Joint Capital Resource Use Plan

2025/26

Region	South West
ICB / System	Devon
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1. Introduction

Infrastructure plays a pivotal role in enabling the future of healthcare delivery within the region. This infrastructure not only paves the way for quality health services but also serves as a cornerstone for broader, systemic improvements. The strategic deployment of capital in both revitalising our current assets and developing new ones is of utmost importance, especially considering the long-term financial challenges faced by the system.

Faced with a diverse array of challenges, Devon's journey toward an integrated health and care delivery system is ambitious. We must navigate the complexities of socio-economic disparities, logistical hurdles, the needs of an increasingly elderly population and the currently proposed addition of 53,380 new homes over the next 5-10 years, introducing an estimated further 120,000 to the population with health needs. All this is set against the backdrop of a demanding financial landscape, where the imperative to achieve operational efficiencies must be balanced with the critical need for strategic investments in our infrastructure. To compound matters, much of the existing estate presents a range of challenges, with many sites in deteriorating condition and much near or past their useful life.

We face significant challenges to achieve our aims. The Devon NHS economy is receiving deficit support funding to deliver the required breakeven revenue plan. Three of our four main hospitals are in the delayed national New Hospitals Programme (NHP). The system is holding significant critical infrastructure risk from the maintenance and repairs backlog that trusts are holding. Delays to the NHP exacerbate these risks. Our plan sets out how we will deploy our resources and deliver identified and funded projects. It sets out a prioritised pipeline of projects, which will require funding. We commit to pursue opportunities and focus on wider system collaboration and innovative delivery models.

This document describes our plan, set against a range of population and geographical challenges, including:

- The Devon population is growing. Our age profile is older than the England average. As a health system, we face challenges, such as increased frailty and growth in rates of long-term conditions, around 15 years before many other parts of the country.
- The population of Exeter has increased by 15% between 2013-2023, the second highest growth rate in the UK.
- Our primary care estate is functioning at, or over capacity. Much of our estate across primary and acute care cannot be extended to create additional capacity. This is not sustainable.
- We need to provide healthcare services that are accessible to our population across our widespread rural geography and our urban centres of population growth.
- The pipeline of investment needed across Devon is at circa £3bn and significantly more than current capital funding levels. Demand for investment will only rise,

- Investment in the estate and in digital technology are clear enablers. We must acknowledge that available funding is unlikely to be sufficient to meet the range of demands we face. The risk to our ability to maintain our estate at 'steady state' is rising. We need to pursue opportunities to maximise effective investment, including through innovation and collaboration.

Overview of Devon ICS

- Located in the South-West of England, NHS Devon Integrated Care System (ICS) is a partnership that brings together health and care organisations in the county of Devon. It serves as the **third-largest county in England** and is home to two national parks in Dartmoor and Exmoor.
- The ICS in Devon is known as **'One Devon'** and brings together all the county's local authorities, NHS organisations and the voluntary section to create the **partnership across One Devon**. NHS Devon is the Integrated Care Board (ICB) for the ICS.
- The partnership works in collaborative arrangements at county-wide level, through **five Local Care Partnerships (LCP)** (i.e. the 'places') and also in the heart of communities (neighbourhoods) to provide sustainable, quality health and care outcomes for the 1.2 million people in Devon.
- Devon also serves a significant population in North East Cornwall, which is very rural and, due to road networks, experiences less difficulty accessing services in Plymouth than central Cornwall.

Our five LCPs

broadly reflect the geography of the county:

Our Place

Devon covers a coastal, rural (including 2 national parks), and urban geography. We are comprised of over 45 towns, and the cities of Plymouth and Exeter.

- **West Devon**
- **Plymouth**
- **South Devon**
- **Eastern Devon**
- **Northern Devon**

Our Care

is delivered by hundreds of providers across Devon, all working within the One Devon ICS. Our system is comparatively complex, including 12 LPAs, relative to neighbouring Dorset's 2.

- **8** District Councils
- **3** Upper Tier Local Authorities *(one county and two unitary)*
- **12** Local Planning Authorities (LPAs)
- **1** Community Interest Provider
- **1** NHS Trust-Based Mental Health Provider
- **3** Main Acute Hospital Trusts
- **194** GP Sites and **120** Practices

One Devon

One Devon – Our Partners

Health Care Providers

- Royal Devon University Healthcare NHS Foundation Trust
- University Hospitals Plymouth NHS Trust
- Torbay and South Devon NHS Foundation Trust
- South-Western Ambulance Service NHS Foundation Trust
- Livewell Southwest
- Devon Partnership NHS Trust
- NHS Devon (integrated care board)
- All GP practices in Devon
- Pharmacy, Optometry and Dental

Health and Wellbeing Boards

- Devon Health and Wellbeing Board
- Plymouth Health and Wellbeing Board
- Torbay Health and Wellbeing Board

Healthwatch

- Healthwatch Devon
- Healthwatch Plymouth
- Healthwatch Torbay
- Healthwatch Cornwall

Local Authorities

- Devon County Council
- Torbay Council (unitary authority)
- Plymouth City Council (unitary authority)
- District Councils

Voluntary and community sector organisations

We work with a range of voluntary and community sector organisations to help us make decisions that improve services and outcomes for people and communities.

NHS Property Companies

- NHS Property Services
- Community Health Partnerships

One Devon – Our Five-year Integrated Care Strategy

The One Devon Partnership has one over-arching statement of intent:

> ***"One Devon will strengthen its integrated and collaborative working arrangements to deliver better experience and outcomes for the people of Devon and greater value for money"***

The ICS produced an Integrated Care Strategy in December 2022, setting out the **12 key challenges** that Devon faces and identifying a set of **strategic goals** that will help to address the challenges. The strategy sets out how we will plan and organise health, care and other support services so that joined-up, preventive care is available to everyone in the population across the course of their lives.

The goals set out in the strategy look to achieve the four aims common to every ICS in England and Wales:

- **Improving outcomes** in population health and healthcare
- **Tackling inequalities** in outcomes, experience and access
- Enhancing **productivity** and **value for money**
- Helping the NHS **support broader social and economic development**

For each of these aims, a series of ambitious goals have been developed to set out how we will measure progress towards achieving them.

One Devon

Challenges faced by the One Devon System:

- An ageing and growing population, with more frail people and more with one or several long-term conditions
- Climate change, with increasing pollution and extremes of heat and cold
- Complex pictures of deprivation in both rural and urban areas
- The quality and affordability of housing
- Accessibility to services
- The pressure on our services, especially for planned care.
- Variable opportunities for education, training and work and in some areas a shortage of staff caused by burnout, inability to fill vacancies and high turnover
- People carrying out unpaid care, with the associated consequences for their health
- A need for stronger economies
- Poor health caused by habits that could be changed, and the earlier onset of health problems in more deprived areas
- Changing patterns of infectious diseases such as COVID-19, with a disproportionate impact on disadvantaged communities
- Poor mental health, social isolation and loneliness

Devon ICB refreshed its Joint Forward Plan in April 2024 and has the following vision and objectives for estates and infrastructure:

Estates and Infrastructure

Our Vision

To ensure that our estates and infrastructure are fit for purpose and located within the right places.

