

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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	21 October 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	All-Wales Capital Programme 2025/26, Capital Resource Limit and Capital Financial Management
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Executive Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	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.

Every year the CRL is fixed, towards the end of October, meaning that is the point at which the Health Board has to manage its spend within a set quantum for the remainder of the financial year.

There is currently a higher level of uncertainty than usual regarding the level of capital funding that will be received from Welsh Government before the CRL needs to be fixed on the 31 October 2025.

Aseiad / Assessment

CAPITAL RESOURCE LIMIT 2025/26

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

Allocation	£'m
All Wales Capital Programme (AWCP)	27.950
Discretionary Programme* (DCP)	6.850
IFRS 16 Leases	0.281
Total	35.081

*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
Backlog Maintenance - 2024-25	(0.144)	Funding returned to WG due to underspend
Aberystwyth Sexual Assault Referral Centre	(0.300)	Funding returned to WG due to underspend
Aseptic Unit, Withybush Hospital	(1.800)	Deferral of funding to align with current project expected timeline
Targeted Estates Fund (TEF)	1.006	Additional Targeted Estates Fund (TEF) funding
Gamma Camera Upgrade, Withybush General Hospital (WGH)	0.481	Upgrade of Gamma Camera at WGH
Mental Health Quality and Safety Schemes	1.381	New allocation for a number of schemes relating to improving mental health facilities
Fishguard Health and Wellbeing Centre	(1.500)	Deferral of funding to align with current project expected timeline
MRI Upgrade, Glangwili General Hospital (GGH)	1.324	Upgrade of MRI at GGH
Radiology Ultrasound Replacement, PPH	0.138	New allocation
Hospital Helicopter Landing Sites	0.064	Funding towards compliance works required at hospital helicopter landing sites
Total	0.650	

RISK ASSOCIATED WITH DELIVERY OF 2025/26 CAPITAL RESOURCE LIMIT

A corporate risk is currently being drafted for approval by The Executive Team highlighting the risk of not meeting the Capital Resource Limit.

There are a number of contributory factors towards the assessment of this risk:

- Uncertainty regarding funding allocations from Welsh Government (WG). The Discretionary Capital Programme has been over-committed in anticipation of a funding allocation of £0.845m towards the urgent remedial works required to the concrete cladding at Withybush Hospital. Correspondence received from WG state that we will not know the outcome of this funding request until at least November.
- Spend against the capital programme is currently at 15.6% of the allocated budget which is significantly lower than previous financial years.
- Furthermore, committed spend against the programme (via approved purchase orders) is at 31.3%.

Further detail explaining the reason for raising the risk is provided below.

