

<b>Name of Sub-Committee:</b>	<b>Capital, Estates and IM&amp;T Sub-Committee (CE&amp;IM&amp;TSC)</b>
<b>Chair of Sub-Committee:</b>	<b>Huw Thomas, Director of Finance (Interim Chair)</b> <b>Report from Deputy Chair, Paul Williams, Assistant Director of Strategic Planning and Developments</b>
<b>Reporting Period:</b>	<b>19<sup>th</sup> November 2020</b>
<b>Key Decisions and Matters Considered by the Sub-Committee:</b>	
<p><b>Capital, Estates and Information Management &amp; Technology Sub Committee Terms of Reference</b></p> <p>In line with corporate governance guidelines, the CE&amp;IM&amp;TSC reviewed its draft Terms of Reference to ensure it is clear on the specific areas of assurance required by PPPAC and that these are reflected clearly within the Terms of Reference. It was agreed that the draft Terms of Reference attached for PPPAC ratification reflects an interim position, which will be subject to review following the appointment of the Director for this Executive portfolio. Following discussion, paragraph 5.2 within the Terms of Reference was amended to reflect the fact that the CE&amp;IM&amp;TSC receives proposals for prioritisation in the management of capital related risks. In addition, membership now reflects the title for the new Director currently being recruited for this portfolio.</p> <p><b>Capital Resource Limit (CRL), Capital Financial Management and Discretionary Capital Programme (DCP):</b></p> <p>The following key matters were discussed:</p> <ul style="list-style-type: none"> <li>• The CRL for 2020/21 has been issued with the following allocations: £7.705m – All Wales Capital Programme. £7.726m – Discretionary Programme. £1.090m – Slippage due to COVID-19 from 2019/20 £0.935m – COVID-19 Digital Devices and IT £7.722m – COVID-19 Equipment (Acute Sites &amp; Field Hospitals). <b>Total £25,178m.</b></li> <li>• The CRL has been reduced to accommodate in-year slippage of £1.075m on the Women and Children Phase II Scheme.</li> <li>• Total expenditure as at Month 7 (October 2020) was £15.750m, of which £10.545m is related to COVID-19.</li> <li>• Costs committed to COVID-19 associated items for 2020/21 are £11.295m. Funding released by Welsh Government (WG) to date is £8.466m.</li> <li>• The value of capital orders placed by Hywel Dda University Health Board (HDdUHB) to date for COVID-19-associated items which are expected to impact on the 2020/21 position were detailed.</li> <li>• The report set out the financial risk associated with progressing capital schemes at feasibility stage without confirmed funding and also detailed the proposed approach to take in relation to these schemes.</li> <li>• The report noted the risk of being unable to progress COVID-19 schemes and other schemes to deal with HDdUHB's equipment, statutory, infrastructure and digital backlog due to insufficient capital resource.</li> <li>• The report noted that a request has been made to WG to allow HDdUHB to retain proceeds from the sale of Cardigan Hospital, Cardigan Health Centre and underspends on schemes</li> </ul>	

completed in 2019/20. Confirmation has since been received that proceeds from the sales can be retained although not the underspends on schemes.

- The updated medical devices backlog report previously considered by CE&IM&TSC will provide the evidence base for priority decisions for equipment funds.
- The potential mitigations available and the release of £500k from existing allocations to fund the COVID-19 streaming solutions.
- Previous reporting noted that other cost pressures continue to emerge due to COVID-19 management and these would be required to be met from central COVID-19 capital funds, however it seems unlikely that further COVID-19 related capital will be available.
- The CE&IM&TSC will oversee work to ensure priority lists of expenditure are available should any year-end capital become available from WG.
- A pre-commitment for 2021/22 from the DCP has emerged relating to the cost increase on the Withybush General Hospital (WGH) Magnetic Resonance Imaging (MRI) scheme. Additional funding will be sought from WG to cover the shortfall.

