



**PWYLLGOR DATBLYGU STRATEGOL A CHYFLENWI GWEITHREDOL
STRATEGIC DEVELOPMENT AND OPERATIONAL DELIVERY COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	27 October 2022
TEITL YR ADRODDIAD: TITLE OF REPORT:	Discretionary Capital Programme (DCP) 2022/23 and Capital Governance Update Report
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lee Davies – Director of Strategic Development and Operational Planning
SWYDDOG ADRODD: REPORTING OFFICER:	Paul Williams, Assistant Director of Strategic Planning Report prepared by Eldeg Rosser, Head of Capital 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 Strategic Development and Operational Delivery Committee (SDODC) detailing:

- Update on the 2022/23 Capital Programme
- The capital schemes governance update

Cefndir / Background

This report provides an update on the 2022/23 Discretionary Capital Programme, it follows on from the report and discussion at the SDODC meeting held on 25th August 2022 and the Capital Sub-Committee (CSC) meeting held on 30th September 2022. The report also captures the additional All Wales Capital allocations received from Welsh Government (WG).

The allocation of the programme is set within the context of continuing risks associated with backlog pressures which are particularly relevant given the significant reduction in the DCP allocation for the year and the constraints on the wider All Wales Capital Programme.

The terms of the Discretionary Capital Allocation letter from 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 for DCP includes representation from Executive portfolios at the Capital Planning Group (CPG) which reports to the Capital Sub-Committee (CSC), and the position set out is consistent with that reported to the Sustainable Resources Committee (SRC).

Asesiad / Assessment

Capital Resource Limit and Capital Programme 2022/23

The CRL for 2022/23 has been issued with the following allocations:

Allocation	£m
All Wales Capital Programme (AWCP)	25.859
Discretionary Programme (gross allocation)	5.290
Disposal Proceeds	0.075
Total	31.224

In addition, the review of the 2021/22 capital programme for VAT recovery concluded in July which has resulted in £0.300m in VAT recovery which can be re-provided.

The following adjustments have been made to the CRL since the last report:

Scheme	£m	Description
Glangwili - Fire Enforcement works - Phase 1	-0.976	Reduction due to revised forecast for the year
Withybush - Fire Enforcement works - Phase 1	2.674	Increase due to revised forecast for the year and release of WG contingency
Business Continuity Programme - Fees	0.500	New allocation – Amount has now been amended to reflect expected allocation
Total	2.198	

The Capital Expenditure Plan for 2022/23 is detailed in the table below.

This reflects the additional DCP contributions / payback required to the AWCP programme in 2022/23.

Scheme	Planned Spend 2022/23 £m	Cumulative Spend Apr - Aug £m	Spend Aug £m	% remaining
AWCP				
Glangwili - Fire Enforcement works - Phase 1	6.027	1.706	0.467	71.7%
Withybush - Fire Enforcement works - Phase 1	6.959	2.372	0.847	65.9%
Neonates - Phase II - main	1.067	0.286	-0.002	73.2%
I2S - Multi-site projects	0.322	0.000	0.000	100.0%
PPH Demountable	1.898	0.609	0.036	67.9%
Fire Enforcement Works - WGH Decant Ward Fees	0.188	0.091	-0.027	51.6%
Withybush - Fire Enforcement works fees - Phase 2	0.935	0.134	0.123	85.7%

