

Name of Sub-Committee:	Capital, Estates and IM&T Sub-Committee (CE&IM&TSC)
Chair of Sub-Committee:	Karen Miles, Director of Planning, Performance and Commissioning Report from Deputy Chair, Paul Williams, Assistant Director of Strategic Planning and Developments
Reporting Period:	22nd September 2020

Key Decisions and Matters Considered by the CE&IM&TSC:

Capital Resource Limit (CRL):

The following key matters were discussed:

- The CRL for 2020/21 has been issued with the following allocations:
£12.853m All Wales Capital Programme (AWCP).
£7.271m Discretionary Capital Programme.
£1.090m Slippage due to COVID-19 from 2019/20.
£1.158m COVID-19 – Digital Devices & Information Technology (IT).
£6.361m COVID-19 – Equipment (Acute Sites and Field Hospitals).
Total £28.733m
- Two new AWCP allocations have been approved since the previous reporting period:
- Advance Fire Compliance Works at Withybush General Hospital (WGH): £0.350m.
- COVID-19 – Digital Devices: £0.192m.
- The total expenditure for Month 5 (August 2020) was £11.151m, of which £8.373m is COVID-19 related.
- Costs committed to COVID-19 associated items for 2020/21 is £11.247m. Funding released by Welsh Government (WG) to date is a total of £7.328m.
- 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, was detailed.
- 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. The report also highlighted that this risk had been added to the Corporate Risk Register.
- An update was also provided on the Women & Children's Phase II Scheme.

The CE&IM&TSC noted the Capital Resource Limit 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 additional risk added to the Corporate Risk Register and the update on the Women & Children's Phase II scheme.

Discretionary Capital Programme (DCP) 2019/20

The following key matters were discussed:

- The additional pressures on the DCP.
- The potential mitigations available and the release of £500k from existing allocations to fund the COVID-19 streaming solutions.

- The capital situation remains fluid as HDdUHB continues to respond to COVID-19 related pressures and there remains a risk that some of these might impact on current discretionary capital programme priorities.
- The requests presented to WG for the retention of underspends and sale receipts to help mitigate 2020/21 pressures.
- The pre-commitment of c£550k for the 2021/22 DCP relating to the additional cost for the WGH MRI scanner works.

The CE&IM&TSC noted the report and discussed the current position of the relocation of Pond Street Clinic to Penlan as although support is being sought from WG, this is currently a pre-commitment from the DCP. The CE&IM&TSC agreed that an update should be prepared for submission to Executive Team highlighting the available options.

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
Crosshands Health & Wellbeing Centre	Aseptics Unit - Glangwili General Hospital (GGH)	Cardiology Suite, GGH
Cylch Caron	Chemotherapy Day Unit - Bronglais General Hospital (BGH)	Energy Project, Phase 2
Pond Street / Penlan	Endoscopy / JAG (Joint Advisory Group) Accreditation & Day Case Surgery Project - Prince Philip Hospital (PPH)	Information Management & Technology Programme Business Case
Women & Children's Phase II	Transforming Mental Health (TMH)	

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.

The CE&IM&TSC were also made aware of PPPAC's requirements for clarity relating to projects reporting a red RAG status to differentiate between whether the situation had improved or worsened in the reporting period. It was also agreed that a meeting with the NHS Wales Shared Services Partnership (NWSSP) Capital Audit Team would be beneficial to discuss ways of improving future reporting and learning from others.

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.
- Crosshands Health & Wellbeing Centre.

The CE&IM&TSC noted the delays in submission to WG for returns in August and September 2020 and asked that the source of delay be explored and a report be presented to the CE&IM&TSC meeting in November 2020.

Capital Audit

The CE&IM&TSC received a report providing an update on the progress concerning the recommendations received from NWSSP Audit and Assurance Services in respect of a number of the audit reports included in the Capital Audit Tracker. The tracker detailed the progress made on implementing the recommendations contained in reports issued since January 2020.

