



Dear Colleague

NHS SCOTLAND: Whole System Infrastructure Planning – Strategic Planning Phase (including updated governance arrangements for Capital Spending)

Purpose

This Director's Letter (DL) provides advice in relation to:

- i) requirements for whole-system infrastructure investment planning, and;
- ii) governance arrangements for capital spending, including changes to delegated authority levels.

This DL updates DL(2024)02 NHS Scotland: Whole System Infrastructure Planning and supersedes DL(2019)5 Delegated limits: Capital Investment Projects. It also follows on from DL(2024)31 A Renewed Approach to Population Based Planning Across NHS Scotland

Short and medium term priorities: Business Continuity Planning

Under the first whole system infrastructure planning phase, Business Continuity Plans were submitted by each NHS Board at the end of January 2025. These plans have been consolidated, assessed and prioritised and funding for this first tranche is in the process of being confirmed.

Future Business Continuity Plan submissions will be on a two yearly full submission cycle, with interim years only requiring 'by-exception' reporting of new essential maintenance or equipment replacement items not previously reported.

Next full submissions must be submitted by November 2026 (for funding in 2027-28). Any 'by-exception' request for additional funding support must be submitted by November 2025 (for funding in 2026-27). Unplanned infrastructure failures will be treated on a case by case basis, outwith this process.

Further guidance in relation to future business continuity plan submissions will be provided as required.

DL (2025) 15
26 June 2025

Addresses

For action

NHS Board Chief
Executives
NHS Directors of Finance
Directors of Planning
Directors of Estates and
Facilities

For information

NHS Board Chairs

Enquiries to:

Alan Morrison
Deputy Director Health
Infrastructure and
Sustainability
St Andrew's House

Regent Road
Edinburgh EH1 3DG

Alan.Morrison@gov.scot

Long-term priorities: Whole System Infrastructure Planning

The next phase of the Whole System Planning approach is to consider the investment priorities for NHS Scotland over the next 20–30 years. The 2025-26 Scottish Budget confirmed the portfolio's current priority projects for capital investment (replacing University Hospital Monklands, Princess Alexandra Eye Pavilion and the Belford Hospital), plus this year's Programme for Government added the Barra and Vatersay Community Campus to the priority list. These will take around 5–7 years to deliver, therefore this next phase of planning is looking to establish which NHS infrastructure capital investment projects should follow completion of these current priorities.

This will be undertaken through a co-ordinated and collaborative approach, driven and informed by Boards' internal strategic and service plans, as well as the Scottish Government's [Service Renewal Framework](#) and [Population Health Framework](#).

Strategic Assessments will be requested from Health Boards for submission to the Scottish Government Health and Social Care Capital Investment Group (CIG), for a range of investment priorities which will include:

- Infrastructure investment implications resulting from any national or regional service change collaboration, led by Scottish Government policy leads.
- A national primary care investment programme.
- Up to three local investment priorities from each NHS Board.

All proposals require to be set within an overarching strategic narrative for change which considers national, regional and local population needs. In determining local investment priorities, Boards should also consider aspects of infrastructure resilience, capacity constraints and population-based service changes.

Realistically, the expected levels of capital funding will not be able to support every Strategic Assessment submitted, therefore we would welcome, co-ordinated regional or national proposals. For planning purposes, over the period in question we are assuming broadly unchanged levels of capital funding (circa £1 billion per year), though we are exploring alternative financing options which would support a revenue funded primary and community care investment programme. This would provide additionality over current levels of investment. The details of this potential primary and community care investment programme are still being developed and worked through, but will be circulated when finalised.

Guidance and timeframes

A refreshed Strategic Assessment - Scottish Capital Investment Manual (SCIM), will be published to aid completion, alongside other complementary guidance. Initial submissions can be made at any time during 2026-27 and will be evaluated by the Scottish Government Health and Social Care Capital Investment Group across a number of criteria; including strategic importance, alignment with NHS Scotland's future strategic intent for infrastructure, evidence of benefits to local population health and outcomes, and value to the public purse. Ministers will decide what projects will be prioritised, but we do not intend to make any recommendations until after 31 March 2027. This will allow Boards to progress their programme of work alongside local planning processes and take account of nationally or regionally co-ordinated planning, which may evolve in support of the Service Renewal Framework and Population Health Plan.

As capital funding will remain a constraint, only a limited number of proposals will be approved and be able to progress to the next stage. Those approved for development will proceed straight to Outline Business Case stage. This represents a key change in the planning approach with approval now required from Director General - Health and Social Care (based on a recommendation from the Capital Investment Group) before Boards can progress Outline and Full Business Cases (with amendments to be made to the SCIM guidance, as necessary, to accommodate this change).