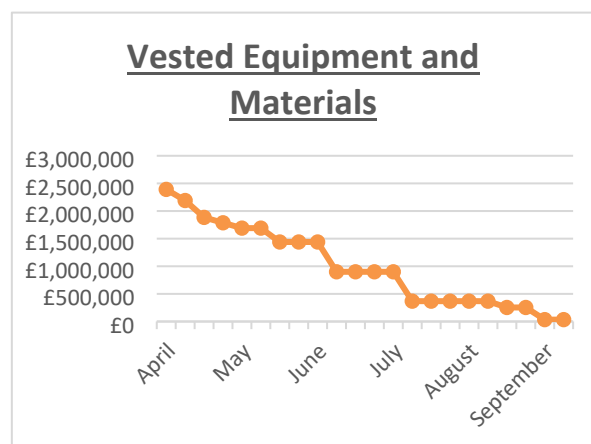
National Programme - Decarbonisation	0.655	0.014	-0.020	97.9%
National Programme - Fire	0.125	0.033	0.001	73.6%
National Programme - MH	0.420	0.048	0.000	88.6%
National Programme - Imaging	0.256	0.097	0.008	62.1%
CT Scanner PPH	1.383	0.039	0.030	97.2%
CT Scanner BGH	1.386	0.067	0.061	95.2%
DR Rooms	1.068	0.098	0.035	90.8%
Fluoroscopy Rooms	2.820	0.031	0.031	98.9%
Cross Hands Primary Care scheme	0.075	0.055	0.006	26.7%
EOY funding 21/22	0.423	0.401	0.401	5.2%
Business Continuity Programme	0.500	0.000	0.000	100.0%
Sub-total AWCP	26.507	6.081	1.997	77.1%
Discretionary/receipts				
IT	0.200	0.072	0.000	64.0%
Equipment	1.947	0.000	0.000	100.0%
Estates - Statutory	0.462	0.024	0.015	94.8%
Estates Infrastructure	1.626	0.110	0.084	93.2%
Other	0.482	0.157	0.065	67.4%
Sub-total Discretionary	4.717	0.363	0.164	92.3%
TOTAL	31.224	6.444	2.161	79.3%

Update on Vested Equipment

The Health Board planned to have Imaging / Diagnostic Equipment and Pharmacy robots in bonded storage at the end of March 2022 to ensure Supply Chain availability and to assist in managing the Capital Resource Limit in 2021/22. This equipment is being delivered in line with planned construction programmes through the course of 2022/23.

In addition to these there was a requirement to vest a significant number of additional equipment / materials due to delays at ports due to Brexit, construction delays and suppliers being unable to meet original delivery timelines.

The below weekly tracker shows that significant progress has been made in reducing the number to be delivered to the Health Board.



Capital Programme 2022/23

All Wales Capital Programme (AWCP)

The UHB All Wales Capital Allocations for 2022/23 is noted above

Following detailed discussion on the resource schedule to commence the delivery of the Business Justification Cases (BJCs) associated with the Major Infrastructure Programme Business Case (PBC) with NHS Wales Specialist Services Partnership (NWSSP) Specialist Estates Services (SES) £0.150m has been allocated in 2022/23 to progress with the work required to align the UHB's risk registers and the packaging of schemes for the development of future BJC's.

Diagnostic Imaging Programme

In 2021/22 the UHB received All Wales Capital of £12.2m to deliver a programme of diagnostic equipment replacement across the four main acute hospital sites over a two year period. The CT replacement scheme in GGH was completed in 2021/22 and the following schemes will be delivered during 2022/23:

Plan	Completion Date
Complete Computerised Tomography (CT) WGH	June 2022
CT PPH	October 2022
CT BGH	February 2022
Digital Radiography (DR) PPH	October 2022
DR GGH	November 2022
DR WGH	December 2022
DR/Fluoroscopy BGH	March 2023
DR BGH	March 2023

Tenders have been returned for these schemes and all are currently on target to complete by end of March 2023. The UHB has been advised that it is currently unlikely there will be a Diagnostic Imaging allocation available centrally in 2023/24.

Discretionary Capital Allocation (DCP)

The Board approved the Capital Programme for 2022/23 on 31st March 2022, following endorsement at SDODC on 24th February 2022.

The Operational Directorate are reviewing the equipment priorities currently approved, with replacement anaesthetic machines and sterilizer replacements being assessed as the highest priority replacement items for the use of the equipment replacement allocation. Procurement of these items is now progressing.

The contingency reserve has been increased to £0.650m to deal with emergency issues and breakdowns and is currently coming under significant pressure as the following items have already been funded from this reserve in 2022/23:

Item	Allocation £m
PPH Faxitron	0.072
BGH Accommodation repairs	0.035
GGH Chiller Unit	0.017

Networking solution records scanning project	0.050
GGH MRI Anaesthetic Machine	0.040
Pharmacy Robots	0.107
GGH Fire improvements	0.020
PPH Nurse Call	0.006
GGH MRI Oxygen Monitoring and extract system	0.170
WGH Gamma Camera repair	0.018
WGH Creche fence	0.013
Agile Working Project	0.030
Replace Ward Dishwasher BGH	0.006
BALANCE	0.067

Given the pressure on the contingency reserve the UHB submitted a request to WG to consider funding the two schemes for MRI in GGH out of the underspend expected on the Diagnostic Imaging allocation in 2022/23. This has been confirmed and will release £0.210m back into the contingency reserve. However, there are two additional requests which have been received which will leave £0.111m in our contingency reserve until March 2023.

