



**PWYLLGOR CYNLLUNIO POBL A SICRWYDD PERFFORMIAD
PEOPLE PLANNING AND PERFORMANCE ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	24 June 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	Report on the Discretionary Capital Programme (DCP) 2020/2021 & Capital Governance Update
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lee Davies – Director of Operational Planning & Strategic Development
SWYDDOG ADRODD: REPORTING OFFICER:	Paul Williams, Assistant Director of Strategic Planning

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

This report is presented to the People, Planning and Performance Assurance Committee (PPPAC) detailing:

- The report on the 2021/22 Capital programme and investments planned.
- The capital schemes governance update.

Cefndir / Background

This reports tracks the approved discretionary capital programme (DCP) for 2021/22 and follows on from the report and discussion at the PPPAC meeting held on 24th April 2021, and the Capital Estates and IM&T Sub-Committee (CE&IM&TSC) meeting held on 31st May 2021. The reports also captures the outcome of discussions concerning allocation of the balance of the 2021/22 capital allocations available.

The allocation of the programme is set within the context of:

- Continuing risks associated with backlog pressures.
- Capital expenditure associated with the recovery phase of COVID-19.

The terms of the discretionary capital allocation letter from Welsh Government (WG) state:

‘Discretionary capital is that allocated directly to NHS organisations for the following priority obligations across all healthcare settings: Meeting statutory obligations, such as health and safety and firecode; maintaining the fabric of the estate; and, the timely replacement of equipment’.

The prioritisation process includes representation from Executive portfolios at the Capital Planning Group which reports to the CE&IM&TSC, and the position set out is consistent with that reported to the Finance Committee.

Asesiad / Assessment

Capital Programme 2021/22

The current capital resource limit (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

The AWCP allocations are to progress the following schemes in 2021/22:

- Women and Children Phase II.
- Magnetic resonance imaging (MRI) Withybush General Hospital (WGH).
- Additional computerised tomography (CT) in Glangwili General Hospital (GGH).
- Replacement CT in WGH.
- Fire prevention Works GGH.
- Estates Funding Advisory Board Schemes.

Category	Bid total £m
Fire	£0.658
Infrastructure	£1.358
Decarbonisation	£2.037
Mental Health	£1.377
TOTAL	£5.428

Discretionary Capital 2021/22

The £7.421m of DCP which is available in 2021/22 has not been increased by WG for several years and continues to provide a challenge and risk in addressing the historical backlog:

- Medical and non-medical equipment;
- Informatics and digital infrastructure and equipment;
- Estates and statutory infrastructure.

At the April 2021 PPPAC meeting, the following programme of expenditure was endorsed:

Scheme		£m
Women and Children Phase II	0.643	
MRI Withybush	1.394	
Fire Enforcement BJC's		
Recovery of Fees from WG	(0.220)	
Advance costs on Fire Enforcement BJC's pending to be recovered later in 2021/22	0.450	
Oxygen Metering	0.100	
Crosshands Land	0.075	
Pathology Works GGH	0.234	
Endoscopy Washers Prince Phillip Hospital (PPH)	0.093	
Research & Development Facilities GGH	0.490	

Invest 2 Save repayment	0.150	
Symbiotic Hardware - Facilities	0.070	
Pre - commitments		3.479
Breakdown contingency	0.300	
Development of business cases	0.300	
Capital support	0.200	
Dealing with issues in residential accommodation	0.200	
Dealing with issues arising from Credits for Cleaning and Health Improvement Wales (HIW) audits	0.300	
Ring-fenced allocations		1.300
Medical and non-medical equipment replacement	0.661	
Digital	0.661	
Estates Statutory	0.660	
Estates Infrastructure	0.660	
		2.642
		7.421

Since this meeting and the finalisation of the end of year position for 2020/21, there are some amendments to the pre-commitment.

Scheme	PPPAC Endorsed	As At 10/05/2021
	£m	£m
Women and Children Phase II	0.643	0.366
MRI Withybush	1.394	1.299
Fire Enforcement BJC's		
Recovery of Fees from WG	(0.220)	(0.245)
Advance costs on Fire Enforcement BJC's pending to be recovered later in 21/22	0.450	0.730
Oxygen Metering	0.100	0.143
ED Streaming		0.052
Other		0.056
Cross Hand Land	0.075	0.075
Pathology Works GGH	0.234	0.235
Endoscopy Washers PPH	0.093	0.165
Research & Development Facilities GGH	0.490	0.522
Invest 2 Save repayment	0.150	0.150
Symbiotic Hardware - Facilities	0.070	0.070
Camera Stack		0.051
TOTAL	3.479	3.669

These amendments would have created a £0.190m over-committed position on the capital programme, however the items highlighted in bold are expected to be available for reallocation during 2021/22 as they relate to underspends against previous years allocation which are unlikely to be required or where HDdUHB is anticipating receiving additional allocations from WG.

