

Name of Sub-Committee:	Capital, Estates and IM&T Sub-Committee (CE&IM&TSC)
Chair of Sub-Committee:	Deputy Chair - Paul Williams, Assistant Director of Strategic Planning and Developments
Reporting Period:	4th June 2021

Key Decisions and Matters Considered by the Sub-Committee:

Capital Resource Limit (CRL):

The following key matters were discussed:

Capital Resource Limit 2020/21:

- The CRL for 2020/21 has been issued with the following allocations:
£15.3 million(m) - All-Wales Capital Programme (AWCP);
£7.421m – Discretionary Capital Programme;
£22.726m – Total CRL.
- Further allocation available:
£0.300m – Disposal of Cardigan Hospital & Health Centre;
£0.089m - Disposal of Neyland Health Centre;
£0.389m – Sub-total;
- **£23.115m - Total Capital Allocation.**

Expenditure Profile Forecast:

It was noted that the substantial increase in expenditure expected during July 2021 is due to the purchase of the MRI Scanner for Withybush Hospital and that expenditure levels will be monitored throughout the year to avoid high spending levels at year end.

Financial Risks:

- COVID-19 costs for Women and Children (W&C) Phase II - Discussions have been undertaken with NHS Wales Shared Services Partnership (NWSSP) who will review the costs submitted for reasonableness and ensure they are COVID-19 related.
- It was noted that additional risks and issues have been identified during the past month concerning the W&C Phase II Project and work is being undertaken to understand the impact.

Capital Programme 2021/22

The details of Hywel Dda University Health Board's (HDdUHB) AWCP allocations to the following schemes were highlighted:

- Women and Children Phase II.
- Magnetic Resonance Imaging (MRI) - Withybush General Hospital (WGH).
- Additional Computerized Tomography (CT) in Glangwili General Hospital (GGH).
- Replacement CT in WGH.
- Estates Funding Advisory Board.

Discretionary Capital 2021/22

The CE&IM&TSC noted that the programme of expenditure from the report presented to PPPAC in April 2021 was endorsed. However, since the meeting, amendments have been made and the potential amount available for reallocation is £1.180m. A prioritisation matrix has been developed

and will be tested to ascertain whether it can be used for the allocating of the balance of available funds.

There is an opportunity to test the prioritisation matrix in the allocation of the balance of funds for 2021/22. The CE&IM&TSC was advised that the money allocated for the Estates Infrastructure was insufficient for the works required and extra funds have been requested.

Members noted the following:

- The CRL for 2020/21.
- The financial risks currently being managed.
- The update on the 2021/22 capital programme and the approach planned for the prioritisation on unallocated capital in-year and the additional funding for the year for a national Pharmacy System.
- Funding for circa £2.5m for demountables at Prince Phillip Hospital (PPH) as part of the COVID-19 recovery plan. Further work on the assessment of costs are to be undertaken.

Capital Governance – Project Highlight Reports

Active Projects - Red and Amber RAG rated projects (not currently on hold) reported to the CE&IM&TSC in May 2021 were as follows:

Projects with red RAG rating	Projects with amber RAG rating (2 consecutive months +)
Cross Hands Health & Wellbeing Centre	Aseptic Scheme
Cylch Caron	Chemotherapy Day Unit - Bronglais General Hospital (BGH)
Pond Street/Penlan	Endoscopy/JAG Accreditation & Day Case Surgery Project - PPH
Women & Children Phase II	Business Continuity Programme Business Case
Transforming Mental Health (TMH)	Fire Enforcement Work (WGH)
	Fire Enforcement Work (GGH)
	Welsh Community Care Information Solution (WCCIS)
	MRI Witybush

The Discretionary Capital Programme (DCP) and Capital Governance are subject to a separate report on the PPPAC agenda.

The CEIM&TSC noted the content of the report, and those projects currently reporting a red RAG status or increase in RAG status and the mitigation plans in place.

Supplementary projects to note were as follows:

Aberystwyth Integrated Care Centre (ICC)

It was noted that a multi-agency group has continued to meet to consider the feasibility of converting the Aberystwyth University Llanbadarn site for the phased development of an ICC.