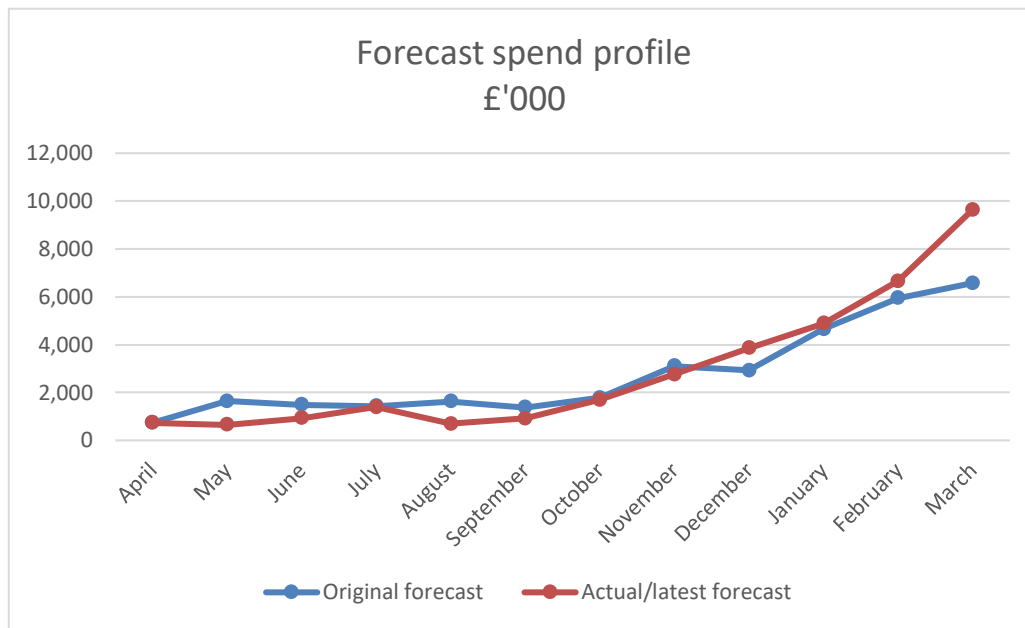
EXPENDITURE PROFILE FORECAST

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

- Aberystwyth SARC (£0.16m) – forecast underspend against project declared and £0.3m funding now returned to WG
- Pentre Awel – (£0.12m) – no risks to delivery by year end flagged at this point
- Carmarthen Hwb – (£0.25m) - no risks to delivery by year end flagged at this point
- TEF schemes – (£0.2m) – risks to forecast TEF expenditure are expanded on later in this report

Expenditure for September was lower than forecast due to:

- Carmarthen Hwb – (£0.25m) - no risks to delivery by year end flagged at this point
- TEF schemes – (£0.14m)



CAPITAL EXPENDITURE PLAN

The following table shows the capital expenditure plan for 2025/26 with expenditure incurred to date. Included against discretionary Estates Infrastructure is planned expenditure of £0.845m for the Withybush Hospital (WGH) Cladding scheme, for which funding has been requested from WG. If this is not received, then £0.845m of discretionary funded schemes will need to be deferred to next year or cancelled to avoid an overspend against the CRL.

Consequently the table below shows planned expenditure £0.845m greater than the current CRL:

Scheme	Planned Spend 2025/26 £m	Cumulative Spend Apr-Sept £m	Spend Sept £m	Remaining balance £m
AWCP				
Glangwili - Fire Enforcement works - Phase 2 - Fees	0.779	0.520	0.022	0.259

Backlog Maintenance – (slippage from 2024-25)	1.324	0.367	0.024	0.957
Aberystwyth Sexual Assault Referral Centre	2.067	1.596	0.151	0.471
Block C, Picton Terrace, Carmarthenshire	2.488	0.656	0.141	1.832
Diagnostic Equipment - WGH Fluro & Chilled Water Plant	2.570	0.026	0.004	2.544
EFAB - Infrastructure	0.127	0.004	0.000	0.123
EOY Funding 24/25 – (Pentre Awel)	0.400	0.095	0.001	0.305
Targeted Estates Fund (TEF) - Fire	0.570	0.000	0.000	0.570
TEF - Infrastructure	4.480	0.044	0.042	4.436
TEF - Decarbonisation	0.300	0.000	0.000	0.300
TEF - Mental Health	1.684	0.002	0.000	1.682
TEF - Infection Prevention Control	0.569	0.248	0.012	0.321
TEF - Decontamination	0.576	0.000	0.000	0.576
Carmarthen Hwb - Equipment and Fit-out costs	3.518	0.001	0.000	3.517
Fishguard Health and Wellbeing Centre	0.067	0.027	0.005	0.040
DPIF - Digital Maternity Cymru System Programme 2025/26	0.100	0.000	0.000	0.100
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	0.009	0.004	1.744
Gamma Camera Upgrade, WGH	0.481	0.007	0.007	0.474
Mental Health Quality and Safety Schemes	1.381	0.030	0.030	1.351
MRI Upgrade, GGH	1.324	0.000	0.000	1.324
Radiology Ultrasound Replacement, PPH	0.138	0.000	0.000	0.138
Hospital Helicopter Landing Sites	0.064	0.000	0.000	0.064
Sub-total AWCP	27.950	3.632	0.443	24.318
Discretionary				
IT	1.687	0.304	0.045	1.383
Equipment	1.683	0.579	0.105	1.103
Estates – Statutory	0.450	0.100	0.044	0.350
Estates Infrastructure	3.052	0.290	0.233	2.762
Mental Health	0.000	0.000	0.000	0.000
Other	0.823	0.407	0.045	0.416
Sub-total Discretionary	7.695	1.680	0.472	6.015
IFRS 16	0.281	0.281	0.000	0.281
TOTAL expenditure	35.926	5.593	0.915	30.333
CRL	35.081			
Overspend	0.845			

