NHS Golden Jubilee 

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

### **Meeting date:** 27 November 2025

### **Title: Capital Position 2025/26 (Month 5)**

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

### **Report Author: Gordon Smith, Associate Director of Finance**

## 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 2025/26 capital funding alongside the year to date expenditure and forecast expenditure against this allocation. The Committee is asked to confirm that it has assurance on the capital expenditure plan for 2025/26.

## 2.2 Background

The 4 December 2024 Budget Letter from Scottish Government (SG) informed Boards of a formula capital increase of 5% in 2025/26. This equates to £2.826m 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.

As the Committee are aware the Formula Capital is a part of the total Capital Plan for 2025/26. The below table sets out the capital funding plan approved by the Committee.

**The baseline budget for the 2025/26 capital programme was c. £19.2m.**

|  |  |
| --- | --- |
| **FUNDING** | **Baseline Funding**  **£** |
| Phase 2 Hospital Expansion | 11,500,000 |
| Formula Capital (incl. 5% Uplift) | 2,826,000 |
| 2024/25 Agreed Carry forward | 961,000 |
| National Infrastructure Board Funding | 1,000,000 |
| Business Continuity Project | 740,000 |
| CT Scanner (Turnkey Works) | 1,000,000 |
| Sustainability | 1,165,000 |
| **Total Funding** | **19,192,000** |

Following the Finance and Performance Committee in August, the following capital plan was approved and funding had been allocated as follows:

|  |  |
| --- | --- |
| **FUNDING ALLOCATED** | **Baseline Funding**  **£** |
| Phase 2 Hospital Expansion | 11,500,000 |
| Estates/BCP/Sustainability | 4,489,289 |
| Medical Equipment | 3,486,511 |
| Non-Medical Equipment | 65,633 |
| **Total Funding** | **19,541,433** |
| Over allocation | 349,433 |

The Committee approved an over allocation against SG funding by £350k, on the basis that this would be actively managed in year.

## 2.3 Assessment

At month 5, total funding amounted to £19.2m. The following shows a summary of the movements;

|  |  |  |  |
| --- | --- | --- | --- |
| **FUNDING** | **Baseline Funding**  **£** | **Funding at M5**  **£** | **Movement**  **£** |
| Phase 2 Hospital Expansion | 11,500,000 | 9,700,000 | (1,800,000) |
| Formula Capital (incl. 5% Uplift) | 2,826,000 | 2,826,000 | 0 |
| 2024/25 Agreed Carry forward | 961,000 | 961,000 | 0 |
| 4 Heart & Lung Machines (NIB) | 1,000,000 | 1,000,000 | 0 |
| Business Continuity Project | 740,000 | 740,000 | 0 |
| CT Scanner (Turnkey Works) | 1,000,000 | 1,000,000 | 0 |
| Sustainability | 1,165,000 | 1,165,000 | 0 |
| Additional 4 Heart & Lung Machines (NIB) | 0 | 994,619 | 994,619 |
| Cath Lab 4 (NIB) | 0 | 803,000 | 803,000 |
| **Total Funding** | **19,192,000** | **19,189,619** | **(2,381)** |

* The Board have been successful in its bids to The National Investment Board (NIB) who have awarded a further £1.8m in funding. This specifically funds the final four heart & lung machines (£1m), as well as fast tracking Cath Lab 4 (£0.8m), which was originally planned for 2026/27 (NIB has also confirmed £0.2m turnkey costs funding for Cath Lab 4 for 2026/27).
* Funding for phase 2 is ring fenced and has been reduced in line with the expenditure forecasts.

At month 5, total allocated funding amounted to £19.6m. The following shows a summary of the movements -

|  |  |  |  |
| --- | --- | --- | --- |
| **FUNDING ALLOCATED** | **Baseline**  **Allocated Funding**  **£** | **Allocated Funding at M5**  **£** | **Movement**  **£** |
| Phase 2 Hospital Expansion | 11,500,000 | 9,700,000 | (1,800,000) |
| Estates/BCP/Sustainability | 4,489,289 | 4,489,289 |  |
| Medical Equipment | 3,486,511 | 5,418,062 | 1,824,271 |
| Non-Medical Equipment | 65,633 | 65,633 |  |
| **Total Funding** | **19,541,433** | **19,565,705** | **24,271** |
| Over allocation | 349,433 | 376,085 | 26,652 |

* Aecom’s recent cost analysis indicates project spend for Phase 2 in this financial year to be closer to £9.7m (£1.8m less than capital budget).
* Medical equipment increase due to NIB funding an additional 4 heart and lung machines and cath lab 4.
* Theatre 8 light (£27k) was approved by the DoF to reduce theatre down time after equipment failure.

**Expenditure against Plan**

As at 31 August 2025, the total actual spend was £2.237m against planned total expenditure of £19.566m for the year. The Board have spent 11.5% of the 2025/26 capital budget despite being 42% of the way through the financial year. Divisions have been requested to prioritise the ordering of goods and services to ensure that these are received or services are completed by 31st March 2026.

Through regular monthly meetings between Finance and projects leads, expenditure against plan will continue to be monitored, and any risks around utilising the full capital allocation will be highlighted to SCPG, and reported to FPC.

**Project Pipeline**

Further funding becoming available remains a real priority, and the Board should be ready to take advantage of this by continuing to assess priorities. The Associate Director of Finance has contacted CDG leads, and requested that capital priorities are reassessed for prioritisation and wider discussion.

The list of pipeline projects agreed by SCPG is as follows –



### 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 2024/25 NHSGJ 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 2025/26, 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.

### 2.3.3 Financial

Some of the costs associated with capital projects agreed as part of the 2025/26 capital plan will require adjustment as the procurement process progresses and we move from an estimated position. These movements will be reported monthly and meetings will continue between Finance and budget holders to monitor the position closely.

### 2.3.4 Risk Assessment/Management

The following risks are highlighted as part of the formula capital programme for 2025/26:

* Further refinement of information supplied by programme leads may identify additional risk, change of priority and change in cost.
* Whilst capital planning will work closely with business areas to ensure the pipeline is accurate and captures all immediate priorities, there is still a risk that an unexpected capital request is submitted which requires immediate action and needs prioritised over projects already agreed.
* 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 will oversee these additional items (for large ‘emerging risks’ and ‘other assets’ project items).
* Projects that require larger lead in times awaiting confirmation of further funding might not be completed by 31st March.

### 2.3.5 Equality and Diversity, including health inequalities

An impact assessment is not required to be completed. This paper documents factual information only, with no proposals for action or change that will impact on people. However, all relevant Board strategies and policies will be considered should any developments progress.

### 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.

* Strategic Planning Delivery Group, September 2025
* Capital Delivery Group, September 2025
* Finance and Performance Committee, November 2025

## 2.4 Recommendation

* **Decision**
  + NHS Golden Jubilee Board is asked to confirm that it has assurance on the capital expenditure plan for 2025/26.

## List of appendices

The following appendices are included as part of this report:

* Appendix 1, Detailed capital allocations list

**APPENDIX 1 – Detailed Capital Allocations List**