The CE&IM&TSC noted the CRL for 2020/21 and the value of the capital expenditure currently committed to deal with COVID-19 for 2020/21 and the funding released to date. The financial risk associated with progressing capital schemes at feasibility stage without confirmed funding was also noted, together with the risk of being unable to progress COVID-19 schemes and other schemes to deal with HDdUHB's equipment, statutory, infrastructure and digital backlog due to insufficient resources. The situation regarding the proceeds from the sale of Cardigan Hospital and Health Centre was also noted as well as the impact of £500k on the DCP to fund the COVID-19 streaming solutions.

The CE&IM&TSC held a discussion regarding a report being prepared for Silver (Tactical) and Gold Groups, setting out the COVID-19 priority schemes over the short-term. Available funding is being investigated including any uncommitted DCP capital as well as the impact this would have on the current DCP priorities. The CE&IM&TSC agreed that the content of this completed report would be shared with the CE&IM&TSC, PPPAC and the Silver and Gold Groups.

### Capital Governance – Project Highlight Reports

- **Active Projects** Red and Amber RAG rated projects (not currently on hold) reported to the CE&IM&TSC in September 2020 were as follows:

Projects with red RAG rating	Projects with amber RAG rating (2 consecutive months + )	Projects on HOLD
Cross Hands Health & Wellbeing Centre	Aseptics Unit - Glangwili General Hospital (GGH)	Cardiology Suite, GGH
Cylch Caron	Chemo Day Unit - Bronglais General Hospital (BGH)	Energy Project, Phase 2
Pond Street / Penlan	Endoscopy / JAG Accreditation & Day Case Surgery Project - Prince Philip Hospital (PPH)	IM&T Programme Business Case
Women & Children's Phase II	Transforming Mental Health (TMH)	

The 'Projects on Hold' have held this status for some time and it has been agreed these will be the subject of highlight reports if the scope of issues has changed sufficiently to close the project as listed.

The CE&IM&TSC noted the content of the report, and in particular those projects currently reporting a red RAG status or increase in RAG status since July 2020 and the mitigation plans in place.

**Capital Project Monitoring Reports:**

The CE&IM&TSC received reports on the following projects following their submission to WG:

- GGH Women & Children's Phase II
- WGH MRI
- Cross Hands Health & Wellbeing Centre.

The CE&IM&TSC noted the content of the dashboard reports and considered whether any issues were required to be raised with Project Directors and also whether there are any issues raised in the report which would affect the delivery of approved CRL funding. It was noted that dashboards submitted in October 2020 were timely and that letters have been distributed to Project Managers to reinforce the prompt submission of future reports.

**Risk Register**

The CE&IM&TSC received the Risk Registers for review and scrutiny to seek assurance that all relevant controls and mitigating actions are in place and that the risks are being managed effectively.

Changes since the previous report

Total number of risks	12
Extreme Risks	4
High Risks	8
New Risks	2
Risks previously not reported now above tolerance	0
Increase in Current Risk Score	0
No Change in Risk Score	10
Reduction in Risk Score	2
Risks Removed	6

The CE&IM&TSC discussed whether the planned actions will be implemented within stated timescales and will reduce the risk further and/or mitigate the impact if the risk materialises.

**GGH Fire Precaution Works - Programme Business Case (PBC)**

A report was presented to the CE&IM&TSC, highlighting the initial Business Case necessary to progress Fire Precaution Works.

The CE&IM&TSC noted that this initial Business Case is in the form of a PBC and will be required to be considered by WG in order for them to endorse the programme. At this stage, HDdUHB will then be able to draw down the necessary resources to progress with the programme.

The CE&IM&TSC supported the submission of the PBC to WG and noted that further formal reports will be developed as the programme progresses.

**A Healthier Mid & West Wales Update** (*verbal update*)

The CE&IM&TSC was informed that the PBC is being progressed with external specialists engaged for land acquisition, Master Planners and PBC writers. Governance and sub-groups are being convened as required.

As more detail becomes available, updates will be provided to the CE&IM&TSC.

**Any Other Business**

**Major Infrastructure Business Case** – The CE&IM&TSC were made aware that this Business Case will be submitted to Public Board on 26<sup>th</sup> November 2020 and then formally to WG.

