

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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	24 February 2026
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:

- Provide an update on performance against the 2025/26 Capital Resource Limit (CRL)
- Detail the current risk associated with delivery of 2025/26 CRL
- Provide significant project updates

Cefndir / Background

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

Asesiad / 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)	33.360
Discretionary Programme* (DCP)	6.850
IFRS 16 Leases	1.877
Total	42.087

*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
Bronglais - Fire Precaution Upgrade Works - Fees	0.285	Funding for fees on preparing the business case for Fire Upgrade work at Bronglais
Major Infrastructure Investment Plan, Phase 1 BJC Fees	0.100	Funding for fees for production of the first tranche of business cases in the Major Infrastructure programme
End of Year Funding 2025-26	1.294	A tranche of End of Year funding relating to several estates and equipment items
Ultrasound Replacement	0.220	Funding for two ultrasound machine replacement
End of Year Digital Funding - December 2025	0.450	A tranche of End of Year funding for Digital items
End of Year Estates and Equipment Funding - December 2025	1.067	A further tranche of End of Year funding relating to several estates and equipment items
End of Year Funding - January	0.809	A further tranche of End of Year funding relating to several estates and equipment items
End of Year Digital Funding - January	0.300	A further tranche of End of Year funding relating to digital expenditure
End of Year Estates Funding - January	0.207	A further tranche of End of Year funding relating to several estates and equipment items
Backlog Maintenance 2024/25	(0.210)	Reduction in allocation due to underspend against BGH Lift Shaft scheme
IFRS16 – 2025-26 Tranche 2	0.850	Funding for new and renewed leases entered into through to December 2025
Total	5.372	

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-Jan £m	Spend Jan £m	Remaining balance £m
AWCP				
Glangwili - Fire Enforcement works - Phase 2 - Fees	0.779	0.825	0.041	-0.046*
Backlog Maintenance – (slippage from 2024-25)	1.004	0.707	0.125	0.297
Aberystwyth Sexual Assault Referral Centre	1.875	1.678	0.001	0.197
Block C, Picton Terrace, Carmarthenshire	2.488	1.965	0.250	0.523
Diagnostic Equipment - WGH Fluro & Chilled Water Plant	2.570	2.003	0.263	0.567
EFAB - Infrastructure	0.127	0.008	0.000	0.119

EOY Funding 24/25 – (Pentre Awel)	0.150	0.131	0.009	0.019
Targeted Estates Fund (TEF) - Fire	0.570	0.114	0.038	0.456
TEF - Infrastructure	2.294	0.261	0.031	2.033
TEF - Decarbonisation	0.050	0.000	0.000	0.050
TEF - Mental Health	1.684	0.041	0.003	1.643
TEF - Infection Prevention Control	0.569	0.437	0.018	0.132
TEF - Decontamination	0.546	0.382	0.165	0.164
Carmarthen Hwb - Equipment and Fit-out costs	2.318	0.150	0.073	2.168
Fishguard Health and Wellbeing Centre	0.067	0.047	0.005	0.020
DPIF - Digital Maternity Cymru System Programme 2025/26	0.198	0.059	0.006	0.139
Non-Radiology Ultrasound Replacement	0.761	0.406	0.000	0.355
DPIF – (RISP)	0.429	0.429	0.000	0.000
Aseptic Unit, Withybush Hospital	1.753	0.709	0.259	1.044
Gamma Camera Upgrade, WGH	0.481	0.009	0.000	0.472
Mental Health Quality and Safety Schemes	1.317	0.038	0.000	1.279
MRI Upgrade, GGH	1.324	0.021	0.000	1.303
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	0.781	0.377	1.315
Fire Enforcement WGH - Phase 2	0.912	0.420	0.161	0.492
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	0.001	0.001	0.629
Bronglais - Fire Precaution Upgrade Works - Fees	0.285	0.008	0.008	0.277
Major Infrastructure Investment Plan, Phase 1 BJC Fees	0.100	0.000	0.000	0.100
End of Year Funding 2025-26	1.539	0.764	0.014	0.775
Ultrasound Replacement	0.220	0.000	0.000	0.220
End of Year Digital Funding - December 2025	0.450	0.239	0.239	0.211
End of Year Estates and Equipment Funding - December 2025	1.067	0.202	0.202	0.865
End of Year Funding - January	0.809	0.000	0.000	0.809
End of Year Digital Funding - January	0.300	0.000	0.000	0.300
End of Year Estates Funding - January	0.207	0.035	0.035	0.172
Sub-total AWCP	33.727	12.880	2.324	20.847
Discretionary				
IT	2.919	0.814	0.141	2.105