Item	Allocation £m
WG funding	-0.210
Additional digital costs scanning project Dafen	0.066
Shoring works for external brickwork BGH lift shaft	0.100
BALANCE	0.111

The UHB will seek to recover some of these costs through end of year bids to WG should money becomes available via this route.

The UHB have been asked to provide WG with a schedule of confirmed schemes that could be delivered by the end of March should end of year monies become available, the Capital Planning Group, with representation from the Estates, Digital and Operational Teams have prepared a draft schedule and have prioritised this for submission to WG by the end of October.

WG have also made available a central £2m allocation for enhancing patient environment in Emergency Departments across Wales. Bids against this allocation have been prepared and co-ordinated with the Operational Teams and were returned to WG by 14th October.

Estates Funding Advisory Board (EFAB)

As reported previously, there is no EFAB allocation identified for 2022/23. On 7th September notification was received that a central allocation of £20m in 2023/24 and 2024/25 will be available across the following headings:

- **£12m** for Infrastructure (including a focus on Emergency Department Waiting areas) and Mental Health;
- **£5m** for Fire Compliance works; and
- **£3m** for Decarbonisation schemes.

In a change to the original EFAB programme, for 2023/24 and 2024/25 a 30% contribution towards schemes will be required from the UHB's DCP allocation.

To accommodate this the minister has also increased the DCP allocation across Wales by £10m – Hywel Dda’s contribution will equate to £0.888m

Bids against this allocation are due to be submitted to WG on 7th November 2022.

Pre-commitments for 2023/24

The current expectation is that the DCP allocation for 2023/24 will be £6.533m, the current known pre-commitments for 2023/24 are as follows:

Item	Allocation £m
BGH Chemotherapy Day Unit	0.346
GGH Women and Children	0.452
Pharmacy Cytotoxic Isolators – (repayable from Aseptic scheme if approved)	0.098
Primary Care Works	0.100
DCP contribution to EFAB schemes	TBC
TOTAL	0.996

Approval to proceed with the tendering process for the Pharmacy Cytotoxic Isolators has been given in advance of a WG approval for the Aseptic Business Justification case as there is currently a minimum of a 40 week delivery timeline for these items and they will be on the critical path for the project delivery.

Medical Devices Update

During the last Committee an updated on the Medical Devices position for the UHB was requested. A detailed report was prepared for the Capital Sub-Committee in July 2022 by the Deputy Director of Operations and the key points from this report are as follows:

- Overall investment in medical devices during 2021/22 was c.£8.9m
- Welsh Government directly funded an additional targeted £5.26m
- The updated and estimated replacement cost for the inventory is £96.9m across 31,902 devices.
- The value of in-service devices that are due or overdue replacement based on age has fallen to £31.7 million.
- The number of in-service devices that are due or overdue replacement based on age has fallen to 4,563.
- The age profile of in-service devices continues to improve with many, more newer items presently in-service supporting patient care.

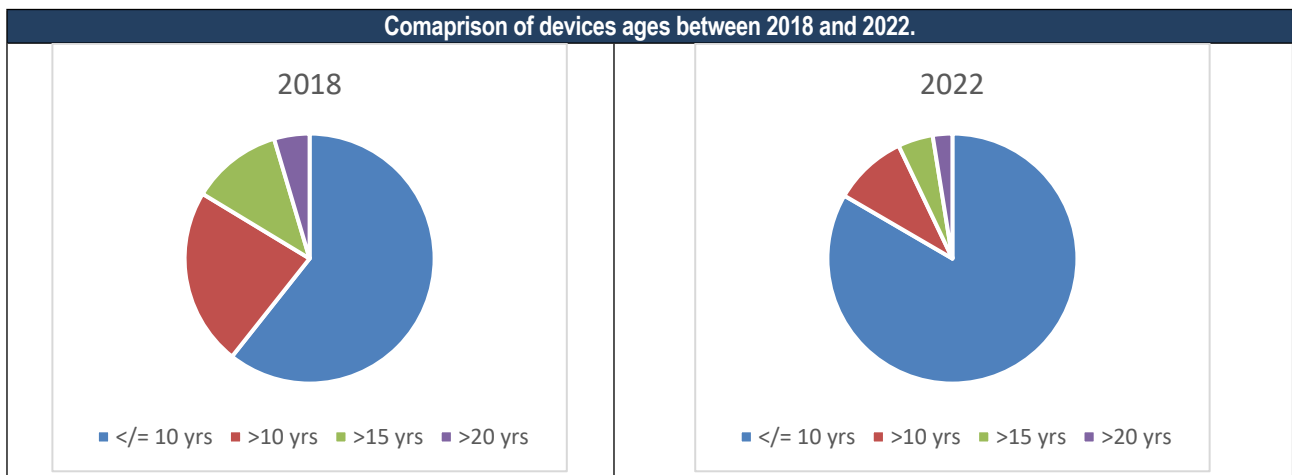
From the table below it can be concluded that:

