



Report Title	Capital Plan 2026/27 to 2029/30
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Previous committees/groups	Trust Executive Group 18 March 2026 Finance and Performance Committee 19 March 2026
Recommended action(s) (assurance, approval, information)	Approval
Purpose of the paper	To seek approval of the Trust Capital Plan 2026/27 – 2029/30.
Executive Summary	
<p>The report seeks approval for the Trust capital plan for 2026/27 to 2029/30. The plan outlines the allocation and utilisation of capital funds that deliver the strategic objectives and operational needs of the Trust.</p> <p>NHSE has implemented a key change to the capital regime with multi-year operational capital envelopes allocated directly to providers for the first time. There are specific allocations for Estates Safety, Return to Constitutional Standards, Improving double crew ambulance (DCA) Age-Profile and Make Ready.</p> <p>In total, over the planning cycle 2026/27 to 2029/30, the Trust has been allocated funds of £113.4m of which, £47.5m are awaiting NHSE approval. This is a key risk to delivering the capital plan. Four-year funding is outlined at section 4.2.</p> <p>Funds are no longer ring-fenced for purchase and leased expenditure; there is a single combined allocation for all operational expenditure. Regions will oversee strategic capital planning, working closely with ICBs to develop proposals with funds allocated based on a bidding process. Bids are put forward by ICBs aligned to system strategic objectives but are evaluated and approved by NHSE.</p> <p>The plan includes two significant areas of investment, replacement DCAs and Make Ready Hub. There are risks associated with both schemes; in respect of DCAs the entering into administration of the Trust’s preferred vehicle conversion company and for Make Ready the ability to locate a suitable site for development. Both these issues are covered in more detail in section 7.</p> <p>The Trust has set out plans to spend the full allocation, except for contingencies which will be allocated in year. Each scheme is subject to approval in line with the Trust’s Scheme of Delegation.</p>	
Recommendation(s)	<p>It is recommended that the Trust Board:</p> <ul style="list-style-type: none"> • Note the available capital funding. • Approve the 2026/27 to 2029/30 Trust capital expenditure plan. • Note the risks in section 6.

Link to Board Assurance Framework
Risks (board and level 2 committees only)

13. Secure sufficient capital resources and use them wisely to ensure value for money.

Capital Plan 2026/27 to 2029/30

1.0 INTRODUCTION

1.1 The purpose of this paper is to seek approval for the Trust capital plan for 2026/27 to 2029/30.

2.0 OVERVIEW OF NATIONAL NHS 2026/27 CAPITAL FUNDS

2.1 Historically, the Trust has received its full capital funding allocation via the West Yorkshire Integrated Commissioning Board (WY ICB). Other ring-fenced allocations have been held centrally by NHSE and made available later in the year.

2.2 In the 2026/27 planning round, NHSE have implemented a change to the capital regime:

- multi-year operational capital envelopes allocated directly to providers for the first time, providing firm funding until 2029/30.
- expanded capital freedoms and flexibilities, including greater delegated authority and the ability for high-performing providers to reinvest surpluses.
- streamlined approvals and higher delegated limits.

2.3 There is a single combined allocation for purchased and leased assets.

2.4 The 2026/27 allocation has been split into three categories:

2.4.1 1) Operational capital to fund day-to-day operational investments

- 'Investments' include regular maintenance, renewal and replacement of plant, IT and equipment, and minor building works.
- Self-funded via depreciation/Public Dividend Capital (PDC).

2.4.2 2) **Nationally allocated funds for major programmes** to support previously announced schemes, specifically the New Hospital Programme (NHP), Hospital Upgrades and the reinforced autoclaved aerated concrete (RAAC) programme.

This is not applicable to YAS.

2.4.3 3) **Other national capital programme investments** which include:

a) Estates Safety Fund (ESF)

- Intended to mitigate critical infrastructure and safety risks, addressing the poorest quality estates.
- Cannot be used to substitute for business-as-usual operational capital requirements; this funding is additive and intended to support strategic improvements beyond routine operational needs.

b) Return to Constitutional Standards (RtCS)

- For diagnostics, elective recovery, Urgent Emergency Care (UEC) and cancer.
- An element of this fund has been retained centrally by NHSE and will be allocated directly to Ambulance Trusts to improve the age-profile of DCA fleet.
- As part of the RtCS programme, bids under a 'Make Ready' initiative for estate improvements were invited with the Trust submitting a £10m bid for a proposed Hub.

