**Nottingham & Nottinghamshire ICB**

**Joint capital resource use plan – 2025/26**

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| **Introduction** |
| The ICS has been working within a system-wide capital envelope since 2020/21. The ICS is provided with an annual capital resource envelope for use across the 3 provider organisations (Nottingham University Hospitals, Sherwood Forest Hospitals and Nottinghamshire Healthcare), and is expected to plan and deliver capital expenditure within available resources.  The Nottinghamshire estate contains a mixture of older poor condition building and newer estate. The older estate, notably at Queens Medical Centre, Nottingham City Hospital and Rampton Hospital, requires extensive maintenance and as such, the system is recognised as having one of the highest backlog maintenance requirements in the country.  Coupled with capital required to support service continuity pressures and strategic priorities the requirements for capital funds across our provider organisations are significantly higher than funding available.  In recent years the capital envelope has been mainly used to address operational priorities on an annual basis such as equipment replacement, IT upgrades and backlog maintenance priorities. The envelope is also supported where possible by the disposal of assets. Larger strategic priorities have tended to be funded by targeted national funding as it becomes available.  The system holds a capital database to provide a granular understanding of capital plans and expenditure that would support proactive management of the capital programme and forward planning. |

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| **2025/26 CDEL allocations and sources of funding** |
| The summary table below (see more detailed table in Annex A) shows the expected sources of capital income for NHS partners in 2025/26. The system has been successful in bidding for several funding sources from outside of the operational capital envelope.   |  |  | | --- | --- | | **Net CDEL 2025/26** | **Plan** | |  | **£’m** | | Operational Capital – ICB | **4.6** | | Operational Capital – Provider | **86.7** | | **Sub Total System Operational Capital** | **91.3** | | **Programme National Programme Spend** |  | | Critical Infrastructure Risk | **16.2** | | New Hospital Programmes | **4.8** | | Digital - Electronic Patient Records (EPR) | **12.7** | | Mental health: reducing Out of Area Placements | **0.8** | | Mental health dormitories | **0.6** | | National Programme Radiotherapy (LINAC) | **2.4** | | Other Adjustments – Provider | **6.4** | | **Sub Total National Programmes** | **43.8** | | Return to Constitutional Standards: Diagnostics | **9.2** | | Return to Constitutional Standards: Elective | **10.3** | | Return to Constitutional Standards: Urgent & Emergency Care | **16.8** | | **Sub Total Return to Constitutional Standards** | **36.3** | | **TOTAL CDEL and ICB capital** | **171.4** |   The table includes an indicative amount of £36.3m for Return to Constitutional Standards as advised by NHSE. Following publication of the planning guidance, it has been confirmed that resource has been made available nationally for 2025/26 to support the delivery of a return to constitutional performance standards. Systems have been provided an indicative allocation across Diagnostics, Electives and UEC programmes.  Bids have been submitted to NHSE for the indicative amount will panels being held across NHSE Capital and Programme teams and regions to consider the system schemes and to approve system prioritisation of spend between the 10th of March and the end of April 2025. In addition, the system submitted bids for potential further funding if any becomes available following the first process against systems’ indicative allocations.  **Return to Constitutional Standards**  **Diagnostics** - each system has been provided with an indicative total of additional elective waiting list diagnostic activity it needs to deliver in 2025/26 compared to 2024/25 to meet the government’s target of Referral to Treatment (RTT) target at 118% by the national Diagnostics team. This elective waiting list activity total is broken down by diagnostic modality.  **Elective** – the government has committed to achieving the NHS Constitutional standard that 92% of patients should wait no longer than 18 weeks from Referral to Treatment (RTT) by the end of this parliament. To deliver the additional activity required to return to the 18-week standard, modelling shows that a combination of additional bed capacity, increased day case rates, and improved planning and utilisation of theatre capacity is needed. This can be supported through investment in elective facilities.  **Urgent and Emergency Care** - the intent behind the UEC funding is to make a meaningful contribution to returning systems and providers back to constitutional standards for ED 4-hour performance and / or Ambulance Category 2 Response performance.  **Mental Health Out of Area Placements (Localising Care)**  Bids were submitted to NHSE to assist in reducing one or more of the following: -   * Out-of-area placements (OAP)s in Acute Care or Psychiatric Intensive Care Units (PICUs) * Mental Health Learning Disability and Autism inpatient rehabilitation placements far from home * Placements outside Natural Clinical Flow (ONCF) in Adult Forensic Medium & Low Secure Services and Children and Young People Inpatient services |

