## Gloucestershire Integrated Care System

## Joint capital resource use plan 2025/26

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| **Region** | **South West** | | | | |
| **Date published** |  | | | | |
| **Version control** |  | | | | |
| **Version** | Date issued | Who/Comment | Updated by | Sign off | Approvals |

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| **Introduction** |
| Parliament and Treasury set the Department of Health and Social Care (DHSC) a limit for how much capital it can spend. Capital spending covers long-term spend such as new buildings, equipment and technology. It doesn’t include spending such as staff costs or medicines (which is classed as revenue).  This budget limit, called the capital departmental expenditure limit (CDEL), covers all capital spending by the Department and the NHS. The Department and the NHS are legally obliged not to spend above this limit. A major part of the NHS capital is allocated to Integrated Care Systems and Systems prioritise this capital to develop a System plan with the majority going towards NHS Foundation Trusts and a small amount for General Practice requirements (covering information technology and minor improvement grants). Planning takes into account the need to upgrade estates, replace medical equipment and information technology equipment plus the strategic objectives for the System.  Gloucestershire Integrated Care System is one of the smaller and less complex ICSs in the country.  We are coterminous with our Local Authority: Gloucestershire County Council, have one Acute Hospital, Gloucestershire Hospitals’ Foundation Trust (operating across two sites in Gloucester City and Cheltenham), one Community and Mental Health services provider, Gloucestershire Health & Care Foundation Trust (GHC).  This lays a foundation for close collaborative working to serve the Gloucestershire population of over 698,000 people expected to rise to 728,030 by 2030. Like many systems we have a number of demographic challenges.   |  |  | | --- | --- | | **About health and care services in Gloucestershire** | | | * Serving 698,761 people, projected to rise to 728,030 people by 2030. * +30,000 staff working in health & social care. * The combined workforce includes over 14,500 staff providing direct care and over 7,000 professionally qualified staff (nurses, medics and Allied Health Professionals) * 1 Integrated Care Board * 1 Acute Hospital Trust (2 sites) | - 1 Mental Health and Community Trust   * 6 Integrated Locality Partnerships * 16 Primary Care Networks * 64 GP Practices * 65 Dental & 10 Orthodontist practices * 1 County Council with responsibility for education, public health, adult social care and children’s social care |   Across Gloucestershire our population is increasing. We expect to see an [8% increase](https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/subnationalpopulationprojectionsforengland/2018based) in the population in the County from 2028-2043 with greatest population growth in the Cotswolds and Tewkesbury. Planned housing developments and economic growth plans over the next 20 years will also add to migration into the county.  It is positive that people are living older. In Gloucestershire, [life expectancy at birth](https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/bulletins/lifeexpectancyforlocalareasoftheuk/between2001to2003and2021to2023) remains higher than the national average (80.0 for males and 83.8 for females: 2021-2023). This however masks variation of just under 3 years for females and 3.5 years for males between the areas with highest life expectancy (Cotswolds) and areas with the lowest (Gloucester).  The highest growth in the population is amongst [people living over the age of 65](https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/subnationalpopulationprojectionsforengland/2018based) with a 52.5% growth expected between 2018 to 2043 which is higher than England (44.7%). With increasing age comes more people living with [long-term health conditions](https://www.gloucestershire.gov.uk/media/g1gmyhfg/life-expectancy-and-healthy-ageing.pdf). Almost 1 in 5 people in Gloucestershire (130,000) live with multiple long-term conditions (186 per 1,000 of the population) - increasing in older age (736 per 1,000 of the population for people living over 85).  While Gloucestershire has good outcomes compared with the rest of the country, we know that there are unfair differences in outcomes and wellbeing for different people. Our Integrated Care Strategy describes the disparity between those living in the wealthiest areas of the county and the least wealthy areas of the county, amounting to an average difference of 11 years of ‘healthy life’. We want people to get the same good care and good outcomes no matter who they are or where they live.  The County is predominantly rural with an area of 1,220 sq miles, there are urban centres such as Gloucester City and Cheltenham but also large rural areas with smaller towns and villages.  NHS Gloucestershire Integrated Care Board (ICB) is a core member of the One Gloucestershire Health and Wellbeing Partnership alongside NHS providers, primary care, local councils, health, and care providers and voluntary, community and social enterprise (VCSE) organisations. The partnership strategic priorities are:   * **Making Gloucestershire a better place for the future** - improving the health, wellbeing and care of our citizens - focus on early prevention and the wider impacts on health * **Transforming what we do** - locality integrated working that supports the needs of the local population, achieving equity - reducing unfair and avoidable differences in health, developing our workforce, improving quality and outcomes across the whole person journey and making the most of digital technology to support care * **Improving health and care services today** - improving access to care, reducing waiting times, supporting improvements in urgent and emergency care and improving mental health support.   