

L & SC Integrated Care Board Primary Care Contracts Sub-Committee

Date of meeting	10 th July 2025
Title of paper	Primary Care Capital Update Report – 2025/26
Presented by	Paul Juson, Head of Delivery Assurance
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Agenda Item	5
Confidential	No

Purpose of the paper

The purpose of the paper is to provide an update to the proposed Primary Care Capital plans for 2025/26.

Executive Summary

This paper provides an update summary of the Primary Care Capital investments and developments in 2025/26 submitted to the committee on the 8th May 2025.

The committee received the Primary Care Capital report in May, included in Appendix 1 for information and reference, and approved:

- The initial apportionment of the Business as Usual capital allocation between GPIT and Improvement Grants.
- The process for the Utilisation and Modernisation capital programme.
- The recommendations regarding legacy agreement, stamp duty land tax and the ICB contribution rate to improvement grants.

The report will provide an update on the progress for investing capital in 2025/26 and make a revised recommendation regarding increasing the ICB contribution rate for improvement grants from 66% to 100%.

The report will also provide an update regarding the legacy agreements made by CCGs prior to the transfer into the ICB.

The paper is submitted to:

- Seek to recommend approval for the increase in the ICB Improvement Grant contribution rate to 100%.
- Provide an update and actions regarding the CCG Legacy Agreements reported to committee in previous capital reports.

Recommendations				
<p>The Sub-committee is asked to note the contents of the report and recommend to the Executive Committee approval of:</p> <ul style="list-style-type: none"> • The ICB investment in grants at 100%. • Note the updates on the CCG legacy schemes and proposed actions 				
Governance and reporting(list other forums that have discussed this paper and any other engagement that has taken place)				
Meeting	Date			Outcomes
Primary Care Capital Group	25/06/2025			Recommended the ICB contribution rate for Improvement Grants increase to 100%.
Conflicts of interest identified				
Implications				
<i>If yes, please provide a brief risk description and reference number</i>	YES	NO	N/A	Comments
Quality impact assessment completed			X	
Equality impact assessment completed			X	
Privacy impact assessment completed			X	
Financial impact assessment completed	X			Identified in the paper
Associated risks	X			Identified in the paper
Are associated risks detailed on the ICS Risk Register?			X	
Report authorised by	Craig Harris, Chief of Strategy, Commissioning and Integration			

ICB Primary Care Contracts Sub Committee

10th July 2025

Primary Care Capital

1. Introduction

- 1.1 The Lancashire and South Cumbria ICB through the authority of the Primary Care Contracts Sub Committee is requested to recommend approval of the report's contents and proposed changes to the primary care capital processes in the ICB.
- 1.2 This paper is to provide:
- An update on the progress of the 2025/26 Capital investment programme.
 - An update on the ICB contribution rate for Improvement Grants.
 - An update on the CCG legacy schemes.

2 Update on Primary Care Capital Allocations 2025/26

- 2.1 NHS England Capital Guidance 2025/26, published on the 30th January 2025 provided the NHS with a 1-year capital settlement for 2025/26. Future capital resources are expected to be published presently, with an expectation of a 3- or 4-year capital settlement.
- 2.2 The Capital Guidance 2025/26 is included below in Appendix 2 for information and reference.

The Capital Report submitted to the Sub-committee in May is attached in Appendix 1 , where the following capital investment plans were reviewed and approved by the ICB Executive in May 2025.

Investment	Business as Usual	Utilisation and Modernisation Fund	Total
GPIT	£2,388,600	£0	£2,388,600
Improvement Grants	£1,592,400	£3,328,000	£4,870,400
Grand Totals	£3,981,000	£3,328,000	£7,309,000

- 2.3 The Utilisation and Modernisation Fund (UMF) has been prioritised operationally by the ICB. The aims of the UMF programme are to enhance the use of existing infrastructure, create additional capacity for the general practice workforce and increase the number of patient appointments available.
- 2.4 The UMF programme has a high degree of political focus and as a result, has an intense reporting and review process which has been implemented by NHS England at an executive level. Regular updates are ongoing with NHSE NW colleagues to support the

reporting requirements but also to maximize the investment opportunities within the ICB footprint.

- 2.5 The Capital allocations for the programme noted above are indicative and will be provided to the ICB upon the submission of approved formal applications for grants.
- 2.6 The ICB is currently reviewing application for projects across 20 sites in the ICB area, with a current projected spend of £2,442,955.
- 2.7 UMF resources may not be invested in the ICB infrastructure and there is a significant risk this identifying more schemes, would put significant strain on the current resource and would endanger the delivery already identified schemes.
- 2.8 Therefore, it is proposed that the ICB match other ICB counterparts and increase the previously agreed contribution rate of 66% to 100% of the level of investment. This would ensure allocated UMF monies would remain in Lancashire and South Cumbria (rather than any unused budget being invested elsewhere in the region). – See section 3 below
- 2.9 The ICB has not yet received any further investment proposals for the Business-as-Usual capital programme, GPIT PIDs are being developed, and further grant applications will be sought from practices.