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| **Risks and Contingencies** |
| Given current economic and supply chain issues, increased costs for planned schemes are a significant risk to in-year delivery. To address this system partners have instigated enhanced business case scrutiny, tight management of scheme specifications and firm cost control as schemes progress.  In addition, the following organisation specific risks have been recognised within the plan.  **Nottingham University Hospitals**   * The Trust has over £440m of critical infrastructure back log maintenance. * NUH has a number of pre-commitments on several major projects going into 2025/26, these will need to be delivered alongside a range of BAU capital items against a reduced envelope of capital resources available.   + The Board has committed to spending up to £10m over a 3-year period to address fire related risks. 2025/26 will be year 3 of 3.   + The Trust still has a significant level of red rated medical equipment replacement requirements.   + The two main campuses, QMC and City, are capacity constrained from an electricity perspective which may lead to a critical infrastructure failure.   + The Trust has two Cath Labs which are past end of life and, if unaddressed, would prevent the Trust from being able to deliver electro physiology.   + The Trust is having to review its commitment to previously approved multi-year schemes that support rolling replacement of clinical need due to insufficient funding availability.   **Sherwood Forest Hospitals**   * + Specific risks exist in relation to Community Diagnostic Centre, in relation to recruitment of staff to ensure operational deliverability on completion in 25/26, and in relation to national building and engineering price inflation, which needs to be managed within the overall quantum of capital costs as the build progresses.   + The SFH EPR case is subject to formal approval of the 25/26 capital, following a formal tender exercise for the preferred supplier. Full business case currently being prepared following approval by the Department of Health of the outline business case in 2023/24.   **Nottinghamshire Healthcare**   * Nottinghamshire Health has £24.5m of critical infrastructure backlog maintenance. * The Trust has developed a 3-year capital programme to address a proportion of the specific risks. * All of Health and Safety risks of the schemes are being controlled and managed by Digital, Estates and operational teams. * Further risks exist in relation to Block A and B at Rampton Hospital which were not possible to address within the capital resources available given the significant investment required. |

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| **Capital planning** |
| 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.   The following broad approach to the allocation and prioritisation of funds has been agreed within the system for planning: -   * Agree prior year precommitments are the first call on the capital envelope. This includes any slippage or unexpected cost increases. * Approximately 50% of capital envelope to be used to address operational priorities using an agreed assessment of need across the provider organisations. * National funding to be used to support strategic priorities where possible. * Remaining funding to be used to addressed larger strategic schemes – prioritised at a system level.   In 2025/26, 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.  In addition, the system envelope will be used to invest £9.9m to complete a new build MRI scanner at King’s Mill Hospital. This has left a smaller share of funding to support operational risk areas in 2025/26.  To support longer-term capital planning, the system has developed a long list of strategic priorities that it is looking to drive forward as part of its wider strategy. The Strategic Estates Group have agreed prioritisation criteria alongside the development of our ICS Infrastructure Strategy. This strategy will look to ensure best value from existing assets, which may lead to disposals in some areas (notably corporate estate). |