In addition to these allocations, the proceeds of the disposal of Cardigan Health Centre (£0.300m) and Neyland Health Centre (£0.089m) are now available for reallocation. In summary, a total of £1.180m is likely to be available for re-allocation.

It has been agreed by the Capital Planning Group that as an interim measure, £0.070m of the equipment allocation will be utilised to fund emergency work required on the residential fire alarms in WGH. The priority for the additional available allocation will be for the top up of the equipment allocation.

The additional funds that become available for discretionary use will be prioritised through a prioritisation matrix which will include risk by the Capital Planning Group across all areas. The service leads have been requested to clearly prioritise those items for which funding has not been allocated.

A key point to note is that there remains far greater backlog pressure than the DCP can fund. This is in part a reflection of the year on year level of DCP funding and reflects the fact that elements of the backlog programme can only be managed at a larger scale and will require AWCP funding.

Capital Governance: Capital Project Highlight Reports – Project Updates

The following schemes were intended to be completed in 2020/21, however are now planned for completion in the first and second quarter of 2021/22:

- Hospital Sterile and Disinfection Unit (HSDU) washer in PPH.
- MRI in WGH.
- Pathology in GGH.

The following projects are on-going:

- Women and Children Phase II.
- Fire enforcement work WGH.

The following projects are awaiting feedback from WG:

- Aseptics Strategic Outline Case (SOC).
- Business Continuity (Major Infrastructure) Project Business Case (PBC).

The following projects are currently in the design and development stage:

- CT replacement WGH.
- A second CT at GGH.
- Fire enforcement work GGH.
- Estates Advisory Board Funding Schemes.

Several projects are now progressing into scoping stages and will require resourcing from a Capital Planning, Estates and Digital perspective:

- Aberystwyth Integrated Care Centre.
- Carmarthen Hwb.
- North Pembrokeshire Health and Wellbeing Centre.
- Neyland
- PPH Demountable solution (COVID-19 recovery scheme).

Projects with a red RAG status are reported as follows:

- Cylch Caron.
- Pond Street/Penlan.

- Cross Hands Health Centre
- Women & Children's Phase II.
- Transforming Mental Health.

PPPAC is asked to note the **red** RAG status for the projects listed as follows:

Cylch Caron	RAG Status	Risk Category		
		Funding	Timescales	Other
		✓	✓	
	Timescale for improved RAG rating	The underlying reason for the RAG status remains unchanged. The HDdUHB, General Medical Services (GMS) and Pharmacy project brief remains the same and new project governance arrangements reflecting the partnership between HDdUHB and Ceredigion County Council (CC) are being developed. The GP Practice and HDdUHB are exploring mitigating options to address GMS current concerns regarding premises.		

Risk Update:

New project governance arrangements reflecting partnership between HDdUHB and Ceredigion CC have been presented at the Project Group meeting. Commitment from both partners was confirmed together with that from WG Health & Housing colleagues. It was confirmed that Cylch Caron remains a scheme of interest to the First Minister and the Health Board's intentions for the scheme going forward have been communicated to WG. Options for another Registered Social Landlord (RSL) partner via Ceredigion CC's Procurement Team are being explored. If there is no interest from RSLs, further options for construction with Ceredigion CC as landlord will be explored. The HDdUHB, GMS and Pharmacy Project brief remains the same.

Key risks noted: The increasing risk around the lack of suitable space for commissioning GMS was noted and has been exacerbated by the appointment of an additional GP in April 2021. The ongoing requirement for continued investment to maintain the infrastructure of Tregaron Hospital.

The GP Practice and HDdUHB are exploring mitigating options to address GMS current concerns regarding premises. The Pharmacist remains committed to the scheme. PPPAC has agreed whilst there remains high service risk, the relaunch of the capital scheme will need to be reflected in a reassessment of the project risk for future reporting. A separate report will be prepared for the August 2021 PPPAC meeting.

Pond Street/Penlan	RAG Status	Risk Category		
		Funding	Timescales	Other
		✓		
	Timescale for improved RAG rating	The underlying reason for the red rating is unchanged as the funding position is unresolved. The project is currently on hold due to costings and COVID-19. The scheme is also being reviewed in light of the partnership opportunity that has arisen.		

