



<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>Report from Deputy Chair, Paul Williams, Assistant Director of Strategic Planning and Developments</b>
<b>Reporting Period:</b>	<b>26 January 2021</b>

#### **Key Decisions and Matters Considered by the Sub-Committee:**

##### **Capital Resource Limit (CRL):**

The following key matters were discussed:

- The CRL for 2020/21 has been issued with the following allocations:
  - £9.39m - All-Wales Capital Programme.
  - £6.888 – Discretionary Capital Programme.
  - £1.09m – Slippage due to COVID-19 from 2019/20.
  - £0.935m – COVID-19 Digital Devices & Information Technology.
  - £10.382m – COVID-19 Equipment.

**£28.685m – Total CRL.**

Further allocation available:

- £0.75m – Disposal of Cardigan Hospital & Health Centre.
- £0.05m – Equipment disposals.
- £0.35m – Pending CRL allocation – Withybush General Hospital (WGH) Fire Project Business Case (PBC).

**£1.1m – Sub-total**

- £29,835 - Total Capital Allocation.
- Welsh Government (WG) have provided an additional £0.255m for energy and decarbonisation.

The current funding gap for COVID-19 associated items has reduced to £0.272m; this represents the difference between costs committed and funding released by WG to date. WG is expected to fully fund this balance.

There is an additional £3.294m associated with the Women & Children's scheme; this is related to COVID-19 costs. WG are expected to fund the costs at the end of the scheme. There is a financial impact of the Women & Children's scheme on current year cash flow due to the ongoing delays and issue of a new programme; this impact is being assessed.

Slippage of £0.7m was noted on the WGH Magnetic Resonance Imaging (MRI) scheme in 2020/21.

##### **Discretionary Capital Programme (DCP) 2019/20:**

The following key matters were discussed:

- A joint paper was prepared and submitted to Formal Executive Team (COVID-19) in December 2020 to underline the pressure on the capital programme of an additional £7.977m of investment related to COVID-19. Following approval at Formal Executive Team (COVID-19), further slippage has been identified on the capital programme totalling £1.149m. At the last Capital Planning Group, items to progress against the slippage were agreed totalling £1.048m.
- HDdUHB was requested to submit a schedule of end-of-year bids to WG for consideration; a list was submitted in December 2020 totalling £2.510m. On 13<sup>th</sup> January 2021, WG

confirmed they would allocate £1.980m to progress with procurement of the majority of the items.

- Since 13<sup>th</sup> January 2021, further slippage has been identified on schemes and contingency balances. The items planned to progress as a consequence of that slippage are noted below:
  - £309k identified through slippage on existing scheme allocations.
  - £267k potential additional allocation.
  - **£576k Total Allocation.**

Based on priorities, the following possible opportunities for spend were identified: £21k Research & Development; £18k balance on theatre tables; £55k pharmacy aseptic additional cost; £30k radiology probe; £26k VAT on Dental Airflow Scheme; £50k bariatric beds; £8k bladder scanner WGH; £25k bladder scanner community; £50k pop-up tents Plas Crug; £270k additional IT costs. This leaves a balance of £23k to allocate, not including any further slippage yet to be quantified. Approval was given by the CE&IM&T Sub-Committee to proceed with procuring these items before year-end.

- It was highlighted that the WGH MRI scheme requires more focus and will be reported to PPPAC.
- The slippage this year will impact as a DCP pre-commitment for next year and there are costs that are in excess of the funded position. The impact next year is circa £1m.
- It was noted that there remains a greater backlog pressure than the DCP can fund. There is a backlog of circa £28m of capital equipment and also circa £8m of revenue (non-capital) related equipment with no identified funding; this has consequences on the broader equipment position.
- The estates Major Infrastructure Programme Business Case has been submitted to WG and scrutiny comments have been received.
- The Aberaeron Integrated Care Centre won the WG Ystadau Cymru award in the Integrated Services category.
- Notification has been received that the two priority Computerised Tomography (CT) Scanners for Glangwili General Hospital (GGH) and WGH are likely to be funded by WG, the specifications and budget costs are being prepared.
- Notification has been received of additional funds being reserved for next year in the All-Wales Capital Programme for fire, estates infrastructure, mental health and decarbonisation. WG is seeking bids against these funds; the initial timeline is for bids to be submitted by the first week of March 2021.

The CE&IM&TSC noted the Capital Resource Limit for 2020/21, together with the value of capital expenditure currently committed to COVID-19 and the funding released to date. The financial risks currently being managed were also noted, as were the changes to the capital programme following the report submitted to Formal Executive Team (COVID-19) and identification of in-year slippage on schemes, as well as the submission to WG for end of year monies.

### Capital Governance – Project Highlight Reports

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

Projects with red RAG rating	Projects with amber RAG rating (2 consecutive months + )	Projects on HOLD
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Cross Hands Health & Wellbeing Centre	Aseptics Unit - GGH	Cardiology Suite, GGH
Cylch Caron	Chemotherapy 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 Phase II	Estates Infrastructure & Ward Refurbishments - HDdUHB wide	
	Transforming Mental Health (TMH)	
	Welsh Community Care Information Solution (WCCIS)	

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

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

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.

Other projects to note were:

- Aberystwyth Integrated Care Centre  
All of the service specifications have been received, apart from General Medical Services (GMS). This will be prioritised into a benefits and needs analysis to inform the Strategic Outline Case (SOC).
- Aberystwyth Integrated Education Centre  
A scoping meeting was held with WG. No further updates are available. The Assistant Director of Strategic Planning and Developments will pursue the matter to determine the latest position.
- Two Fire Investments  
These have both been through the PBC stage, the next stage being the preparation of a Business Justification Case (BJC). Highlight Reports are required to be submitted to the CE&IM&TSC from March 2021 onwards.