What Devon will see

- A redeveloped the **acute hospital estate** through the funds available via the New Hospital Programme
- A **community services and mental health estate** with more specialist services outside of the traditional hospital setting
- **Development of the primary care** to integrate primary care with community service developments
- A roadmap for estates and facilities activity to reach **Net Carbon Zero by 2040**
- **Estates and facilities contracts** that leverage buying power for providers on behalf of the ICS
- **One Public Estate** opportunities are maximised
- Estates and facilities expertise **working in collaboration** across the ICS to ensure efficiency, skill sets and joint delivery programmes remain optimal

Our objectives

Which ICS Aim(s)

Objectives	Year 1-2	Year 3-4	Year 5+
Undertake strategic review of the ICS-wide health estate	☑		
Develop an investment plan and a five-year capital prioritisation pipeline	☑		
Develop a cross-matrix team that can support the delivery of estates and facilities at an ICS-wide level	☑		
Deliver a public facing ICS Estates Strategy	☑		
Categorise all of the estate into 'core, flex and tail' and agree strategies for each site or development opportunity	☑		
Prioritise funding allocations while taking advantage of national funding review outcomes and TIF funding	☑		
Integrate provider service departments where possible to create resilience, efficiencies and succession planning	☑		
Commence delivery of the implementation plans that shall support each area of the Estates Strategy	☑		

As the availability and accessibility of capital resources has become increasingly restricted over the last three years, the associated risk has also significantly increased. Our forecasts indicate that available cash balances at trusts will be limited in 2025/26. This poses a risk to the capital programme. Inflation in construction costs exacerbates the risk regarding available capital funding.

The One Devon Integrated Care System (ICS) has developed an Infrastructure Strategy for Devon to identify future estates opportunities and priorities. This gives us a strategic focus to our approach to identify our estate priorities, which in-turn informs our capital investment pipeline.

Our Capital Pipeline – 2024/25-2029/30

The prioritised capital pipeline provides a basis from which our current understanding of risk carried within the system can be improved and future funded and unfunded capital pipelines will be developed. In infrastructure terms, it informs the strategic focus in the short to medium term.

Digital projects (64) and Equipment projects (64) are excluded from the analysis. The total capital pipeline of these projects is £339m.

A further 172 Primary Care projects have been identified through the system pipeline exercise, noting that PCNs are reviewing this and is subject to review.

454 Estates Projects

	156 'Critical and/or urgent'	238 'Important'	294 'Desirable'	5 New Hospitals
*Project Need Categorisation**				
Estimated Capital Required (Estates: £2.5bn; Total Pipeline: circa £3bn)	£516m	£1.4bn	£604m	New Hospitals are included in this assessment
Total Funded (125)	36	58	26	

2. 2025/26 Capital Departmental Expenditure Limit allocations and sources of funding

The system Capital Departmental Expenditure Limit (CDEL) allocations for 2025/26 do not distinguish between (International Financial Reporting Standard) IFRS16 lease capital and core capital. The capital allocation for the Devon Integrated Care System (ICS) for 2025/26 was set at £104.2m by NHS England. After adjustments including an expected penalty of £5m and top-slice of £3.2m for priority schemes in the ICS, £96m was allocated to the four NHS Trusts. The basis of allocation is a localised version of the national methodology, driven mainly by levels of depreciation and high priority backlog maintenance demands.

	System		DPT	RDUH	TSD	UHP
	£k		£k	£k	£k	£k
System CDEL	104,214					
Estimated Penalty	-5,000					
	99,214					
System priorities:						
Year 2 BI	-500			500		
Year 2 People digital	-424			424		
Year 1 EPR	-2,292				2,292	
	-3,216					
Core CDEL: Option 4	76,183		6,936	27,943	14,205	27,099
Lease CDEL: Option B	19,815		531	6,134	3,884	9,265
	99,214		**7,467**	**35,001**	**20,381**	**36,364**

DPT – Devon Partnership NHS Trust; RDUH – Royal Devon University Healthcare NHSFT; TSD – Torbay and South Devon NHSFT; UHP – University Hospitals Plymouth NHS Trust
BI – Business Informatics; EPR – Electronic Patient Record

Since the annual plan was submitted, the capital penalty has been reduced to £0.39m and an additional £6m has been awarded for achieving urgent and emergency care (UEC) operational targets in 2024/25. The share of the additional capital allocation is set out in the table below with a total system CDEL limit of £109.8m.

	System		DPT	RDUH	TSD	UHP
	£k		£k	£k	£k	£k
Penalty reduction	4,610		359	1,636	869	1,746
UEC incentive	6,000			2,000		4,000
Total CDEL	**109,824**		**7,826**	**38,638**	**21,250**	**42,110**

In addition to this resource, the system planned to spend a further £190.9m of capital on nationally driven and funded priorities detailed below. Since the plan was submitted in April 2025, further schemes have been agreed to be supported by NHS England.

	DPT	RDUH	TSD	UHP	Total
	£'000	£'000	£'000	£'000	£'000
2025/26 Cancer LINAC Replacement	0	0	0	2,616	**2,616**
2025/26 Estates Safety	0	5,412	2,340	1,815	**9,567**
Diagnostics	0	19,000	0	13,264	**32,264**
Elective Recovery/Targeted Investment Fund	0	20,000	0	5,900	**25,900**
2025/26 Mental Health: Reducing Out of Area Placements	1,000	0	0	2,400	**3,400**
Net Zero (GB Energy Solar)	3,027	0	0	0	**3,027**
New Hospitals Programme	0	0	0	33,759	**33,759**
Technology Schemes	0	0	7,745	10,992	**18,737**
UEC Capacity	0	0	9,155	2,100	**11,255**
Return to Constitutional Standards: Diagnostics (system allocation only)	0	0	0	13,264	**13,264**
Return to Constitutional Standards: Elective Recovery	0	20,000	0	5,900	**25,900**
Return to Constitutional Standards: UEC	0	0	9,155	2,100	**11,255**
Total	**4,027**	**64,412**	**28,395**	**94,110**	**190,944**

In addition to this, Devon ICB has a capital allocation of £2.6m and a further £2.1m for a primary care utilisation fund.

3. Capital priorities

ICS chief finance officers (CFOs) approved a top-slice from the 2025/26 system core CDEL resource for three system-wide priority areas: the second year of infrastructure for the development of a system-wide Business Intelligence function; people digital; and the first year of an electronic patient record at Torbay and South Devon NHSFT. CFOs agreed the split method for the remainder of the 2025/26 CDEL allocation.

The system estate directors have agreed the schemes put forward for the estates safety and constitutional standards nationally funded schemes.

Currently the System does not have a process for joined up prioritisation of digital capital or equipment capital needs.

