Board Item 3.4.3

NHS Golden Jubilee

Meeting:	**NHS Golden Jubilee Board**
Meeting date:	**27 August 2026**
Title:	**Capital Position 2026/2027 (Month 3)**
Responsible Executive/Non-Executive:	**Jonny Gamble, Executive Director of Finance**
Report Author:	**Gordon Smith, Associate Director of Finance**

1 Purpose

This is presented to the Board for:

Assurance	x	Awareness	x
Decision	x	Discussion	x

This report relates to a:

Annual Delivery Plan	x	Local Policy	☐
Emerging Issue	☐	NHS / IJB Strategy or Direction	☐
Government Policy or Directive	☐	Other	☐
Legal Requirement	☐		

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

Safe	☐	Effective	x
Person-Centred	☐		

Please select the level of assurance you feel this report provides to the board/committee and briefly explain why:

Significant	x	Moderate	☐
Limited	☐	No Assurance* / Not Yet Assessed* (*delete)	☐

From the list below, please select which Board Priority this paper relates to. If none of the priorities suit, please select other and briefly explain why this paper needs to be reviewed at Board/Committee:

Service Sustainability	x	Financial Sustainability	x
Workforce Sustainability	x	Environmental Sustainability	x
Quality and Safety	x	Population Health and Health Inequalities	x
Other	☐		

2 Report summary

2.1 Situation

The purpose of this paper is to provide an update on the allocation of 2026/27 capital funding, and 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 2026/27.

2.2 Background

The Capital Plan was approved at the Strategic Capital Planning Group (SCPG) on 1 June 2026.

The Scottish Government confirmed that there would be no increase to the Boards' formula capital allocation for 2026/27, with the NHS Golden Jubilee's allocation remaining at £2.826m. As instructed by Scottish Government, 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 only a part of the total Capital Plan for 2026/27. Additional funding has been provided to continue the works on the hospital expansion (phase 2). Funding has also been made available through the National Infrastructure Board (NIB), and the Business Continuity Plan (BCP).

The below table sets out the baseline capital funding -

Income / Funding	**£m**
Formula Capital	2.826
National Infrastructure Board (NIB)	0.754
Business Continuity Plan (BCP)	0.740
Hospital Expansion (Phase 2)	11.537
Total	**15.857**

The Board have been successful in bids to NIB who have awarded £0.446m to fund additional medical equipment. The remaining £0.308m NIB funding related to funding that was agreed in 2025/26 for the turnkey works for cath lab 2.

The baseline funding was agreed to be allocated as follows -

Area	£m
Hospital Expansion (Phase 2)	11.537
Medical Equipment	2.237
Estates	1.479
Digital	0.330
Operations - NES	0.220
Hotel	0.065
Catering	0.057
Total	**15.925**

Although the above resulted in a small over commitment of £68k, SCPG confirmed that this would be actively managed during the financial year.

2.3 Assessment

At month 3 (June 2026), total funding amounted to £14.552m, and is detailed as follows –

Income / Funding	£m
Formula Capital	2.826
National Infrastructure Board	0.754
Business Continuity Plan	0.740
Hospital Expansion (Phase 2)	10.232
Total	**14.552**

The reduction from the baseline funding of £1.305m relates to the Hospital Expansion (Phase 2) project due to delays to the new theatre recovery area. This will is now forecast to be spent in 2027/28.

The baseline funding was agreed to be allocated as follows -

Area	£m
Hospital Expansion (Phase 2)	10.232
Medical Equipment	2.237
Estates	1.479
Digital	0.330
Operations - NES	0.220
Hotel	0.065
Catering	0.057
Various Prior Year c/fwds	0.046
Total	**14.666**

Similar to the funding movement, the main forecast expenditure reduction is due to the Hospital Expansion (phase 2) project. It should be noted that Scottish

Government match funding for this project in line with expenditure forecasts, and within agreed constraints.

The overall impact of the above results in an over commitment of £114k, which is considered low risk and will be actively managed during the year.

A detailed capital plan can be found at appendix one.

Expenditure against Plan

As at 30 June 2026, the total expenditure against the plan is £1.081m against planned annual expenditure of £14.666m.

£0.600m of expenditure to date relates to the Hospital Expansion (Phase 2) project, and £0.285m relates to cath lab 2 turnkey works.

Project Pipeline

The requests for capital funding far outweighed the capital funding available for 2026/27. SCPG is in the process of reviewing these projects and any potential that funding can be found to support them.

2.3.1 Quality/ Patient Care

The funds spent through the capital plan help to improve quality and patient care.

2.3.2 Workforce

The funds spent through the capital plan help to improve quality and patient care. Resources to deliver the works for the capital plan are carefully managed through the senior responsible officers.

2.3.3 Financial

Project leads for each of the capital projects meet with Finance on a monthly basis to monitor expenditure against available funding. This is then reported to the SCPG meetings, and action taken where necessary.

2.3.4 Risk Assessment/Management

The following are noted in relation to delivery of the 2026/27 capital programme:

- Capital expenditure is forecast to be delivered throughout the remainder of 2026/27 in line with approved project delivery plans.
- As a significant proportion of the programme has yet to progress through procurement and ordering stages, delivery profiles will continue to be closely monitored through established governance arrangements.
- Progress against key milestones, procurement activity and expenditure forecasts will be reviewed regularly with project and asset owners.
- The current over-commitment position and outstanding project cost reviews will continue to be actively managed through SCPG.

2.3.5 Equality and Diversity, including health inequalities

An impact assessment is not required as this report provides an update on the capital position and does not propose changes that would directly affect service users or staff. Relevant equality and diversity considerations will be applied as individual projects progress.

2.3.6 Climate Emergency and Sustainability

No additional impacts have been identified. Sustainability considerations will continue to be embedded within capital planning and procurement activity where applicable.

2.3.7 Other impacts

None

2.3.8 Communication, involvement, engagement and consultation

The Board has carried out its duties to involve and engage external stakeholders where appropriate and in accordance with the Health and Social Care Communication and Engagement Strategy and process.

The Scottish Government agreed funding available through the annual financial planning process.

The Scottish Government is kept updated on the capital plan through the monthly Financial Planning Report (FPR), and through monthly meetings with their capital lead.

2.3.9 Route to the Meeting

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

- Strategic Capital Planning Group meeting, 1 June 2026
- Finance and Performance Committee – 12 August 2026

2.4 Recommendation

- **Decision** – Reaching a conclusion after the consideration of options.

3 List of appendices

The following appendices are included with this report:

- Appendix 1 – 2026/2027 Detailed Capital Plan.