**Computerised Tomography (CT) Scanners** – The CE&IM&TSC were made aware that five CT scanners are required as soon as possible. A report on the current situation was requested to ensure that any WG capital funding for imaging can be accessed to support the need to replace the HDdUHB CT scanners currently in place.

**Papers Received for Information:**

- Capital Monitoring Forum - Minutes of meeting held on 13<sup>th</sup> October 2020.
- Capital Review Meeting – Minutes of meeting held on 23<sup>rd</sup> September 2020.
- Women & Children’s Phase 2 Report to PPPAC.

**Matters Requiring People Planning and Performance Assurance Committee Level Consideration or Approval:**

Approval of Terms of Reference attached at Appendix 1.

**Risks / Matters of Concern:**

- **Capital Resource Limit and Discretionary Capital Allocations 2020/21:** The capital allocation remains insufficient to provide PPPAC with full assurance on the management of infrastructure and backlog risks. In addition to this, PPPAC is asked to note the current constraints regarding All Wales Capital, which has been further limited by the need to fund COVID-19 related issues. The following mitigating measures are in place:
  - Work continues to progress HDdUHB wide strategic funding bids seeking All Wales Capital Funding for the following:
    - Ward refurbishment and estates infrastructure projects.
    - IM&T Strategic Outline Programme.
    - Further COVID-19 related capital pressures.
  - Work continues to be progressed to prioritise the allocation of Discretionary Capital 2020/21 as outlined in the DCP report to PPPAC.
  - A prioritised programme of projects and equipment brought forward from future DCP priorities should further year-end funding be made available.
- **Capital Projects:** to note those capital projects included in this report currently reporting a high risk. Further detail is included in the separate DCP 2020/21 and Capital Governance report on PPPAC’s agenda.

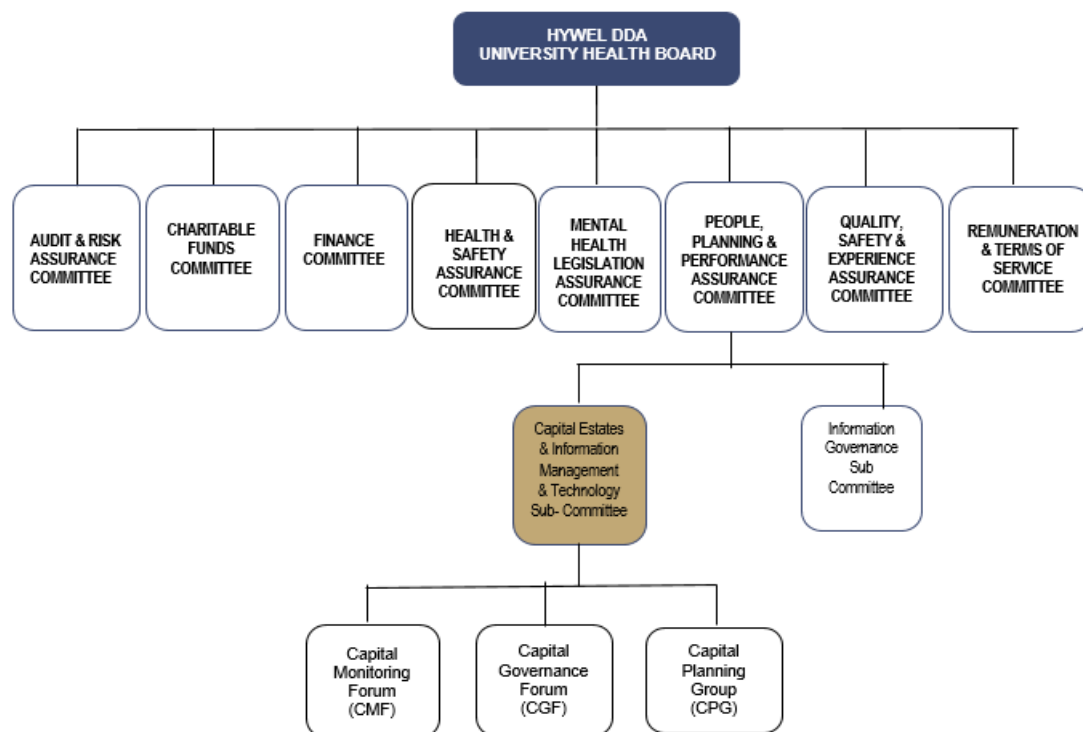
**Planned Sub-Committee Business for the Next Reporting Period:**