4. Trust capital planning

University Hospitals Plymouth NHS Trust

The total capital resources available for 2025/26 used in the planning process were as follows:

Funding Source	£m
PDC	£62.33
CDEL	£36.36
Other Capital Receipts	£17.74
Total 2025/26 Capital Programme	**£116.44**
RT decant bunker lease	£20.00
Total 2025/26 inc. additional requirement for RT bunker lease	**£136.44**

RT decant bunker – new decant radiotherapy bunker to house the replacement oncology centre linear accelerator (LINAC)

A detailed capital planning process and submission timeline for 2025/26 was approved by the Board and shared with programme leads and care groups. A total of £114.3m of CDEL bids for 2025/36 were submitted through this process:

	25/26 Bids £000's
Clinical Support Services	£33,337
D&I	£12,278
Estates Development	£36,600
Facilities	£1,182
Medical Equipment	£7,922

Medicine	£3,757
Site Management	£4,408
Site Services	£9,125
Surgery	£5,240
W&C	£413
	£114,263

Due to the level of pre-commitments for the completion of 2024/25 projects, the capital available for allocation to support these bids is limited. Bids are categorised to identify investments that:

- could be delayed
- could be funded via contingency if required
- are urgent and essential items with or without a business continuity plan.

Urgent and essential items total £48.5m.

Given our inability to support urgent and essential items we have once again included a significant contingency in our plan to mitigate the risk of not being able to invest in our assets at the level required. The overall capital programme is set out below:

	25/26 Bids £000's
PDC (broken down above)	**£62,332**
CDEL	**£56,364**
Aseptic	£10,050
EPR	£3,231
UTC	£3,500
Linac	£500
Linac credit from entering into lease (value for historical spend)	(£9,500)
CDC	£11,500
Cath Lab	£4,000
Windsor House works	£600
Linac Phase 2	£600
Project planning	£500
Brainlab	£600
Project completions from 2024/25	£1,950
Estates backlog allocation	£2,000
Hardware replacement RRP - NICU incubators	£500
Estate management (Site Management and Facilities)	£500
Digital	£750
Urgent Capital equipment – Contingency	£5,500
Asset Disposal – Colebrook	(£1,700)
NHP 23/24 and 24/25 credit owed to CDEL	(£4,039)
VAT credit	(£2,500)
Lease – RT decant bunker and HDR facility	£20,000
Lease – Dialysis equipment	£3,000
Property Leases (Rad Academy and £1m Windsor House)	£3,822
Lease – Valuation changes	£1,000

Total Capital Programme	£118,696
Total Capital Programme allocations	
PDC	£62,332
CDEL	£36,364
Assumed additional allocation for RT decant bunker and HDR facility	£20,000
Total Allocation	**£118,696**

Note – the credit totalling £17.74m have been included alongside the CDEL capital requirements, rather than being shown separately. These credits are important to achieve a balanced capital plan.

Devon Partnership NHS Trust

The total capital resources available for 2025/26 used in the planning process is as follows:

Funding Source	£000s
PDC	£4,017
CDEL	£7,467
Other Capital receipts	£918
Total 2025/26 Capital programme	**£12,402**

The Trust works with all Directorates to collate a list of capital schemes. Each has been priority ranked against different criteria covering patient safety, clinical model answering a number of questions covering patient, risk, finance sustainability and workforce benefit.

The total number of requests submitted for 2025/26 totalled £29.7m.

The CDEL limit for 2025/26 is £7.5m (2024/25 £7.0m) with unfunded capital expenditure for 2025/26 of £17.3m (2024/25 - £9.0m). All unfunded schemes have been re-timetabled to future periods excepting for when in-year slippage or other national funding opportunities arise.

For 2025/26 the CDEL limit and IFRS16 limit will be managed as a single limit. Required IFRS funding from the limits above is £0.7m (2024/25 - £1.5m) with unfunded lease expenditure of £0.8m (2024/25- £1.3m).

Assuming an annual CDEL of £6m in the future years, DPT is underfunded on capital for all five years of the plan. An outline plan for the five years is shown below.

Total unfunded capital expenditure for 2025/26 – 2029/30 is £217.2m (2024/25 - £172.9m including IFRS 16 leases).

Draft capital 5 year plan	Draft Plan					
	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Clinical Directorate - Adult	9,330	62,933	50,933	47,333	0	170,529
Clinical Directorate - OPMH	575	30	0	0	60	665
Clinical Directorate - Secure	1,916	4,500	1,000	0	0	7,416
Clinical Directorate - Specialist	1,600	2,000	10,500	10,000	0	24,100
Children's services	1,390	4,200	200	200	200	6,190
Headquarters - Estates and Facilities	11,630	5,120	3,366	2,469	2,469	25,054
Headquarters - IT	1,710	1,472	1,200	1,200	1,200	6,782
Headquarters - Other	68	68	68	68	68	340
New Leases	1,523	2,125	1,116	3,278	7,092	15,134
Total Plan Capital Expenditure	**29,742**	**82,448**	**68,383**	**64,548**	**11,089**	**256,210**
CDEL and IFRS 16 funding	7,467	5,974	5,974	5,974	5,974	31,363
PDC funding	4,017					4,017
Salix funding	90	1,125	897			2,112
Other grant funding	738	738				1,476
Lease disposals	90					90
Total Funding Sources	**12,402**	**7,837**	**6,871**	**5,974**	**5,974**	**39,058**
Total Unfunded Capital Expenditure	**17,340**	**74,611**	**61,512**	**58,574**	**5,115**	**217,152**

Torbay and South Devon NHS Foundation Trust

	2025/26 Plan £m	£m
A. ICB (cash) CDEL cash budget		**17.0**
B. IFRS16 (non-cash) CDEL schemes		**1.4**
C. Sub-total - ICB CDEL & IFRS16 CDEL		**18.4**
D. National CDEL schemes		
Digital EPR	7.7	
Constitutional Standards: Diagnostics	0.1	
Constitutional Standards: Elective	6.1	
Constitutional Standards: UEC	15.2	
Estates Safety	7.3	
		36.5
E. CDEL Total		**54.8**
F. Disposals		**2.0**
G. Total funding including disposals		**56.8**

TSDFT has developed the following capital plan:

The available capital allowance is improved through £2m of disposals.

The 2025/26 plan is set out in more detail in table 2. It is expected that there will be a significant funding gap. Assuming no additional funds are made available, and no further allocations are secured for 2025/26 and 2026/27, it will be necessary to defer a substantial portion of capital expenditure to future years.

The Trust's Capital Investment Delivery Group (CIDG) was formed to help with the initial prioritisation of the Trust's ICB CDEL cash budget, with a sub-group taking the approach of focusing on reducing high/severe risk and ensuring business continuity as part of the prioritisation. The CIDG sub-group has checked that risk scoring across categories has been carried out in a consistent manner, thereby ensuring that the proposed expenditure plans are optimum with risk reduction / ensuring business continuity. Work has also been undertaken to identify high risk must-do schemes over future financial years by IM&T, Workplace, and Medical Devices Support Services.