The Integrated Care System has a Joint Forward Plan [One Gloucestershire Joint Forward Plan](https://www.nhsglos.nhs.uk/wp-content/uploads/2023/06/Joint-Forward-Plan-2023_Web.pdf) (JFP) describes how we will deliver and improve the health and care elements of the [integrated care strategy](https://www.onegloucestershire.net/wp-content/uploads/2022/12/Interim-Integrated-Care-Strategy-v1.1.pdf).  Healthcare infrastructure is critical to the delivery of safe, high-quality clinical services and a key enabler for transformational change and quality improvement. A fit for purpose estate means that we can deliver the kind of modern, digitally enabled patient care pathways that we know result in significant improvements for patients, staff and anyone involved with the NHS. The ICS approved an infrastructure plan to respond to the needs for the system in the future and help prioritise constrained resources. go [https://www.nhsglos.nhs.uk/wp-content/uploads/2025/06/AI-13.1-Gloucs-ICS-Infrastructure-Strategy-Summary-Version-May-2025-Final.pdf](https://gbr01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.nhsglos.nhs.uk%2Fwp-content%2Fuploads%2F2025%2F06%2FAI-13.1-Gloucs-ICS-Infrastructure-Strategy-Summary-Version-May-2025-Final.pdf&data=05%7C02%7Ccath.leech%40nhs.net%7Cbc46156410b94fce004608dda410d7f1%7C37c354b285b047f5b22207b48d774ee3%7C0%7C0%7C638847114434243749%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=J6WJGnVS1g8mABGN9BSy%2BkrUzI9x1Rr9Z8I54TNZy5w%3D&reserved=0)  Within the document, we have set out our vision for infrastructure:  *Our visions is for sustainable infrastructure that supports our journey towards net zero carbon and enables the delivery of our Joint Forward Plan and Joint Health and Wellbeing Strategy*  Our infrastructure must:   * be affordable and demonstrate value for money; * support the delivery of:   + our focus on early prevention and the wider impacts on health   + accessible, joined up and integrated care in our communities, including the home; and   + specialised services in Cheltenham and Gloucester; * be well used, maintained and developed by our partners on a collaborative basis; and * provide a great environment for the people of Gloucestershire, including our workforce and patients.   Gloucestershire has two acute hospital sites, one in Gloucester and one in Cheltenham, within this 96% of the estate is freehold (exl PFI). GHFT has an existing PFI on the Gloucester Royal site. The scheme is called Gloucester Hospitals Partnership and was instigated in April 2002 and runs for 31 years; this will cease in February 2034. The PFI building houses the Emergency Department, three in-patient wards, an Endoscopy Unit, the Medicine SDEC Unit, Therapies and most of the Outpatient departments on the site. The value of the building is £51,192,955 as at February 2025, with annual charges around £7m. Last year, the Trust concluded the Gloucestershire Strategic Site Development which included the creation of the SDEC, an extension to both the Emergency Department and the Acute Medical Unit, as well as redesigning the Orthopaedic Outpatient Unit  Gloucestershire Health & Care NHS Foundation Trust operates six community hospitals, a learning disability unit and four mental health in patient units along with a number of smaller sites across the county.  GP practices operate out of 84 sites across the county of which 38% are owned by GPs, the remainder are leasehold or owned or leased by NHS Property services.  Within the Gloucestershire estate we have a high level of backlog maintenance, the majority of which is within the GHFT estate:   |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | High & Significant risk  £’m | Moderate Risk  £’m | Low Risk  £’m | Total  £’m | | GHFT | 57.1 | 26.5 | 2.4 | 86.0 | | GHC | 5.6 | 9.4 | 1.1 | 16.1 | | Total | 62.7 | 35.9 | 3.5 | 102.1 |   There are currently surveys underway within GHFT and it is anticipated that the figure of £86m will increase as a result.  Governance  Governance of capital programmes within organisations is via Finance or Resources Committees. System Governance is through the System Resources Committee and the ICB Board. A key focus for this year, and last year, has been on reducing risk relating to backlog maintenance, resilience and compliance risks including fire and water safety, ensuring that we have an increasingly robust replacement programme to replace digital and medical equipment. In addition, ensuring ongoing investment in equipment and digital.  Reporting on the capital programme takes place monthly and is reported to the ICS Resources Committee and ICB Board bi monthly.  Estates governance  The ICS has an ICS Estates Group chaired by the Chief Executive of Gloucestershire Hospitals NHSFT. Membership of this group includes directors responsible for estates from each organisation and organisational estates leads. This group reports to the ICS Strategic Executive Groups and is responsible for the implementation of the estates element of the ICS Infrastructure Strategy and ensuring that estates functions support the overall implementation of operational and system strategic plans.  Estates and Facilities Management   * GHFT procures services from Gloucestershire Managed Services (GMS) - a wholly owned subsidiary - which provides the estates and facilities function, as well as managing the PFI contract for c. 20% of the Gloucestershire Royal Hospital site and the Parking Contract for the Trust.   