Following a report submitted to Executive Team on 24th March 2021 to share progress on discussions, a Project Group has been instated and there is support from Welsh Government (WG) for this scheme.

Aberystwyth Integrated Education Centre

A group has been established to consider a way forward regarding improving current clinical education facilities at BGH. An initial draft scoping document has been shared with WG capital colleagues. Feasibility work regarding potential options will be required to be undertaken. The scale of the capital projects agenda was recognised and will be subject to a discussion with the Director of Strategic Development and Operational Planning.

Capital Project Monitoring Reports

The CE&IM&TSC was informed of delays in reports being submitted by agreed deadlines, however this is improving. Dashboards were presented containing information relating to activities in 2021. It was noted that the report covering March 2021 would not be submitted until April 2021. Dashboards will only be submitted every other month as the Estates Advisory Board Funding Tracker submissions are now being submitted on alternative months. It was noted that there was a delay with the submission of the most recent dashboard on the Women & Children's Phase II Project to ensure the content satisfied the recommendations made in the latest Audit Report.

Estates Advisory Board Funding Tracker

It was noted from the Estates Advisory Board Funding Tracker that this programme is new. There are 12 months to complete the work, with a £5.5m budget which will assist with the estates work and decarbonisation plans. The tracker displayed the current position of the works and the different stages of the work plans. The tracker is being monitored by WG and progress reported at CE&IM&TSC meetings. A further update during the Autumn with details of any slippage or underspend was requested during the meeting.

Capital Audit Tracker

The audit tracker report provides information concerning several separate capital audits undertaken and is reported to the Audit & Risk Assurance Committee (ARAC) and CE&IM&TSC. A report was presented with a synopsis of the current position on recommendations from:

- Audit Wales;
- Capital Audit (internal audit);
- Mid & West Wales Fire & Rescue Service (MWWFRS).

There are currently 26 open audit reports generating 166 recommendations. 82 recommendations have been completed and 84 recommendations remain outstanding. A total of 31 of the outstanding recommendations are currently behind schedule.

The Audit & Risk Assurance Officer meets with the Head of Facilities, Information & Capital Management and Planning Project Manager on a monthly basis where progress is reported against each outstanding recommendation. Reports superseded since January 2021 were noted as follows:

- Capital Assurance Follow Up (*June 2020*);
- Estates Assurance Follow Up (*June 2020*).

There were no reports revised since January 2021 to record. Reports closed since January 2021 were noted as follows:

- Estates Directorate & Governance Review (*October 2019*);
- Water Safety BGH (*May 2020*);
- Water Safety Follow Up WGH (*May 2020*);
- Environmental Sustainability (*August 2020*);
- Review of Estates (*May 2017*);
- Enforcement Notice: The Regulatory Reform (Fire Safety) Order 2005: Article 30 Premises: Withybush General Hospital. The serving of this Notice dated 09 February 2020 and numbered KS/890/02 (*February 2020*);
- Enforcement Notice: The Regulatory Reform (Fire Safety) Order 2005: Article 30 Premises: West Wales General Hospital, Glangwili, Dolgwili Road, Carmarthen, Carmarthenshire, SA31 2AF KS/890/06 (*April 2020*).

There remain several outstanding recommendations which were highlighted in Appendix 1 of the report with comments received from service leads in respect of progress for those recommendations with lapsed timescales. The reports opened since January 2021 are identified below:

- Management of Fire Enforcement Notices Final Internal Audit Report 2020/21 NWSSP;
- Glangwili Hospital Women & Children's Development Final Report 2020/21 NWSSP;
- Capital Assurance Follow Up Final Internal Audit Report 2020/21 NWSSP;
- Estates Assurance Follow Up Final Internal Audit Report 2020/21 NWSSP;
- Digital Modelling (EDAPT) Final Internal Audit Report April 2021 NWSSP.

The CE&IM&TSC noted the content of the report and the progress of the implementation of outstanding audit recommendations. The seven reports closed since the last reporting period in January 2021 were also noted.

