

Name of Sub-Committee:	Capital Sub-Committee
Chair of Sub-Committee:	Chair – Lee Davies, Director of Strategic Development and Operational Planning
Reporting Period:	November, 2022
Key Decisions and Matters Considered by the Sub-Committee:	
<p>Committee Key Actions The Sub-Committee noted the paper listing capital key actions from other committees for information.</p> <p>It was reported that since the last report to the Sub-Committee, actions are now being captured from the Charitable Funds Committee meetings.</p> <p>Capital Sub-Committee Terms of Reference Annual Review The Sub-Committee approved the terms of reference subject to two suggested amendments.</p> <p>Capital Resource Limit and Capital Financial Management/ Discretionary Capital Programme 2022/23 The Sub-Committee noted the following: <u>Capital Resource Limit 2022/23:</u></p> <ul style="list-style-type: none"> ○ The Capital Resource Limit for 2022/23 has been issued with the following allocations: <ul style="list-style-type: none"> ○ £23.145m – All Wales Capital Programme ○ £5.290m – Discretionary Programme ○ £0.075m – Disposal Proceeds ○ £28.510m – Total ○ An additional allocation of £1.7m has been received from Welsh Government to cover the following: <ul style="list-style-type: none"> ○ Emergency Department Waiting Area Improvements ○ Building Energy Management System Upgrades ○ Replacement Mammography Equipment ○ Fire Safety Works at Prince Philip Hospital (PPH). ○ The following monies have been returned to WG since the last report: <ul style="list-style-type: none"> ○ Circa £1m as slippage for fire schemes at Glangwili General Hospital and Worthybush General Hospital ○ Circa £1.7m underspends, predominantly for radiology schemes. SW advised that Welsh Government have reallocated the underspend for other schemes within the Health Board, such as the additional funding allocated for mammography equipment at Prince Phillip Hospital ○ 62% of the current allocation remains to be spent before the end of the financial year. This is an improved position from last year and no risks have been highlighted in terms of achieving the year-end position. <p><u>Capital Programme 2022/23</u></p> <ul style="list-style-type: none"> ● Approval has been given by Welsh Government to proceed with mammography equipment replacement Prince Philip Hospital (PPH). 	

- Welsh Government have secured six replacement ultrasounds for the Health Board from surplus items previously procured by NHS Wales.
- The end-of-year bids are being considered by Welsh Government . The Health Board has been advised that two schemes have currently been allocated funding. Welsh Government have confirmed that they are planning to release a second tranche of end-of-year allocations early in December.
- All the Emergency Department bids submitted have been funded and are now being progressed.
- The Health Board have submitted Estates Funding Advisory Board (EFAB) bids and these are being reviewed by Welsh Government. Feedback is anticipated by mid-December 2022.

Pre-Commitments for 2023/24

- The current expectation is that the Discretionary Capital Programme allocation for 2023/24 will be £6.533m. The current known pre-commitments for 2023/24 total £2.497m.
- Work has commenced on prioritising the balance of the Capital Programme for 2023/34. A proposed programme will be brought to the Capital Sub-Committee meeting in January for review.

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:

Projects with an overall red RAG status were reported as follows;

- Prince Phillip Hospital (PPH) Day Surgery Unit – It was noted that the go-live date has been set for 5th December 2022, No further delays are anticipated.

Projects with an amber RAG rating were reported as follows:

- Women & Children's Phase 2
- Fire Enforcement Work WGH
- Fire Enforcement Work GGH
- Chemotherapy Day Unit .
- Sexual Assault Referral Centre (SARC)
- Aseptics
- Business Continuity (Major Infrastructure)

Risk Update Report

The Capital Themed Risk Update Report was presented and the Sub-Committee noted the contents of the report. It was agreed that a review of the format of future risk update report will be undertaken by the Capital Planning team for the March 2023 report.

Welsh Government Dashboards Reports

The Sub-Committee noted the 2022/23 Month 6 Dashboard Reports submitted to WG in October 2022.