3 ICB Contribution to Primary Care Improvement Grants

- 3.1 The introduction of the Premises Cost Directions 2024 (PCD 24) allowed for ICB's to award grants to general practices up to 100% of the cost of any improvement works. The previous PCD's introduced in 2013 limited the contribution to 66%.
- 3.2 The ICB has retained the contribution rate of 66% due to two main considerations: -
 - Affordability – the increased rate from 66% to 100% limited the total value that could be invested into the primary care estate, with no increased allocation to support the change.
 - Consistency – increasing the ICB contribution was inconsistent with the historical investment in primary care.
- 3.3 The recommendation to contribute 66% has been supported through the ICB governance.
- 3.4 The introduction of the UMF capital programme has introduced a new and substantially increased level of capital resource available to the ICB, this has demonstrated that the affordability consideration is no longer a genuine reason not to adopt to higher investment levels allowed by the PCD 24.
- 3.5 The issue regarding consistency originally related to historical decisions, however, it has to be acknowledged that from a prospective view point the ICB will no longer remain consistent with our peer ICB's, who are all now offering the maximum contribution in line with the PCD's.
- 3.6 NHS England NW has highlighted that we are an outlier locally regarding the application of the 100% contribution rate and have recommended that the ICB reconsiders its stance and consider offering 100% grants to practices.
- 3.7 The adoption of the 100% grant rate will have a direct impact on the level of capital investment into the primary care infrastructure. This decision may now persuade

practices who were considering applying but may have been dissuaded due to the limited system investment of 66%. Only one practice has confirmed the contribution rate led to their application being withdrawn.

- 3.8 The committee is recommended to adopt the option to contribute up to 100% of the cost of any works and award grants at this higher rate.
- 3.9 The ICB will continue to review all applications in line with the ICB prioritisation toolkit, directing investments into the practice premises in greatest need of improvements, to directly benefit the system by increasing clinical capacity wherever possible. Any capital investments requiring additional revenue funding may be considered only if the ICB has formally approved the revenue cost.
- 3.10 The communication of the increased contribution rate will be sent to all practices if approved, with expressions of interest and formal applications being included in the capital investment pipeline. The notification of future capital resources and expressions of interest will ensure that the decision to invest in practices can occur in a more efficient and effective manner in the future.

4 Commissioning Intentions – Legacy Agreements

- 4.1 The committee has previously received information regarding the various schemes that received approvals from legacy CCGs governance structures that remained incomplete or outstanding.
- 4.2 The report submitted in May 25 highlighted the following legacy schemes and requested that the ICB honored approvals from legacy CCG primary care commissioning committees.
- 4.3 The schemes are detailed below, with an update for each provided: -

Adelaide Street & South King Street –

- The project is to build a new primary care center replacing the premises of the two practices.
- The development phase has been ongoing for a number of years, with many papers presented within the legacy CCG governance processes.
- On the 27th April 2021 the Blackpool and Fylde & Wyre joint CCG PCCC approved the scheme to be progressed using council capital, approving an additional annual revenue cost of £357k.
- Blackpool Borough Council was approved to build the new Centre using their own capital resources
- The council to lease the asset to the two practices for a period of 32 years to recoup their capital investment.
- After the lease expires, the council will offer to sell the asset to the NHS for a fee of £1.

Wesham Primary Care Centre –

- Scheme particulars as above
- On the 27th April 2021 the Blackpool and Fylde & Wyre joint CCG PCCC approved the scheme to be progressed using council capital, approving an additional annual revenue cost of £322k.

- The council will build the new Centre using their own capital resources, the council will then lease the asset to the two practices for a period of 32 years to recoup their capital investment. After the lease expires, the council will offer to sell the asset to the NHS for a fee of £1.

The ICB estates team are to be requested to submit a briefing paper providing details of the progress of the two schemes above, with the focus on two elements.

- Building elements, including the expected timeframes for the build, internal fitting and expected date for handover.
- Implications on the ICB, the leasing arrangements, confirming the practice commitments to occupy to premise and to sign the lease with the council, and the impacts this could have on the ongoing ICB revenue costs.

This will allow the ICB to plan for the development in greater details and clarity. Regular and timely updates will be requested at the Primary Care Capital Group (PCCG)

South Shore Primary Care Centre –

- Project to create additional car parking was approved by the ICB Primary Care Commissioning Group on the 15th June 2023, the project will incur an additional annual cost of £17,500.

The car park now been extended and works were completed earlier this year,

Lockwood Surgery –

- Practice sought authorisation to increase the practice demise in a leased council building, proposing to occupy a further 6 rooms on the first floor of the council owned Civic Centre in Poulton.
- Proposal requested approval at an additional revenue cost of £14,500 per annum.
- Proposal was approved at the joint Blackpool CCG and Fylde & Wyre CCG PCCC meeting on the 19th October 2021.

