

# Meeting of the Finance, Investment and Resource Committee of NHS Cheshire and Merseyside

23<sup>rd</sup> July 2025

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

**Agenda Item No:** FIRC/

**Responsible Director:** Mark Bakewell, Executive Director of Finance

# Joint capital resource use plan 2025/26

## Purpose of the Report

1. The National Health Service Act 2006, as amended by the Health and Care Act 2022 (the amended 2006 Act), requires ICBs and their partner trusts to prepare a 'Joint Capital Resource Plan' as part of the 2025/26 operational planning process. Upon conclusion of the planning process and submission of a compliant plan, the ICB is required to publish externally the joint capital resource plan and give a copy to their integrated care partnership, health and wellbeing boards and NHS England.
2. The published plans aim to provide transparency for local residents, patients, NHS health workers and other NHS stakeholders on the prioritisation and expenditure of capital funding by ICBs to achieve their strategic aims. This aligns with ICBs' financial duty to not overspend their allocated capital and to report annually on their use of resources.
3. In March and April 2025, a 2025/26 planning paper was reported and discussed at FIRC and ICB Board for approval as part of the overall plan submission to NHS England. This included the ICS (ICB and Provider) prioritised capital plan and capital planning assumptions for the year ahead, which was compliant within notified allocations from NHS England. The Joint Capital Resource 2025/26 plan enclosed within this report is consistent with those plans set out to FIRC in April.
4. The Joint Capital Resource Plan enclosed within this report sets out £497m capital plans for 2025/26, of which c£247m is additional PDC capital allocated by NHSE England subject to further business case approval. The plan set out the key programme priorities, the prioritisation process undertaken to develop the plan and an outline of the specific significant schemes in delivery.
5. The published plan may be revised if changes need to be made. If an ICB and their partner trusts makes significant changes to their capital plans, a revised plan must be published and shared within 1 calendar month. If the changes are not significant, a document setting out the changes must be published.
6. While revised plans may be published and shared, any financial planning information as submitted in final system and provider financial planning submissions will not be updated. Instead, any revisions to joint capital resource use plans should be treated as a revised forecast in year.

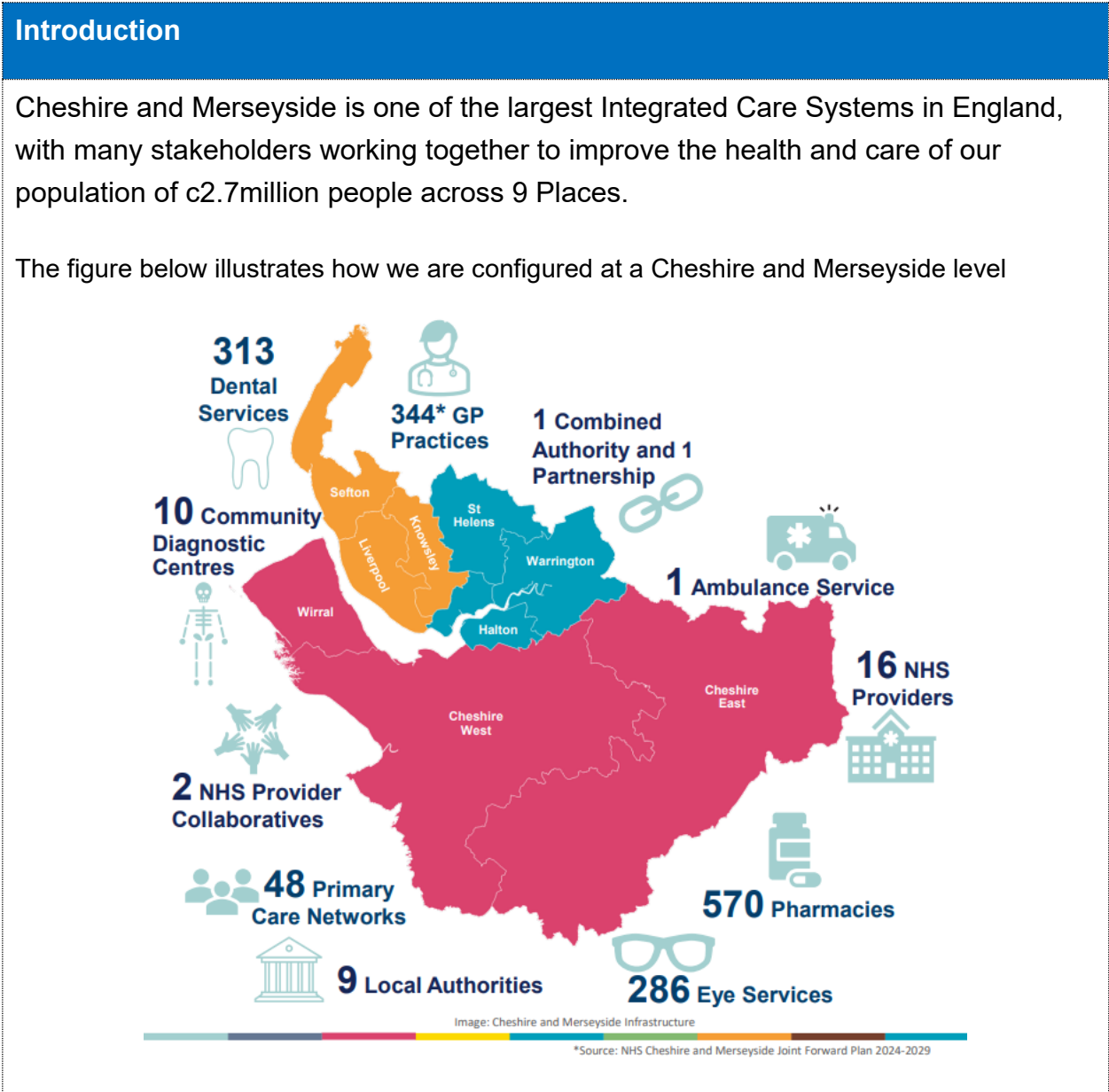
## Ask of the Committee and Recommendations