Table 2 Capital Planning and funding assumptions

	2025/26	
	£m	£m
Proposed expenditure		
A. ICB CDEL (cash) budget		17.4
A vi) Service developments (funding to be sourced *)		
Pharmacy Robot	0.8	
Funds for feasibility studies	0.2	
Creating accommodation for H&N team and call centre	0.3	
Works associated with realising the community strategy	0.2	
Anti-ligature Works, Louisa Carey Unit	0.1	1.6
Additional unfunded schemes	*21.8*	
A vii) Radiotherapy - Cancer Services		0.9
A viii) Contingency (includes potential financial penalty figures)		1.2
A ix) Leases		1.4
A x) Planned disposals/other		-2.0
Proposed expenditure before National PDC schemes		**20.4**
Funding		
Total ICB CDEL (cash and lease) budget		**20.4**
Required slippage/(available capital)		**0.0**
Funding before National PDC schemes		**20.4**
National PDC funded schemes		**36.5**
Total funding (including disposals)		**56.8**

	2025/26		2026/27		2027/28		Total
	£m	£m	£m	£m	£m	£m	£m
Proposed expenditure							
A. ICB CDEL (cash) budget							
Ai) IM&T; Committed and High risks		1.7		1.6		2.0	**5.3**
Aii) Digital EPR - FBC; Trust contribution/ICB first top slice		6.5		4.8		0.0	**11.3**
Shortfall		-1.3					
Aiii) Estates Backlog; Committed and High risks		5.2		4.7		4.0	**13.9**
Aiv) Medical Equipment; Contingency and High risks - A		4.8		1.0		3.0	**8.8**
Av) Sub-total		16.9		12.1		9.0	**39.3**
Avi) Service developments (funding to be sourced *)							
Pharmacy Robot	0.8						
Funds for feasibility studies	0.2			0.0		0.0	**0.0**
Creating accommodation for H&N team and call centre	0.3						
Works associated with realising the community	0.2						
Anti-ligature Works, Louisa Carey Unit	0.1	1.6					
* CT scanner replacement	1.9						
* Histopathology & ASL	5.5						
* MRI Scanner Replacement	3.0						
* Fluoroscopy Replacement	1.5						
* Surgery Robot	1.1						
* Cardiac Catheter replacement	3.0						
* Community estates rationalisation	1.0						
* Linac 4 - Ventilation replacement	1.5						
* Womens health - clinical capacity	1.8						
* Mortuary - phase 2	1.5						
Sub total - unfunded schemes	**21.8**			0.0		0.0	**0.0**
Avii) Radiotherapy - Cancer Services		0.9		5.7		6.8	**13.4**
Aviii) Contingency (includes potential financial penalty figures)		1.2		2.1		2.1	**5.4**
Aix) Leases		1.4					**1.4**
Ax) Planned disposals		-1.5		-0.7		0.0	-2.2
Proposed expenditure before National PDC schemes		**20.4**		**19.2**		**17.9**	**57.2**
Funding - Estimated until final CDEL limits confirmed							
B. i CDEL		17.5		15.1		15.1	47.7
B. ii IFRS16 (Lease) expense		1.4		3.5		3.5	8.4
B iii Planned disposals		1.5		0.7		0.0	2.2
B. iv Total ICB CDEL (cash and lease) budget		**20.4**		**19.3**		**18.6**	**58.3**
C Required slippage/(available capital)		**0.0**		**0.10**		**0.70**	**0.8**
Funding before National PDC schemes		**20.4**		**19.4**		**19.3**	**59.1**
D. National PDC funded schemes		**36.5**		**0.0**		**0.0**	**36.5**
E. Total funding (including disposals)		**56.9**		**19.4**		**19.3**	**95.6**
Total CDL and National PDC spend		**58.3**		**19.9**		**17.9**	**96.1**
ICB CDEL (cash)							
Depreciation (excluding Donated)		22.6		20.5		20.5	**63.6**
Payment of PFI Lifecycle costs		-1.1		(0.7)		(0.7)	**(2.5)**
Repayment of Debt - Loans / PFI / Leases		-7.0		(6.8)		(6.8)	**(20.6)**
PDC System support		4.5		2.1		2.1	**8.7**
Total - based on estimates of CDEL limits - to be confirmed		**19.0**		**15.1**		**15.1**	**49.2**
IFR S16 Leases							
New and extension of existing leases - unsecured		**1.4**		**3.5**		**3.5**	**8.4**
National schemes - Public Dividend Capital (PDC)							
Digital EPR		7.7		0.0		0.0	7.7
Critical Infrastructure risks		7.3		0.0		0.0	7.3
Constitutional Standards		12.2					12.2
ED UEC Capacity Expansion		9.2		0.0		0.0	9.2
Total		**36.5**		**0.0**		**0.0**	**36.5**

Royal Devon University Healthcare NHS Foundation Trust

The programme is funded by a share of the ICB CDEL allocation, including leases, central allocations of PDC and donations / contributions to purchase capital assets. The planned source of funds is set out below, however is it acknowledged that lease funding has been allocated below plan.:

Funding Source	£'m
CDEL	31.3
PDC	9.5
IFRS 16 CDEL (Leases)	19.2
Donated	5.3
Total 2024/25 Capital Programme	**65.4**

A detailed capital planning process was followed that ensured comprehensive engagement across Care Groups, Estates and Facilities and Digital services to fully optimise the total funding available.

Bids were received that exceeded the available funding so risk scoring for each bid, across all categories was undertaken in a consistent manner ensuring the most significant risks were prioritised allowing clarity of the remaining risk of items not included in the programme. All capital domains were assessed against a 5x5 matrix considering consequence and likelihood of occurrence with an additional triangulation methodology to support the assessment of equipment, taking into account age, maintainability, fitness for purpose and technological maturity.

The capital plan for 2024/25 is summarised below:

Theme	Committed £'m	Un-committed £'m	Total £'m
Equipment	11.9	5.6	17.5
Digital	3.4	3.5	6.9
Estate backlog maintenance	0.4	6.9	7.3
Estate developments	14.2	18.5	32.7
Contingency	0.0	1.0	1.0
Total CDEL programme	**29.9**	**35.5**	**65.4**

5. Overview of ongoing scheme progression

University Hospitals Plymouth NHS Foundation Trust

Capital Departmental Expenditure Limit (CDEL)

The 2025/26 Devon CDEL allocation before specific project allocations is £99.2m. This is after a £5m penalty estimate for the System deficit position has been deducted. The ICB has top sliced the allocated CDEL by £3.2m for a contribution to Electronic Patient Record project at Torbay and for systemwide Business Intelligence and System improvement projects. In 2025/26 the CDEL allocation includes the allocation for lease CDEL. This is different to prior years when there has been a separate allocation for leases.

The Trust's allocation of CDEL in 2025/26 is £36.4m.

