

**PWYLLGOR CYLLID A PHERFFORMIAD  
FINANCE AND PERFORMANCE COMMITTEE**

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	16 December 2025
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	All-Wales Capital Programme 2025/26, Capital Resource Limit and Capital Financial Management
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Executive Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Sarah Welsby, Senior Finance Business Partner Planning and Major Projects

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Er Gwybodaeth/For Information

**ADRODDIAD SCAA  
SBAR REPORT**

**Sefyllfa / Situation**

This update report is presented to the Finance and Performance Committee to:

- Note the 2025/26 Capital Resource Limit (CRL)
- Note the current risk associated with delivery of 2025/26 CRL
- Note the project updates

**Cefndir / Background**

This report provides an update on the CRL for 2025/26.

**Aseiad / Assessment**

**Capital Resource Limit 2025/26**

The CRL for 2025/26 has been issued with the following allocations:

<b>Allocation</b>	<b>£'m</b>
All Wales Capital Programme (AWCP)	28.838
Discretionary Programme* (DCP)	6.850
IFRS 16 Leases	1.027
<b>Total</b>	<b>36.715</b>

\*The Health Board received DCP of £10m in 2025/26. A contribution of £2.205m has been made towards the Targeted Estates Fund schemes within AWCP. A further £0.945m has been paid back to the AWCP to account for capital scheme slippages in 2024/25.

Since the last report the following amendments have been made to the CRL:

Scheme	£m	Description
<b>Adjustments as part of the October CRL fixing exercise:</b>		
Backlog Maintenance - 2024-25	(0.110)	Funding returned to WG due to underspend
Aberystwyth Sexual Assault Referral Centre	(0.130)	Funding returned to WG due to underspend
Year end funding – October 2024	(0.250)	Deferral of funding to align with current project expected timeline (Pentre Awel)
Targeted Estates Fund (TEF)	(2.586)	Deferral of funding to align with current project expected timelines and to reflect reprioritisation of expenditure plans (several projects within TEF)
Mental Health Quality and Safety Schemes	(0.064)	Funding returned to WG due to forecast underspend
Carmarthen Hwb - Equipment and Fit-out costs	(1.200)	Deferral of funding to align with current project expected timeline
<b>Subtotal</b>	<b>(4.340)</b>	
<b>New allocations:</b>		
WGH – RAAC VAT recovery	(0.900)	Recovery of VAT on the completed RAAC works returned to WG
EFAB VAT recovery	(0.394)	Recovery of VAT on completed EFAB projects returned to WG
Front Door Project, GGH	2.096	New capital funding for the GGH Same Day Emergency Care Front Door project
Fire Enforcement Works, WGH – Phase 2	0.912	Funding for the construction phase of the WGH Fire Enforcement Works following approval of the business case by WG
Decarbonisation Project	2.231	New funding allocation for energy performance improvements at several sites
Digital Priorities Investment Fund (DPIF) - Connecting Care	0.653	New funding allocation for community hardware in respect of the Connecting Care project
End of Year Digital Funding 2025-26	0.630	Funding for replacement of end of life wifi access points
IFRS16 – Leica Managed Service Contract	0.746	Lease funding allocation in respect of new Managed Service Contract with Leica
<b>Subtotal</b>	<b>5.974</b>	
<b>Total</b>	<b>1.634</b>	

## Capital Expenditure Plan

The following table shows the capital expenditure plan for 2025/26 with expenditure incurred to date.

Scheme	Planned Spend 2025/26 £m	Cumulative Spend Apr-Nov £m	Spend Nov £m	Remaining balance £m
<b>AWCP</b>				