7. The Committee is asked to approve the 2025/26 ICS Joint Capital Plan for publication on the ICB website and for onward submission with NHS England.

# Joint capital resource use plan 2025/26 template

Systems can use this non-mandated template to present their information in their published plans.

Region	North West
ICB or system	Cheshire & Merseyside ICB
Date published	28 <sup>th</sup> July 2025
Version control	1.0



Some of the ways we come together in the Cheshire and Merseyside system to inform infrastructure planning and agree key aims and objectives covering key estate or capital priorities includes:

- The Cheshire and Merseyside Health and Care Partnership (HCP). This is a statutory joint committee between NHS Cheshire and Merseyside Integrated Care Board and our nine local authorities which also includes a wide range of partners from across the health and care system. This Board works together to support partnership working and is responsible for producing our Health and Care Partnership Strategy
- The NHS Cheshire and Merseyside Integrated Care Board. This is a statutory NHS organisation responsible for managing the NHS budget and arranging for the provision of health services whilst supporting the integration of NHS services with our partners.
- Our nine Place Based Partnerships. These work locally to support the integration of health and care services in support of local Joint Health and Wellbeing Strategies
- NHS Cheshire and Merseyside Finance and Resources Committee. A sub-committee of the Board which duties includes supporting delivery and oversight of financial delivery and development of financial strategy including making recommendations within the ICS covering capital, investment and digital investment priorities. This committee is also supported by the Strategic Estates Board with a focus developing the ICS Infrastructure Strategy and Place Estates Plans/

They key priorities for 2025/26 are to; enable secondary care and primary care and GP Practices to maintain their equipment and premises safe; investing in a number of key strategic objectives across urgent care and mental health; and delivering on local and national priorities supporting recovery of constitutional standards. The completion of existing schemes covering urgent care upgrades, elective recovery and mental health dormitory eradication is a key priority, as well as the eradication of Reinforced Autoclaved Aerated Concrete (RAAC) from Trust premises (Countess of Chester, Aintree Hospitals and Mid Cheshire Hospital). Further investment in electronic patient records at Warrington & Halton Hospital, Southport and Ormskirk and Liverpool University Teaching Hospitals remains a key objective.

**Annex A provides a breakdown of the key areas and programmes prioritised with the C&M ICS Capital Resource Plan for 2025/26.**

## 2025/26 CDEL allocations and sources of funding

As shown in Annex a, the total capital programme for 2025/26 is £497.0m, which is split by the following funding sources:

- Trust own resources £243.5m
- ICB Primary Care £6.0m
- Public Dividend Capital (PDC) £247.4m

The £247.4m PDC funded capital is provider related expenditure and remains subject to business case approval from NHSE.

Within the 2025/26 plan, for those schemes to funded by trusts' own resources, includes a £41.5m indicative allocation associated with the 'capital freedoms and flexibilities' policy and a further £2m associated with the 'Urgent and Emergency Care Incentive' policy. As per the NHSE operational planning guidance these have been included in the plan but remain subject to NHSE approval later in 2025/26.

The new national primary care modernisation fund will also see an additional £5m set aside to enhance modern general practice, focusing on expanding clinical space.

