

Name of Sub-Committee:	Capital Sub-Committee
Chair of Sub-Committee:	Chair – Lee Davies, Director of Strategic Development and Operational Planning
Reporting Period:	September 2022
Key Decisions and Matters Considered by the Sub-Committee:	
<p>Capital Resource Limit and Capital Financial Management/ Discretionary Capital Programme 2022/23</p> <p><u>Capital Resource Limit 2022/23:</u></p> <p>The Sub-Committee noted the CRL for 2022/23 has been issued with the following allocations:</p> <ul style="list-style-type: none"> ○ £25.859m – All Wales Capital Programme ○ £5.290m – Discretionary Programme ○ £0.075m – Disposal Proceeds ○ £31.224m – Total <p>○ The Sub-Committee noted that since the last report to the Sub-Committee in July 2022, adjustments totalling £2.198m have been made and the spend position at the end of August indicates there is still a significant amount of spend to be incurred to the end of the financial year.</p> <p><u>Diagnostic Imaging Programme</u></p> <p>The Sub-Committee noted</p> <ul style="list-style-type: none"> ● An underspend of c£0.800m against the original allocation has been reported to WG. <p><u>Discretionary Capital Programme</u></p> <p>The Sub-Committee noted</p> <ul style="list-style-type: none"> ● The DCP has been allocated and approved for 2022/23. ● WG have made available a central £2m allocation for enhancing the patient environment in Emergency Departments. Bids are currently being developed for submission in October 2022. ● WG have requested a list of potential end-of-year schemes that could be progressed should funds become available. The final schedule will be submitted at the end of October 2022. <p><u>Estates Funding Advisory Board (EFAB)</u></p> <p>The Sub-Committee noted</p> <ul style="list-style-type: none"> ● WG have indicated that EFAB monies will be available for 2023/24 and 2024/25. Potential bids are being developed by the estates team for submission by 7th November 2022. ● That there is a change to the original EFAB programme funding structure with a 30% contribution required towards schemes from the health board's DCP allocation. <p><u>Pre-Commitments for 2023/24</u></p> <p>The Sub-Committee noted</p> <ul style="list-style-type: none"> ● The current expectation is that the DCP allocation for 2023/24 will be £6.533m. The current known pre-commitments for 2023/24 total £0.996m. The pre-commitments do not currently include the 30% contributions towards EFAB schemes. 	

Capital Governance – Capital Highlight Reports

The Sub-Committee noted the content of the report, in particular those projects currently reporting a red or amber RAG status as follows:

Red RAG Rating:

- PPH Day Surgery Unit
- Women & Children's Phase II

Amber RAG Rating:

- Fire Enforcement Work WGH
- Fire Enforcement Work GGH
- Chemotherapy Day Unit
- Business Continuity (Major Infrastructure)
- Neyland Health & Wellbeing Centre
- Carmarthen Hwb

Capital Audit Tracker

The Sub-Committee were presented with the Capital Projects Audit Tracker:

- There are currently five open audit reports generating 52 recommendations. Of these, 40 recommendations have been completed, eight are on schedule and four are behind schedule.
- Since May 2022, no reports have been superseded, revised or closed. One report has been opened for the WGH Fire Precautions Work Phase 1.
- It was highlighted that rationale has been given for the four recommendations behind schedule, they cannot be closed until the appropriate stage in the contracts is reached. The Audit and Assurance representative confirmed that good progress has been made to clear the recommendations, with regular dialogue to discuss the rationale behind those that can't be currently closed.

The Sub-Committee noted the following:

- The contents of the report and the progress on the implementation of outstanding capital themed audit recommendations.
- The number of outstanding actions against recommendations along with the information provided in respect of lapsed timescales, which will be reported to the Audit and Risk Assurance Committee.

Welsh Government Dashboards Reports

The Sub-Committee noted the 2022/23 Month 4 Dashboard Reports submitted to WG in August 2022.

Fire Scheme Update

The Sub-Committee noted the Fire Safety Management Update Report which provided an update with regard to progress in managing the Fire Enforcement Notices (FEN) and Letters of Fire Safety Matters (LoFSM).

