

PWYLLGOR CYLLID FINANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	29 April 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	Update on All-Wales Capital Programme – 2020/21 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 2020/21 Capital Resource Limit (CRL) and unaudited out-turn position
- Note the CRL for 2021/22
- Note the risks being managed.

Cefndir / Background

This report provides the unaudited outturn position on the CRL for 2020/21 and opening position for 2021/22.

Asesiad / Assessment

Capital Resource Limit 2020/21

The CRL issued for 2020/21 was £34.451m

Since the last report the CRL has increased by £0.746m:

- COVID 19 (tranche 7) £0.164m
- COVID 19 (tranche 8) £0.101m
- Digital Priorities Investment Fund (DPIF) Digital Cell £0.426m
- DPIF Uptake of Electronic Test Requesting (ETR) £0.142m
- Less:
- Slippage Digital Eye Care Equipment £0.087m

In addition to the resource allocated through the CRL the Health Board is able to spend the net book value of assets disposed in year and make capital purchases through donations:

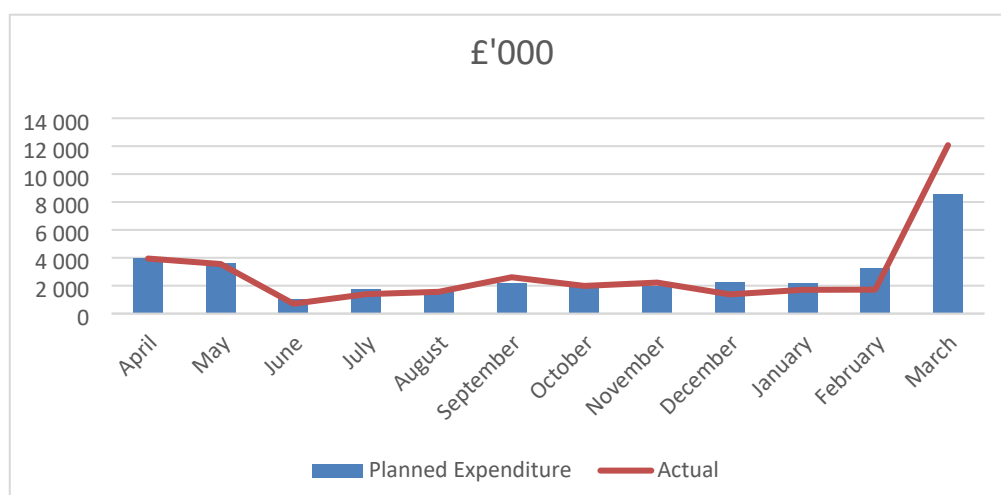
Allocation	£m
All Wales Capital Programme	26.598
Discretionary Programme	7.853
CRL	34.451
Net Book value of disposals	0.455
Donated and Granted purchases	0.637
Total Resource available	35.543

Against this resource the unaudited expenditure position for the year is £35.483m - an underspend of £0.060m.

Expenditure	£m
AWCP	
Women & Children Phase II	6.848
MRI Replacement WGH	0.814
Radiology Schemes	0.407
COVID-19	12.227
Digital Eye Care Equipment and Computer Hardware	1.348
End of Year Medical Equipment and IT	2.346
Digital	0.548
Withybush PBC Fees and Advanced Fire Compliance Works	0.800
Slippage from 19/20 (Statutory Fire and Estate Allocation)	0.315
ICF – South Pembrokeshire Hospital	0.202
Other - AWCP	0.989
Sub-total	26.843
Discretionary	
Equipment	2.329
IM&T	1.808
Estates Infrastructure	1.812
Estates Statutory	0.475
Capital Support	0.150
Business Case Development	0.165
Contingency	0.172
Estates Development	1.093
Sub-total	8.003
Total	34.846
Donated and Granted Purchases	0.637
Gross Capital Expenditure	35.483

To achieve the outturn position, £12.073m of spend was incurred in March 2021. The Finance Team will work with members of the Capital Monitoring Forum which includes Estates, IT, Planning and Procurement to look at ways of smoothing the spend profile for 2021/22.

The expenditure profile for 2020/21 is shown below:



Capital Resource Limit 2021/22

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

Expenditure	£m
All Wales Capital Programme	4.575
Discretionary Programme	7.421
Total	11.996

In addition to this further funding allocations have been approved for:

- Infrastructure, Fire Safety, Mental Health and Decarbonisation - £5.430m
- National Imaging Programme 2021/22 – CT scanner at Glangwili and Worthybush - £4.515m

Financial Risks

Women & Children Phase II (GGH)

There are additional costs for the Women and Children Phase II scheme due to the delay in handover of part of the scheme because of COVID-19 capacity planning, and additional work required to allow the scheme to progress. There is also an additional cost implication for the scheme because of the implementation of social distancing legislation; the total estimated additional costs are £2.206m, of which £0.024m was incurred in 2020/21 and £2.182m in 2021/22 & 2022/23.

The HB's assumption is that Welsh Government (WG) funding will be available for this additional cost.

Ongoing profiling of resource usage is being undertaken with the cost advisors for the scheme, and regular progress updates are provided to WG and NHS Wales Shared Services Partnership. The revised programme for this scheme has moved the expected completion date to the financial year 2022/23.

DCP Pre-Commitments 2021/22

Due to phasing of some schemes which were approved in 2020/21 and slippage on All Wales Capital schemes there are a significant amount of pre-commitments on the DCP. These are currently estimated to be £3.5m, leaving a balance remaining of £3.921m to be allocated within the DCP for all Estates Statutory and Infrastructure, IT replacement, contingencies, Business Case Development and medical/ non-medical equipment replacement.

Remaining DCP funds for 2021/22 are being prioritised by Estates, IT and the HB's Operations Directorate.

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

Argymhelliad / Recommendation

The Finance Committee is requested to:

- Note the 2020/21 Capital Resource Limit and unaudited out-turn position
- Note the Capital Resource Limit for 2021/22
- Note the risks being managed.

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:	All Strategic Objectives are applicable
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.
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Rhestr Termau: Glossary of Terms:	Explanation of terms is included in the main body of the report.
Partion / 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