Equipment	1.593	1.129	0.389	0.464
Estates – Statutory	0.450	0.240	0.038	0.210
Estates Infrastructure	1.196	0.853	0.044	0.343
Mental Health	0.060	0.000	0.000	0.060
Other	0.265	0.267	0.049	0.000
Sub-total Discretionary	6.483	3.303	0.661	3.180
IFRS 16	1.877	1.877	0.850	0.000
TOTAL expenditure	42.087	18.060	3.835	24.027

* Negative amount remaining for GGH Fire Enforcement Phase 2 relates to VAT recovery to be processed
Further details on the revenue consequences of these schemes are noted in **Appendix 1**.

The table above summarises the main capital scheme headings, however each heading often has a number of separate capital schemes which make up that funding allocation.

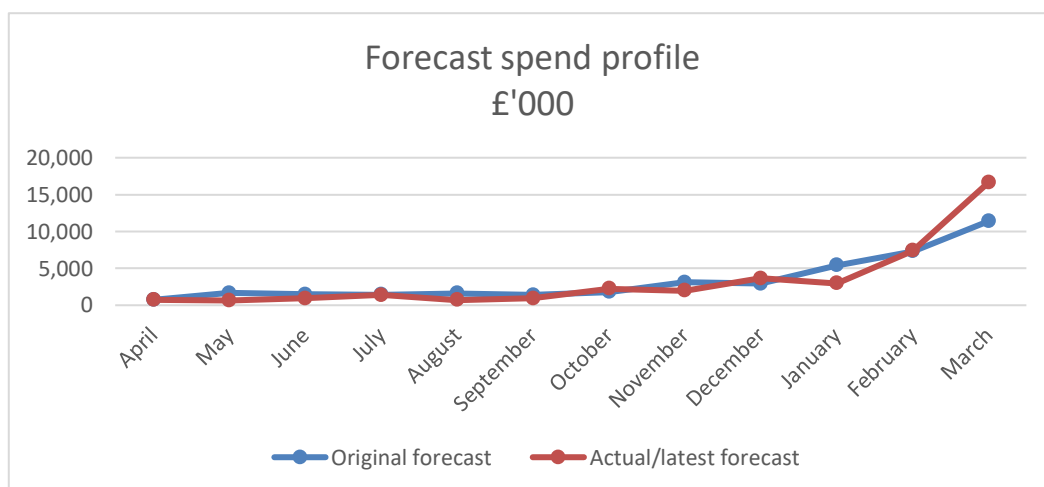
There are in excess of 250 individual capital schemes being managed within the 2025/26 capital programme.

Expenditure Profile Forecast

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

- Diagnostic Equipment – Withybush Hospital (WGH) Fluoroscopy and Chilled Water Plant - (£0.237m)
- Targeted Estates Fund (TEF) – schemes (£0.672m)
- Non-Radiology Ultrasound Replacement – (£0.26m)
- Mental Health Quality and Safety Schemes – (£0.292m)
- MRI Upgrade, Glangwili Hospital (GGH) – (£0.43m)

Assurances have been provided by project managers that these slippages will not result in underspends by year end.



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 £24m is currently forecast for the period February – March.