Key points noted were:

- The schemes being undertaken in Withybush Hospital (WGH) and Glangwili General Hospital (GGH) are major, complex projects presenting multiple challenges; further details were provided in a separate report on project progress.
- At Bronglais Hospital (BGH), the Letters of Fire Safety Matters (LoFSM) have a significant number of requirements but there is no Fire Enforcement Notices (FEN) actions placed on the health board for Bronglais Hospital (BGH).
- At Prince Philip Hospital (PPH), work is progressing in terms of the action plans and the health board is working closely with Mid and West Wales Fire Rescue Service (MWWFRS).
- There will be a potential funding requirement from EFAB and DCP 2023/24 for the work at PPH.

The Sub-Committee took assurance from the work achieved to strengthen fire safety compliance. Further updates will be presented at future Capital Sub-Committee meetings

Cross Hands

The Sub-Committee noted the scrutiny comments and the responses submitted to WG. Key points noted include:

- The OBC submission and approval timeline has been exceeded; the timeline will be updated once WG feedback has been received on the scrutiny responses.
- It was highlighted that the time delay has a potential cost implication in terms of the capital costs.

The Sub-Committee noted the contents of the report and appendices as well as the impact on the project timeline.

A Healthier Mid & West Wales – PBC Update

The Sub-Committee noted the update report on progress made in respect of the Programme Business Case.

Key points of noted include:

- The consultation exercise on the land selection process will commence in January 2023, with the aim of presenting an output report to a Health Board public session in July 2023.
- Formal feedback has been received from WG on the Programme Business Case. WG have requested a jointly commissioned clinical strategy review; this is best practice based on lessons learnt from the Grange and Velindre developments. A meeting will be held with WG to agree the scope of the work, commissioning arrangements and the timeframes.
- WG have also requested a Strategic Outline Case (SOC) be undertaken; the scope of this will be agreed with WG. WG have indicated they will fund both the clinical strategy review and the SOC.

The Sub-Committee noted the contents of the report and the work being undertaken.

Update on Capital Governance Recommendations

The Sub-Committee took assurance from the report that significant progress has been made to deliver against the actions listed in the management response to the Capital Governance Review. The Sub-Committee noted the actions taken since the last Sub-Committee to close the actions and the one remaining recommendation currently on hold.

Diagnostic Imaging Update

The Sub-Committee were presented with an update on radiology equipment replacement.

Key points of note include:

- WG have provided £12.1m of funding over 2021/22 and 2022/23 financial years. Prioritisation was based on the equipment at highest risk.

Members of the Sub-Committee noted the update report and the approach taken to identifying the equipment replacement priorities.

Mental Health Capital Developments

The Sub-Committee were presented with a report detailing Mental Health and Learning Disabilities Priority Capital Developments.

Key points of note include:

- The Directorate has identified four sites within the Specialist Child and Adolescent Mental Health Services (S-CAMHS) as priority areas for capital development. This is a WG funding initiative with no requirement for a WG Business Case.
- Tudor House, Carmarthen. Early estimates indicate that expected costs will exceed £1m and therefore any capital investment will require a WG Business Case.
- Preseli Centre, Pembrokeshire. A Feasibility Report is being completed with full costings provided.
- Office, Morlais Ward, Carmarthen. The project proposal is for the relocation of S-CAMHS Crisis Assessment Treatment Team to be co-located on Morlais Ward. Indicative estimates show capital costs of c£80k.

The Sub-Committee noted the contents of the report, the priority areas for capital investment within the MH&LD Directorate as well as any risks highlighted in the report.

Papers for Information

The Sub-Committee noted the following papers for information:

- Capital Review Meeting - Minutes of meeting held on 19th July 2022
- Capital Monitoring Forum – Minutes of meetings held on 12th July and 9th August 2022.
- Capital Planning Group – Minutes of meetings held on 13th July and 19th August 2022.
- Transforming Access to Medicines (TrAMS) South Wales Hub Strategic Outline Case

Matters Requiring Strategic Development and Operational Delivery Committee Level Consideration or Approval:

None.

Risks / Matters of Concern:

Capital Governance Highlight Reports

The Sub-Committee noted those projects currently reporting a red RAG status.

Planned Sub-Committee Business for the Next Reporting Period:

Future Reporting:

- Capital Sub-Committee Terms of Reference Annual Review
- Risk Update Report
- Governance Update
- Operational and strategic issues:
 - DCP & CRL Update
 - Dashboard Report
- Capital Planning Developments
 - A Healthier Mid and West Wales PBC Update
 - Post Project Evaluation and Lessons Learnt
 - Infrastructure Investment Plan

Date of Next Meeting:

Tuesday, 22nd November 2022 at 1.00 pm