**Future Reporting:**

- Continued prioritisation of capital schemes and expenditure for 2020/21 and pre-commitments for 2021/22.
- Capital Project Highlight Reports.
- A Healthier Mid & West Wales - Programme Update.

**Date of Next Meeting:**

26th January 2021



**TERMS OF REFERENCE**

**CAPITAL, ESTATES & IM&T SUB-COMMITTEE**

Version	Issued to:	Date	Comments
V1	Business Planning and Performance Assurance Committee	30 <sup>th</sup> June 2015	Membership additions
V2	Governance Team	July 2015	Aligned to Governance Review
V3	Capital, Estates & IM&T Sub Committee	July 2015	Membership additions and aligned to BPPAC ToRs - approved
V4	Capital, Estates & IM&T Sub Committee	February 2016	Membership and frequency revisions
V5	Capital, Estates & IM&T Sub Committee	August 2017	In conjunction with Corporate Governance Team TOR aligned to

			BPPAC TORs. Sections 7 & 8 updated
V6	Business Planning and Performance Assurance Committee	24 <sup>th</sup> October 2017	Regional planning made more explicit
V7	Capital, Estates & IM&T Sub Committee	29 <sup>th</sup> January 2019	DRAFT Membership reviewed, updates to purpose of the sub-committee and sub-group reporting.
V8	Business Planning and Performance Assurance Committee	19 <sup>th</sup> February 2019	Approval of amendments noted at CEIM&T 29/01/19
V9	Capital, Estates & IM&T Sub Committee	19 <sup>th</sup> November 2020	Approval given. Amendments made
V10	People Planning & Performance Assurance Committee	17 <sup>th</sup> December 2020	For approval

## CAPITAL, ESTATES & IM&T SUB COMMITTEE

### 1. Constitution

- 1.1. The Capital, Estates & IM&T Sub Committee (CEIM&T) has been established as a Sub Committee of the Business Planning and Performance Assurance Committee<sup>1</sup> (BPPAC), and constituted from 1<sup>st</sup> June 2015.

### 2. Membership

- 2.1 The membership of the Sub-Committee shall comprise:

Title
Director of Strategic Development (Chair)
Assistant Director of Strategic Planning and Development (Sub Committee Lead and Deputy Chair)
Independent Member
Director of Estates, Facilities and Capital Management
Assistant Director of Nursing, Infection, Prevention and Control
Senior Business Partner (Finance) (Delegated on behalf of the Director of Finance)
Head of Facilities Information and Capital Management
Deputy Director of Operations
Assistant Director, Medical Directorate (Delegated on behalf of the Medical Director)
Assistant Director of Informatics
Head of Primary Care
Head of Governance and Assurance
Head of Procurement
Head of Capital Planning
Deputy Assistant Director of Mental Health and Learning Disabilities
County Director and Commissioner - Carmarthenshire
County Director and Commissioner – Ceredigion
County Director and Commissioner - Pembrokeshire
Radiology Services Manager
General Manager, Women and Children's Directorate
Head of Pathology
Assistant Director of Therapies & Health Science
<b>In Attendance</b>
Committee Support/Secretary
Head of Capital Audit (three times a year/tri-annual)

- 2.2 The membership of the Capital, Estates & IM&T Sub-Committee will be reviewed on an annual basis.