Overall governance for GHFT is via the Finance and Resources Committee.   * GH&C has an “in house” E&FM team that provides most hard and soft facilities management services. Some specialist services are delivered by GMS and cleaning services on some sites are purchased from other providers.   CQC Ratings  GHC  GHC have an overall rating of ‘Good’ assigned during a Core and Well Led inspection in 2022. The inspection highlighted two areas for improvement and were classified as essential actions known as ‘Must Do’s’, as follows:   * The physical monitoring of patients after receiving Rapid Tranquilisation medication. * Personal emergency evacuation plans (PEEP) for people who may need assistance to evacuate a building.   Local procedural changes were completed and are now embedded into practice within those clinical areas.  This inspection and subsequent Mental Health Act Commissioner visits in 2025 have not identified any significant issues in GHC estates or equipment that would directly impact or improve the current CQC rating.  No significant issues in GHC estates or equipment have been raised by CQC that would directly impact or improve CQC assessment. Some minor works have been commissioned following observations during MHA inspections although they would not impact the GHC rating, but these are not capital in nature.  GHFT  GHFT has an overall CQC rating of Requires Improvement. Standards cover infection control, cleanliness, patient experience, access and so on. Patient safety is paramount and with that consideration, certain schemes in the plan are directly linked to delivering a safer estate, such as the fire alarm scheme, the nurse call scheme and improvements to our water, fire and electrical infrastructure. However, there are also a number of individual schemes that directly link to a specific areas: for example, the RO water plant in our in-patient dialysis bay is due for replacement and so is one of our schemes over the next 12 months. Patient experience is also important, so schemes such as our water improvements will address shower replacements across the sites: whilst this is related to safety and infection control, the patient experience will also improve as a result. |

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| **2025/26 CDEL allocations and sources of funding** |
| The main source of funding for the System capital programme is the System operational capital resource limit (resources through internally generated funding, cash and depreciation within organisations), other sources include disposals, national programme funding for specific schemes, capital grants and national funding for new leases under IFRS 16. The total programme funding is shown below.   |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | |  |  |  | **25/26 Capital Plan** | | | | | |  | **GHFT £000's** | **GHC £'000** | **Primary Care £'000** | **ICB £'000** | **Total £'000** | |  |  |  |  |  |  |  |  | |  |  | Disposals | 0 | 3,265 | 0 | 0 | 3,265 | |  |  | National Prog | 15,081 | 0 | 1,048 | 0 | 13,345 | |  |  | IFRIC12-GHFT - PFI Lifecycle maintenance \* | 533 | 0 | 0 | 0 | 533 | |  |  | Donation Charitable | 1,274 | 0 | 0 | 0 | 1,274 | |  |  | **Total Other Funding Sources** | **16,888** | **3,265** | **1,048** | **0** | **21,201** | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | | **System CDEL** |  | Notified - 25/26 |  |  |  |  | **43,619** | |  |  | Primary care capital allocation |  |  |  |  | **1,254** | |  |  | 24/25 Revenue Fair Shares Allocation |  |  |  |  | **8,244** | |  |  | 25/26 Fair Shares allocation |  |  |  |  | **7,510** | |  |  | **Potential System CDEL** |  |  |  |  | **60,627** | |  |  |  |  |  |  |  |  | | **Total Funding** |  |  |  |  |  |  | **81,828** |   \* technical adjustment, not true funding  Organisations, in line with their strategies, have a number of disposals planned in this and future years. These disposals form part of the overall capital planning and provide an additional source of capital funding. It is anticipated that as part of the infrastructure strategy currently being finalised, other opportunities to dispose of land and buildings may be identified and built into capital planning for future years.  The System is currently bidding for capital against a number of national capital programmes, the values of the bids are set out below:   * Critical Infrastructure Programme: £9.7m * Constitutional Standards Programme £2.1 * Primary Care Improvement Programme £1.m   These bids, if successful, will enable the system to   * progress its backlog maintenance and safety programme within Gloucestershire Hospitals Foundation Trust at a faster pace, reducing critical infrastructure backlog maintenance by c£8.4m and non critical infrastructure backlog maintenance by £1.7m * improve performance in planned care, specifically in urology * improve performance in diagnostics by replacing an additional CT scanner * increase the number of clinical rooms in primary care premises   The benefits and revenue costs associated with these bids are being finalised and the cases assessed for value for money and revenue affordability.  **Risks and contingencies**  The System has taken a risk-based approach to prioritise expenditure within the capital allocation. The capital budget is limited and we need to ensure that our services and environments are safe and fit-for-purpose for patients, staff and the public, balancing investment between backlog maintenance, replacing old and ageing medical scanners, investment in cyber security and major estates developments.  