The Trust's requirement for a lease to cover the Linac bunker development means that we originally submitted a plan £20m in excess of our allocation. We had to amend this so that the system could submit a compliant plan which we did by assuming that additional funding would be made available.

Public Dividend Capital (PDC)

The Trust is expecting to receive £62.3m of PDC to support the delivery of nationally strategic projects such as the New Hospital Programme (NHP), the Community Diagnostics Centre (CDC), the Electronic Patient Record System and Constitutional Standards (CS) Recovery bids.

The anticipated programme for 2025/26 is shown below:

PDC Scheme	PDC Allocation £000's
EPR	£10,992
NHP	£33,759
Radiotherapy Equipment Replacement Fund	£2,616
Dartmoor – SDEC Phase 2 (CS)	£2,100
Dartmoor – Additional Capacity (CS)	£4,900
Mansfield MRI (CS)	£2,000
CDC X-ray (CS)	£750
Windsor House (CS)	£1,000
Estates Safety National Programme	£1,815
Mental Health Recovery Centre (CS)	£2,400
Total PDC Allocation in Capital Programme	**£62,332**

The current programme includes several items to be funded from the Constitutional Standards Recovery national capital programme. These are marked (CS) in the table

above, and whilst our bids have been supported, business cases and Board support are required to secure the funding.

One of the Constitutional Standards bids is the Mental Health Recovery Centre bid. This is for the capital works required to relocate Syrena House patients back to the Mount Gould site and will be submitted by the Trust to support services delivered by Livewell Southwest Community Interest Company (Livewell). This is possible due to our partnership with Livewell, and because the building to be refurbished is leased by the Trust.

Other Capital income

The capital programme is underpinned by a further £17.7m anticipated credits, including:

- £9.5m credit realisable on commencement of a lease for the new Radiotherapy Bunker and HDR Brachytherapy Suite.
- £2.5m anticipated VAT reclaim on 2024/25 expenditure excluding EPR (since EPR VAT reclaim is allocated to the EPR project).
- £4.0m Credit against anticipated Future Hospital Phase 1 PDC. This is an internal repayment to cover prior year spend covered from CDEL.
- £1.7m Credit from assumed proceeds from the sale of Colebrook Manor.

This £17.7m is able to be deployed alongside the System CDEL allocation to support the Trust capital priorities for 2025/26.

Torbay and South Devon NHS Foundation Trust

. Significant schemes that are planned for progression in 2025/26 are as follows:

Digital EPR £14.2m - £7.7m National funding, £6.5m Trust and ICB contribution	Year 2 of a three year project with go live planned for April 2026. The Electronic Patient Record (EPR) enables faster, safer, and more coordinated care by giving clinicians real-time access to accurate patient information across services. It also supports better decision-making, reduces duplication, and improves efficiency, helping the Trust deliver more integrated and patient-centred care.
UEC Capacity Expansion £9.2m	Year two of funding for an ongoing approved project that is in delivery on site. The improvement will see an expansion of our current footprint and a reorganisation of our Same Day Emergency Care (SDEC) services to improve productivity within the Emergency Department, improve the 4

	hour wait targets and improve the performance of ambulance handovers.
Surgical Admissions Relocation and Remodelling £6.0m (UEC)	The project will create a new surgical admissions and discharge unit co-located with theatres, recovery, and inpatient wards. This will improve efficiency by reducing patient transfer delays, bringing key surgical teams together, and enabling day case patients to be discharged directly from main theatres. The result will be increased theatre productivity, shorter hospital stays, and improved flow for both planned and emergency surgical patients.
Elective Theatres upgrade - Day Surgery and Eye Surgery £5.0m (Critical Infrastructure)	Replacing and updating infrastructure in two theatres including new air handling and addressing non-compliance issues. These theatres are critical to the delivery of elective surgical services but are increasingly vulnerable to unplanned failure due to outdated systems and limited operational resilience. This project seeks to deliver a sustainable solution that ensures safe, compliant, and efficient theatre capacity, aligned with clinical standards and future service needs.
Ophthalmology Diagnostic Lanes £2.1m	The implementation of the (Getting It Right First Time) GIRFT best practice model for Glaucoma and Retina ophthalmology services by delivering new capacity in an Image Acquisition Hub model. This new service delivery model and new space will mean that patients are seen quicker and decision makers time will be better utilised.
Oral Maxillio-Facial Service Expansion and Remodelling £4m	The Oral Maxillo-Facial Service (OMFS), Orthodontics and Restorative Dentistry currently operate from four procedure rooms and four consultation rooms in Outpatients at Torbay Hospital. This footprint does not fully maximise our staff resource to delivery activity to meet demand. This project will create four additional procedure rooms and three additional consultation rooms, enabling us to fully maximise our current workforce effectively and to improve our current Referral to

	Treatment (RTT) position (currently 43.54%). Additional rooms will provide space for treatments and outpatient clinics, for both emergency and elective patients.

Devon Partnership NHS Trust

CDEL Capital Lease Funding

The Trust's 2025/26 IFRS 16 CDEL allocation is £0.5m although this is being managed as part of its combined limit of £7.5m.

The Trust's leasing requirement for 2025/26 is £1.5m including £0.5m of leased space within the system (2024/25 - £3.4m). The requirement is therefore higher than the proposed allocation. To manage the position the Trust will use some of its CDEL limit to fund the difference with only existing leases to be renewed in 2025/26.

Public Dividend Capital, Grants, Donations

The Trust is also expecting to receive £4.3m of Public Dividend Capital (PDC) linked to two new schemes. The first is to support the delivery of sustainability projects including supporting solar projects and battery storage solutions of £3.0m and £2.4m (for which £0.1m is due in 2025/26) for support in low carbon heating project at its Trust Headquarters. The second project linked to the receipt of £1.0m PDC funding to reduce out of area expenditure through investment in wards at Russell Clinic and Oceanview.

The progression of reducing out of area placements through investment at Russell Clinic and Oceanview is subject to endorsement from NHSE and Department of Health and Social Care (DHSC). No expenditure will be committed by the Trust until this approval is in place.

The Trust has also received grant investment of £1.5m (of which £0.7m is due in 2025/26) towards the construction and installation of a modular building for Research and Development use.

A summary may be provided as follows:

PDC/Donations/Grants Scheme		Care Group/Programme Responsible	PDC Allocation £000's
Out of Area ward investment	PDC	MH: Reducing Out of Area Placements	990
Solar Farm	PDC	Net Zero (GB Energy Solar)	3,027
R&D modular build	Grant	NIHR	738
Salix Grant	Grant	Estates Development	90
Total National funding/grant allocation to Capital Programme			**£4,845**

Other expected capital income

The Trust will have additional capital resource of £0.1m through the disposal of leased estate.

Capital slippage

Capital slippage is monitored on an ongoing basis. There were £17.3m (2024/25 £10.3m) of unfunded capital projects for the 2025/26 plan which have been prioritised along with any new requests that have come in to-date. Any confirmed slippage will be used against these priority schemes so no capital underspend is expected in 2025/26.

