

# **NHS Shropshire, Telford and Wrekin Integrated Care System 2025/2026 Capital Plan**

## **Region**

Midlands

## **ICB/System**

Shropshire, Telford and Wrekin (STW)

## **Introduction**

The System recognises that securing capital for infrastructure, both physical and digital, plays a material role in underpinning delivery of our strategic priorities though we also accept that we need to be innovative in our bids and work hard to cover the revenue consequences of that investment given our challenged financial position.

An STW Capital Prioritisation and Oversight Group (CPOG) is in place as a subcommittee of the Finance Committee to monitor the system capital programme against the operational capital envelope, gain assurance that the estates and digital plans are built into system financial plans and to ensure effective oversight of future prioritisation and capital funding bids. Estates and digital are seen as key enablers to our strategy and are overseen through the System's Strategic Commissioning and Productivity Committee which is a subcommittee of the Integrated Care Board.

In 2024/25 the system CDEL limit was based on depreciation and critical infrastructure risk and covered operational capital only the capital spend was in line with plan of £26.2m including the 10% reduction in CDEL as per the financial framework. National programme funding of £3.9m was received by SaTH for RAAC which was including in operational BAU capital funded by PDC. IFRS16 was separate to CDEL in 2024/25, and the system spent £8.5m compared to a plan of £9.7m for IFRS16 operational leases with SCHAT showing £1.2m underspend due to leases being negotiated. National capital allocations for IFRS16 in 2024/25 for STW were £6.4m, an additional £2.1m was provided to cover additional lease costs in year.

In 2024/25, in addition to core CDEL (Capital Departmental Expenditure Limit), the System secured additional national capital funding of £95.8m to support delivery of key strategic priorities, these included funding of £3.4m for the new EPR System at RJA which was funded through PDC and £92.4m for the Hospital Transformation Programme at SaTH. £26.7m of this was rephased into 2025/26 with SaTH showing an overall underspend against national capital programmes of £19.1m.

The 2025/26 joint capital plan has been developed through collaborative working between the ICB (Integrated Care Board) and Provider organisations.

In 2025/26 the national financial framework was updated to incorporate IFRS16 leases within the overall CDEL allocation, the 10% reduction to CDEL has been applied as in 2024/25, for STW this means provider operational capital is reduced by £3.68m. The CDEL is split on the national capital CDEL calculation, based on depreciation of assets and on the current value of critical infrastructure risk. The split of CDEL is £22.5m SaTH, £6.3m RJA and £4.3m SHT. ICB CDEL is separate, this is £1m. Detail on the individual organisational plans is provided in the following pages.

In 2025/26, in addition to core CDEL (Capital Departmental Expenditure Limit), the System secured additional national capital funding of £127.9m to support delivery of key strategic priorities, these included funding of £99.3m for the Hospital Transformation Programme at SaTH, £4m for constitutional standards, £5m UEC Incentive capital, £7.797m Estates Safety, £8.052m RAAC and £2.7m Solar funding.

## **Assumed Sources of Funding for 2025/26**

The capital programme for 2025/26 will be funded from internally generated sources as well as national funding programmes for:

- Hospital Transformation Programme (HTP),
- Estates Safety (to address Critical Infrastructure Risk),
- Constitutional Standards Capital,
- UEC Incentive Capital,
- Primary Care Modernisation and Utilisation Fund and
- Reinforced Autoclaved Aerated Concrete (RAAC).

Annex A demonstrates that the System total CDEL allocation is £34.2m and the capital plan is £180.8m in total including assumed receipt of national funding and capital funding from other sources.

## **Overview of Ongoing Scheme Progression**

In addition to CDEL which covers operational capital and IFRS16 operational leases, system providers have the following developments for 2025/26:

### **RJA**

The Trust has a capital investment plan of £10.9m of which £6.3m is NHS CDEL, £2.6m PDC funded schemes and £2.0m other donated or grant funded schemes.

Plans include standard replacement of clinical equipment, estates works, digital investment and compliance.

Notable schemes include:

- Full implementation of a new Electronic Patient Record (EPR) - a new EPR system has gone live Trust wide in May 2025 and is supported by Frontline

Digitisation funds. This will see the Trust go fully electronic for its records and supports an improved level of digital maturity.

- Estates safety critical infrastructure investment which will fund replacement of high priority backlog areas as well as decarbonisation of the site through energy grant funding which will improve energy efficiency and reduce carbon emissions.
- Development of a rheumatology outpatient hub.

