

NHS Greater Glasgow and Clyde	Paper No. 25/47
Meeting:	NHSGGC Board Meeting
Meeting Date:	29 April 2025
Title:	Capital Plan 2025/26 – 2027/28
Sponsoring Director:	Colin Neil : Director of Finance
Report Author:	Joe McBride : Head of Finance – Capital

1. Purpose

The purpose of the paper is to inform the Board of the estimated available capital resources for 2025/26 - 2027/28 and to advise on progress with allocation of capital in the initial 3-year plan

2. Executive Summary

The paper can be summarised as follows:

- Scottish Government Capital Funding position
- Assessment of available GG&C Capital Funding
- Impact on GG&C Capital Expenditure Plans
- Breakdown between core capital and additionally funded schemes
- Preparing for Implementation of SG Business Continuity Planning (DL 2024 0(02)) funding decisions.
- Initial Business Continuity Planning allocations.

3. Recommendations

The Board discuss and approve initial capital allocations against the BCP summary headings as the baseline approach to the Capital Plan in 2025/26.

4. Response Required

This paper is presented for approval.

5. Impact Assessment

The impact of this paper on NHSGGC's corporate aims, approach to equality and diversity and environmental impact are assessed as follows:

- | | |
|------------------------|------------------------|
| • Better Health | <u>Positive</u> Impact |
| • Better Care | <u>Positive</u> Impact |
| • Better Value | <u>Positive</u> Impact |
| • Better Workplace | <u>Positive</u> Impact |
| • Equality & Diversity | <u>Positive</u> Impact |
| • Environment | <u>Positive</u> impact |

6. Engagement & Communications

The issues addressed in this paper were subject to the following engagement and communications activity:

Joint working on Business Continuity Planning prioritisation process lead by Capital Planning Team in conjunction with:

- Estates & Facilities
- Property & Asset Management
- Medical Equipment
- eHealth
- Finance

7. Governance Route

Corporate Management Team	: Approved 3 rd April 2025
Finance, Planning & Performance Committee	: Approved 8 th April 2025

8. Date Prepared & Issued

Paper prepared on: 10 April 2025
Paper issued on: 17 April 2025

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1. Introduction

The purpose of the paper is to inform the Board of the estimated available capital resources for 2025/26 - 2027/28 and to advise on progress with allocation of capital in the initial 3-year plan.

Following prioritisation decisions by CMT and subsequent submission to Financial Planning and Performance Committee (FP&P) in February and April, a revised Capital Plan has been updated to take account of the latest position on 2024/25 schemes under construction that will be carried forward into 2025/26, together with any changes in funding availability from Scottish Government (SG). Whilst we have captured all known slippage as at March 2025, any further, limited, adjustments following year end accounts will be re-provided following the final consolidation as part of the year end in April 2025.

2. Background

This initial Capital Plan has been developed in line with the assumptions outlined to Boards by the Scottish Government on 4th December 2024.

Capital Funding – SG Capital Funding position.

- Formula Capital for all Boards will be increased by 5% on 2024/25 levels. This represents an increase to NHSGGC of £1.965m taking the total Formula Capital budget to £41.259m in 2025/26.
- All contractual commitments relating to SG approved projects under construction will continue to be funded, namely: -

- Completion of North East Hub (Parkhead Health Centre)
 - New Build Radionuclide Dispensary: Gartnavel General
 - QEUH Rectification Programme: Atrium
 - QEUH Rectification Programme: Manifold
 - Radiotherapy Equipment Replacement Programme (RERP)
 - National LIMS Project (Laboratory Information Management System)
- No other NHSGGC projects have been approved for funding. The Institute of Neurological Sciences Pre-Outline Business Case was presented to SG Capital Investment Group in October 2024 and a response is currently awaited.

Business Continuity Planning

Following receipt of the Board's Business Continuity Plans (BCPs) in January 2025, Scottish Government will undertake a further review of capital requirements and whether further allocation of funding can be made available to Boards.

The health capital programme will be restarted in line with a "Whole System Infrastructure Planning" (WSP) approach, with Boards' required to progress their "Programme Initial Agreements" setting out a deliverable, whole-system service and infrastructure change plan for the next 20-30 years.

It is recognised by SG that the WSP deliverable will be delayed beyond the intended submission date of January 2026 as the prioritisation of the BCP will be considered first.