## Capital prioritisation

The System's allocation of Capital funding was allocated using a combined methodology of fair share of funding plus targeted investment for local priorities. All providers have been allocated a base capital allowance, based on their need to replace existing assets by using depreciation as a proxy. Additional allocations have been made by the ICS to reflect local system priorities such as UEC upgrades, eradication of mental health dormitories, neonatal development and mental health urgent resource centres, as well as targeted investment in backlog maintenance at Mersey and West Lancashire Teaching Hospitals NHS Trust and Wirral University Teaching Hospital Foundation Trust. Detailed provider capital plans are in parallel developed by each organisation and internally prioritised within their agreed provider CDEL envelope.

National PDC capital is allocated based on NHS priorities, major programmes or initiatives such as tackling critical infrastructure deficiencies, mental health out of area placements, net zero, reinforced autoclaved aerated concrete (RAAC), improving constitutional standards across elective and urgent care, and expediting the digitisation of those organisations with the lowest digital maturity.

The following programmes have been prioritised across C&M;

- Estates Safety infrastructure proposals (c£18m) have been developed based on the scale of our most critical infrastructure issues with the aim of reducing the high and significant risk backlog reported by organisations in the Estates Returns Information Collection (ERIC).
- The ICS Mental Health Programme team led a prioritisation task and finish group with mental health providers to ascertain the system priorities for managing out of area placements for which £2m has initially been confirmed by NHS England.
- c£6.3m has been received linked to national bids for net zero (GB energy solar scheme).
- c£62m has been allocated nationally to tackle the RAAC challenges, most notably Leighton Hospital (Mid Cheshire Hospital NHS FT) and Aintree Hospital (Liverpool University Hospitals NHS FT).
- Capital to expedite improvements against the constitutional standards (c£67m) supported by the C&M Provider Collaborative and C&M Diagnostics Network focused on diagnostics, elective and urgent care (covering both physical and mental health). These were at draft stage at plan submission, with final approval required by NHS England on an individual case basis.
- c£54m capital to accelerate digitisation for those trusts with the lowest digital maturity through additional digital infrastructure and implementation of electronic patient records. Organisations with indicative allocations, subject to business case approval, include Liverpool University Hospitals NHS Foundation Trust, Mersey and West Lancashire Teaching Hospitals NHS Trust and Warrington & Halton Teaching Hospitals NHS Foundation Trust.
- Mid Cheshire have been allocated £27m to start to develop the New Hospital on the Leighton site as part of the national New Hospital Programme.

## Overview of ongoing scheme progression and expected business cases

In 2024/25 several large schemes which started in previous years will continue. The main ones are set out below with the values representing the in-year planned capital expenditure:

- Eradication of RAAC (Countess of Chester, Liverpool University Hospitals and Mid Cheshire Hospitals) - £62m
- New Hospitals Programme (Liverpool University Hospitals and Mid Cheshire Hospital) - £28m
- Elective Recovery (Liverpool Women's, Warrington & Halton Hospital) - £2m
- Urgent Care Upgrades (Wirral Teaching Hospitals) - £7m

- EPR development (Mid & East Cheshire, Liverpool University Hospitals, Mersey & West Lancashire and Warrington and Halton Hospitals) - £54m
- Eradication of Mental Health Dormitories (Mersey Care) - £5m
- Backlog Maintenance (Southport & Ormskirk site) - £8m

For 2025/26 the following key programmes for which the ICS has been provided an indicative allocation will be subject to ICB letters of support and NHSE approval;

- Constitutional Standards national capital £67m. To secure funding for individual schemes, business cases are being developed focused on community diagnostics, elective and urgent and emergency care performance improvement. Providers are currently in the process of seeking sign off from NHS England on these individual business cases prior to procurement and delivery in year.
- Reduction of Mental Health Out of Area Placements £2m across Cheshire and Wirral Places.
- Laboratory Information Management System (LIMS) £3m – joint system covering all acute providers within C&M Pathology Network to improve integration, collaboration and resilience across all the C&M laboratories.
- New EPR systems at Liverpool University Teaching Hospitals NHS Trust, Warrington & Halton Teaching Hospital Foundation Trust and Mersey and West Lancashire Teaching Hospital NHS Trust.
- Strategic Outline Case for the new Leighton Hospital campus at Mid Cheshire Hospitals NHS Foundation Trust as part of the New Hospital Programme.

### Cross-system and collaborative working

The capital allocation for Northwest Ambulance Service NHS Trust (NWAS) is held by Lancashire and South Cumbria ICB. NWAS operates across all ICBs in the Northwest region and as such the capital expenditure incurred by them directly impacts all 3 systems.

The ICB has worked closely with Lancashire and South Cumbria ICB on capital plans for Southport and Ormskirk Hospital sites as part Mersey & West Lancashire Teaching Hospitals NHS Trust.