Glangwili - Fire Enforcement works - Phase 2 - Fees	0.779	0.719	0.013	0.060
Backlog Maintenance – (slippage from 2024-25)	1.214	0.528	0.046	0.686
Aberystwyth Sexual Assault Referral Centre	1.875	1.674	0.009	0.201
Block C, Picton Terrace, Carmarthenshire	2.488	1.418	0.170	1.070
Diagnostic Equipment - WGH Fluro & Chilled Water Plant	2.570	1.052	0.666	1.518
EFAB - Infrastructure	0.127	0.004	0.000	0.123
EOY Funding 24/25 – (Pentre Awel)	0.150	0.121	0.002	0.029
Targeted Estates Fund (TEF) - Fire	0.570	0.000	0.000	0.570
TEF - Infrastructure	2.294	0.147	0.070	2.147
TEF - Decarbonisation	0.050	0.000	0.000	0.050
TEF - Mental Health	1.684	0.003	0.000	1.681
TEF - Infection Prevention Control	0.569	0.297	0.000	0.272
TEF - Decontamination	0.426	0.197	0.021	0.229
Carmarthen Hwb - Equipment and Fit-out costs	2.318	0.012	0.009	2.306
Fishguard Health and Wellbeing Centre	0.067	0.038	0.005	0.029
DPIF - Digital Maternity Cymru System Programme 2025/26	0.100	0.001	0.000	0.099
Non-Radiology Ultrasound Replacement	0.761	0.000	0.000	0.761
DPIF – (RISP)	0.429	0.000	0.000	0.429
Aseptic Unit, Withybush Hospital	1.753	0.229	0.219	1.524
Gamma Camera Upgrade, WGH	0.481	0.008	0.001	0.473
Mental Health Quality and Safety Schemes	1.317	0.030	0.000	1.287
MRI Upgrade, GGH	1.324	0.017	0.003	1.307
Radiology Ultrasound Replacement, PPH	0.138	0.000	0.000	0.138
Hospital Helicopter Landing Sites	0.030	0.010	0.000	0.020
WGH - RAAC VAT Recovery	-0.900	0.000	0.000	-0.900
EFAB VAT Recovery	-0.394	0.000	0.000	-0.394
SDEC Front Door Project, GGH	2.096	0.120	0.072	1.976
Fire Enforcement WGH - Phase 2	0.912	0.251	0.021	0.661
Decarbonisation Project	2.231	0.000	0.000	2.231
DPIF - Connecting Care	0.653	0.000	0.000	0.653
End of Year Digital Funding 2025-26	0.630	0.000	0.000	0.630
<b>Sub-total AWCP</b>	<b>28.742</b>	<b>6.876</b>	<b>1.327</b>	<b>21.866</b>
<b>Discretionary</b>				
IT	2.847	0.436	0.100	2.411
Equipment	1.593	0.660	0.003	0.933
Estates – Statutory	0.450	0.177	0.035	0.273

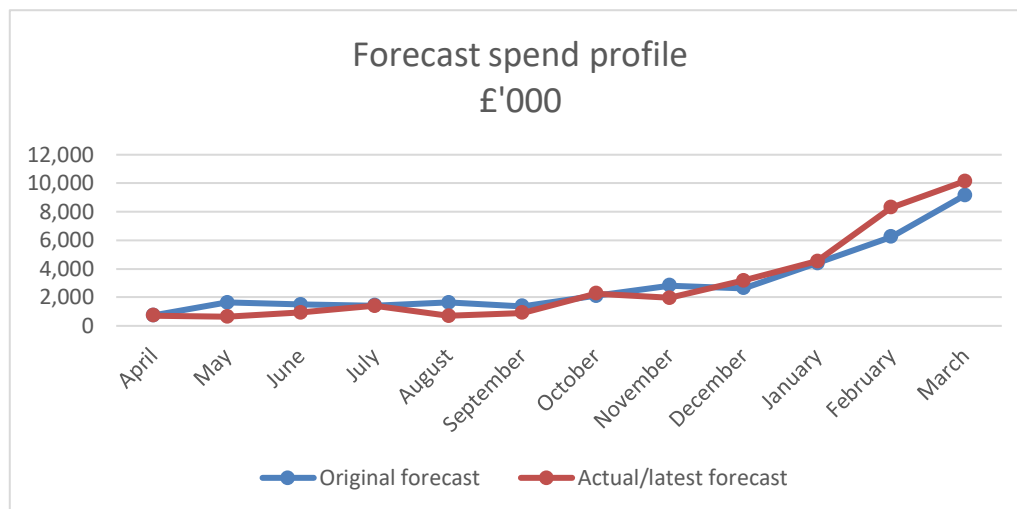
Estates Infrastructure	1.792	1.212	0.445	0.580
Mental Health	0.000	0.000	0.000	0.000
Other	0.264	0.172	0.052	0.092
<b>Sub-total Discretionary</b>	<b>6.946</b>	<b>2.657</b>	<b>0.635</b>	<b>4.289</b>
<b>IFRS 16</b>	<b>1.027</b>	<b>0.281</b>	<b>0.281</b>	<b>0.746</b>
<b>TOTAL expenditure</b>	<b>36.715</b>	<b>9.814</b>	<b>2.243</b>	<b>26.901</b>

Further details on the revenue consequences of these schemes are noted in **Appendix 1**.