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| **Overview of ongoing scheme progression** |
| **Nottingham University Hospitals**  NUH have planned for a total £107.6m capital resource for 2025/26. This includes the core ICS envelope allocation, along with the specific allocations that cover Estates critical infrastructure and constitutional standards. In addition, there is specific PDC funding for the completion of the National Rehabilitation Centre (NRC), and confirmation of funding towards a replacement LINAC within radiotherapy. The non CDEL spend of £25.5m relating to donations and grant funded spend including completion of the Public Sector Decarbonisation Scheme (PSDS), to give a total capital programme of £133.1m.  Significant schemes in the 2025/26 plan include:   * The National Rehabilitation Centre (NRC) at Stanford Hall Rehabilitation Estate, a 70-bed clinical facility which will be a purpose-built rehabilitation centre anticipated to open Spring 2025 * The completion of a Community Diagnostic Centre in Nottingham city centre. This is a Nationally approved scheme to now be completed early in 26/27 with significant spend in 25/26, including an expansion of the original scheme of which is funded by constitutional standards allocations. * Completion of the second phase of development to create a Ring-fenced Elective Hub on the City Campus. * Completion of the compliant inpatient and tertiary cancer Endoscopy facility on D floor at QMC, to support improvements to patient care, patient safety and the workforce in multiple parts of the current pathway. * Ongoing BAU spend will need to be managed on Estates, medical equipment and ICT to facilitate the extent of pre-commitments going into 2025/26.     **Sherwood Forest Hospitals**  Significant schemes in the 2025/26 plan include:   * The completion of a Community Diagnostic Centre (CDC) in Mansfield. This is a Nationally approved scheme started in 2022/23 due to be completed in 25/26 with planned expenditure of £5.01m in 25/26. The Nottingham and Nottinghamshire ICS programme seeks to reduce health inequalities as evidence has shown that residents who live in high areas of deprivation are more likely to experience poorer health outcomes. National funding received is £22.51m, and any costs above this will be met through Sherwood Forest Hospitals share of the system envelope. * Ongoing implementation of an Electronic Patient record system, expenditure of £10.67m planned in 2025/26 as part of the NHS Frontline Digitisation programme. This will be a key enabler of the ambition to develop the single summary health and care record across the Integrated Care System (ICS) and will be a core data source for the development of the Population Health Management capability. * Business as usual replacement of aged medical, I.T equipment and Estates works to ensure continuity of service provision £5.34m. * Construction of new build MRI facilities with a forecast expenditure of £9.90m across 2025 – 2027.   **Nottinghamshire Healthcare**  NHT have planned for £20.2m capital resource for 2025/26 inclusive an allocation of £13.5m from the system capital envelope, £2.6m from estates safety funding, £2m from national frontline digitation funding, £0.8m for MH OOA placements and an indicative plan (funding not yet confirmed) for mental health dormitories of £0.6m.  Significant schemes in the 2025/26 plan include:   * The Trust’s frontline digitisation EPR programme (Digi-Care) representing the second year of implementation (£2m). * Blossomwood eradication of dormitories project that is scheduled to be finalised in Sept 2025 (£4.9m). * Completion of the high voltage infrastructure work at Rampton (£0.5m) and an upgraded Perimeter Intrusion Detection System (PIDS) at Rampton Hospital at (£0.9m). |

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| **Business Cases in 2025/26***.* |
| **Electronic Patient Record (EPR)**  All three Providers have business cases approved or being finalised. Implementing or optimising an existing EPR is a key element of the delivery of our ICS frontline digitisation strategy as well as meeting national standards. The roll out of Nerve Centre is underway in NUH, NHT are currently working through a programme of enhancing and optimising the use of SystemOne and Rio and SFH are live with their procurement process with implementation commencing in 2025/26.  **Mental Health Dormitories**  The system has had a particular focus on the eradication of mental health dormitories. Sherwood Oaks has been completed and is operational with Blossomwood (previously Millbrook) scheduled to be finalised in September 2025. A short form business case has been submitted to NHSE to redesign and improve Cherry Ward (Highbury Hospital) eradicating dormitory accommodation with inpatient wards (the final stage) with national funding to support the project being scoped. This case will also be taken through the system governance processes.  **New Hospitals Programme (NHP)**  In January 2025, the outcome of the Government’s review of the national New Hospital Programme (NHP) was announced. The “Tomorrow’s NUH” (TNUH) Programme was part of that review and as a result, the start date revised to 2037-2039 period compared to an original start period of 2025-2027. This represents a significant change for the project leading to the national NHP team advising NUH that all funding associated with TNUH be paused until 2030 at the earliest. That act has an impact on the costs that have been incurred to date, which so far have been shown as an asset in NUH’s accounts. This will now have to be impaired, i.e. reduced in value.  **Community Diagnostic Centres (CDCs)**  CDC schemes at Mansfield Community Hospital and in Nottingham City Centre remain in progress. The Mansfield scheme is set for completion during 2025/26 with the Nottingham City Scheme to be completed early in 2026/27. Once operational, the CDCs will provide additional capacity and greater access to key diagnostic services, aiding the delviery of elective performance. |

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| **Cross-system and collaborative working** |
| As described above, the capital funding provided to the Nottingham & Nottinghamshire system is for use by the 3 provider organisations that form part of the system as well as capital funding for general practice and ICB corporate services.  In addition to this, East Midlands Ambulance Service and Doncaster and Bassetlaw Hospitals are key service providers within the system and require capital resources to support service pressures and operational priorities. The capital funds for these providers are routed through other ICBs. However, via system forums the N&N ICB is party to decision making for capital funds. This is particularly true for capital required to support emergency care capacity and elective/diagnostic recovery. |