The CE&IM&TSC noted the content of the report and the progress of the implementation of outstanding audit recommendations. In addition, the CE&IM&TSC agreed that for future reporting, a further breakdown of recommendations reported as 'behind schedule' would be helpful.

The CE&IM&TSC noted the considerable work being completed associated with fire compliance issues at WGH and GGH.

Update on Fire Enforcement Notices and Letters of Fire Safety at (WGH and GGH)

A report was presented to the CE&IM&TSC following submission to the Health & Safety Assurance Committee meeting held on 7th September 2020. The report provided an update on progress on the Fire Enforcement Notices and Letters of Fire Safety issued by the Mid and West Wales Fire & Rescue Service (MWWFRS) relating to WGH and GGH.

The CE&IM&TSC noted the current progress against the Fire Enforcement Notices and Letters of Fire Safety outlined within the report and the further work necessary to fully evaluate any modifications to the established programme. The CE&IM&TSC also noted the urgent action being taken to receive written confirmation from MWWFRS in support of the verbal agreements made to date.

Cardigan Legal Position

The Cardigan Legal Position report was presented to the CE&IM&TSC following the conclusion of legal advice received in relation to the failing retaining features on the shared boundary with Sainsbury's Supermarkets Limited (SSL) construction plateau and consideration of this advice by WG.

Ysbyty Glan Clwyd, Denbighshire (Betsi Cadwaladr UHB) – Lessons Learnt

The CE&IM&TSC were presented with the report of the Auditor General for Wales on lessons learnt following the conclusion of refurbishment work at Ysbyty Glan Clwyd. The CE&IM&TSC agreed it would be useful to review the key recommendations which could be applied to capital schemes within HDdUHB and requested a report for submission to the next meeting in November 2020, providing a position statement against each relevant recommendation, noting any areas that could be strengthened. The Capital Audit Team from NWSSP agreed to assist in this work and to advise on the best approach.

The CE&IM&TSC noted that this may be of benefit to the Audit & Risk Assurance Committee (ARAC) to provide assurance that work around 'lessons learnt' is underway.

Imaging Equipment – Update

The Imaging Equipment report was submitted to the CE&IM&TSC to provide an update on the progress of current digital imaging schemes. Three schemes have been successfully completed despite the impact of COVID-19:

- General room, PPH.
- Fluoroscopy Room, GGH.
- General Room, WGH.

The WGH MRI scanner replacement scheme is scheduled to complete in early 2021/22, however the scheme works costs have tendered higher than estimated and WG funding; this will therefore be required to be a DCP pre-commitment for 2021/22 if further WG funding cannot be secured.

The CE&IM&TSC were made aware that the risk associated with CT (computerised tomography) scanners had increased. An initial order of priority for their replacement had been agreed and shared with WG and will require WG imaging capital to address. Further discussions with WG will take place regarding the next possible allocation of funding.

The CE&IM&TSC noted the successful completion of schemes to date, as well as the updated priorities.

Estate Backlog

The Estates Backlog report provided the CE&IM&TSC with an update on the current backlog position and provided an overview of the wider challenges and the recommended way forward.

The current level of backlog stands at £62m compared to £59m last year.

The continued progression of the Major Infrastructure Programme Business Case (PBC) is vital in order to keep the estate operational. A report will be presented to PPPAC on 29th October 2020 to seek approval before submission of the PBC to WG.

The CE&IM&TSC reviewed the report and noted the changes to the backlog position and the work ongoing to maintain and update the backlog database. The CE&IM&TSC also noted the position with regard to statutory investment priorities and the work ongoing to report and manage these via the risk process. The position with infrastructure investment and the ongoing plans to deliver the larger priority schemes via the Major Infrastructure PBC were also noted, as well as the discussions in progress at the CE&IM&T Risk Workshops.