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

CONFIRMATION OF CRL BY END OF OCTOBER

The Health Board is required to confirm end of year capital scheme forecasts by the end of October to Welsh Government (WG). The CRL is then fixed for the financial year. Any changes to the CRL following that would only occur due to new approved funding allocations. The risk of over / under spending against the CRL materialises at this point.

A number of risks to All Wales schemes fulfilling current funding levels have been identified which will need to be considered carefully when fixing the CRL:

Capital Scheme	Risk Description	£m
TEF Infrastructure	This scheme includes the purchase and installation of two generators where the current expected delivery date of the generators is the last week of March 2026. There is a risk that this expenditure will slip into 2026/27 if there is delay to the delivery of these generators.	2.3
TEF Decarbonisation	£0.3m has been allocated in relation to the PPH Solar Farm project, with spend being deferred to 2026/27. The project team have identified alternative use of £0.275m which will require authorisation from WG, which has not yet been obtained. £0.025m can be reallocated without authorisation to a different decarbonisation scheme.	0.3
Year End Funding October 2024	Allocation carries a £0.3m risk of slippage associated with the Pentre Awel project, a Carmarthenshire County Council led scheme. Commissioning for this is likely to take place in Quarter 1 of 26/27, we are awaiting formal confirmation from the Council.	0.3
Aberystwyth SARC	An underspend is expected against the Aberystwyth SARC scheme, likely in the region of £0.15m. This is over and above the funding already returned to WG. This will be confirmed in October 2025, as the project achieved completion in September 2025.	0.15
Backlog Maintenance	Includes schemes where a potential underspend may materialise.	0.2
Carmarthen Hwb	This is a Carmarthenshire County Council led scheme and there is a risk that commissioning will take place in Quarter 1 of 26/27. Also, digital spend could be less than originally anticipated, we are awaiting confirmation of final tenders.	0.75
Aseptic	Scheme has been delayed due to re-design of demountable unit. The Health Board has declared £1.8m as slippage in September 2025. There is a risk that there will be further slippage as cost / programme has not yet been confirmed.	0.25
Total		4.25

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 construction work completed in September 2025 with a delay to original programme of less than 2 weeks. The project was under budget and £0.3m was returned to WG in August 2025. Further small underspend is anticipated which will be confirmed as part of the October CRL fixing process.

Cross Hands Health and Wellbeing Centre

Discussions are on-going with 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 Welsh Government 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.

Work is progressing well and is expected to complete by the end of this financial year, however there is a risk that the Health Board commissioning period may move into Quarter 1 of 26/27.

Aseptic Unit Withybush Hosital

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 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.

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 Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	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: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	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 Termau: 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)	
Ariannol / Gwerth am Arian: Financial / Service:	Capital values noted within the report. Included within individual business cases and Capital prioritisation process.
Ansawdd / Gofal Claf: Quality / Patient Care:	Included within individual business cases and Capital prioritisation process
Gweithlu: Workforce:	Included within individual business cases and Capital prioritisation process
Risg: Risk:	Risk assessment process is integral to the capital prioritisation process and the management of capital planning within HDdUHB
Cyfreithiol: Legal:	Included within individual business cases and Capital prioritisation process
Enw Da: Reputational:	Included within individual business cases and Capital prioritisation process
Gyfrinachedd: Privacy:	Included within individual business cases and Capital prioritisation process

Cydraddoldeb: Equality:	Included within individual business cases and Capital prioritisation process
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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
AWCP			
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
Sub-total AWCP	1.01	0.93	0.08
Discretionary			

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
Sub-total Discretionary	0.18	0.00	0.18
TOTAL	1.19	0.93	0.26

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.