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| **Net Zero carbon strategy, approach & progress** |
| **Overview**  The Nottingham and Nottinghamshire Integrated Care System (ICS) remains fully committed to supporting the NHS England target of achieving net zero carbon emissions. Our strategy, as outlined in the ICS Green Plan, focuses on reducing both direct emissions (NHS Carbon Footprint) and those we can influence (NHS Carbon Footprint Plus). The ICS aims to achieve an 80% reduction in carbon emissions by 2028, with full net zero targeted by 2045. This requires close collaboration with system partners and a structured programme of interventions to embed sustainability across healthcare delivery.  **Our ICS Approach**  The ICS Green Plan is delivered through a coordinated approach led by the ICB’s Programme Director, with senior sponsorship coming from the Chief Finance Officer. A structured programme management approach is in place to track progress and ensure alignment with national net zero targets. The strategy prioritises several key areas, including estates and energy, procurement, clinical service models, travel, and medicines. Estates and energy initiatives focus on heat decarbonisation and energy efficiency improvements across NHS buildings. Procurement efforts are geared toward embedding sustainability into supply chains through the Net Zero Procurement Strategy, ensuring that goods and services align with environmental objectives. Within clinical service models, efforts are being made to reduce waste and emissions, particularly in areas such as anaesthetic gases and medication use. Travel and transport are also critical areas of focus, with the development of a sustainable travel strategy and fleet electrification initiatives aimed at reducing transport-related emissions. Additionally, the ICS is working to reduce nitrous oxide emissions from medical gases and transition to greener inhaler options.  **Progress & Challenges**  The ICS’s approach to delivering a system-wide Green Plan has been commended by NHS England, reflecting strong leadership and collaboration. However, recent carbon footprint quantification has indicated that, despite various initiatives, emissions reductions are not yet sufficient to align with the net zero trajectory. This highlights the need for further targeted interventions to accelerate progress. One of the key challenges faced is securing funding and resources for sustainability projects. The ICS has been successful in obtaining approximately £65 million through the Public Sector Decarbonisation Scheme, but future funding rounds are highly competitive and require rapid responses. Some ICS partners, such as Sherwood Forest Hospitals, have raised concerns about having insufficient capacity to apply for these grants effectively.  **Key Priorities**  For the coming year, the ICS has identified several key priority areas. Energy decarbonisation remains central, with a focus on expanding heat decarbonisation plans and leveraging available infrastructure funding.  Heat decarbonisation plans (HDP) are in place for NUH and NHT. The challenge is now to find and secure funding to deliver recommendations made within them. A HDP is being drafted for SFH funded by DHSC through the Midlands Net Zero Hub as bids to secure Low Carbon Skills Funding have been unsuccessful.  We have been fortunate to secure funding for HEE Clinical Fellows, one of which has led work to understand and plan replacement of Nitrous Oxide manifolds, a major source of leakage of this potent greenhouse gas. This work enabled our ICS to secure capital funding from NHSE to replace these, saving money, preventing damage to staff health, and moving us towards our net zero targets.  NUH has previously received Public Sector Decarbonisation Scheme (PSDS) grants towards completion of the replacement of windows at QMC, and removing steam as the main transfer of heat around the buildings. The new solution when complete will use a low temperature hot water system from both Combined Heat & Power (CHP) and ground source heat pumps. The new energy centre at QMC that is required to operate this will now complete during 2025/26, utilising the residual grant funding and the contribution required from the NUH. |

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| **Primary Care Capital** |
| The ICB receives a ring-fenced capital allocation of c. £2.5m each year to invest in I.T. replacement and small premises improvements in primary care (general practice) and also a new Utilisation and Modernisation fund (UMF) of up to £2.1m in 25/26 again for small premises improvements in general practice. The ICB summited schemes to NHSE for the UMF fund which have been supported in principle with final approval expected to be in June 2025. Based on estates strategies from legacy organisations and the recent Primary Care Network Estates Toolkit, the ICB has several agreed major primary care priorities. However, the cost of implementation is unaffordable within the size of the capital envelope provided. There are currently no sources of national funding prioritised for primary care, however business cases are being developed in anticipation of future funding.  Priority areas include:  • Hucknall (Cavell) – 3 practice new build health and wellbeing hub  • Eastwood and Giltbrook – 2 practice new build  • East Leake – large single practice new build  • Newark – single practice new build  • Beeston – single practice new build, site identified  In addition to these there are several major housing developments planned across Nottingham & Nottinghamshire that will require increased primary care provision:   * Fairham Pastures – land south of Clifton 3000 dwellings, reserve site requested for primary medical facility. * Chetwynd Barracks, Chilwell (and Toton sidings) - up to 4,500 dwellings, reserved site requested for primary medical facility. * Tollerton/Bassingfield – 4,000 dwellings reserved site being requested for primary medical facility.   Emerging priorities for new build/major expansion have also been identified in the following areas which are now being developed further:   * Radcliffe on Trent * Strelley/Aspley area * Burton Joyce * Edwinstowe/Ollerton |

