocation and expansion of car parking capacity, including an additional multi-storey car park; ii) a new imaging centre; and iii) additional HV supply.

Other schemes in delivery include:

- Development of a new Radiotherapy Centre at MKUH, to be sited adjacent to the Cancer Centre, due for completion summer 2024. The Radiotherapy Centre will house state-of-the-art medical linear accelerator (Linac) bunkers and will include a main reception, consultation rooms and a CT scanner area.
- Delivery of two Community Diagnostic Centres in the Whitehouse Health Centre and Lloyd Court in Central Milton Keynes. Both CDCs will be operational by the end of 2024.
- Feasibility work for increasing the capacity in Oak House Ward (potential for new two 24 bed ward block).

Primary Care Estates

BLMK ICB is investing in additional in primary care estates which has enabled 10 schemes to be delivered since January 2023, and a further 23 projects are at various stages of planning and

delivery. These include small tactical schemes, efficiency improvements / repurposing void spaces, and larger new build projects. These schemes include:

- New surgery in Cranfield (new build, developer-funded), due for completion 2024
- New healthcare facility in Biddenham (third-party development scheme) to accommodate two GP practices, due to start construction in 2024.
- Community and health hub in the East MK development area (Council-led new build funded through Housing Infrastructure Fund and Council investment), due for site completion autumn 2025.
- Reconfiguration of Enhanced Services Centre in Bedford (LIFTco. building) into a new Primary Care Centre for De Parys Group who provide primary care services to 40,000 patients, due to complete November 2024
- Relocation of Cater Street Surgery in Kempston to an under-utilised area of a nearby NHS PS-owned Health Centre, due to complete summer 2024, and scoping work to consider rationalisation of health estate in the town.
- Various extension and improvement projects funded via S106 contributions from housing developers.
- Feasibility work to explore options for increasing capacity in growth areas such as Wixams, Leighton Buzzard and Biggleswade.

Community and Mental Health Estate

The majority of community and mental health services in BLMK are delivered by East London Foundation Trust (ELFT), Cambridgeshire Community Services Trust (CCS) and Central North West London NHS Trust (CNWL). Their existing capital projects in BLMK are set out in the table below.

Lead Organisation	Project Name	Project Status
ELFT	HBPoS Improvements (Coral Ward)	ACTIVE
Cambridgeshire Community Services NHST	Reconfiguration of Redgrave Gardens, Luton	Potential reconfiguration proposal being developed.
ELFT	Accessibility Improvements (Fountains Court)	ACTIVE
Cambridgeshire Community Services NHST	Reconfiguration of Child Development Centre, Kempston	ACTIVE
ELFT	Bedford Mental Health Inpatient Unit	Case for Change developed. Complexity around potential funding arrangements.

Risks and contingencies

In BLMK, we face major infrastructure challenges, which, without new investment, will worsen. BLMK is the fastest growing area in the fastest growing Region in England, with a rate of population growth two and half times greater than the national average. High health needs, coupled with significant health deprivation, and funding allocations which have not kept pace with rapid growth, are combining to create an unsustainable estate in BLMK. As a result, we have major backlog maintenance issues which are growing at a steady pace. Our delivery of services is negatively impacted too regularly by our estates issues, for example regular lift and operating theatre outages at some of our hospital sites. This has a direct impact on our performance and on the health outcomes of our residents.

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.

The main mitigations are contingencies within the Acute Services Block and CDC plans (in line with QS recommendations), but these have been insufficient in previous schemes (e.g. ED at Luton & Dunstable Hospital). Further mitigations are limited as all non-essential (and some essential) capital schemes have been de-prioritised. The lack of sufficient CDEL allocation means that there is no funding for Net zero carbon strategy, this impairs the system's ability to deliver this priority.

The system continues to work together to identify alternative sources of funds from local authority partners, such as capital investment and s106 funding, and will continue to bid for capital funds where this is available and supports system priorities.

Business cases in 2024/25

There are some schemes included within the 2023/24 Joint Capital Resource Plan which complete during 2024/25, most significant are the completion of the Acute Services Block at the Luton & Dunstable Hospital and the work to develop the North Wing site in Bedford through a new Community Diagnostic Centre and refurbishment of a LiftCo property for use by a GP practice.

These align with the system priority for enhancing elective and diagnostic capacity to deliver operational targets.