Cross Hands Update

The Sub-Committee noted the update and were provided with the updated scrutiny grid
Key points noted include:

- A presentation of the scheme to the Integration and Rebalancing Capital Fund (IRCF) Scrutiny Panel has been requested w/c 28th November 2022. Cross Hands will be the first project presented to this Board but Weeks Government are advising that all future community and primary care projects will follow this route going forward.

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

The Sub-Committee noted the update report on progress made in respect of the Programme Business Case. There are currently four strands of work being undertaken:

- Review of the clinical model
- Development of a Strategic Outline Case (SOC)
- Further land technical appraisal
- Preparation for the land selection consultation

Infrastructure Investment Enabling Plan

The Sub-Committee noted the update and position statement on schemes included in the Infrastructure Investment Plan for 2022/23. Work will commence over the next few months to update the plan for 2023/24; this is to ensure it aligns with the Health Board’s priorities and planning objectives, reflects the risks and potentially reflects the backlog position.

Papers for Information

The Sub-Committee noted the following papers for information:

- Capital Review Meeting - Minutes of meeting held on 20th September 2022
- Capital Monitoring Forum – Minutes of meetings held on 13th September and 11th October 2022

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

To approve the revised Terms of Reference for the proposed Capital Sub-Committee (see Appendix 1).

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:

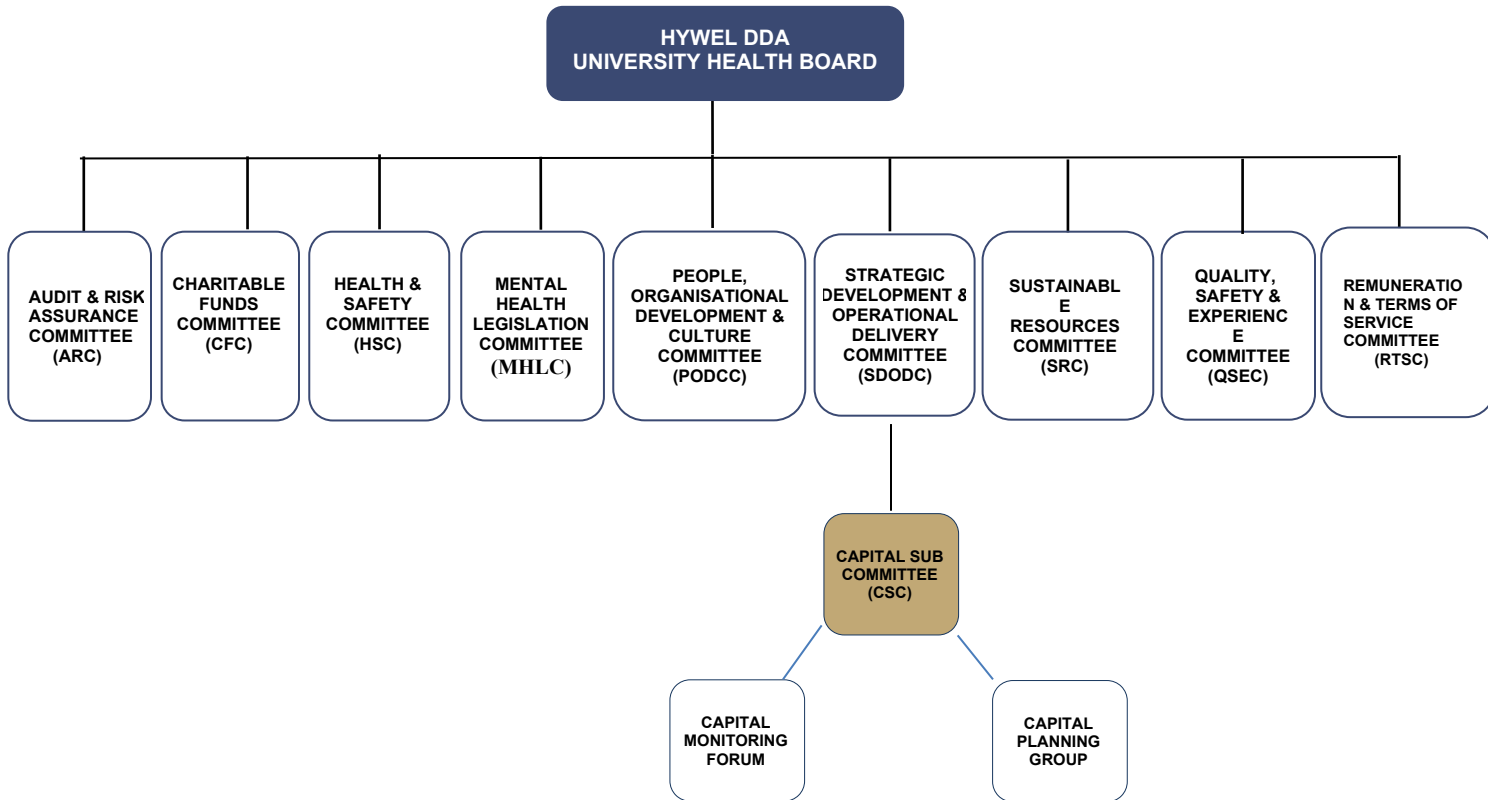
- Audit Update Report
- Operational and strategic issues:
 - DCP & CRL Update
 - Dashboard Report
- Capital Planning Developments
 - A Healthier Mid and West Wales PBC Update
 - Post Project Evaluation and Lessons Learnt
 - Infrastructure Investment Plan