Pre-commitments to be funded from 2025/26 Capital Programme

DPT is committed to spending PDC and grant funding for those schemes detailed above for which it has been received.

Of the remaining capital resources of £7.5m (2024/25 - £8.4m), these will first be required to fund pre-commitments of £5.1m ahead of any allocation to new funds. The table below summarises the Trust's pre-commitments that are required to be funded and how the residual funding will be used to enable pertinent rolling schemes to proceed:

Pre-Committed Projects	Care Group/ Programme Responsible	CDEL £000's
Staff accommodation - Barton Hill	Estates Development	£200
Daisy intranet upgrade	Digital & Innovation Services	£82
Oxehealth	Digital & Innovation Services	£120
The Brook (LD additional beds)	Estates Development	£1,000
Improvement works at Haytor	Estates Development	£880
Estates Infrastructure Improvement Works Backlog | H&S Statutory	Estates Development	£500
Food production unit (Langdon Prentice)	Estates Development	£676
IT and Cyber Security enhancements	Digital & Innovation Services	£100
Additional anti-ligature works - Dewnans windows and doors	Estates Development	£416
IT - improved primary site resilience - matched funding	Digital & Innovation Services	£300
Feasibility fund - IT	Digital & Innovation Services	£50
Redhills boundary wall	Estates Development	£115
Leased Properties (SLAs)		£500
Leased Properties (estimate based on current lease end dates)		£81

Pre-Committed Projects	Care Group/ Programme Responsible	CDEL £000's
Leased Vehicles (estimate based on current Trust leases)		£112
Total pre-commitments		**£5,132**
Fire improvements	Estates Development	£200
Estates Infrastructure Improvement Works Backlog	Estates Development	£952
Estates Infrastructure Improvement Health & Safety	Estates Development	£300
Equality and Disability works	Estates Development	£100
Anti-Ligatures	Facilities	£100
Regulatory inspections - General Improvements	Estates Development	£100
Sustainability	Estates Development	£123
Children's Services annual allocation	Estates Development	£200
Feasibility fund - estates	Estates Development	£100
Capitalised IT Equipment	Digital & Innovation Services	£250
Total rolling allocation		**2,425**
Total for 2025/26		**7,357**

Royal Devon University Healthcare NHS Foundation Trust

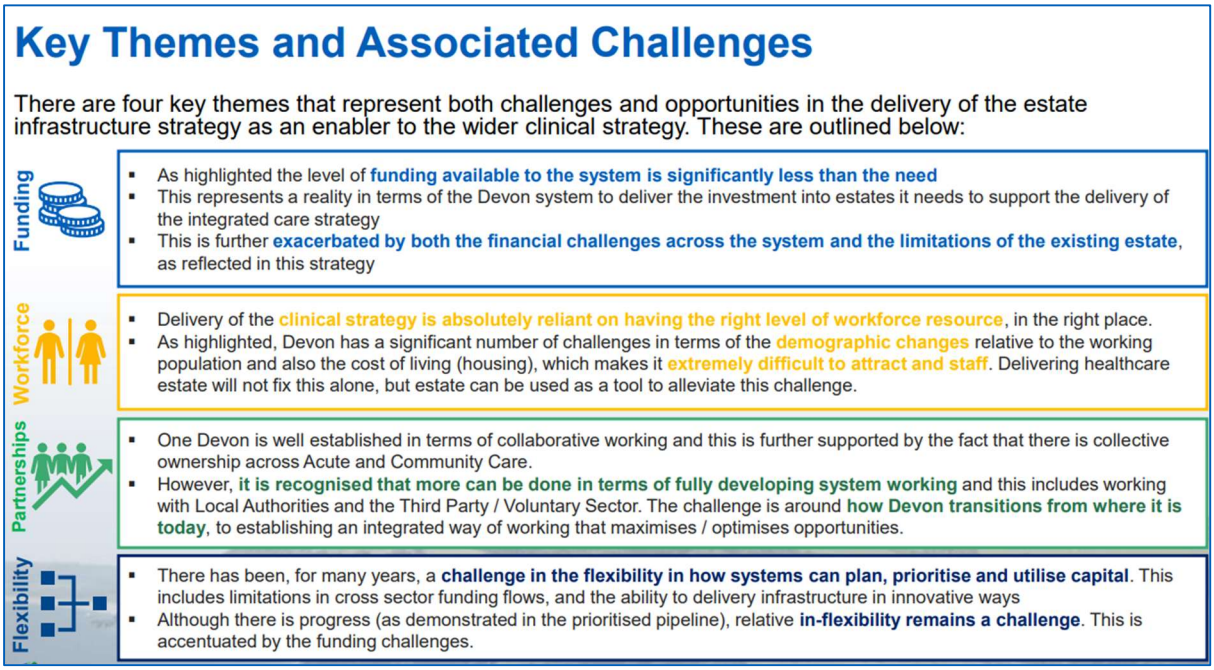
Overall, the capital programme invests in prioritised backlog maintenance, replacing existing assets that have reached the end of life and delivering some new developments to create greater capacity to diagnose and treat patients and is summarised in the tables below:

CDEL	£'m
Providing greater Endoscopy capacity.	5.6
Investment in Urgent and Emergency Care.	2.0
Completion of the expansion and redevelopment of Emergency Department (Exeter).	1.9
Providing a new Sexual Assault Referral Centre.	1.2
Replacement of medical equipment, digital assets, backlog maintenance.	19.7
Contingency	1.0
Total CDEL programme	**31.4**

PDC	£'m
Completion of a Community Diagnostic Centre	3.9
Leasing	**£'m**
Endoscopy capacity expansion	1.5
Pathology laboratory service	12.0
New Hospital Programme at North Devon District Hospital	1.3
Renewals of expiring leases	7.2
Total PDC programme	**9.5**
Total Leasing programme	**19.2**

Leasing	£'m
Hybrid theatre at Wonford Hospital	2.8
New Helipad at North Devon District Hospital	1.5
Various other	1.0
Total Leasing programme	**5.3**

6. Risks and contingencies



In relation to changes in lease accounting standards, IFRS16 has led to increased pressure in terms of lease commitments compared to the lease CDEL allocation.

	System £k	DPT £k	RDUH £k	TSD £k	UHP £k	ICB £k
IFRS Lease CDEL						
Resource	20,013	1,501	4,503	2,102	11,907	
Forecast at Plan	51,964	3,354	19,204	6,700	22,706	
Over(under)	31,951	1,853	14,701	4,598	10,799	0

The full commitments have been included in plan as forecasts to highlight the level of need. These commitments are driven by a combination of new leases, renewal of leases and revaluation of leases. By way of an example, using the Linear Accelerator replacement in Plymouth in 2025/26, the replacement would be by lease in 2025/26 and would cost in excess of £20m in lease capital. This is more than the entire system lease CDEL for the year.