- Year-on-year, efforts to replace both capital and revenue devices that are due/overdue replacement are having a positive effect on the backlog of devices in terms of both quantity and value;
- In the year to June 2022, the number of capital devices identified for replacement, having a combined replacement value of £2.7 million, fell by 51 representing 5%;
- Over the same period, the number of devices classified revenue by definition also fell – by 608 devices representing 12% having a value of approximately £1 million;
- It follows that the combined effect is an overall reduction in backlog by 659 devices and an associated improvement in the replacement backlog of £3.7m.

Devices 'In-Use' identified as potentially Due/Overdue/Requiring Replacement						
	Capital		Revenue		Overall	
	Qty.	Est. Replacement (£m)	Qty.	Est. Replacement (£m)	Qty.	Est. Replacement (£m)
2022	930	27.860	3,633	3.820	4,563	31.680
2021	981	30.560	4,241	4.880	5,222	35.440
2020	1,016	23.480	3,813	5.320	4,829	28.800
2019	1,131	30.070	3,210	5.290	4,341	35.360

From the graph below it can be concluded that:

- From a 2018 position where 78% of devices in service were 10 years old or less, this has improved to an unprecedented 90%;
- Furthermore, 72% of In-Use devices are now years or less in service;
- The Health Board should take assurance that these positive trends can be expected to continue through 2022/23 with the further deployment of the devices highlighted earlier;
- It can also be seen that the number of devices in clinical use that are >10 years in service has fallen from 22% (4,234) of the total in 2018 to 10% (3,042) in 2022;
- Likewise, the number of devices >15 years has also fallen from 11% (2,177) in 2018 to 5% (1,448) during the same 4-year period;



The key conclusions from the report from a capital perspective are:

- That improvements to the inventory will allow service leads to make more informed decisions when planning service developments and medical device replacements.
- Without significant and sustained investment in this area or a corresponding reduction in the number of devices in service, the Health Board can expect that the number and value of devices due/ overdue replacement will continue to increase to the potential detriment of patients, staff, and organisational safety.
- Intrinsically linked to the increasing number and value of equipment on the medical device inventory are the increased revenue resource requirements to ensure their appropriate maintenance arrangements are in place
- Whilst there will be a plethora of benefits to be realised from the progress made into medical device investment which will be seen by clinical users, the main motivation behind having a modern stock of medical devices must be the desire to improve patient

safety and the outcomes associated with the care provided by the organisation to our patient population. Through its rolling replacement programmes and the clinical/ technological modernisation of its devices, the Health Board can have increased assurance that its clinical staff have the essential tools to deliver the highest standards of patient care which should go beyond minimum expectations of the public.

- With an inventory replacement value of £96.9m and a notional life cycle of 10 years an annual replacement budget of £9.7m is required to stand still. The current value of the DCP allows for an investment of between £0.5m - £1m in the equipment inventory.

Capital Governance – Project Updates

At the September 2022 meeting of the Capital Sub-Committee, updates were considered from all HDdUHB's capital projects. Other than the A Healthier Mid and West Wales (AHMWW) PBC, the following projects are in progress:

- Women and Children Phase II
- Fire Enforcement Work Phase 1, WGH
- PPH Modular Theatres (COVID-19 recovery scheme)
- Fire Enforcement Work Phase 1, GGH
- CT Scanner Replacement PPH
- DR Replacement PPH
- DR Replacement GGH

The following project is at mobilisation stage:

- DR Replacement WGH

The following projects are currently at tender stage:

- CT Scanner Replacement BGH
- Fluoroscopy Replacement BGH
- DR Replacement BGH

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

- Cross Hands Health Centre
- Carmarthen Hwb – Partnership Project led by Carmarthenshire County Council (CCC), levelling up funding approved by UK Government on 27th October 2021
- Regional Cellular Pathology and Immunology Services
- Chemotherapy Day Unit, BGH
- Aseptic Services, WGH
- Sexual Assault and Referral Centre , Aberystwyth


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


- Aberystwyth Integrated Care Centre
- Aberystwyth Integrated Education and Research Centre
- Fishguard Integrated Health and Wellbeing Centre
- Neyland Integrated Primary and Community Development
- Fire Improvements BGH
- Llandoverly Health and Wellbeing Centre

Projects with a red RAG status are reported as follows:

- Women & Children Phase II
- Fire Enforcement Work WGH

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

Project	Overall RAG	Matters for Committee attention
PPH Day Surgery Unit	Current RAG	The scheme has experienced further slippage due to unforeseen issues with the corrective works to the ventilation system. The delay is being managed on an ongoing basis in close liaison with Shared Services who had to abort previous witnessing due to incomplete and inaccurate test results passed to them by the contractor. A revised programme has been resubmitted which takes go-live into November. Contractual implications of the delay are currently being worked through. There is confidence in the remaining programme following project escalation to contractor Board Directors.
	Trend 	

Project	Overall RAG	Matters for Committee attention
Women & Children's Phase 2	Current RAG	Work on Stage 3 is progressing well. There remain some small risks of further unforeseen building conditions as we move from the demolition to the Phase 3 area over the next month. Programme C48 has been accepted but C49 has now been issued and is being reviewed by the Project Manager. The completion date reported in the accepted C48 programme is 7 th July 2023
	Trend 	

Key updates on other Projects

Cross Hands OBC: Scrutiny comments have now been received from WG and the UHB has responded to these comments and has two meetings in October with WG to review these.

Carmarthen Hwb: The Local Authority(LA) have appointed a Principle Contractor and the UHB is awaiting a detailed programme showing the critical path of the project. The LA are in the process of appointing an external Project Manager.

Aberystwyth Integrated Care Centre: A scoping meeting with WG has been held and it has been agreed that the next step will be the development of a Strategic Outline Case(SOC)/ Outline Business Case (OBC) .

Sexual Assault Referral Centre(SARC), Aberystwyth

The solution to provide SARC services which comply with the ISO standards has been separated from the wider Aberystwyth ICC project to help ensure a quicker solution for the service. A Business Justification Case(BJC) has been agreed as the business case route with WG.

Aseptic Services, WGH

A BJC has been agreed as the business case route for this scheme. This is now in-development and the scheme is intended provide the interim service solution pending the implementation of the national TRAMS programme.

Regional Pathology: Work is underway on a regional basis across all laboratory disciplines to explore transformation opportunities. Internal fees to progress the project has been agreed by WG for progressing with the OBC development stage. Appointments have been made to the Project Director, external Project Manager, Supply Chain Partner, Health Care Planners and Cost Advisor positions.

Cylch Caron

Work is currently being undertaken by the Ceredigion County Council Legal Team to update the documentation required to enable the issue of tender documentation for the project. Tenders will be issued to determine the market interest for design, build and/or management of this scheme.

Fishguard Health and Wellbeing Centre

A scoping meeting with WG was held on 7th October 2022 where the next steps in the business case process were agreed. This will be a combined Strategic Outline Case/Outline Business Case.

Argymhelliad / Recommendation

The Strategic Development and Operational Delivery Committee is asked to:

- Note the update on the Capital Programme for 2022/23
- Note the current 2023/24 pre-commitments against the DCP
- Note the medical devices update
- Note the updates on the Health Board Capital schemes

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.11: Consider proposals from the Capital 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:	Corporate Risk 1196 - not be able to provide safe, sustainable, accessible and kind services. This is caused by insufficient investment to ensure we have appropriate facilities, medical equipment and digital infrastructure of an appropriate standard. Score 16
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 Objectives Annual Report	8. Transform our communities through collaboration with people, communities and partners

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Included within the report
Rhestr Termau: Glossary of Terms:	Not Applicable
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Datblygu Strategol a Chyflenwi Gweithredol: Parties / Committees consulted prior to Strategic Development and Operational Delivery Committee:	CSC Sustainable Resources Committee Capital Planning Group

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.