



Appendix 1

Joint capital resource use plan 2025/26

Region	Northwest
ICB / System	NHS Lancashire and South Cumbria Integrated Care Board (ICB)
Date published	tbc
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Introduction

The Lancashire and South Cumbria Integrated Care Board (ICB) was established on 1 July 2022 under the Government's Health and Care Act 2022. It is one of 42 ICBs in the country and replaced the eight clinical commissioning groups (or CCGs) that previously existed across the region. The ICB has since taken on responsibility for planning and buying NHS services for the 1.8million people living in Lancashire and South Cumbria.

The NHS Trusts and NHS Foundation Trusts that form part of the ICB are as follows:

- Blackpool Teaching Hospitals NHS Foundation Trust;
- East Lancashire Hospitals NHS Trust;
- Lancashire and South Cumbria NHS Foundation Trust;
- Lancashire Teaching Hospitals NHS Foundation Trust;
- North West Ambulance Service NHS Trust, and
- University Hospitals of Morecambe Bay NHS Foundation Trust.

Lancashire and South Cumbria ICB has an ICS-wide Infrastructure Strategy 2024 – 2040 that sets out the longer-term vision of the infrastructure / estate. It was endorsed by the ICB Board in January 2024. [LSC Integrated Care Board :: Infrastructure Strategy 2024-2040 \(icb.nhs.uk\)](https://www.lsc.nhs.uk/infrastructure-strategy-2024-2040)

The key strategic priorities for 2025/26 are the new learning disability and autism facility lead by Lancashire and South Cumbria Foundation Trust as well as the completion of the elective recovery and Community Diagnostic Centre schemes started in 2023/24. Further priorities are the implementation of electronic patient record systems where these are not currently present or fit for purpose as well as reducing backlog maintenance in Trust estates. Our plans for new hospitals have been deferred by government spending reviews, however, we are progressing our planning for investment for community and primary care services and how health and care services transform to deliver the ambition of the Darzi report.

The strategic estates role in the ICB sits with the Director of Strategic Estates, Infrastructure and Sustainability. There is a small Strategic Estates Team supporting this function which also includes



some staff who have a specific role supporting the strategic estates and investment planning function for Primary Care. The Strategic Estates function is supporting the re-establishment of Strategic Infrastructure Groups at PLACE and working with the PLACE agenda for planning and overseeing the infrastructure elements for service planning and transformation. Four of these were established in autumn 2024 covering Central and West Lancashire, Pennine Lancashire (including Blackburn with Darwen), Blackpool and the Fylde Coast, and Morecambe Bay (which comprises North Lancashire and South Cumbria.)

The Infrastructure Strategy sets out some of the longer-term plans across the system and associated investment required to deliver these. The availability of capital and investment and the timing of that availability will determine the progress / speed of transformation and service change. Capital Planning at System considers organisation pressures, Trust wants and needs, backlog / Critical Infrastructure Risk / infrastructure risk reduction amongst a number of measures that are considered along with processes for prioritizing the available capital.

2025/26 CDEL allocations and sources of funding

The ICB has been allocated the following operational capital allocations for 2025/26 by NHS England (NHSE). Public Dividend Capital (PDC) funded schemes sit outside of the operational capital envelope:

- Provider operational capital allocation £112.1m
- ICB operational capital allocation £4.0m
- Total operational capital allocation £116.1m

The allocation above includes an £11.8m reduction in the operational capital envelope because of the system delivering a revenue deficit in 2024/25. The allocation also includes an additional £6.2m allocated to North West Ambulance Service NHS Trust which was awarded as a result of the Trust delivering a £6.2m revenue surplus in 2024/25.

The operational capital envelope includes funding for regular capital spend and International Financial Reporting Standard 16 (IFRS16) lease expenditure.

As shown in Annex A, the total capital programme for 2025/26 is £193.1m with the funding for this being as follows:

- Operational capital £116.1m:
 - Provider operational capital (net of capital loan repayments) £106.1m
 - ICB operational capital (including £6.0m strategic capital reserve (SCR)) £10m
- PDC / other technical £77.0m
- **Total Operational Capital and PDC £193.1m**

The plans are, therefore, within the allocations set by NHSE.