### **Capital Project Monitoring Reports:**

The CE&IM&TSC noted that HDdUHB's performance in submitting the dashboards to WG by the deadlines has been variable. The targets were met 100% in December 2020. In January 2021, one was submitted on time and two were 24 hours late. The dates for the 2021 submissions have been circulated. No specific comments have been received back from WG to date.

### **Capital Audit**

The CE&IM&TSC received a report providing an update on progress concerning the

recommendations received from NHS Wales Shared Services Partnership (NWSSP) Audit and Assurance Services in respect of a number of the audit reports included in the Capital Audit Tracker.

- The report has been amended to capture any delays due to COVID-19 or external factors outside the control of HDdUHB.
- There are currently 27 open audit reports generating 163 recommendations. 79 recommendations have been completed and 84 recommendations remain outstanding. There are 28 outstanding recommendations currently behind schedule, focus remains on the outstanding recommendation and work is continuing within the Audit & Assurance Services to close these where possible.

The CE&IM&TSC noted the contents of the report and the progress in implementing the outstanding audit recommendations.

### **Ysbyty Glan Clwyd – Lessons Learnt Report**

There are eight recommendations in the report for consideration and the management responses to these recommendations are included at the end of the report.

The CE&IM&TSC noted the contents of the advisory report, and the recommendations for the strengthening of HDdUHB's capital governance and the initial management responses.

### **Isolation Facilities**

A report was presented regarding negative pressure (airborne) isolation room requirements. A Welsh Health Circular was drafted in July 2019 concerning Airborne Isolation Room Requirements, which significantly changed the requirements. In particular, there is an increase in the number of rooms required across HDdUHB, including:

- Every 24-hour Emergency Unit must have a Negative Pressures Suite (NPS).
- Every Health Board must have at least one NPS for their respiratory pathways.
- A NPS is required in every Level 3 general Critical Care Unit.

HDdUHB is currently not compliant with these requirements.

The CE&IM&TSC agreed to the establishment of a multi-disciplinary short-life working group to explore the scope of the work and whether an All-Wales or regional approach is appropriate. It was recommended that the group also generate an updated risk assessment in order to prioritise the risk and establish who owns the risk within the organisation.

### **A Healthier Mid & West Wales – PBC Update**

A presentation was provided at the previous meeting of the A Healthier Mid & West Wales (AHMWW) PBC Programme Group on 14<sup>th</sup> January 2021. The following key matters were noted by the CE&IM&TSC:

- The Future Generations Commissioner for Wales provided a helpful presentation, outlining best practice.
- There is an emerging vision, which requires focus throughout the development of the programme.

- A range of Clinical Engagement Focus Groups have been held; engagement with the few remaining groups will be undertaken as soon as clinical commitments allow.
- A key decision was made regarding our approach to engagement and land selection. The Consultation Institute recommended a holistic approach and effective engagement with the public. This involves taking into consideration any changes that have taken place since the end of the consultation in 2018. Although it was agreed this is the right approach, it may delay the PBC by two to three months; options are being investigated to mitigate the delay.
- A meeting is taking place with WG in February 2021 regarding economic appraisal and spending objectives to ensure the structure is correct.
- The governance arrangements have been approved by the Executive Team.
- The Design Team have produced a presentation indicating the range of areas where we will be seeking innovation.
- Key risks were noted, including the challenges in engaging with clinical colleagues due to COVID-19. This may impact upon the timeline for completion of the PBC. Affordability is also a key risk.

The CE&IM&TSC noted the contents of the slide presentation and the current position regarding engagement plans as well as the possible delay this may cause with regard to completion of the PBC.

### **Aseptic Scrutiny Grid**

The Aseptic Scrutiny Grid was presented for information. It was noted that as a result of audit recommendations, Scrutiny Grids would be provided to the CE&IM&TSC in future. The contents of the Scrutiny Grid were noted.

### **Infrastructure & Investment Plan 2021/22**

A progress update with regard to the Infrastructure & Investment Enabling Plan for 2020/21 was provided.

Planning guidance was issued late in December 2020, requiring an Annual Plan for 2021/22, and emphasising that there is no requirement for a 3-year Integrated Medium Term Plan (IMTP) this year. An Infrastructure & Investment Enabling Plan will be provided as an appendix to the Annual Plan. The Enabling Plan will be completed with the support of Finance, Estates, IT and the Operational Teams. The draft plan will be structured to reflect the key capital issues facing the HDdUHB; this includes PBC development, ongoing All-Wales allocation for diagnostics of £20m, the All-Wales central allocation for infrastructure of £37m, our £7.421m discretionary allocation with £2.6m of pre-commitments and our aspiration to produce a 5-year rolling plan for the use of Discretionary Capital.

The update on the Infrastructure and Investment Enabling Plan was noted.

### **Aberaeron Integrated Care Centre**

A slide presentation was developed to present to the Charitable Funds Committee. The presentation details how funds were used in Aberaeron ICC and the Charitable Funds Committee appreciated the positive feedback regarding the impact of the investment.

## Papers for Information

The following papers were noted for information:

- Capital Review Meeting - Minutes of meeting held on 26<sup>th</sup> October 2020
- Capital Planning Group – Minutes of meeting held on 17<sup>th</sup> December 2020.
- Capital Monitoring Forum – Minutes of meeting held on 15<sup>th</sup> December 2020.

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

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

## 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 has commenced to prioritise the allocation of Discretionary Capital 2021/22 as outlined in the DCP report to PPPAC.
  - There is a backlog of circa £28m of capital equipment and also circa £8m of revenue (non-capital) related equipment with no identified funding; this has consequences on the broader equipment position.
- **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:

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

### Date of Next Meeting:

30<sup>th</sup> March 2021