Strategic Assessments will not be required for items of investment that would normally be included in Boards' Business Continuity Plans for essential maintenance and equipment replacement, providing those items are within the business continuity programme threshold (currently £10 million).

Governance Arrangements for Capital Funding Requests

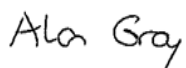
Further guidance is provided in Annex A on the financial governance arrangements to apply for all capital funding requests, approvals and allocations. It also updates DL(2019)5 - Delegated limits: capital investment projects, on delegated authority to approve. Note that a Strategic Assessment is regarded as a statement of intent and not a funding request, until it receives approval to proceed to Outline Business Case stage.

Action

Chief Executives of NHS Boards are asked to note:

- The submission requirements – content and dates – for Business Continuity Plans and Strategic Assessments and that further guidance will be provided.
- We aim to review and consider all Strategic Assessments by Spring 2027, before making recommendations on which projects should move to the next stage of the business case process.
- The change in planning approach, whereby no Board can develop an Outline Business Case or Full Business Case without approval from Director General Health and Social Care.
- The update to Governance arrangements for capital spending, including changes to delegated authority.

Your sincerely,



Alan Gray
Director of Health and Social Care Finance

Annex A: Governance Arrangements for Capital Funding Requests

The following levels of authority for approving capital expenditure will apply from 1 July 2025.

Annual Capital Resource Allocations

NHS Boards shall have full delegated authority to allocate funding from within their annual capital allocation budget towards maintenance, equipment and other items of capital outlay. Local Board standing financial instructions and schemes of delegation will be followed when making decisions and the appropriate steps taken to ensure compliance with required laws and regulations and demonstrating best value for the public purse.

Additional Capital Funding from Scottish Government

The following information requirements and rules apply when additional capital funding is required from Scottish Government.

a) Business Continuity Plan allocations

Value	Information to enable Approval	SG Approval
Up to £3 million	Board approved business continuity plan	Deputy Director Health Infrastructure and Sustainability
£3 million - £10 million	An abbreviated Business Case covering the five stage process (see guidance below)	Chief Finance Officer (on recommendation from Deputy Director, Infrastructure and Sustainability) ¹
Above £10 million	Must follow each of the approval stages set out in Scottish Capital Investment Manual	Recommendation from Chair CIG to Chief Executive of NHS Scotland for approval

b) Project specific allocations

Value	Information to enable Approval	SG Approval
Up to £3 million	A letter from the Board Chief Executive (see guidance below)	Deputy Director Health Infrastructure and Sustainability
£3 million - £10 million	An abbreviated Business Case covering the five stage process (see guidance below)	Chief Finance Officer (on recommendation from Deputy Director, Infrastructure and Sustainability) ²

¹ The Deputy Health Infrastructure and Sustainability can request, **at their discretion**, that the Scottish Government Capital Investment Group consider a business case prior to making a recommendation.

² The Deputy Health Infrastructure and Sustainability can request, **at their discretion**, that the Scottish Government Capital Investment Group consider a business case prior to making a recommendation.

Value	Information to enable Approval	SG Approval
Above £10 million	Must follow each of the approval stages set out in Scottish Capital Investment Manual	Recommendation from Chair CIG to Chief Executive of NHS Scotland for approval

The above approach ensures that investment decisions are taken in line with the general principles embedded within the Scottish Capital Investment Manual (SCIM), which is intended to be scalable and flexible to ensure that the information required for decision making is fit for purpose and demonstrates consideration of the key factors pertaining to each case.

Letter from Chief Executive

For requests less than £3 million, the letter should set out

1. the requirement for the investment,
2. the options considered and why the option being put forward for approval represents the best and most cost effective option,
3. the timescales for delivery and procurement route to be followed, and
4. the benefits that the investment will deliver and any risks to delivery of services (including mitigating steps to be implemented to minimise impact on patients).

Abbreviated Business Case

For requests between £3 million and £10 million, an abbreviated business case can be submitted which fulfils the key questions in the five stage approach, but in a manner that is proportionate to the scale of investment and nature of decision required. In principle the abbreviated case should set out

1. **Strategic case:** What is case for investment?
2. **Economic Case:** Why is the option to progress with this solution better value than any alternative, particularly a do nothing option? This should consider the impact, general (dis)benefits and costs of any potential alternate solutions to compare against the proposed way forward.
3. **Financial Case:** What are the associated costs and proposed cashflow of the proposed way forward? Sufficient detail behind those costs will be required to offer confidence to their status and accuracy.
4. **Commercial Case:** How will the works be procured and how what will be the decision making process towards determining a preferred tender / offer? Key milestones in this process should also be described.
5. **Management Case:** What is the project plan for delivery of this project?

The abbreviated business case should set out how any risks to continuity of patient services will be mitigated.