### 3. Quorum and Attendance

<sup>1</sup> Now the People Planning and Performance Assurance Committee (PPPAC)



- 3.1 A quorum shall consist of no less than a third and must include as a minimum the Chair or Vice Chair of the Sub-Committee.
- 3.2 An Independent Member shall attend the meeting in a scrutiny capacity. The scrutiny role of Independent Members on Sub-Committees is to ensure their effectiveness in terms of processes and outcomes, and in particular that their work is organised and undertaken in accordance with their terms of reference, that they have clarity about the limits of their delegated powers and responsibilities, and that they understand fully their relationship with and reporting responsibilities to their parent Committee.
- 3.3 Any senior officer of the University Health Board or partner organisation may, where appropriate, be invited to attend, for either all or part of a meeting to assist with discussions on a particular matter.
- 3.4 The Sub-Committee may also co-opt additional independent external 'experts' from outside the organisation to provide specialist skills.
- 3.5 Should any member be unavailable to attend, they may nominate a suitably briefed deputy to attend in their place. Where attendance is delegated, the nominated representative is responsible for informing discussions where relevant and reporting back to the named member accordingly.
- 3.6 The Head of Internal Audit shall have unrestricted and confidential access to the Chair of the Capital, Estates & IM&T Sub-Committee.
- 3.7 The Sub-Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

#### **4. Purpose**

- 4.1 The purpose of the Capital, Estates and IM&T Sub-Committee is to:
  - 4.1.1 Oversee delivery of the Health Board's capital programmes and projects included in the planning cycle (in year and longer term).
  - 4.1.2 Recommend to the Board, via the People Planning and Performance Assurance Committee (PPPAC), the use of the Health Board's Capital Resource Limit (CRL).
  - 4.1.3 Oversee the development of the Estates Strategy and Infrastructure Enabling Plan aligned to the A Healthier Mid and West Wales Strategy for consideration by PPPAC, prior to Board approval.
  - 4.1.2 Oversee the development of an innovative IM&T and Digital Health Strategy for IM&T (to cover all functions of the UHB's services i.e. primary, community, acute, etc) aligned to the A Healthier Mid and

West Wales Strategy for consideration by PPPAC, prior to Board approval.

- 4.1.3 Oversee the development and delivery of implementation plans for the Estates and IM&T and Digital Health Strategies agreeing corrective actions where necessary and monitoring its effectiveness.

## **5. Operational Responsibilities**

- 5.1 Develop recommendations to the Board, via the People Planning and Performance Assurance Committee (PPPAC), the use of the Health Board's Capital Resource Limit (CRL).
- 5.2 Develop prioritised recommendations for discretionary capital sums and All Wales Capital Schemes and receive investment proposals, in response to an assessment of the organisation's risks, and to support the Health Board's A Healthier Mid and West Wales Strategy (including delivery plans) and vision for healthcare and its strategic objectives, including performance and financial improvement.
- 5.3 Provide a co-ordinated approach to overseeing delivery of the Health Board's capital programmes and projects included in the planning cycle (in year and longer term) enabling the Health Board to understand the overall delivery commitments and risks, and proposing changes as appropriate.
- 5.4 Provide assurance that capital projects are managed and governed in accordance with mandatory requirements, best practice and the latest Welsh Government capital guidance, ensuring that revenue consequences associated with capital projects are explicit at project scoping stage.
- 5.5 Provide assurance around the effective management of the Health Board's CRL, ensuring expenditure is in line with Standing Orders and within the agreed programme.
- 5.6 Scrutinise and quality assure major capital business cases prior to submission to PPPAC including those developed in partnership with other organisations such as, Local Authorities, GP partners and Third Sector organisations.
- 5.7 Approve estates policies and plans within the scope of the Sub-Committee, for example, Waste Management Policy.
- 5.8 Ensure a robust disposal policy for redundant estate is in place.
- 5.9 Consider options for the acquisition or disposal of estate and agree recommendations for the Board, via PPPAC.
- 5.10 Review and recommend the appropriate delegated limits for capital expenditure authorisation and authorisation for other funding sources.