**Annex A – Nottingham & Nottinghamshire ICS 2025/26 CAPITALPLAN**

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| **Status** | **2025/26 Capital Plan** | **ICB** | **NUH** | **SFH** | **NHT** | **Total** | **Narrative on the main categories of expenditure** |
| **of Funding** | **As at 01st May 2025** | **£'m** | **£'m** | **£'m** | **£'m** | **£'m** |
| Confirmed | Operational Capital - ICB | 2.5 |  |  |  | **2.5** | The ICB capital plans relate to GP IT £1.5m and primary care premises developments/improvements £1m. |
| Supported in principle, approval expected Jun | Utilisation & Modernisation Fund | 2.1 |  |  |  | **2.1** | The ICB Utilisation & Modernisation fund is for small premises improvements in general practice. |
| Confirmed | Operational Capital - Provider |  | 57.6 | 15.5 | 13.5 | **86.7** | This funding is to support business as usual e.g. backlog maintenance and supports a number of other large & national schemes e.g. digital. |
|  | **Sub Total System Operational Capital** | **4.6** | **57.6** | **15.5** | **13.5** | **91.3** |  |
| Pending approval following NHSE panel | Critical Infrastructure Risk (estates safety) |  | 12.7 | 0.9 | 2.6 | **16.1** | This funding is intended to mitigate critical infrastructure and safety risks, addressing the poorest quality estates and ensuring a safe, sustainable environment for healthcare delivery. |
| Confirmed/awaiting MOU | Critical Infrastructure Risk (Sub-metering funding) |  |  | 0.1 |  | **0.1** | These plans relate to a sub-metering project as part of the Commercial Efficiencies Optimisation Programme (CEOP). |
| Confirmed | New Hospital Programmes |  | 4.8 |  |  | **4.8** | These plans relate to the National Rehabilitation Centre development. |
| Confirmed/MOU in place | Frontline Digital - Electronic Patient Records |  |  | 10.7 | 2.0 | **12.7** | These plans relate to implementing or optimising an existing EPR as a key element of the delivery of the ICS frontline digitisation strategy. |
| Confirmed/awaiting MOU | National Programme Radiotherapy (LINAC) |  | 2.4 |  |  | **2.4** | This plan relates to replacement machine funded from the national radiotherapy equipment replacement fund. |
| Supported in principle | Mental health: reducing Out of Area Placements |  |  |  | 0.8 | **0.8** | This relates to supporting reducing inappropriate out-of-area placements (OAPs) for mental health inpatients. |
| Subject to funding approval | Mental health dormitories |  |  |  | 0.6 | **0.6** | This relates to the eradication of dormitories from mental health facilities. |
| Technical Adjustment | Other Adjustments – Provider |  | 0.0 | 5.7 | 0.7 | **6.4** | This relates to the technical adjustment relating to PFI capital charges e.g. residual interest. |
|  | **Sub Total National Programme Spend** | **4.6** | **77.5** | **32.8** | **20.2** | **135.1** |  |
| Pending approval following NHSE panel | Return to Constitutional Standards: Diagnostics |  | 9.0 | 0.2 |  | **9.2** | This includes £2m for completion of the Nottingham City CDC scheme from 24/25 and £7m for expansion of this CDC. |
| Pending approval following NHSE panel | Return to Constitutional Standards: Elective |  | 9.4 | 0.9 |  | **10.3** | This includes £6m for completion of the 24/25 Elective Surgical Scheme at Nottingham City Hospital. |
| Pending approval following NHSE panel | Return to Constitutional Standards: Urgent & Emergency Care |  | 11.8 | 5.0 |  | **16.8** | This includes £7m for the new co-located UTD at Queens Medical Centre and £5m for new SDEC at Queens Medical Centre. |
|  | **Sub Total Return to Constitution Standards** | **0.0** | **30.2** | **6.1** | **0.0** | **36.3** |  |
|  | **Total System CDEL & ICB Capital** | **4.6** | **107.6** | **38.9** | **20.2** | **171.4** |  |