Carbon and Energy 'Spend to Save' Project Opportunities – Update

A report was presented to the CE&IM&TSC, providing an update on the progress made to deliver projects in 2020/21 and 2021/22, reflecting upon the impact COVID-19 continues to have on the programme.

The Phase 1 Roof Mounted Photovoltaic projects were delivered on three sites. Work is underway on Phase 2. Initial design work is being progressed and an application will be submitted to WG to secure funding over the next two financial years. The investment projects include:

- A Solar Car Port scheme which, if progressed, would be the first in Wales.
- A Solar panel project at Hafan Derwen, which is being progressed for the next financial year. DCP funding of £40k is funding initial design work.
- The light-emitting diode (LED) lighting scheme is being progressed and specifications are currently being prepared.
- The liquefied petroleum gas (LPG) scheme is currently on hold due to staff furlough and lower oil prices.

The CE&IM&TSC noted the update as well as the next steps detailed and approved in principle the approach taken. The CE&IM&TSC also requested a profile of planned spending over the next two years.

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

The CE&IM&TSC was informed that the Chief Executive would be submitting a report to Public Board in September 2020 setting out the revised strategic objectives for the organisation together with the actions associated. Included within these actions is the expectation of completion of the Full Business Case (FBC) by 2024 for the new hospital, as well as a refurbishment of GGH and WGH.

The PBC is being progressed with external specialists engaged for Land acquisition, Master Planners and PBC writers. As more details become available, a further update will be presented to the CE&IM&TSC.

Infrastructure & Investment Plan 2021/22 (*verbal update*)

The CE&IM&TSC noted that, routinely, a detailed programme of work in respect of the Infrastructure & Investment Enabling Plan would be available at this point in the year heading towards completion of an Integrated Medium Term Plan or Annual Operating Plan, however due to COVID-19 pressures, guidance has not yet been received from WG.

It was highlighted that from a financial perspective, WG would be issuing a set of templates for completion in respect of the Quarter three and four reports and these will be shared once received.

Work will commence over the next two months to update the Infrastructure & Investment Plan from last year, updating baseline information and setting out the programme for 2021/22 and the three to five year period. The CE&IM&TSC noted that drafts will be presented to the CE&IM&TSC as they develop.

Any Other Business

Laptop Backlog – It was highlighted that there are currently 147 laptop requests within the system to enable staff to work from home, with no funding available from the allocated budget. Approximately £165k is needed to clear the backlog. The list of requests will be reviewed to add a level of prioritisation before being taken to the Executive Team for support. Various options for funding solutions were discussed for consideration including discussion at the Capital Review Meeting (CRM) with WG.

Capital Audit Programme – Representation from the Audit & Assurance Service provided the CE&IM&TSC with an update on the All Wales Capital Programme and the continued scrutiny process of All Wales Capital schemes.

Papers Received for Information:

- Capital Monitoring Forum – minutes of meetings held 7th July 2020 and 11th August 2020.
- Capital Planning Group – minutes of meeting held 20th August 2020.

PLEASE NOTE – CE&IMT Draft Revised Terms of Reference

It should be noted that at the July 2020 meeting of the CE&IM&TSC, revised Terms of Reference (ToR) were presented in draft format which reflected inclusion of Estates policies upon the guidance of Corporate Governance. This guidance was provided after the CE&IM&TSC endorsed the 'Waste Management Policy' at its meeting held on 6th June 2020.

The Waste Management Policy will be presented to PPPAC on 29th October 2020 for final approval.

The draft ToRs were endorsed by the CE&IM&TSC with the final version due to be submitted to PPPAC in December 2020 and as such, further advice will be sought from the Corporate Governance Team ahead of submitting the final document to the CE&IM&TSC meeting in November 2020.

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

All other key capital matters are included in the separate DCP report included within 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 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 the PPPAC 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 2020/21.
- Capital Project Highlight Reports.
- A Healthier Mid & West Wales - Programme Update.

Date of Next Meeting:

19th November 2020