- 5.11 Make recommendations on appropriate capital expenditure on IM&T assets.
- 5.12 Ensure arrangements are in place to assess and deliver benefits of the capital received for innovative information technology, and information services to benefit patients, clinicians and the public.
- 5.12 Provide assurance to PPPAC that risks associated with capital investment for estates and IM&T services are being effectively managed across the whole of the Health Board's activities (including for hosted services and through partnerships and Joint Committees as appropriate)
- 5.13 Agree the Annual Capital Audit Plan and monitor action against recommendations contained within audit reports issued by Capital Audit.
- 5.14 Agree issues to be escalated to PPPAC with recommendations for action.
- 5.15 Agree an annual work plan for the Sub Committee for review and approval by PPPAC.

## 6. Agenda and Papers

- 6.1 The Sub-Committee Secretary is to hold an agenda setting meeting with the Chair and/or Vice Chair and the Lead Executive/Assistant Director at least **six** weeks before the meeting date.
- 6.2 The agenda will be based around the Sub-Committee work plan, identified risks, matters arising from previous meetings, issues emerging throughout the year, and requests from Sub-Committee members. Following approval, the agenda and timetable for papers will be circulated to all Sub-Committee members.
- 6.3 All papers should have relevant sign off before being submitted to the Sub-Committee Secretary.
- 6.4 The agenda and papers for meetings will be distributed **seven** days in advance of the meeting.
- 6.5 The minutes and action log will be circulated to members within **ten** days to check the accuracy.
- 6.6 Members must forward amendments to the Sub-Committee Secretary within the next **seven** days. The Sub-Committee Secretary will then forward the final version to the Sub-Committee Chair for approval.

## 7. Frequency of Meetings

- 7.1 The Sub-Committee will meet bi-monthly and shall agree an annual of meetings. Any additional meetings will be arranged as determined by the

Chair of the Sub-Committee.

- 7.2 The Chair of the Sub-Committee, in discussion with the Sub-Committee Secretary shall determine the time and the place of meetings of the Sub-Committee and procedures of such meetings.

## **8. Accountability, Responsibility and Authority**

- 8.1 The Sub-Committee will be accountable to the People Planning & Performance Assurance Committee for its performance in exercising the functions set out in these terms of reference.
- 8.2 The Sub-Committee shall embed the UHB's vision, corporate standards, priorities and requirements e.g. equality and human rights, through the conduct of its business.
- 8.3 The requirements for the conduct of business as set out in the UHB's Standing Orders are equally applicable to the operation of the Sub-Committee.

## **9. Reporting**

- 9.1 The Sub-Committee, through its Chair and members, shall work closely with the People Planning and Performance Assurance Committee and other committees, including joint /sub committees and groups to provide advice and assurance to the Board through the:
- 9.1.1 joint planning and co-ordination of Board and Committee business;
  - 9.1.2 sharing of information.
- 9.2 In doing so, the Sub-Committee shall contribute to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance framework.
- 9.3 The Sub-Committee may establish groups or task and finish groups to carry out on its behalf specific aspects of Sub-Committee business. The following groups have been established:
- 9.3.1 Capital Planning Group (CPG)
  - 9.3.2 Capital Monitoring Forum (CMF)
  - 9.3.3 Capital Governance Forum (CGF)
- 9.4 The Sub-Committee will receive an update following each Group's meetings detailing the business undertaken on its behalf.
- 9.5 The Sub-Committee will also receive updates from the regular Capital Review meetings held with Welsh Government representation.
- 9.6 The Sub-Committee Chair, supported by the Sub-Committee Secretary shall:

- 9.6.1 Report formally, regularly and on a timely basis to the People Planning & Performance Assurance Committee on the Sub-Committee's activities. This includes the submission of a Sub-Committee update report, as well as the presentation of an Annual Report within 6 weeks of the end of the financial year.
- 9.6.2 Bring to the People Planning & Performance Assurance Committee's specific attention any significant matter under consideration by the Sub-Committee.

## **10. Secretarial Support**

- 10.1 The Sub-Committee Secretary shall be determined by the Lead Director.

## **11. Review Date**

- 11.1 These terms of reference shall be reviewed on at least an annual basis by the Sub-Committee for approval by the People Planning & Performance Assurance Committee.