3. Assessment

Forecast Capital Funding 2025/26 – 2027/28

Forecast Capital funding is as shown in the table below, showing a gross total in 2025/26 of £81.5m for NHSGGC:

Table 1 – Funding Summary

FUNDING SUMMARY	2025/26	2026/27	2027/28
	£'000s	£'000s	£'000s
SG National Formula Allocation	41,259	41,259	41,259
SG Additional Projects being Supported	40,239	19,797	7,701
Gross Total	81,498	61,056	48,960
Requested Capital to Revenue Transfer	(3,000)	(3,000)	(3,000)
Net GG&C Capital Resources	78,498	58,056	45,960

The additional projects funded by Scottish Government are as follows:

Table 2 – Additional Supported Projects

Additional Project Funding Supported by SG	2025/26	2026/27	2027/28
	£'000s	£'000s	£'000s
North East Glasgow Health & Care Centre	1,600	-	-
QEUH Rectification Works - SG Approved	16,562	6,584	115
Relocation of Radionuclide Dispensary	13,786	1,165	-
Radiotherapy Equipment Replacement Programme	7,294	10,970	7,376
QEUH Improvement Works : Capital Planning Team	210	210	210
LIMS	787	868	
Total	40,239	19,797	7,701

The Atrium and initial Manifold works are currently in progress. No other rectification works funding has been approved by SG at this stage. Other required projects, such as the QEUH Fire Door rectifications which is included within the Business Continuity Planning process are subject to a business case dual approval process (dependent on scheme value) of internal NHSGGC governance and approval by Scottish Government Capital Investment Group.

The QEUH Fire Door Rectifications Final Business Case (FBC) has now completed NHSGGC governance. The FBC has been submitted to SG for review and it is anticipated that confirmation on funding would form part of the BCP review and announcements which are to follow. This would add £15.7m or capital investment across the 3 years of the proposed capital plan should approval be provided by SG.

All of the above will have additional capital allocated to the Board to match actual expenditure levels and does not impact on our Core Formula Capital.

PFI -End of Contract Purchase

The Larkfield Unit within the IRH campus in Greenock, reaches the end of its contract term in October 2025 and it has been agreed that the unit will transfer to NHSGGC possession. SG have funded the transfer from our 2024/25 capital funding at a value of £6.8m as there is an irrevocable obligation to purchase whilst the actual transfer will happen in October 2025.

Formula Capital and Land Sale receipts

Board Formula Capital of £41.25m (5% increase on 24/25 levels). Due to uncertainty of timing, it is prudent not to assume any values for disposal receipts at this stage. Agreement on any retention of any receipts would also be required with Scottish Government as part of this process.

Planned disposals that are closest on the horizon include WGACH (former Yorkhill site), where work is nearing completion to relocate staff and services in preparation for disposal and Netherton Clinic, where Glasgow City Council have shown an interest in acquiring the site and discussions are at an early stage.

Detail on these disposals will be incorporated as information becomes available as these are anticipated to be part of land receipts during this phase of the capital plan. The partial sale of Dykebar was completed on 31st March 2025.

Opening “Committed” Capital Expenditure

At February 2025 there was c.£5.5m of project expenditure committed against schemes approved and carried forward from 2024/25. This will have first call on the £41.259m of funding available in 2025/26. Finalisation of expenditure levels will be confirmed as part of the year end process, this figure may increase slightly.

Table 3 – Committed from 2024/25 Plan

Projects Approved from 24/25 to 25/26	2025/26	2026/27	2027/28
	£'000s	£'000s	£'000s
New build Glasgow North East HC - GGC Funding	300	-	-
New build Bishopton HC (Dargavel)	600	-	-
QEUH INS Ward Upgrade	1,131	-	-
Clyde TSSU AHUs	800	-	-
Bishopbriggs Retail Units/Treatment Rooms	1,094	-	-
Medical Equipment - SACH MRI	1,268	-	-
VoL Relocaiton MIU & Fracture Clinic	209		
Small Valure Schemes	100		
Total : Projects approved from 24/25 to 25/26	5,502	-	-

Estimated opening balance of funding available for allocation.

Taking account of estimated committed expenditure carried forward to 2025/26 to date and allowing for a transfer to revenue funding to accommodate expenditure classification between capital and revenue, would leave **£33m of funding available in 25/26**, £38.5m in 26/27 and £38.5m in 27/28. This is summarised in the table below.