### Expenditure Profile Forecast

The below chart shows current forecast expenditure compared with the original forecast. Expenditure for November was lower than forecast due to:

- RISP – (£0.429m) – Project delayed but “go live” has now occurred on 1 December therefore no risk to delivery. These costs will be invoiced as a single up-front cost, relating to the provision of hardware, and are therefore liable now the project is live.
- Picton Terrace – (£0.383m) - no risks to delivery by year end flagged at this point
- Backlog Maintenance – (£0.161m) - no risks to delivery by year end flagged at this point
- TEF schemes – (£0.197m) – funding has been reprofiled in November due to delays in programme for the Generators schemes



### FINANCIAL RISKS ASSOCIATED WITH CAPITAL SCHEMES IN 2025/26

#### Significant spend profiled in period February and March 2026

The above graph highlights total spend of circa £18m is currently forecast for the period February to March 2026. This could be further exacerbated with the receipt of any additional funding prior to the 31 March leading to increased levels of spend in the latter months of the financial year.

Close monitoring will occur to ensure that if there are any risks identified, mitigating measures are put in place to ensure that capital spend is maximised.

## **CAPITAL SCHEME UPDATES (SCHEMES GREATER THAN £1M)**

### **Withybush Fluoroscopy and Chiller**

Works to replace the Fluoroscopy scanner and chilled water plant started in September 2025. No risks identified at this stage and is expected to complete by the end of the Financial year.

### **Aberystwyth Sexual Assault Referral Centre (SARC)**

The project has achieved completion and unspent funds returned to WG.

### **Cross Hands Health and Wellbeing Centre**

Discussions are on-going with Welsh Government (WG) to review the scope of the project to ensure that it is deliverable within the budgetary envelope available.

### **Picton Terrace**

Funding has been provided by WG to develop Corporate Headquarters within Carmarthen which is expected to be in occupation by the end of the financial year. This will rationalise the Health Board estate by reducing a number of freehold and leasehold properties which are currently being occupied. Scheme is progressing well and is expected to be completed in December 2025.

### **Carmarthen Hwb**

This project is led by Carmarthenshire County Council, in partnership with the Health Board and University of Wales Trinity St David. A number of services will be co-located within the building which are currently being delivered across a number of different locations. Funding has been provided to the Health Board for equipment and digital.

### **Aseptic Unit Withybush**

A sustainable compliant Aseptic Unit will be built at Withybush Hospital in advance of the development of a South-West Regional Aseptic Unit. This will ensure that the facilities and delivery of aseptic services within Hywel Dda University Health Board will meet the required regulatory standards. Progress has been delayed due to a requirement to re-design the aseptic demountable unit to ensure compliance with relevant building standards.

### **Same Day Emergency Care (SDEC), Glangwili Hospital**

Works to increase capacity in the SDEC service at Glangwili Hospital commenced in November 2025 and are scheduled to complete in March 2026.

## Decarbonisation Project

Funding has been provided towards several energy performance improvements across Health Board sites.

### Argymhelliad / Recommendation

The Finance and Performance Committee is requested to:

- **NOTE** the 2025/26 Capital Resource Limit (CRL)
- **NOTE** the current risk associated with delivery of 2025/26 CRL
- **NOTE** the project updates

### Amcanion: (rhaid cwblhau)

#### Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.1.5 Receive assurance on the delivery of the financial plan. This will be achieved through scrutiny of the monthly finance report. This report shall ensure clarity in:  3.5.3 Performance against other financial metrics, such as cash management, capital management and Public Sector Payment Policy.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Corporate Risk 1196 - not be able to provide safe, sustainable, accessible and kind services. This is caused by insufficient investment to ensure we have appropriate facilities, medical equipment and digital infrastructure of an appropriate standard. Score 16
Parthau Ansawdd: Domains of Quality <a href="#">Quality and Engagement Act (sharepoint.com)</a>	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: <a href="#">Quality and Engagement Act (sharepoint.com)</a>	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	3. Striving to deliver and develop excellent services 6. Sustainable use of resources

Amcanion Cynllunio Planning Objectives	7 Primary and community strategic plan 8 Estates plans 9 Digital plan
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022</a>	9. All HDdUHB Well-being Objectives apply

### Gwybodaeth Ychwanegol: Further Information:

Ar sail tystiolaeth: Evidence Base:	Capital Allocation and prioritisation process. Capital Investment procedure and all relevant Welsh Government guidance.
Rhestr Termiau: Glossary of Terms:	Explanation of terms is included in the main body of the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Capital Monitoring Forum Capital Planning Group Individual Project Boards of Capital Schemes Welsh Government Capital Review Meeting Capital Sub-Committee