This scheme was completed in 2024/25, supported by an improvement grant and the practice are now occupying the increased demise, with all cost increases now incurred on the primary care budgets.

Haverthwaite Surgery -

- Project has been reviewed at the ICB Medical Access Group and recommended for approval to the ICB PCCC on the 12th October 2023.
- Relocation of the practice has been approved in principle,
- Revenue implications have been assessed and provide value for money as confirmed by the district valuation office.
- Further reports regarding the proposed new site and the final revenue consequences will be submitted to committee in due course.

This scheme is ongoing, support is being provided to the practice to develop and progress the scheme with the landlord. The final implementation of the scheme is expected in the next 24-30 months.

Birleywood Surgery –

- The West Lancashire CCG's Clinical Executive Committee in September 2021 approved the scheme to progress, with NHSPS progressing the project on behalf of the system to outline business case.
- NHSPS capital investment at that time was identified at £4.2m, with the CCG confirmed approval of the additional £80k revenue cost.
- Further governance of the project has been within the NHS Property Services system.

The NHSPS team are continuing to develop the scheme, with update provided at the PCCG at regular intervals

5 Risks and Benefits

- 5.1 Financial Risks:- The risks relating to the legacy agreements are acknowledged and will be mitigated and managed through regular updates into the PCCG, and reported through the Triple A report to committee.
- 5.2 Financial Risk: - The risks relating to increasing the grant contribution to 100% are mitigated by the large increase in capital allocations from the new resources.
- 5.3 Equitable approach – The ICB will be able to invest into practices with the greatest needs for development and align with the investment principles implemented within the ICB nearest neighbours.

6 Conclusions

- 6.1 The recommended increase in the ICB contribution to Improvement Grants, made possible with the large increases in resources available for primary care, will improve the ICB ability to maximize investment into the primary care infrastructure.
- 6.2 investment plan for primary care capital and the proposed investments in GPIT and Improvement Grants have been reviewed and discussed at the Primary Care Capital Group who make the recommendation to the committee to approve the apportionment.
- 6.3 The investment by the ICB to support Stamp Duty Land Tax costs incurred by practice when fully supported by the ICB to sign new leased has been reviewed in detail by the PCCG and Primary Medical Services Group who both recommend the implementation of the programme.

7 Recommendations

- 7.1 The committee is asked to note the contents of the report and make a recommendation to Executive Committee to:
- Approve the increase in the ICB investment in grants to 100% from the current 66%.
 - Note the continued intention to honour legacy CCG commitments but note the recommendation to seek regular briefing papers and update in order to better manage and understand the consequences.

David Armstrong

Senior Delivery Assurance Manager

Appendix 1 – PCCSC Capital Report – 8th May 2025



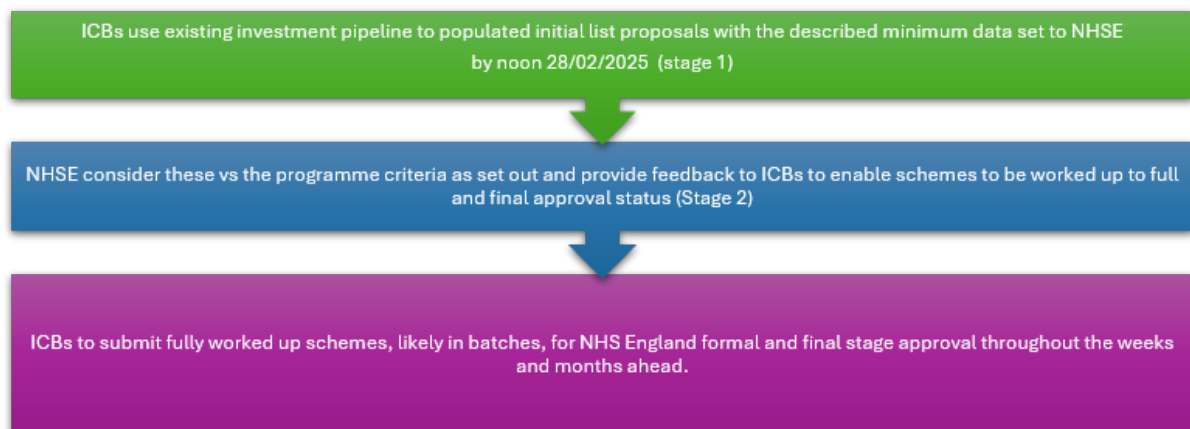
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Appendix 2 - NHSE Capital Guidance 2025/26



NHS England »
Capital guidance 20

Appendix 2 – Primary Care Better Utilisation proposed process



Appendix 3 - Governance Diagram



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