2.5 Approach to national programmes

- 2.5.1 Regions will oversee strategic capital planning, working closely with ICBs to develop proposals for investing in transformation and increased capacity which align with ICBs strategic commissioning plans and are on an ICB footprint.
- 2.5.2 Funds are allocated based on a bidding process. Bids are put forward by ICBs aligned to system strategic objectives but are evaluated and approved by NHSE. Approved projects will be monitored to ensure delivery against agreed milestones and outcomes.
- 2.5.3 Regions will work with ICBs to develop proposals for use of funding. National approval will be contingent on evidence that proposals are:
- Affordable within available Capital and Revenue Delegated Expenditure Limits (CDEL and RDEL), including demonstrating revenue affordability (PDC and depreciation).
 - Aligned with national programme objectives and expected performance impact – for example, improvements against constitutional standards such as 18 weeks RTT, 6 week diagnostics, A&E and ambulance response times.
 - Value for money, demonstrating efficiency, productivity and benefits realisation.
 - Aligned with local infrastructure and provider strategies, ensuring coherence between ICB infrastructure strategies, site development plans and provider strategies.
 - Deliverable to time, cost and quality, with credible phasing of spend.

2.6 Business Rules

- 2.6.1 For 2026/27 onwards, NHS England will not apply additional capital adjustments based on system or organisation revenue performance. The capital regime will continue to incentivise strong financial and operational performance through the new freedoms and flexibilities framework as follows:
- All providers in NHS Oversight Framework (NOF) segments 1 and 2 will continue to be able to deploy their prior-year surplus as additional CDEL in the current and subsequent financial year.
 - The usual arrangements for business case and approvals on self-funded investment apply, noting the threshold for national approval is now £100m.
 - Freedoms are non-cash backed; providers are expected to fund from their own cash reserves and manage their own liquidity accordingly.
 - Trusts must notify NHS England of planned use of capital freedoms as part of their capital planning returns.
- 2.6.2 As per previous years, any overspends against the final allocations will be deducted from the following year's capital allocations.
- 2.6.3 As in 2025/26, additional revenue funding will be available for depreciation and amortisation costs above nationally calculated system baselines. There are no limits to the level of funding that can be accessed, but systems will be asked to substantiate high levels of growth.

3.0 YAS CAPITAL PLANNING PROCESS

- 3.1 Within the Trust, capital funds are allocated based on the Capital Planning Process. This gives equal consideration to both the Trust’s strategic objectives and operational replacement programmes when committing capital funds.
- 3.2 Capital budget holders complete a prioritisation scoring matrix for each capital expenditure scheme. Schemes are prioritised according to their score but are subject to challenge to ensure priorities are robust against limited resources.
- 3.3 Inclusion within the capital plan does not automatically signify approval. Each capital expenditure scheme is subject to approval in line with the Trust’s Scheme of Delegation. Projects requiring Trust Executive Group (TEG) or Trust Board approval have either already been approved or will come to TEG/Trust Board in due course as the schemes progress.

4.0 CAPITAL FUNDS 2026/27 – 2029/30

- 4.1 Allocated capital funding streams that have been included are:
- 4.1.1 The core allocation funded via the Trust’s own cash/depreciation.
- 4.1.2 The NHSE DCA and Estates Safety Fund are Public Dividend Capital funded (PDC) and will be cash backed. Funds will be drawn down via a signed Memorandum of Understanding (MoU).
- 4.1.3 Proceeds from the sale of Wath Ambulance Station, Hull Fleet Workshop and Sutton Fields Ambulance Station.
- 4.1.4 As per the new freedoms and flexibilities, outlined in planning guidance, an additional amount of £2.5m equal to the expected £2.5m Trust surplus for 2025/26. Additionally, any increase to capital spending limits under these freedoms are non-cash backed; the Trust are expected to fund the additional expenditure from our own cash reserves.
- 4.1.5 Less £334k in respect of capital loan repayment for Springhill HQ.
- 4.2 Total expected capital funds for 2026/27 to 2029/30 are summarised below:

Funding	Status	2026/27	2027/28	2028/29	2029/30
ICB Core Allocation - Purchase & Lease	Confirmed	£13,941	£14,596	£14,946	£16,214
DCA Replacement (Ambulance RtCS)	Confirmed (business case submitted and approved)	£11,440	£12,321	£13,099	£12,120
Estates Safety Fund	Confirmed	£178	£178	£178	£178
Sale Proceeds	Subject to sale	£1,550	£0	£0	£0
RtCS Make Ready	Confirmed (subject to short form business case)	£10,000	£0	£0	£0
2025/26 revenue surplus		£2,500	£0	£0	£0
PLANNED CAPITAL FUNDS		£39,609	£27,095	£28,223	£28,512

- 4.2.1 It is worth noting that The Trust has experienced a significant shift in funding from core allocations to ringfenced items; a reduction to the core allocation of 52% between 2023/24 to 2026/27. This limits the Trusts flexibility to prioritise capital projects that align with operational and strategic objectives. Ringfenced funds are subject to a bidding process, which gives rise to uncertainty as to the likelihood and level of funding.