Further development and implementation of the LIMS led by the C&M Pathology Network that will enhance the way we work with our pathology labs across Cheshire and Merseyside and improve the experience of our staff and patients. The solution will connect five pathology laboratories from Mersey and West Lancashire Teaching Hospitals NHS Trust, Countess of Chester Hospital, Wirral University Teaching

Hospital and Warrington and Halton Teaching Hospitals NHS Foundation Trusts, as well as Liverpool Clinical Laboratories, part of Liverpool University Hospitals NHS Foundation Trust

### Net zero carbon strategy

Net Zero is one of the key objectives for the ICS. In 2025/26 £6.3m has been secured from NSH England to drive forward our plans. In addition, vital investment has been secured in prior years through the SALIX loan scheme to focus on net zero. The types of schemes this has funded are LED lighting, solar panels, battery storage schemes and further decarbonation schemes.

The following trusts have secured Net Zero related funding for 2025/26:

Org Name	Net zero (£,000)
Alder Hey Children's NHS Foundation Trust	1,440
Bridgewater Community Healthcare NHS Foundation Trust	160
Cheshire And Wirral Partnership NHS Foundation Trust	373
Liverpool University Hospitals NHS Foundation Trust	124
Liverpool Women's NHS Foundation Trust	196
Mersey and West Lancashire Teaching Hospitals NHS Trust	851
Mersey Care NHS Foundation Trust	1,740
Mid Cheshire Hospitals NHS Foundation Trust	33
The Clatterbridge Cancer Centre NHS Foundation Trust	730
Wirral University Teaching Hospital NHS Foundation Trust	656
<b>Sub-total Cheshire &amp; Mersey ICB</b>	<b>6,303</b>



## Annex A – Cheshire and Merseyside ICS 2025/26 – Capital Plan – Total CDEL

Joint Capital Resource Use Plan	ICB	Provider 1	Provider 2	Provider 3	Provider 4	Provider 5	Provider 6	Provider 7	Provider 8	Provider 9	Provider 10	Provider 11	Provider 12	Provider 13	Provider 14	Provider 15	Provider 16	Provider 17	Total
	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Operational Capital - ICB	6,012																		6,012
Operational Capital - Provider		13,377	4,542	8,522	10,289	10,362	7,935	47,587	6,888	30,962	21,879	10,962	9,809	9,520	11,932	3,772	13,451	21,700	243,489
Total System Operational Capital	6,012	13,377	4,542	8,522	10,289	10,362	7,935	47,587	6,888	30,962	21,879	10,962	9,809	9,520	11,932	3,772	13,451	21,700	249,501
Provider National Programme Spend:																			
2025/26 Cancer LINAC Replacement		0	0	0	0	0	0	0	0	0	0	0	2,391	0	0	0	0	0	2,391
2025/26 Estates Safety		0	0	0	567	910	708	827	534	2,932	894	2,648	175	1,071	3,142	0	3,675	0	18,083
Diagnostics		120	0	0	0	171	0	403	0	7,635	0	11,523	4,000	0	2,540	0	211	0	26,603
Elective Recovery/Targeted Investment Fund		0	0	0	15,000	0	850	1,000	600	0	0	0	0	0	1,900	0	0	0	19,350
2025/26 Mental Health: Reducing OAPs		0	0	2,040	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,040
Net Zero (GB Energy Solar)		1,440	160	373	0	0	0	124	196	851	1,740	33	730	0	0	0	656	0	6,303
NHP		0	0	0	0	0	0	27,645	0	0	0	990	0	0	0	0	0	0	28,635
RAAC		0	0	0	6,000	0	0	27,900	0	0	0	27,787	0	0	0	0	0	0	61,687
Technology Schemes		0	0	0	0	2,750	0	24,200	0	14,421	0	2,750	0	0	10,659	0	0	0	54,780
UEC Capacity		2,119	0	6,600	0	0	0	0	0	0	5,200	0	0	0	0	0	6,978	0	20,897
Other Adjustments - Provider		3,058	0	0	14	0	0	80	0	3,178	367	0	0	0	0	0	0	0	6,697
Total System CDEL		20,114	4,702	17,535	31,870	14,193	9,493	129,766	8,218	59,979	30,080	56,693	17,105	10,591	30,173	3,772	24,971	21,700	496,967
Memo:																			
Return to Constitutional Standards: Diagnostics		120	0	0	0	171	0	403	0	7,635	0	11,523	4,000	0	2,540	0	211	0	26,603
Return to Constitutional Standards: Elective Recovery		0	0	0	15,000	0	850	1,000	600	0	0	0	0	0	1,900	0	0	0	19,350
Return to Constitutional Standards: UEC		2,119	0	6,600	0	0	0	0	0	0	5,200	0	0	0	0	0	6,978	0	20,897