### Effaith: (rhaid cwblhau) Impact: (must be completed)

<b>Ariannol / Gwerth am Arian:</b> <b>Financial / Service:</b>	Capital values noted within the report. Included within individual business cases and Capital prioritisation process.
<b>Ansawdd / Gofal Claf:</b> <b>Quality / Patient Care:</b>	Included within individual business cases and Capital prioritisation process
<b>Gweithlu:</b> <b>Workforce:</b>	Included within individual business cases and Capital prioritisation process
<b>Risg:</b> <b>Risk:</b>	Risk assessment process is integral to the capital prioritisation process and the management of capital planning within HDdUHB
<b>Cyfreithiol:</b> <b>Legal:</b>	Included within individual business cases and Capital prioritisation process

<b>Enw Da: Reputational:</b>	Included within individual business cases and Capital prioritisation process
<b>Gyfrinachedd: Privacy:</b>	Included within individual business cases and Capital prioritisation process
<b>Cydraddoldeb: Equality:</b>	Included within individual business cases and Capital prioritisation process

## APPENDIX 1

### REVENUE CONSEQUENCES OF CAPITAL SCHEMES

The below table summarises the revenue consequences of capital schemes of which funding has been received in 2025/26:

Scheme	Total £'m	Additional £'m	Costs included in current budgets (replacements) £'m
<b>AWCP</b>			
Glangwili - Fire Enforcement works - Phase 2 - Fees	0.00	0.00	0.00
Backlog Maintenance - 2024-25	0.00	0.00	0.00
Diagnostic Equipment - WBH Fluro & Chilled Water Plant	0.00	0.00	0.00
Aberystwyth Sexual Assault Referral Centre	0.00	0.00	0.00
Block C, Picton Terrace, Carmarthenshire	Occupation expected to generate efficiencies of at least £100k through rationalisation of freehold and leasehold estate.		
Efab - Infrastructure	0.00	0.00	0.00
EOY Funding 24/25 - Pentre Awel	0.48	0.48	0.00
TEF - Fire	0.00	0.00	0.00
TEF - Infrastructure	0.00	0.00	0.00
TEF - Decarbonisation	0.00	0.00	0.00
TEF - Mental Health	0.00	0.00	0.00
TEF - Infection Prevention Control	0.00	0.00	0.00
TEF - Decontamination	0.00	0.00	0.00
DPIF (Digital Priorities Investment Fund) - RISP	Business Case approved by Board in 2023. Minimal additional revenue costs expected over the life of the contract.		
Digital Maternity Cymru System Programme 2025/26	Business Case approved by March '2025 Board. Project expected to generate a net revenue saving through cost avoidance / efficiency.		
Non-Radiology Ultrasound Replacement	0.08	0.00	0.08
Aseptic Unit, Withybush Hospital	Efficiencies of at least £0.033m will be generated		
Carmarthen Hwb - Equipment and Fit-out costs	0.45	0.45	0.00
Fishguard Health and Wellbeing Centre	Business case under development – revenue consequences of project not yet known		
Non-Radiology Ultrasound Replacement	0.00	0.00	0.00
Gamma Camera Upgrade, WGH	0.00	0.00	0.00
Mental Health Quality and Safety Schemes	0.00	0.00	0.00
MRI Upgrade, GGH	0.00	0.00	0.00
Radiology Ultrasound Replacement, PPH	0.00	0.00	0.00
Hospital Helicopter Landing Sites	0.00	0.00	0.00
SDEC Front Door Project, GGH	0.00	0.00	0.00

Fire Enforcement WGH – Phase 2	0.00	0.00	0.00
Decarbonisation Project	Spend to save project. Revenue savings will be utilised to repay capital costs.		
DPIF – Connecting Care	0.00	0.00	0.00
End of Year Digital Funding 2025/26	0.00	0.00	0.00
<b>Sub-total AWCP</b>	<b>1.01</b>	<b>0.93</b>	<b>0.08</b>
<b>Discretionary</b>			
IT	0.00	0.00	0.00
Equipment	0.18	0.00	0.18
Estates – Statutory	0.00	0.00	0.00
Estates Infrastructure	0.00	0.00	0.00
Other	0.00	0.00	0.00
<b>Sub-total Discretionary</b>	<b>0.18</b>	<b>0.00</b>	<b>0.18</b>
<b>TOTAL</b>	<b>1.19</b>	<b>0.93</b>	<b>0.26</b>

The above table shows the total revenue costs as a consequence of capital expenditure in 2025-26 as £1.19m. Total additional costs are estimated at £0.93m and costs assumed to be included in current revenue budgets, as they are equipment replacements, totals £0.26m.

The following assumptions were made: -

- Medical Equipment replacement assumed at 10% of capital cost.
- Any Estates work to existing buildings are assumed to be revenue neutral unless the building footprint increases or changes significantly.
- Some capital investments will lead to longer term revenue savings (such as decarbonisation initiatives and digital investment); however, it has been assumed that these will be included as a part of directorate savings plans.