CE&IM&TSC Annual Work Plan

The CE&IM&TSC meets on a bi-monthly basis. A paper was presented with the work plan for the period April 2021 to March 2022. The work plan was noted and approved.

Women & Children's Phase II Project Update

The report presented to PPPAC in April 2021 was included as a separate item on the agenda and a position update of the project was noted. It was further noted that an update report would be presented to PPPAC at its June 2021 meeting.

A Healthier Mid & West Wales – Programme Business Case (PBC) Update

The CE&IM&TSC was presented with an update on the progress of the Healthier Mid & West Wales PBC. It was noted that the engagement period had commenced and will end on 21st June 2021, with a positive level of engagement noted to date. It was further noted that the activity modelling work remains ongoing. The contents of the slide presentation were noted.

Post Project Evaluation for 2021/22 Lessons Learned Plan

The CE&IM&TSC was presented with a plan detailing the process and benefits of Post Project Evaluation and Lessons Learnt Reviews.

Post Project evaluations to include lessons learnt to be undertaken in 2021/22 include:

- Cardigan Integrated Care Centre;
- Front of House, BGH;
- Wards 9 & 10 WGH;
- Fishguard Health Centre;
- MRI BGH.

Lessons Learnt Review to be undertaken in 2021/22 include:

- Women & Children Phase II.

A timeline for the evaluations was considered and noted.

Backlog Audit Update

The CE&IM&TSC was presented with an updated position on the HDdUHB estates backlog position. It was noted that the backlog as at 31st March 2021 is now £82m which is a significant rise from the position reported on 31st March 2020. This is due to a significant increase of circa £19m in the fire safety backlog. It was noted that the discretionary allocation for capital will not allow HDdUHB to address this backlog and that the strategic way forward to deal with these issues will be via the progression of the Business Continuity, Major Infrastructure and Fire Safety business cases through WG. These business cases will be required to reflect the work being undertaken on the PBC to implement A Healthier Mid and West Wales.

The content of the report and impact on the Fire Safety Backlog was noted.

Prince Philip Hospital Land Option

The CE&IM&TSC was presented with a report explaining that the Local Authority have approached HDdUHB seeking interest in purchasing land adjacent to the PPH site. Following discussion, it was agreed that a meeting with Executive Directors be organised to construct a response.

ISO40001

An annual update regarding the compliance with ISO14001 was presented. Following an audit in September/October 2020, HDdUHB achieved the required accreditation. Members were asked to endorse the Environmental Management Review Objectives and Targets for 2021/22.

Decarbonisation Programme Update

The CE&IM&TSC was presented with an update report on work undertaken and planned to progress HDdUHB's Decarbonisation Strategy. In order to maximise on the ability to bid for future funding opportunities through WG, Members endorsed the progression of further work on the proposal to develop a Photovoltaic Solar project at WGH.

Papers for information

The CE&IM&TSC noted the following papers for information:

1. Capital Review Meeting - Minutes of meetings held in February 2021.
2. Capital Planning Group – Minutes of meetings held on 25th February 2021 and 15th April 2021.
3. Capital Monitoring Forum – Minutes of meetings held on 20th April 2021.

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

All other key capital matters are included in the separate DCP and PBC update reports on the PPPAC agenda.

Risks / Matters of Concern:

Capital Resource Limit and Discretionary Capital Allocations 2021/22: The capital allocation remains insufficient to provide PPPAC with full assurance on the management of infrastructure and backlog risks for the 2021/22 year. A separate paper is included on the PPPAC agenda regarding this issue.

Capital Projects: To note the capital projects included in this report currently reporting a high risk. Further detail is included in the separate DCP 2021/22 and Capital Governance report on PPPAC's agenda.

Planned Sub-Committee Business for the Next Reporting Period:

Future Reporting:

- Prioritisation of capital schemes and expenditure for 2021/22.
- Capital Project Highlight Reports.
- A Healthier Mid & West Wales - Programme Update.

Date of Next Meeting:

21st July 2021