Expenditure plans are being closely monitored to ensure that if there are any risks identified, mitigating measures are put in place to ensure that capital spend is maximised. Additional monitoring meetings have been held and further meetings arranged with colleagues responsible for delivery of expenditure.

In addition, enhanced detailed finance reports have been issued to track spend and plans, including highlighting contingency balances within schemes where relevant, and the overall level of contingency balance across relevant schemes.

January reporting through the Monthly Monitoring Returns to WG flagged up risks of underspend to the Carmarthen Hwb, Aseptic Unit and Gamma Camera Upgrade schemes; mitigation plans are in place to address these risks.

Operational Risk 2204

A risk has now been placed on our operational risk register to reflect the underspending against our CRL.

Equipment to be Vested / Bonded at Year-End

All suppliers have provided assurances to the Procurement team that any orders made can be fulfilled in full by the end of March, however given the high value of spend remaining there is a risk that transfer of title documents may need to be completed if suppliers experience issues in delivering before the 31 March 2026.

There is currently one capital scheme where transfer of titles will be required:

- Decarbonisation Project – LED lighting to be purchased in 2025/26 and enabling works will occur in 2026/27

CAPITAL SCHEME UPDATES (SCHEMES GREATER THAN £1M)

Withybush Fluoroscopy and Chiller

The Fluoroscopy scanner is in the process of being installed and is due to be operational by the end of the financial year.

Aberystwyth Sexual Assault Referral Centre (SARC)

The project construction works has achieved completion and unspent funds returned to WG. There remains some equipping, fees and non-works costs to transpire by 31 March 2026.

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 WG to develop Corporate Headquarters within Carmarthen. This will rationalise the Health Board estate by reducing a number of freehold and leasehold properties which are currently being occupied. Scheme has progressed well with final account due to be settled imminently. There remains some equipping, fees and non-works costs to transpire by 31 March 2026

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, furniture and digital items which are in the process of being ordered/bought. Commissioning costs will be deferred to 2026/27 in line with the revised timescale for completion.

Aseptic Unit Withybush Hospital

A sustainable compliant Aseptic Unit will be built at WGH in advance of the development of a South-West Regional Aseptic Unit. This will ensure that the facilities and delivery of aseptic services within HDdUHB will meet the required regulatory standards.

Whilst there has been a slight delay to the original completion date, the scheme is progressing well with commissioning and occupation of the new unit due to occur towards the end of 2026.

Same Day Emergency Care (SDEC), Glangwili Hospital

Works to increase capacity in the SDEC service at GGH commenced in November 2025 and are scheduled to complete in March 2026. The project is on programme and within budget.

Decarbonisation Project

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

Fire Enforcement WGH - Phase 2

Phase 2 of the major Fire Precaution Upgrade works started on site in January 2026, with programme completion currently October 2027. Funding of £8.175m has been provided, with £0.912m in the current year, with the project currently forecast to be within budget, and expenditure to 31 March 2026 is in line with the current year allocation.

Argymhelliad / Recommendation

The Finance and Performance Committee is asked to **ENDORSE** the actions taken to manage the CRL, including planned vesting of equipment.

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 Termiau: Glossary of Terms:	Explanation of terms is included in the main body of the report.
Partion / 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

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
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
End of Year Digital Funding 2025/26	0.00	0.00	0.00
Bronglais - Fire Precaution Upgrade Works - Fees	0.00	0.00	0.00
Major Infrastructure Investment Plan, Phase 1 BJC Fees	0.00	0.00	0.00
End of Year Funding 2025-26	0.00	0.00	0.00
Ultrasound Replacement	0.00	0.00	0.00
End of Year Digital Funding - December 2025	0.00	0.00	0.00
End of Year Estates and Equipment Funding - December 2025	0.00	0.00	0.00
End of Year Funding - January	0.00	0.00	0.00
End of Year Digital Funding - January	0.00	0.00	0.00
End of Year Estates Funding - January	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.