Cross-system and collaborative working

As described above, the capital funding provided to the Bedfordshire Luton & Milton Keynes System is for use by the two in-system hosted acute provider organisations. However, Cambridgeshire Community Services NHS Trust, Central & North West London NHS Foundation Trust, East London NHS Foundation Trust and our ambulance provider are key NHS service providers within the system and require capital resources to support service pressures and operational priorities. The capital funds for these providers are managed through other ICBs.

Examples of collaborative working across the system include the following:

- We have established a system wide capital group which comprises capital leads, finance leads and subject matter experts. All system partners are represented on the Group. The aim of this group is to ensure a collaborative approach to capital and to ensure capital investment is prioritised and used effectively. The Capital and Estates Oversight Group reviews system assets with NHS and non-NHS partners to identify opportunities to collaborate and organisational capital bids / plans to facilitate synergy.
- The system has worked closely on the development of the Community Diagnostic Centre (CDC) programme, with GP services relocating to deliver the CDC programme.
- A recent example of integrated system working is the Grove View Integrated Care Hub in Dunstable, which was built by Central Bedfordshire Council, but leased and run by Bedfordshire Hospitals NHS FT, and includes various tenants, including a local GP practice.
- Capital works at the Bedford Hospital North Wing are a collaboration between the ICB and Bedfordshire Hospitals, through the development of a joint business case to successfully access DHSC capital.
- We have built strong foundations with local authority partners to understand local growth aspirations (housing and employment) and the associated trajectories for delivery. In developing these working relationships with the four local planning authorities across BLMK we continue to seek to secure additional capital to support the transformation and resilience of our estate i.e. through s106 contributions.

Net zero carbon strategy

As an ICS we aim to reach net zero by 2035 for emissions for which the health and care system is directly responsible. The NHS also has an ambition to reduce to net zero the emissions associated with its supply chain by 2045. These are ambitious goals, described in more detail in our system's ICS Green Plan.

Environmental sustainability and net zero are woven throughout the ICS strategies, including the Joint Forward Plan, which draws the link between climate change and health impacts.

Through its Environmental Sustainability System Leadership Group and Green Plan Operational Working Group, the ICB oversees progress towards a net zero healthcare system; the former group develops the system strategy and oversees progress whilst the latter supports progress and collaboration between system partners. The ICB also holds twice-annual net zero progress meetings with the acute trusts.

Examples of recent capital projects supporting Net Zero carbon strategy include:

Bedfordshire Hospitals

- The Trust has recently invested in energy efficiency through Light Emitting Diodes (LED) Lighting, solar PV (photovoltaics) on both sites.
- The Energy Centre completed in 2023 on the Luton & Dunstable site, will reduce carbon emissions by approximately 35%. The Energy Centre is a Heat Led Combined Heat and Power (CHP) scheme, with generated electricity as a by-product.

Milton Keynes

- Solar panels have been installed across the whole of the hospital, allowing us to generate more of our energy on site and reduce the need to source this from external suppliers. In total, just over

2,500 panels have been introduced which, when operational, will produce approximately 8% of our total electrical output.

- LED and motion sensor lighting at Milton Keynes: Both multi-storey car parks now feature motion sensor lighting so that energy is only consumed when it is needed. Similarly, the lighting across the site has been upgraded to LEDs which is less power and are more efficient.
- EV charging at Milton Keynes: Currently there are 16 electric vehicle charging points located in our car parks and there are plans to increase this over the next few months as more staff make the switch to EVs.

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Annex A – Bedfordshire Luton & Milton Keynes ICS 2024/25 CAPITAL PLAN

2024/25		ICB	BHFT	MKFT	Total	Narrative on the main categories of expenditure
		£m	£m	£m	£m	
Provider	Operational Capital	2.2			2.2	
ICB	Operational Capital		39.4	16.6	56.0	
Total Operational Capital		2.2	39.4	16.6	58.2	
Provider	Impact of IFRS 16	-	-	2.9	2.9	
Provider	New Hospital Programmes	-	-	14.7	14.7	Enabling Works
Provider	National Programmes	-	17.8	1.1	18.8	Diagnostics, Front Line Digitisation
Provider	Other (technical accounting)	-	0.3	-	0.3	
Total CDEL		2.2	57.4	35.3	94.9	