As previously mentioned, the level of CDEL allocation is inadequate to replace existing assets as system-wide depreciation outstrips capital funding by 28%.

University Hospitals Plymouth NHS Trust risks

Delivering the UHP capital programme within budget will require the Trust to overcome a number of financial risks and maximise potential funding opportunities. These include:

- Risk: The Radiotherapy Linear Accelerator and HDR Brachytherapy Bunker Facility is currently under construction but there is currently no approved allocation for this in the capital programme. In addition to this the capital programme is underpinned by £9.5m of credits realisable upon entering a lease arrangement for the bunker.
- Mitigation: The Trust continues to seek additional funding for this development and has highlighted the risk at all levels. In our external plan we have assumed that additional funding or lease allocation will become available, but we will also work up a plan if this does not become available.

- Risk: We have been unable to fund the majority of urgent and essential items raised in the bid process, leaving significant unfunded risk.
- Mitigation: To partly mitigate this a contingency fund of £5.5m has been included in the capital programme. Care Groups, Service Lines and Programmes will be advised that they can call upon this in instances of emergency, such as equipment failure.

- Risk: Failure to achieve anticipated credits or PDC funding.
- Mitigation: Whilst the Memoranda of Understanding have yet to be received, there is support for the majority of PDC funding. The EPR business case has been approved and whilst the Future Hospital Phase 1 funding is subject to approval of the Full Business Case, there have been £2.8m in MOUs received for early works and enabling works in 2025/26. The Constitutional Standards bids are to support existing developments or will not proceed until funding is confirmed. The most significant anticipated rebate relates to the RT decant bunker already mentioned above. There is a repayment expected from the New Hospital Programme and risk that we will not be able to keep the proceeds of the Colebrook Manor sale if this goes through given that it was purchased with PDC.

- Risk: Risk of overspends on key projects in delivery.
- Mitigation: Project Managers will continue to work with contractors and costs advisors to understand these risks and minimise potential exposure on existing schemes. The Trust will seek additional PDC to support any overruns on national PDC projects where costs overrun, or there is pressure to accelerate works.

Although the planning process has resulted in a compliant capital programme, a significant number of wider priorities have not been able to be supported within current resources. Similarly, a substantial number of schemes have been risk assessed as being able to be deferred into a future year, which increases the future liability. The impact on key areas is set out below.

To mitigate the impact of non-investment in essential and urgent equipment, estate and infrastructure, Care Group Managers and Programmes leads have been requested to revisit and update business continuity plains and to complete Quality and Equality Impact Assessments (QEIAs). This process is underway.

Estates Development Programme

The following significant schemes have been deferred to a future year:

- Nuclear Medicine and Gamma Camera replacement. There is potential for a Managed Equipment Service, but this will require separate CDEL support.
- Renal Dialysis Unit replacement (although the replacement of the existing equipment is included).
- Pathology relocation. It is assumed that any capital costs would need to be supported as part of the Regional Pathology Business Case.
- Lancaster Suite Day Assessment Unit.
- Cardiac Day Case unit (although the replacement of Cath Labs 1 and 2 is within the plan).
- Chemotherapy Day case relocation (Level 3)
- Neurosurgery Expansion (Fal Ward, Level 4)
- Moorgate Intensive Care Ward (Level 4)
- Midwifery Led Unit
- Main Theatres Recovery
- Fluoroscopy Room 16

Business Continuity Plans are in place for those schemes where equipment is beyond the end of life, but should failures occur, this will require investment to be brought forward, or revenue solutions put in place to provide capacity.

Estates & Facilities

The most recent six-facet survey highlighting the condition of the Trust's estate and mechanical and electrical infrastructure was completed in May 2024. This report identified a total backlog maintenance requirement of £84m, of which £13.8m is assessed as high risk and a further £29.8m as significant risk. These figures exclude fees, VAT, and any collateral works that are required.

Nationally there is recognition of the high level of estates backlog across NHS estates and as a result in 2025/26 there is a national Estates Safety Programme. The Trust secured £1.8m against this Programme which is less than a fair share allocation. A larger proportion of this National programme was used to support the infrastructure at North Devon and Torbay as a consequence of the delay to their respective New Hospital Programme projects.

The Estates programme capital allocation will be set against the highest priority items, but this will be insufficient to meet requirements. There are schemes that can be deferred to a future year but there are a number of risks that are unable to be robustly mitigated due to the nature of the equipment and unpredictable potential for failure. As a result, there is an expectation that additional emergency contingency funding may be needed in year.

Digital and Innovation (D&I)

The requirement for maintenance of IT infrastructure and the upgrade of existing systems has been considered in detail and prioritised by the D&I management team. The largest D&I requirement in year is the ongoing Electronic Patient Record (EPR) project for which there is £14.2m allocated in the 2025/26 capital programme across CDEL and PDC funding.

The CDEL allocation to the programme is insufficient to meet requirements and as a result there is an expectation that additional emergency contingency funding could be required in year.

Sustainability Programme

There is no initial capital allocation to the Sustainability programme this year. This will impact the number of sustainability schemes that are able to be delivered in year. At the end of 2024/25 the team was successful in securing investment for Ward LED lighting projects (£520k) and installing Solar PV at Bridge House (£36k) and the CDC (£81k) from the NHS Energy Efficiency Fund. It is likely that there will be further opportunities for external funding.

Medical Equipment Rolling Replacement Programme

The requirement for replacement medical equipment falling within the scope of the Medical Equipment Rolling Replacement Programme (RRP) has been assessed in detail by the Medical Devices Acquisition Team. There is only a £0.5m allocation in year to the RRP for neonatal intensive care unit (NICU) incubators. This is less than the requirement but the programme was able to bring forward a significant amount of urgent and essential items at the end of 2024/25 which has helped to mitigate the risk with this programme. Contingency will be used in the event that equipment fails and must be replaced.

Torbay and South Devon NHS Foundation Trust risks

The infrastructure of Torbay's estate is in a poor condition, with significant high-risk backlog that requires urgent remedy. Likewise, much of the Trust's IM&T infrastructure is ageing and several clinical and non-clinical systems are being run past their optimal replacement dates. The Trust's Medical Devices Support Services department continues to use best endeavours to service aging medical equipment that are past manufacturer recommended replacement dates. This position is a consequence of limited capital funding being available.

To safeguard patient care and ensure business continuity the Trust uses a risk matrix to help prioritise where investment is needed and it also develops mitigation plans to reduce risk where capital funding is not readily accessible, e.g. through increased inspection regimes.

The potential to replace some of the Trust's ageing IM&T applications with an integrated Electronic Patient Record system will, over time, help further address some of these risks.

In the interim, the Trust continues to monitor all near-misses and adverse critical incidents to ensure that safety is maintained.

Royal Devon University Healthcare NHS Foundation Trust risks

The Trust is planning to operate within its agreed funding envelope for the year and recognises the most significant risk is a requirement to deliver a significantly increased capital programme where c.45% requires the approval of business cases.

