NHS Golden Jubilee 

### **Meeting:** **NHS Golden Jubilee Board**

### **Meeting date:** 28 August 2025

### **Title: Capital Position 2025/26**

### **Responsible Executive/Non-Executive: Jonny Gamble, Executive Director of Finance**

### **Report Author: Laura Divers, Financial Accountant**

## 1 Purpose

### This is presented to NHS Golden Jubilee Board for:

### Decision

### This report relates to a:

* Annual Operation Plan
* NHS Board/Integration Joint Board Strategy or Direction

### This aligns to the following NHS Scotland quality ambition(s):

* Effective

**This aligns to the following NHSGJ Corporate Objectives:**

* + Leadership, Strategy & Risk
  + High Performing Organisation

## 2 Report summary

## 2.1 Situation

The purpose of this paper is to provide an update on the allocation of 25/26 capital funding. The Board are asked to approve the proposal for 2025/26 allocation of capital funding.

## 2.2 Background

The 4 December 2024 Budget Letter from Scottish Government (SG) informed NHS Golden Jubilee that all Boards’ formula capital would increase by 5% in 25/26. This equates to £2.862m for NHSGJ. As noted in the SG Directors’ Letter of December 2023, this formula capital should be directed towards maintenance of the existing estate, essential equipment and digital replacement. It is not intended for significant new infrastructure investments. The 25/26 formula capital allocation will also take account of any benefit from any in-year disposals.

**The current total budget for the 2025/26 capital programme is c.£19.2m**

***Table 1: Capital funding 25-26***

|  |  |
| --- | --- |
| **FUNDING** | **Baseline Funding** |
| Phase 2 Hospital Expansion | 11,500,000.00 |
| Formula Capital (inc 5% Uplift) | 2,826,000.00 |
| 24/25 Agreed Carry forward | 961,000.00 |
| National Infrastructure Board Funding | 1,000,000.00 |
| Business Continuity Project | 740,000.00 |
| CT Scanner (Turnkey Works) | 1,000,000.00 |
| Sustainability | 1,165,000.00 |
| **Total Funding** | **19,192,000.00** |

## 2.3 Assessment

Capital Delivery Group (CDG) business area leads submitted a prioritised list of capital projects assessed by organisational risk, which could be delivered in year. Residual risks from unavailable 2024/25 funding were also identified as well as future projections. The total list of all capital items discussed for prioritisation at CDG in April 2025 totalled £8.7m (appendix 1).

Since then, some projects have received funding through the National Infrastructure Board and Sustainability programme. A review of capital guidance also established that some items submitted should be classified as revenue and were removed from consideration while two further urgent items were added to the CDG list. More accurate cost projection and discounted contractor fees also contributed to lowering the prioritised asset list to £8m (appendix 2).

The final list was submitted to the Strategic Capital Planning Group (SCPG) in July for approval. The total capital funding available for allocation - excluding phase two, direct funding and urgent capital projects recommended to be prioritised by the Director of Finance and agreed at SCPG - totalled £930k.

Following the SCPG meeting in July, the following capital projects were approved and funding has been allocated as follows:

***Table 2: Directorate Allocation***



The current capital programme allocation exceeds SG funding by £350k. This will be actively managed in year to ensure that the final capital spend does not exceed allocation

***See appendix 3 and 4 for detailed funding allocation and actual spend at month four close***

### 2.3.1 Quality/ Patient Care

The condition of the estate as well as levels of high-risk infrastructure need directly impact quality of patient care. Capital investment is required to enable NHSGJ to deliver its strategic priorities and address growing population demand as well as care and capacity gaps. Operational and performance impacts have been seen previously from high-risk failure of our estate and we remain at high risk from key estate and asset failure risks that could impact critical services.

### 2.3.2 Workforce

In 24/25 NHS GJ received additional funding in quarter three. This required additional resource particularly from Estates, Medical Physics, Digital and Procurement services. Should additional funding become available in 25/26, further resource and support will similarly be required to progress capital projects held in reserve. Where programmes require operational and clinical based staff to support, service demand will take priority and this will be challenging.

### 2.3.3 Financial

As noted above, some of the costs associated with capital projects agreed as part of the 25/26 capital plan will require adjustment as the procurement process progresses and we move from an estimated position. Appendix two lists several areas across the estate which remain unfunded and collectively increase the residual risk of failure, cancelled patient lists and therefore impacts Board operational performance.

External costs have been included in the funding allocation but these costs continue to fluctuate and additional funding may be required if we cannot reach breakeven position approaching quarter four.

### 2.3.4 Risk Assessment/Management

The following risks are highlighted as part of the formula capital programme for 25/26:

* Funding available is not sufficient to address all items identified within prioritised CDG list (£8m requested in total out with direct funding awards against total available core £2.8m)
* The programme is currently over committed by £350k
* Further refinement of information supplied by programme leads may identify additional risk, change of priority and cost
* Whilst capital planning will work closely with business areas to ensure the CDG pipeline is accurate and captures all immediate priorities, there is still risk that an unexpected capital request is submitted throughout the year which requires immediate action and precedence over agreed projects
* There is difficulty establishing accurate capital benefit from disposal of assets. This is a result of certain pieces of equipment being sold separately and not as one asset
* External support costs to resource projects may require further assessment of in-year deliverability if the required investment is beyond current estimates. Capital Planning and Estates to oversee these additional work items (for large ‘emerging risks’ and ‘other assets’ project items)

### 2.3.5 Equality and Diversity, including health inequalities

An impact assessment is not required to be completed.

### 2.3.6 Other impacts

**Climate Emergency and Sustainability**

No other impacts require to be noted

### Communication, involvement, engagement and consultation

Consultation and engagement with programme leads, external suppliers and divisional directorates have commenced following successful allocation of funding.

The Executive Leadership Team receives the monthly Finance Report as one of their standing Agenda items and in addition, the monthly financial positon is provided to Scottish Government through the completion of their standard Financial Performance Return (FPR) templates.

### 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.

* Capital Delivery Group, April 2025
* Strategic Planning Delivery Group, July 2025
* Finance and Performance Committee, 13 August 2025

## 2.4 Recommendation

* **Decision**
  + Approve the capital funding allocations and capital plan for 2025/26

## List of appendices

The following appendices are included with this report:

* Appendix 1, CDG priority submission April 2025
* Appendix 2, Updated CDG submission July 2025
* Appendix 3, Detailed Capital Allocations list
* Appendix 4, Detailed Month four close spend analysis

Appendix 1



Appendix 2

Appendix 3



Appendix 4

