

## PWYLLGOR CYLLID FINANCE COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	25 June 2020
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Update on All-Wales Capital Programme - 2020/21 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>	Huw Thomas, Executive Director of Finance

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

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

Ar Gyfer Trafodaeth/For Discussion

### ADRODDIAD SCAA SBAR REPORT

#### Sefyllfa / Situation

This update report is presented to the Finance Committee to:

- Note the Capital Resource Limit (CRL) for 2020/21;
- Note the value of capital expenditure currently anticipated to deal with COVID-19 for 2020/21 and the potential impact on the Health Board's CRL should no further Welsh Government (WG) funding be provided.

#### Cefndir / Background

This report provides an update on the CRL for 2020/21.

#### Asesiad / Assessment

##### **Capital Resource Limit 2020/21**

The current CRL for 2020/21 has been issued with the following allocations:

Expenditure	£m
All Wales Capital Programme	12.503
Discretionary Programme	7.271
Slippage due to COVID- 19 from 2019/20	1.090
COVID-19 – Digital Devices	0.743
<b>Total</b>	<b>21.607</b>

There is also an allocation pending of:

- Advance Fire Compliance works at Withybush General Hospital (WGH): £0.350m

There is a risk that due to the impact of COVID-19 on the availability of WG capital funding that there will be no further additional allocations available to progress new capital projects during 2020/21.

A provisional allocation for the Discretionary Capital Programme has been presented to the Capital Estates IM&T Sub-Committee This is subject to Executive Team approval.

The provisional Capital Expenditure Plan for 2020/21 is detailed below.

Scheme	Allocation £m
<b>AWCP</b>	
Women and Children Phase II	10.001
MRI Withybush	2.700
Radiology Schemes	0.467
Other	0.576
COVID-19	0.743
<b>Sub-total AWCP</b>	<b>14.487</b>
<b>Discretionary</b>	
Business Case Support	0.300
Capital Support	0.300
Digital	1.445
Estate Development	0.479
Estates Infrastructure	1.578
Estates Statutory	1.000
Equipment	0.767
Residential Accommodation	0.200
CHC / HIW / COVID-19 compliance	0.722
Other contingency	0.329
<b>Sub-total Discretionary</b>	<b>7.120</b>
<b>TOTAL</b>	<b>21.607</b>

The value of capital orders placed by the Health Board to date on COVID-19-associated items which is expected to impact on the 2020/21 position is £9.960m. Further potential costs of £5.857m have been identified as costs that may need to be incurred to deal with the impact of the lockdown and the re-opening of services.

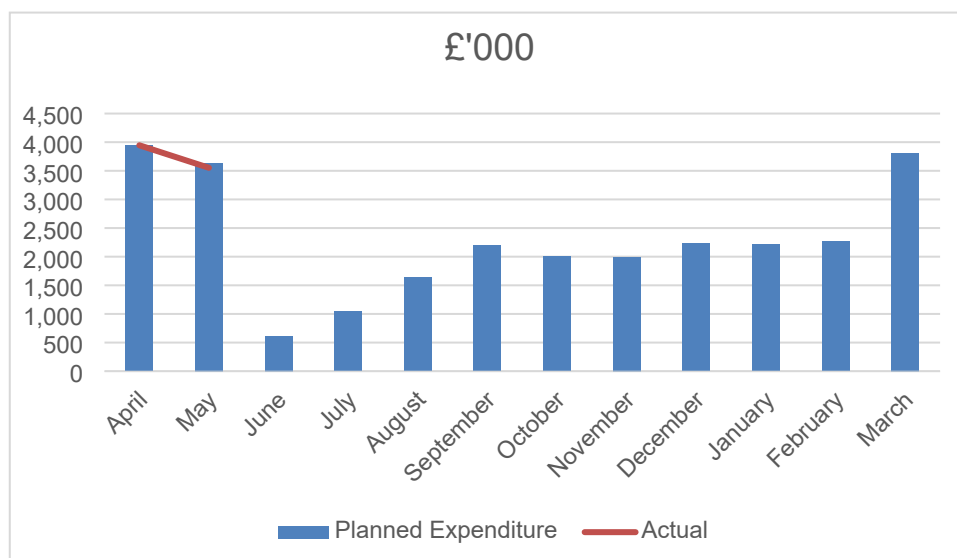
Expenditure	Value Orders Placed £m	Potential/ Anticipated Expenditure	Potential Costs 2020/21 £m
Field Hospitals	3.814	0.646	4.459
Acute and Community Sites	6.147	5.211	11.359
<b>Total</b>	<b>9.960</b>	<b>5.857</b>	<b>15.818</b>

