



PWYLLGOR CYLLID FINANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	25 May 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	Update on All-Wales Capital Programme – 2021/22 Capital Resource Limit and Capital Financial Management
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Sarah Welsby, Senior Finance Business Partner

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 Finance Committee to:

- Note the Capital Resource Limit (CRL) for 2021/22
- Note the risks being managed.
- Note the project updates.

Cefndir / Background

This report provides an update on the CRL for 2021/22.

Asesiad / Assessment

Capital Resource Limit 2021/22

The current CRL for 2021/22 has been issued with the following allocations:

Expenditure	£m
All Wales Capital Programme (AWCP)	15.305
Discretionary Programme	7.421
Total	22.726

Since the **last report (29th April 2021)**, the CRL has increased by £10.730m due to the following AWCP allocations:

- Fire Prevention Works Glangwili: £0.787m
- Estates Funding Advisory Board: £5.428m
 - Fire (£0.656m)
 - Infrastructure (£1.358m)
 - Decarbonisation (£2.037m)
 - Mental Health (£1.377m)
- Imaging (Additional CT Glangwili & CT replacement Withybush): £4.515m

The Capital Expenditure Plan for 2021/22 is detailed below.

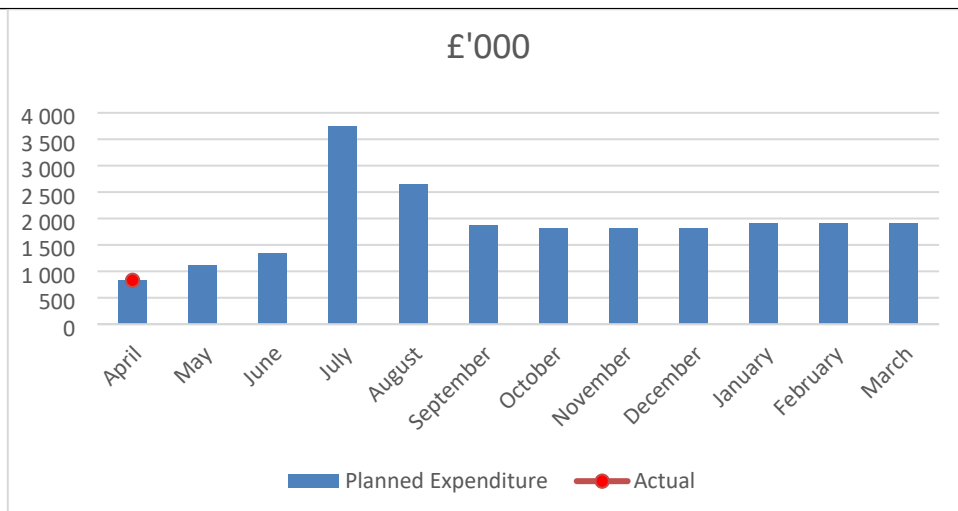
Scheme	Allocation £m
AWCP	
Women and Children Phase II	3.315
MRI Withybush	1.260
Fire Prevention Works Glangwili Hospital	0.787
National Programmes – Estates Funding Advisory Board	5.428
National Programmes - Imaging	4.515
Sub-total AWCP	15.305
Discretionary	
Pre-commitments:	
Women & Children Phase II	0.366
WGH MRI	1.299
AWCP Payback	0.094
Cross Hands Land	0.075
Fire Precaution (WGH) (DCP advance)	0.540
Pathology works GGH	0.235
Endoscopy washers PPH	0.165
R&D GGH (DCP element)	0.434
Camera Stack	0.051
Symbiotic scheme	0.070
I2S repayment	0.150
Breakdown Contingency	0.300
Business Case Development	0.300
Capital Support	0.200
Medical and Non-Medical Equipment	0.661
Digital and IT	0.661
Estates Statutory	0.660
Estates Infrastructure	0.660
Credits for Cleaning / HIW and residential Accommodation	0.500
Sub-total Discretionary	7.421
TOTAL	22.726

Further funding may become available as the year progresses through additional Welsh Government (WG) approvals, review of VAT recoveries, asset disposals and slippage on existing schemes.

The sale of Neyland Health Centre and Cardigan Health Centre have now completed with proceeds of £0.089m and £0.300m respectively. These disposals will be available for utilisation in the Discretionary Capital Programme – the prioritisation of these have not yet taken place.

Expenditure Profile Forecast

A forecast expenditure profile for 2021/22 is shown in the table below:



Work is ongoing to develop the cash flow forecast for the year. Expenditure on the Discretionary Programme is based on last year's actual expenditure profile where funds have not yet been allocated to specific projects or items. This will be further refined in May 2021. Expenditure for April 2021 was £0.830m.

Financial Risks

Women & Children Phase II (GGH)

There is an estimated additional cost implication for the scheme of £2.233m because of the implementation of social distancing legislation as a consequence of COVID-19. These costs have not yet been agreed with the Supply Chain Partner. NHS Wales Shared Services Partnership (NWSSP) - Estates have requested further information regarding these costs from the Cost Advisor and Project Manager to provide assurance to WG that they are reasonable. The HB is actively seeking agreement from WG that these costs will be reimbursed.

Project Updates

Women & Children Phase II (GGH)

A number of risks to project-critical paths have been identified by the Project Manager and Supply Chain Partner over the coming months which could impact on the completion date and cost of the scheme. The financial impact of these risks is not yet quantified and the Construction Risk Register will be reviewed and updated to estimate the financial impact of these risks.

Ongoing profiling of resource usage is being undertaken with the Cost Advisors for the scheme and regular progress updates are provided to WG and NWSSP - Estates.

Argymhelliad / Recommendation

The Finance Committee is requested to:

- Note the Capital Resource Limit for 2021/22
- Note the risks being managed.
- Note the project updates

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.5.3 Reviewing the future annual revenue and capital budget. 3.5.5 Considering and keeping under review the organisation's medium term financial strategy in relation to both revenue and capital risks.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Risk 624 (score 20) – Risk to the ability to maintain and address backlog maintenance and develop infrastructure to support long term strategic objectives
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: Hyperlink to HDdUHB Well-being Statement	Improve efficiency and quality of services through collaboration with people, communities and partners All business cases for capital investment require alignment to the UHB's Well-being Objectives where applicable

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 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

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:	Equality assessments are included within individual business cases and Capital prioritisation process when required