- 4.2.2 DCA replacement funding has been set out for the next four years, however an element of it is conditional upon the Trust obtaining a mandated number of electric vehicles. Funding is foregone if the conditions are not met and compliance with the conditions requires the Trust to commit more of its core operational capital (e.g. to provide the pre-requisite EV infrastructure).
A short form business case for DCA replacement funding has been submitted and approved by NHSE.

5.0 CAPITAL EXPENDITURE PLAN

- 5.1 £19.3m of expenditure in the 2026/27 capital plan is already committed, due to the following:
- Long lead times for delivery mean that some orders must be raised in the previous financial year.
 - Some schemes planned for completion in 2025/26 have been delayed.
 - It relates to multi-year projects that commenced in previous years (e.g. Hull Hub Station or electronic patient record (ePR)).
- 5.1.1 This could be subject to further change: the 2025/26 year-end position will not be finalised until early April. The Trust is navigating a complex issue following the administration of the Trust's preferred vehicle conversion company, although a resolution is imminent (outlined further at 6.2).
- 5.2 The expenditure plan includes a commitment to acquire additional DCAs using the RtCS funding targeted at improving DCA age-profile. This includes a mandated number of electric vehicles (EVs).
- 5.3 The RtCS Make Ready funding (£10m) is subject to a short-form business case once the NHSE National Capital Panel have met to consider all Make Ready bids.
- 5.4 All capital expenditure projects are designated as 'purchase' or 'lease' however some assets can be acquired by either and there may be benefits/disadvantages dependent upon the circumstances at the time. The final decision to lease/buy will be determined by the most financially advantageous circumstances at the time of order.
- 5.5 The Trust capital plan for 2026/27 is summarised at appendix 1. Plans for 2027/28 onwards are indicative at this stage and will be refined in subsequent planning rounds.

6.0 RISKS

- 6.1 The Make Ready funding for 2026/27 is subject to approval from NHSE upon submission of a business case. Additionally, there are risks associated with securing a suitable site for development that is in an optimum location. Should approval not be granted or a suitable location identified, the Trust will need to reprioritise, and/or defer the capital expenditure set out in this plan.
- 6.2 Following the announcement that the Trusts chosen vehicle converter has entered administration the Trust has explored other available options and the Trust Board has been appraised. However, there remains a risk to timings of delivery which could impact on operational service, delivery of the capital plan or jeopardise both capital and revenue funds.

- 6.3 Price inflation continues to be a risk. Where inflationary pressures are significant the Trust may need to reprioritise, and/or defer the capital expenditure set out in this plan.
- 6.4 Lease agreements include an inherent interest rate and may be predicated on an expected residual value at the end of the lease arrangement. These factors are subject to fluctuation which can result in either favourable or adverse variances from planned figures.
- 6.5 There is the risk of slippage to capital programmes due to, for example supply chain issues and long lead times, which causes additional pressures in future years.

7.0 RECOMMENDATION

- 7.1 It is recommended that the Trust Board:
- Note the available capital funding.
 - Approve the 2026/27 to 2029/30 Trust capital expenditure plan.
 - Note the risks in section 6.

Appendix 1: CAPITAL EXPENDITURE PLAN 2026/27

Department	Scheme	2026-2027
Fleet	DCA Vehicle Replacement	£ 15,352
	PTS Vehicle Replacement	£ 6,018
	Other Fleet	£ 3,652
Estates	Hull Hub Ambulance Station	£ 1,026
	Estate Safety Fund	£ 178
	Make Ready Hub	£ 10,000
	Other Estates (backlog maintenance, station refurbishment & net zero)	£ 2,340
ICT	Comon CAD, ePR, hardware & network infrastructure	£ 1,043
Total Capital Expenditure		£ 39,609

Appendix 2: CAPITAL EXPENDITURE PLANS 2027/28 – 2029/30

Department	Scheme	2027/28 £000s	2028/29 £000s	2029/30 £000s
Fleet	DCA Replacement	£14,638	£16,049	£19,065
	PTS Replacement	£4,491	£4,491	£4,491
	Other Fleet	£2,688	£0	£0
Estates	Backlog maintenance, station refurbishment & net zero	£2,480	£4,093	£1,500
	Estate Safety Fund	£178	£178	£178
	Station lease renewals	£346	£453	£350
ICT	ICT network, hardware & server refresh	£1,090	£2,960	£1,000
Other		£1,184	£0	£1,928
Total Capital Expenditure		£27,095	£28,223	£28,512