Risk Update:

A collaborative opportunity in Carmarthen is currently being explored. An internal work stream has been established with meetings undertaken with a range of service leads (Community Teams, Dental, Primary Care, Mental Health & Learning Disabilities, Workforce, Public Health, Health Visitors, Paediatrics, Sexual Health and Podiatry) in

order to develop briefs and accommodation schedules to inform the process. Based on initial feedback, the services are keen to develop an integrated Wellbeing Centre model that is multi-functional, meets our wellbeing and transformational aspirations and could be a viable alternative to the Pond Street/Penlan development. A report is being prepared for the Executive Team to consider.

Recognising the time delay, it was agreed that there would be a review of environmental conditions in Pond Street Clinic. This has been completed and a cost estimate of £0.070m identified as an interim measure to be funded from the DCP (2021/22).

Crosshands Health Centre	RAG Status	Risk Category		
		Funding	Timescales	Other
		✓	✓	
	Timescale for improved RAG rating	The underlying reasons for the red rating for the scheme remain unchanged due to timeline delay. The risk associated with the revenue solution has been reviewed and mitigated in discussion with the Director of Finance. Further to a recent meeting with WG, it had been agreed that the OBC will require a more detailed refresh to review and update the capital costs and Decarbonisation Strategy and costs. This will result in a revised OBC being available in Autumn 2021.		

Risk Update:

Responses to the WG scrutiny questions have been prepared. ARCHUS, have been appointed to undertake some further work to refresh the Strategic Economic Case and Financial Case and will also include updating the benefits register. WG's expectation is that the re-submitted document will be required to reflect the costs of the recently issued Decarbonisation Strategy. This means that HDdUHB will be required to re-engage with the Design Team to review and update some of the building design and capital costs. The opportunity will also be taken to re-engage with primary care and community colleagues to ensure that any learnings/reflections from COVID-19 are captured in this exercise. It is likely that this will mean a re-submission of the OBC in the Autumn of 2021.

Women & Children's Phase II	RAG Status	Risk Category		
		Funding	Timescales	Other
		✓	✓	
	Timescale for improved RAG rating	The underlying reasons for the red rating are unchanged from the previous report. Work is ongoing to resolve outstanding financial and time related risks.		

Risk Update: The RAG status remains on red as there is a significant delay in the scheme completion. A Project completion date on the programme C33 Construction Programme is 15th September 2022 and continues to be based on the assumption that social distancing legislation remains in place for the remainder of the scheme. The issue of confidence in the Supply Chain Partner's management ability to deliver remains of concern with the earliest handover of the current phase now likely to be 30th June 2022. The contractor will be operating without payment on the scheme for several months and this will be reflected as a risk on the Directorate Risk Register. A separate report on the Project is included on the PPPAC agenda.

Transforming Mental Health (TMH)	RAG Status	Risk Category		
		Funding	Timescales	Other
			✓	
	Timescale for improved RAG rating	This scheme has moved from amber to red. This reflects directorate discussions which have highlighted the need to reconsider the service assumptions		

		included in the PBC, which have evolved considerably as a consequence of the management of COVID-19. Changes to the service assumptions will impact on the estates solutions, timings and capital cost implications. As a consequence of COVID-19, the programme group has not met for a considerable period and needs to be re-established.
<p>Risk Update: The risk is that the PBC will require considerable revision which can only be undertaken once the service has determined their revised requirements. This will take account of the fact that the service has made significant progress with the transformation agenda and service innovation in response to COVID-19. However, the need to revise the PBC will have a further impact on an already delayed programme and will require stakeholder engagement and management action to ensure no negative reputational impact.</p>		
<p><u>Argymhelliad / Recommendation</u> PPPAC is asked to:</p> <ul style="list-style-type: none"> • Note the report on the 2021/22 Capital programme. • Note the schemes which are red rated and the underlying reasons for this. They will be the subject of further reporting to future PPPAC meetings. 		

Amcanion: (rhaid cwblhau)	
Objectives: (must be completed)	
Sub-Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.20 Consider proposals from the Capital, Estates and IM&T Sub Committee on the allocation of capital and agree recommendations to the Board.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Risk 956 - Risk to delivery of the CRL for 2020/21. Risk 624 – 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):	Governance, Leadership and Accountability
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.
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

Gwybodaeth Ychwanegol:	
Further Information:	
Ar sail tystiolaeth: Evidence Base:	5.14 Consider proposals from the CEIM&TSC on the allocation of capital and agree recommendations to the Board
Rhestr Termiau:	Not Applicable

Glossary of Terms:	
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cynllunio Pobl a Sicrwydd Perfformiad: Parties / Committees consulted prior to People Planning and Performance Assurance Committee:	CE&IM&TSC and Finance 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 also included within individual business cases and Capital prioritisation process.
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 assessment are included within individual business cases and Capital prioritisation process when required.