Date of Next Meeting:

Tuesday 24th January 2023 at 1pm

TERMS OF REFERENCE

CAPITAL SUB-COMMITTEE



Version	Issued to:	Date	Comments
V1	People Planning & Performance Assurance Committee	30 th June 2015	Membership additions
V2	Governance Team	July 2015	Aligned to Governance Review
V3	Capital, Estates & IM&T Sub Committee	July 2015	Membership additions and aligned to PPPAC ToRs – approved
V4	Capital, Estates & IM&T Sub Committee	February 2016	Membership and frequency revisions

V5	Capital, Estates & IM&T Sub Committee	August 2017	In conjunction with Corporate Governance Team TOR aligned to PPPAC TORs. Sections 7 & 8 updated
V6	People Planning & Performance Assurance Committee	24 th October 2017	Regional planning made more explicit
V7	Capital, Estates & IM&T Sub Committee	29 th January 2019	DRAFT Membership reviewed, updates to purpose of the sub-committee and sub-group reporting.
V8	People Planning & Performance Assurance Committee	19 th February 2019	Approval of amendments noted at CEIM&T 29/01/19
V9	Capital, Estates & IM&T Sub Committee	19 th November 2020	Approval given. Amendments made
V10	People Planning & Performance Assurance Committee	17 th December 2020	For approval
V9	Capital, Estates & IM&T Sub Committee	25 th November 2021	For discussion
V10	Capital, Estates & IM&T Sub Committee	27 th January 2022	Approved following amendments made
V11	Strategic Development and Operational Delivery Committee	24 th February 2022	For approval
V12	Capital Sub Committee	22 nd November 2022	Approved following amendments made

CAPITAL SUB-COMMITTEE

1. Constitution

- 1.1. The Capital Sub-Committee (CSC) has been established as a Sub Committee of the Strategic Development and Operational Delivery Committee (SDODC) and constituted from 1st June 2015.