Within the £116.1m of operational capital, £6.0m has been set aside to create a strategic capital reserve (SCR). The ICB and Provider Collaborative Board (PCB) will jointly decide how this funding



is directed in year. For planning purposes, the £6.0m SCR is being held by the ICB and will be distributed to the relevant providers when decisions are taken of how this should be spent.

Capital prioritisation

The system operational capital budget is allocated to each provider using the methodology set by NHS England. Each provider then determines how it deploys the capital available based on local priorities, such as equipment replacement programmes and backlog maintenance.

Access to the strategic capital reserve will be via a bidding process in year. The details and criteria for this are being worked up.

The principles for identification of and disposal of surplus assets follow “Estates Code” HBN 00-08 NHS England » Health Building Note 00-08: Strategic framework for the efficient management of healthcare estates and facilities and are established in the Infrastructure Strategy. A programme of Space Utilisation across Lancashire and South Cumbria was established during 24/25. This programme determines and promotes efficiencies and occupation of existing estate and is supported by the reviews about which estate is Core, Flex, and Tail. A process to confirm the Tail estate and reduce this is considered at each of the Strategic Infrastructure Groups along with discussions with partner organisations about their plans and opportunities so that these are considered before any estate is disposed of.

A space utilisation plan has been developed for one of the Local Improvement Finance Trust (LIFT) buildings (Alfred Barrow in Barrow in Furness) for redevelopment and investment by CHP (a Department of Health property company) for 26/27. Work is underway on the business case for this and also promoting opportunities that are arising from the Space Utilisation Programme for other LIFT buildings in East Lancashire. The ICB do not currently have any financial interest in the LIFT estate and no mechanism to introduce ICB capital into the estate owned by Community Health Partnerships (CHP). CHP are investing in three of the East Lancashire LIFT buildings during 25/26 inputting circa £13M capital investment for the redevelopment of buildings in Burnley, Accrington and Blackburn.

There are a number of primary care service development and efficiency developments which are currently paused on grounds of affordability (the difference between the rent the building owners would seek for a development vs. the comparable costs that the District Valuer is prepared to endorse. This is a national issue that has been reported in the press – i.e is not L&SC specific. There is a long-term and general shortage of investment into the Primary Care estate.

All future investments into the ICB infrastructure need to be considered against the context set out in the Infrastructure Strategy, which in turn supports future service strategy and planning. outline of how schemes contribute to the ICB’s vision, aims and objectives, The Primary Care Network (PCN) Toolkit also is consistent with the ICB Infrastructure Strategy and the specific PCN Estates Plans are periodically reviewed for fit and prioritization. PCNs have recently submitted some of their aspirations for future investment and these are being evaluated by the Primary Care team.

Capital planning

The main areas of spend within the plan are as follows:

- New build £27.3m
- Equipment £40.3m
- Routine maintenance £41.7m
- IT £19.7m
- Ambulance fleet £17.9m
- Backlog maintenance £17.4m

The total capital requirement to remove Backlog and Critical Infrastructure Risk in the Trusts in Lancashire and South Cumbria is £196.9m (2023/2024 ERIC figures).

Overview of ongoing scheme progression

2025/26 capital plans include the continuation of a number of schemes that commenced in previous years. These are funded by PDC and are as follows:

- RAAC Plank remedial works at BTH £1.5m.
- Continuation of Electronic Patient Records projects at BTH (£7.2m) and UHMB (£8.3m)

Risks and contingencies

The main risk to capital plans in 2025/26 is the risk of inflation creating an in-year pressure on budgets. The risk will be managed through tight monitoring of spend in-year. Given the ICB and provider track records of spending within capital allocations the risk is considered as low risk.

The other main risk is the ability to spend capital in year given that formal approval is required from NHS England before spend on the Return to Constitutional Standards and Critical Infrastructure Risk schemes can commence. This will be managed through early engagement with NHSE England and tight monitoring of spend once the schemes are formally approved.