Key risks to monitor and manage throughout 2025/26 include:   * Not being able to deliver to the timelines built into the plan, for instance, due to underestimating the timelines required for business case approval processes or procurement. If these processes take longer than we anticipate, this can impact the phasing of expenditure and estimated prices, should this occur we will reprioritise the schemes in the plan. * Practical factors affecting programme delivery, some of which may be known at the start of the scheme but are unable to be mitigated, such as operational demand affecting access, whilst some may be unknown and occur during the project, such as sub-contractor liquidation. On provider sites, all projects will have some co-dependencies: the more complex the project, the more challenging these can be to manage and can affect the programme timeline. There is also potential for issues on other parts of the estate to take precedence unexpectedly if patient safety or statutory requirements need to be met. * There are asset sales totalling £3.2m planned for 2025/26, if these do not progress within the financial year, leading to a lower than planned funding level for 2025/26. In this situation, smaller schemes would be slowed to ensure that the system capital budget remained at breakeven. A key risk in this area relates to gaining planning approval linked to specific disposals * Rising inflation is a significant risk that could materially change estimated costs in the plan and that the system will no longer be able to afford all of the schemes planned. Contingencies are included in plans to offset this but inflation may exceed these in the current financial climate. If this takes place then schemes will be re prioritised * Lease liabilities can vary during the year leading to additional costs. Systems are in place to manage variation as far as possible, however, if this occurs then the programme will be reassessed to ensure there is no overspend. * Cash: As described above, operational capital is funded through a combination of depreciation and cash. There is a risk that some organisations may not have sufficient cash to support capital investment in 2025/265 due to challenging revenue plan positions. In addition, some of the capital allocations are not cash backed which can lead to deterioration of Trust cash positions * Digital: With the changing nature of the digital innovation some investments which may have been funded via capital are now categorised as revenue, this can mean additional unplanned revenue pressures or changes to capital plans. * Specific Risks There are further specific risks from Trusts which are highlighted on their published risk registers. * Gloucestershire will continue to monitor these risks throughout the year and regular reports are taken to organisational Boards and the System Resources Committee. |

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| **Capital prioritisation** |

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| **Net zero carbon strategy** |
| The ICS developed a green plan in 2022 and each provider organisation has a more specific green plan to support the overall move to net zero for the NHS. The NHS net zero delivery plan for Estates sets out the approach for decarbonising our hospital buildings.  GHC  Existing hospital buildings will be decarbonised through the implementation of retro-fit projects in order to reduce energy demand and carbon emissions. Retro-fit projects within Gloucestershire Health & Care NHSFT have included LED lighting upgrades which are 69% more energy efficient and installing roof mounted solar-pv to provide between 21-25% self-generation of power to the hospital campus. The next phase of the decarbonisation plan will be making the gas boilers at Charlton lane redundant, and installing new air-source heat pumps which will be powered by renewable energy from the grid. At Charlton Lane, the proposed switch from the gas boiler to a Heat Pump for the central heating will save a predicted 86.6 tonnes CO2 per annum. representing a 81.5% improvement compared to the existing emissions.    The estates and sustainability team have applied to the Public Sector Decarbonisation Scheme (Phase 4) to install air source heat pumps at 6 community hospitals, and this includes the scoping of net zero schemes for 2024-25 such as roof mounted solar PV in a number of community hospitals. The application was submitted in November 2024 and successful Trusts will be awarded funding and receive a grant offer letter in May 2025.  The backlog maintenance programme has identified three outpatient centres that will have lighting upgraded to LED, there will be a continuation on LED upgrades throughout the Trust to improve energy efficiency and the condition of lighting systems, it’s a Green Plan requirement that 100% of NHS buildings are upgraded to LED by 2032.  An application and EOI was submitted in January 2025 to the NHS Energy Efficiency Fund (NEEF) to install an additional 21 dual socket EV charging points across the GHC portfolio. This application was successful, and the estates team are now preparing to undertake the installations during the capital year of 2025 and 2026.  GHFT para from GHFT to replace  The Trust’s current focus around delivering a net zero NHS is to complete the final phases of the Salix programme of works. The works within this programme include a new insulated façade for the Tower Block, replacement of all Tower Block windows, ward level heating zone controls, replacement and insulation of the catering building roof and a new air source heat pump to serve the Pathology building.  Abbreviations used within this document:  Gloucestershire Hospitals NHSFT: GHFT  Gloucestershire Health & Care NHSFT: GHC  Gloucestershire Integrated Care Board: GICB  Gloucestershire County Council: GCC |