Table 4 – Summary of available funds and commitments against Core Formula Capital

Opening Balance of Funding available	2025/26	2026/27	2027/28
	£'000s	£'000s	£'000s
Capital Formula	41,259	41,259	41,259
QEUH RW Staff Team Funding (Revenue Expenditure)	210	210	210
Total	41,469	41,469	41,469
Commitments B/f from 2024/25	(5,502)	-	-
Capital to Revenue Classification	(3,000)	(3,000)	(3,000)
Remaining Balance of Funding	32,967	38,469	38,469

Business Continuity Planning (BCP)

The BCP submission has completed its NHSGGC governance process and is now under review by SG, along with all other Boards. We expect final confirmation of which of our prioritised submissions they will fund in April / May 2025.

Capital expenditure priorities should now be set by the Board in line with the BCP process. The output objective of the BCP is a deliverable prioritised investment plan that spans from April 2025 to March 2028. The plan identifies the NHSGGC priority investment needs to continue providing sufficient and suitable accommodation in support of delivering clinical services. As noted above, SG may fund some of the BCP requirements identified but it is extremely unlikely that will be the case, so all BCP priorities will require to be funded from Board formula allocations.

The Capital Plan paper is aligned with the BCP as submitted to SG in January 2025. The BCP paper provided an indicative split of the formula allocation, and this is represented in column (1) in the table below. The “Proposed Initial Allocation” column (2) outlines a valuation which could be accommodated with the indicative plan. It should be noted that some alteration will be necessary following final spend levels in 2024/25, i.e. “Committed investments b/f from 24/25” will be adjusted.

Table 5 – Proposed Funding Allocation 2025/26

Investment Area	BCP Paper Broad Estimate	Proposed Initial Allocation
		2025/26
	£m	£m
Committed Investments b/f from 24/25	3.1	5.5
Capital to Revenue Transfer	4.0	3.0
Already Committed	7.1	8.5
Proposed Allocations		
Safety Critical Investment Requirements	7.0	7.0
High Risk Maintenance Requirements	6.0	6.0
Reduced Ligature Programme	2.2	2.2
HIS Fabric Repair Programme	2.0	2.0
Clinical Service Redesign Schemes	2.0	2.0
Equipment Replacement Allocation (Clinical)	7.0	5.8
Equipment Replacement Allocation (Non-Clinical)	1.0	1.0
eHealth Investment Programme	3.0	3.0
Sustainability & Value Schemes	2.0	2.0
Reform Agenda		2.0
Total Proposed Allocation	32.2	33.0
Overall Total	39.3	41.5

Priority High Risk Maintenance

Note that the following “High Risk Maintenance” areas have been identified within the BCP as a priority.

- RAH Maternity External Brickwork (our highest risk) - £3.5m required to spent in FY 25/26 from the Safety Critical Allocation)
- GRI Walton Building Roof – final report awaited
- GGH Chimney Stack- awaiting plan and costs

QEUH Rectification Works

Rectification works have been identified separately for consideration by SG within the draft BCP return. Should SG not be able to additionally fund identified Rectification Works through the business case process or additional BCP funding (if available), works will require to be funded from NHSGGC formula as part of the overall prioritisation process.

Reform Agenda

Discussions are currently ongoing with SG regarding a bid for funding to support system reform within the Board. Whilst a response is awaited, it is felt prudent to set aside £2m of capital investment at this stage for this purpose.

The £2m of funding has been provided from previous balance of unallocated capital of £0.8m together with £1.2m from Medical Equipment funding given the level of slippage funding provided to this area in 2024/25 and the Medical equipment contained within the brought forward balance at February 2025.

Suggested Initial Allocations

Indicative allocations are shown on column 2 in table 5 above. Finance Planning & Performance Committee have considered and are content with the initial allocations against each of the BCP areas identified.

Following completion of 2024/25 year-end, a final review of BCP allocations will be made through the Capital Planning process in order to allocate slippage in schemes b/fwd from 2024/25 to 2025/26 appropriately.

4. Conclusions

- A maximum of £33m is available to allocate from 2025/26 formula capital at the time of writing.
- The value of committed schemes carried forward from 2024/25 to 2025/26 may increase as part of the year end process, which in turn will reduce the capital available in 2025/26. Cognisance of this will take place as normal, following the year end capital spend review with allocations made against appropriate BCP headings. This in turn will generate an unallocated capital balance for consideration during 2025/26
- Initial allocations can be made to priority BCP areas to allow work to progress as early as possible in 2025/26.

5. Recommendations

Board discuss and approve the initial capital allocations against the submitted BCP headings for 2025/26.

6. Implementation

As directed following consideration by the Board.

7. Evaluation

The approved Capital Plan will be taken forward to the Board by Director of Finance and Director of Estates & Facilities.

8. Appendices

NHSGGC Draft Business Continuity Plan has not been re-attached as this has previously been issued to the Board.