Business cases in 2025/26

Programme of works / short form business cases are required in order for the Return to Constitutional Standards bids to be approved by NHSE.

- For UEC the largest projects are the Mental Health Liaison Team at LTH (£3m), a new trauma x-ray room at UHMB (£2.2m) and a refurb of the emergency village at ELHT (£3.4m).
- The diagnostic schemes are all new equipment with the biggest areas of spend being new CT scanners at LTH (£1.2m) and UHMB (£1.6m).
- For Elective the main projects are new orthodontic model of care at ELHT (£0.4m), refurbishment to the modular pharmacy clean room at ELHT (£0.3m) and a green light laser and stone light laser at UHMB (£0.3m).
- Business cases are also required for the RAAC work at BTH, EPRs at BTH and UHMB and the ambulance service incident command centre (£8.4m)



Cross-system and collaborative working

Northwest Ambulance Service NHS Trust (NWAS) operates across all ICBs in the Northwest region and as such the capital expenditure incurred by them directly impacts these systems.

The ICB works closely with Cheshire and Merseyside ICB on capital plans for Southport and Ormskirk Hospitals NHS Trust.

Net zero carbon strategy

The ICB has a board endorse Green Plan [Greener NHS :: Green Plan \(icb.nhs.uk\)](https://icb.nhs.uk/greener-nhs-green-plan) and the Infrastructure Strategy also makes reference to the Green Agenda and the requirements to achieve carbon neutrality. It also highlights the respective timescales to achieve 80%, Net Zero (2040) and Net Zero + (2045).

The Green Plan is at draft stage for updating (as required by NHSE) with an anticipated ICB Board endorsement in July 2025.

The ICB has worked with the Trusts and identified the work required on a hospital site by hospital site basis to achieve Net Zero Carbon. This work is being developed to identify specific costs and the first of three hospitals are have carried out this more detailed review to understand specific costs and complexity to achieve this. There is a need to complete this work in a consistent way across all the hospitals across Lancashire and South Cumbria.

The ICB and its partners continue to seek and apply for funding where available to reduce its carbon footprint. Some of these grants require differing levels of match funding which need to be assessed at the time against competing capital pressures. Some of the match funding requires contribution by partner organisations or national bodies (eg CHP/DHSC).

Annex A – NHS Lancashire and South Cumbria ICB 2025/26 Capital Plan

	CDEL	Lancashire and South Cumbria ICB £000	Blackpool Teaching Hospitals NHS Foundation Trust £000	East Lancashire Hospitals NHS Trust £000	Lancashire and South Cumbria NHS Foundation Trust £000	Lancashire Teaching Hospitals NHS Foundation Trust £000	Northwest Ambulance Service NHS Trust £000	University Hospitals of Morecambe Bay NHS Foundation Trust £000	Total Full Year Plan £000
Provider	Operational Capital		15,527	17,889	11,545	17,075	29,084	14,967	106,087
ICB	Operational Capital	3,981							3,981
	Unallocated Capital	5,999	0	0	0	0	0	0	5,999
	Total Op Cap	9,980	15,527	17,889	11,545	17,075	29,084	14,967	116,067
Provider	Return to Constitutional Standards : Diagnostics		111	828	0	80	0	2,050	3,069

Provider	Return to Constitutional Standards : Elective Recovery		501	1,634	0	2,644	0	647	5,426
Provider	Return to Constitutional Standards : Urgent and Emergency Care		1,091	5,766	0	4,236	0	2,577	13,670
Provider	Mental Health : Reducing Out of area placements		0	0	1,900	0	0	0	1,900
Provider	Estates Safety		1,428	757	3,176	4,770	2,060	4,302	16,493
Provider	Other National Programmes (EPR, RAAC TIF, Ambulance Replacement, Net Zero) PDC		8,744	1,980	1,686	2,354	8,087	10,972	33,823
Provider	Other (technical accounting)		0	2,629	0	0	0	0	2,629
	Total system CDEL	9,980	27,402	31,483	18,307	31,159	39,231	35,515	193,077