Risk is balanced through the prioritisation process to ensure the highest priority areas are addressed within buildings backlog maintenance, equipment and digital infrastructure.

Whilst the prioritisation process has addressed the material risks, the plan includes a £2.0m contingency.

Active monitoring by the Trust's Capital Programme Group allows the early identification of risks to allow re-prioritisation and slippage on planned schemes where appropriate.

Capital risks are included in local and corporate risk registers and will inform future years prioritisation.

Devon Partnership NHS Trust risks

Whilst the Trust plans to deliver its agreed allocation for the year, it has a significant number of unfunded schemes which would improve its service offering to patients. In particular, the Trust has a number of re-development schemes in place for Cedars, a building which provides adult mental health services and is recognised as requiring significant upgrade or rebuild (having a number of estates derogations against NHS Estates Standards for Mental Health inpatient wards – HBN-03-01). Capital risks, including those linked with buildings such as this, are included in local and corporate risk registers and will inform future year's prioritisation.

In order to provide compliant modern mental health facilities, a significant amount of capital investment is required to meet anti-ligature fittings and systems as detailed in current building standards. This puts a significant pressure on our capital programme.

Due to the geographical reach of the Trust, the Trust operates from many premises (owned and leased) which require backlog maintenance and continual renewal of property leases. The most recent six-facet survey undertaken highlights the condition of the Trust's estate identified total backlog maintenance of £22.5m to include £16.9m as high and significant risk. Whilst the Trust monitors its lease portfolio to ensure more efficient use of space, rent reviews and renewals of larger premises will restrict the availability capital spend for other priorities.

The Trust continues to identify opportunities for national investment in these areas. The Trust has bid for a number of NHS capital programmes in late 2024/25, some of which have been unsuccessful, and others remain in the pipeline awaiting next steps. The outcome of these bids will impact the capital plan for future years.

Continual monitoring by the Trust's Estates Operational and Strategy groups allows the early identification of risks to allow re-prioritisation across financial years as required.

Capital risks are included in local and corporate risk registers and will inform future year's prioritisation.

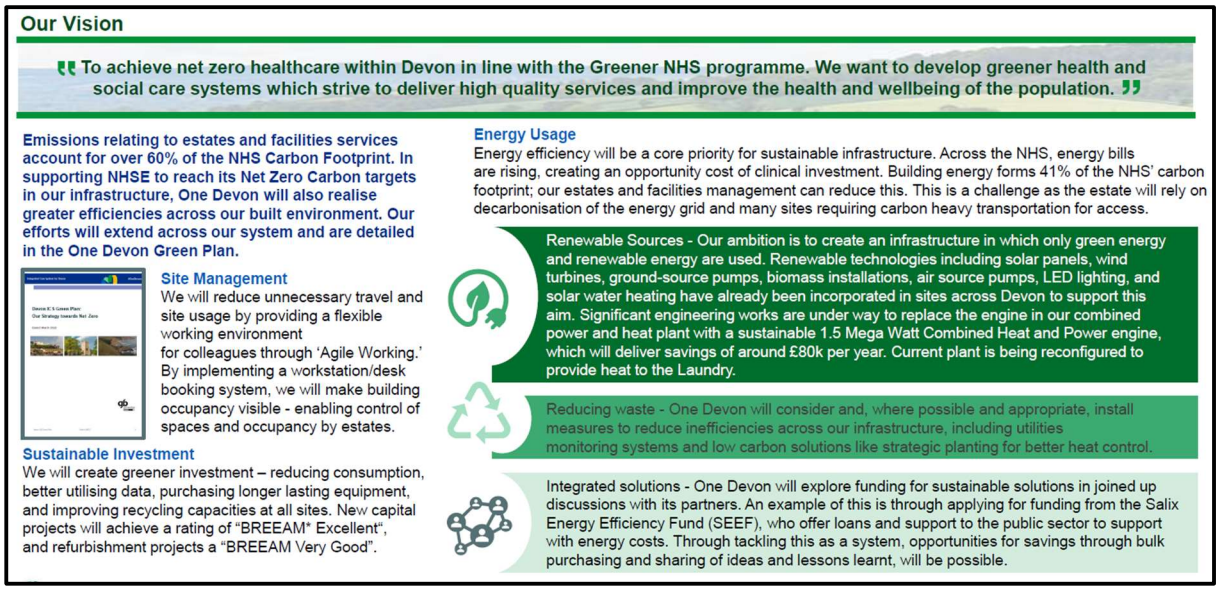
7. Cross-system and collaborative working

A shared strategic estates director across the two ICSs for Devon and Cornwall and the Isles of Scilly supports cross-system working in relation to estates. This role has enabled the ICS to take a strategic approach to the identification of estate priorities and planning across Devon and serves as a key input to the prioritised capital pipeline.

Currently, the system does not have a process for joined up prioritisation of digital capital or equipment capital needs. This risk has been acknowledged and there have been discussions on how digital and equipment investments can be prioritised via system working.

On a monthly basis, organisational capital leads meet to plan and review capital spend with input from the NHSE capital team.

8. Net zero carbon strategy



Supporting our Green Plan with Infrastructure

Infrastructure is an enabler for all our strategic objectives, including our Green ambitions. Our built environment not only has a direct impact on sustainability but an important role underpinning our other efforts.

Carbon savings will mainly come from reduced presentations in A&E, primary care and outpatients, reduced staff and patient mileage, reduced bed days, fewer pharmaceuticals prescribed, and less intensive procedures.

We will continue to work to reduce the number of hospital visits and consider the impact of different travel options when planning service changes and expand the provision of treatment closer to home.

We are looking to convert to an entirely net zero fleet and encourage sustainable transport for all our staff.

An annual staff travel survey will take place, measuring uptake of staff schemes. The ratio of cycle storage, changing and shower facilities to staff numbers will be allocated accordingly. We will explore both the provision of electric car charging points at all our sites and the potential for subsidised public transport usage for staff. We will continue to promote home working (where possible) to reduce the carbon footprint caused by travel with the aim of an 80% reduction in miles travelled by polluting modes by 2028- 2032.

We will complete an estates review, assessing our adaptability and resilience to identify if changes are required to better deal with extreme weather conditions such as floods and heatwaves.

Over 60% of current NHS carbon footprint is found in the supply chain.

In Devon, we will minimise unnecessary procurement and resource use and maximise re-use of materials and equipment where appropriate. We will cultivate a sustainable procurement culture and processes that shift consumption to sustainable products and services and considers broader criteria including materials, workforce, manufacturing, transport and buying locally where possible.

Infrastructure will be digitally enabled. We will explore the use of smart booking systems to best utilise all aspects of our space.

We will support the expansion of the One Devon dataset, and best management of our datacentres, allowing clinicians to work across sites. This will include a move towards digital paper records, which will be efficient from a sustainability and estates perspective - diminishing both the physical resource and space required to manage medical records.

One Devon

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