## **SaTH**

The Trust is expecting to deploy its additional capital funding in the following areas:

- £99.3m capital funding for the Hospital Transformation Programme (HTP),
- £8.052m for RAAC
- £6.797m Estates Safety funds to reduce high Clinical Infrastructure Risk (CIR),
- £4m constitutional standards funds for modular wards and
- £4.8m UEC incentive capital which will fund capital for additional constitutional standards improvements in diagnostics, elective RTT and UEC.
- £0.445m for Solar Canopy
- Retained Estate New Energy Centre £8.1m and £0.9m donated assets.

## **SCHT**

The Trust is expecting to deploy its additional capital funding in the following areas:

- Estates safety £0.5m which will fund Whitchurch LED replacement, Bridgnorth Lift, Nurse Call and Electrical Infrastructure replacements and
- UEC incentive capital of £0.2m which will provide funding towards an x-ray machine.

## **Primary Care Estates**

The PCN estates plans are detailed in the Primary Care Estates Strategy. This sets out priorities for the application of the 2025/26 national primary care modernisation and utilisation fund (£0.9m) and a total estimated primary care estates capital spend of £11.92m which will proceed following business case approval and identification of funding.

## **Risks and Contingencies**

The system will monitor the risk of in year slippage to capital plans through the CPOG (Capital Prioritisation and Oversight Group) and seek actions to mitigate these risks where appropriate.

There is no contingency included within the current plans and further, with the reduction of 10% of provider operational capital, this means that should there be equipment failure or urgent estates repairs required, a reprioritisation of the 2025/26 plan will be required to ensure that the system remains within the CDEL limit. The System's capital prioritisation framework will be used as and when required.

There is also a risk of programme delays if notification of success in securing nationally funded capital is delayed. This will be monitored and managed closely. Material slippage for factors outside of the system's control would be subject to conversation with NHSE to explore options for managing across providers or across financial years.

## **Cross System Working**

MPFT (Midlands Partnership University Foundation Trust) is NHS STW's provider of Mental Health services however the organisation sits within the Staffordshire system. MPFT representatives are present on the STW Board and committees, and we maintain close links regarding the capital programme to ensure alignment across systems.

## **Capital Planning & Prioritisation**

The ICB hold a monthly Capital Prioritisation and Oversight Group (CPOG) which is a subcommittee of the System Finance Committee. The purpose of this group is to monitor the system capital programme against the capital envelope, gain assurance that the estates and digital plans are built into system financial plans and to ensure effective oversight of future prioritisation and capital funding bids.

Regular reviews of in year and 10-year capital plans ensures that the capital programme remains in line with the strategic priorities of the ICS. We have a capital prioritisation framework which has been agreed by all organisations to ensure that the capital plan remains affordable.

The group is attended as required by the system leads for Estates and Digital as well as representatives from each organisation to ensure that all recommendations to Finance Committee are in line with the Infrastructure and Digital strategies.

## Annex A – STW 2025/26 CAPITAL PLAN

The table below shows the agreed System Capital Plan (CDEL) plus capital generated from other sources:

Shropshire, Telford and Wrekin ICS		70%	23%	8%		
CDEL	ICB	SATH	RJAH	SCHT	Total Full Year Plan £'000	Narrative on the main categories of expenditure
	£000's	£000's	£000's	£000's	£000's	
Provider - Operational Capital		19,230	6,231	2,096	27,557	
Provider - Impact of IFRS16		3,300	105	2,157	5,562	
<b>Provider</b>	-	<b>22,530</b>	<b>6,336</b>	<b>4,253</b>	<b>33,119</b>	
<b>Provider CDEL</b>	-				<b>33,120</b>	<b>90% of CDEL</b>
ICB CDEL	1,067				1,067	GP Grants/GP IT CDEL
<b>ICS CDEL</b>					<b>34,187</b>	
<b>Difference</b>					- 1	<b>Under/Over commitment</b>
National Programmes	892	123,385	2,907	722	127,906	£99.3m HTP SaTH, £4m Constitutional Standards, £7.797m estates safety, primary care utilisation £892k, RAAC £8.052m. UEC Incentive capital £5m split £4.8m SaTH and £0.2m SCHT. Solar £22k SCHT, RJAH £2.4m, SaTH £445k.
<b>Total System Capital as per 30/04/2025 NHSE Capital Plan</b>	<b>1,959</b>	<b>145,915</b>	<b>9,243</b>	<b>4,975</b>	<b>161,025</b>	
Capital projects - Other	11,920	9,000	1,620	-	22,540	ICB = £11.92m Primary Care Capital Projects, SaTH Retained Estate New Energy Centre £8.1m and £0.9m donated assets. RJAH - Energy decarbonisation £0.9m, £0.7m donated assets
<b>Total Capital Spend 2025/26</b>	<b>13,879</b>	<b>154,915</b>	<b>10,863</b>	<b>4,975</b>	<b>183,565</b>	