The potential/ anticipated costs reflect costs that will be incurred on:

- Time delay due to COVID-19 planning and social distancing legislation on Women & Children Scheme in Glangwili General Hospital (GGH).
- Costs of Vacuum Insulated Evaporator (VIE) plant in GGH should this progress.
- Works to Intensive Care Unit (ICU) on all sites, if all works are undertaken.
- Works to side rooms and Accident and Emergency in GGH, if the work is undertaken.
- Cardiology equipment to enable community working, if the equipment is procured.

The detailed information on the additional costs on the Women & Children Scheme in GGH is being shared with NHS Wales Shared Services Partnership: Specialist Estates Services on a weekly basis. The other schemes are being considered at the Bronze Groups for suitability and will require Gold Strategic Group approval and a funding source identified prior to being progressed.

An expenditure profile for the 2020/21 Capital Programme is shown below:



Further work is being undertaken by Hywel Dda University Health Board's (HDdUHB) cost advisors on the All Wales Capital Programme profiles for 2020/21 to reflect the impact of lockdown and the ongoing impact of COVID-19 and social distancing legislation on the programme. The Discretionary Capital Profile will be further reviewed with Estates, IT and the Deputy Director of Operations once detailed expenditure plans have been confirmed.

Total capital expenditure as at Month 2 was £7.498m, of which £6.367m related to COVID-19. Digital funding of £0.743m has currently been confirmed by Welsh Government for COVID-19; no further funding has been assumed in Month 2 for the cost of COVID-19. If all of the expected capital costs materialise in 2020/21 and no further WG funding is forthcoming, then the Health Board will breach its CRL by £15.075m in year.

### Argymhelliad / Recommendation

The Finance Committee is requested to:

- Note the CRL for 2020/21;
- Note the value of capital expenditure currently anticipated to deal with COVID-19 for 2020/21 and the potential impact on the Health Board's CRL should no further WG funding be provided.

<b>Amcanion: (rhaid cwblhau) Objectives: (must be completed)</b>	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	4.5 Provide assurance to the Board that robust arrangements are in place for financial planning, financial performance and financial forecasting.  5.13 Provide assurance to the Board that arrangements for Capital, Estates and IM&T are robust.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Capital priorities included within service risk registers. Risk 624 - Ability to maintain and address backlog maintenance and develop infrastructure to support long term strategic objectives – Current Risk Score 16
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	All Health & Care Standards Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners.  5. Deliver, as a minimum requirement, outcome and delivery framework work targets and specifically eliminate the need for unnecessary travel & waiting times, as well as return the organisation to a sound financial footing over the lifetime of this plan
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Statement</a>	Improve efficiency and quality of services through collaboration with people, communities and partners  All business cases for capital investment require alignment to HDdUHB's Well-being Objectives where applicable

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Capital Allocation and prioritisation process. Capital Investment procedure and all relevant Welsh Government guidance.
Rhestr Termau: Glossary of Terms:	Included within the body of the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cyllid: Parties / Committees consulted prior to Finance Committee:	Capital Monitoring Forum Capital Planning Group Individual Project Boards of Capital Schemes Welsh Government Capital Review Meeting Capital, Estates and IM&T Sub-Committee

<b>Effaith: (rhaid cwblhau) Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	Capital values noted within the report. Included within individual business cases and Capital Prioritisation process.
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	Included within individual business cases and Capital Prioritisation process
<b>Gweithlu: Workforce:</b>	Included within individual business cases and Capital Prioritisation process
<b>Risg: Risk:</b>	Risk assessment process is integral to the capital prioritisation process and the management of capital planning within HDdUHB
<b>Cyfreithiol: 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>	Equality assessments are included within individual business cases and Capital Prioritisation process when required