2. Membership

- 2.1 The membership of the Sub-Committee shall comprise:

Title
Director of Strategic Development and Operational Planning (Chair)
Assistant Director of Strategic Planning and Development (Sub-Committee Lead and Deputy Chair)
Independent Member
Director of Estates, Facilities and Capital Management
Assistant Director of Nursing, Infection, Prevention and Control
Senior Business Partner (Finance) (Delegated on behalf of the Director of Finance)
Head of Facilities Information and Capital Management
Assistant Director of Operations
Assistant Director, Medical Directorate (Delegated on behalf of the Medical Director)
Digital Director
Assistant Director of Primary Care
Assistant Director of Assurance and Risk
Head of Procurement
Head of Capital Planning
Director of Mental Health and Learning Disabilities
County Director - Carmarthenshire
County Director – Ceredigion
County Director - Pembrokeshire
Head of Radiology
General Manager, Women and Children's Directorate
Head of Pathology
Assistant Director of Therapies & Health Science
In Attendance
Committee Support/Secretary
Head of Capital Audit (three times a year/tri-annual)
Capital Programme Manager, Capital Planning
Project Manager, Capital Planning
Head of Property Performance

- 2.2 The membership of the Capital Sub-Committee will be reviewed on an annual basis.

3. Quorum and Attendance

- 3.1 A quorum shall consist of no less than a third and must include as a minimum the Chair or Vice Chair of the Sub-Committee.
- 3.2 An Independent Member shall attend the meeting in a scrutiny capacity. The scrutiny role of Independent Members on Sub-Committees is to ensure their effectiveness in terms of processes and outcomes, and in particular that their work is organised and undertaken in accordance with their terms of reference, that they have clarity about the limits of their delegated powers and responsibilities, and that they understand fully their relationship with and reporting responsibilities to their parent Committee.
- 3.3 Any senior officer of the University Health Board or partner organisation may, where appropriate, be invited to attend, for either all or part of a meeting to assist with discussions on a particular matter.
- 3.4 The Sub-Committee may also co-opt additional independent external 'experts' from outside the organisation to provide specialist skills.
- 3.5 Should any member be unavailable to attend, they may nominate a suitably briefed deputy to attend in their place. Where attendance is delegated, the nominated representative is responsible for informing discussions where relevant and reporting back to the named member accordingly.
- 3.6 The Head of Internal Audit shall have unrestricted and confidential access to the Chair of the Capital Sub-Committee.
- 3.7 The Sub-Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

4. Purpose

- 4.1 The purpose of the Capital Sub-Committee is to:
 - 4.1.1 Oversee the delivery of the Health Board's capital programmes and projects included in the planning cycle (in year and longer term).
 - 4.1.2 Recommend to the Board, via the Strategic Development and Operational Delivery Committee (SDODC), the use of the Health Board's Capital Resource Limit (CRL), in line with the HB's financial scheme of delegation
 - 4.1.3 Review, on an annual basis, the Discretionary Capital Programme (DCP) for the following financial year.

- 4.1.4 Oversee the development of the Estates Strategy and Infrastructure Investment Enabling Plan aligned to the A Healthier Mid and West Wales Strategy for consideration by SDODC, prior to Board approval.
- 4.1.5 Oversee the development and delivery of implementation plans for the Estates Strategy agreeing corrective actions where necessary and monitoring its effectiveness.

5. Operational Responsibilities

- 5.1 Develop recommendations to the Board, via the SDODC and Executive Team, on the use of the Health Board's Capital Resource Limit (CRL), for approval.
- 5.2 Develop prioritised recommendations for discretionary capital sums and All Wales Capital Schemes and receive investment proposals, in response to an assessment of the organisation's risks, and to support the Health Board's A Healthier Mid and West Wales Strategy (including delivery plans) and vision for healthcare and its strategic objectives, including performance and financial improvement.
- 5.3 Provide a co-ordinated approach to overseeing delivery of the Health Board's capital programmes and projects included in the planning cycle (in year and longer term) enabling the Health Board to understand the overall delivery commitments and risks and proposing changes as appropriate.
- 5.4 Provide assurance that capital projects are managed and governed in accordance with mandatory requirements, best practice and the latest Welsh Government capital guidance, ensuring that revenue consequences associated with capital projects are explicit at project scoping stage.
- 5.5 Provide assurance around the effective management of the Health Board's CRL, ensuring expenditure is in line with Standing Orders and within the agreed programme.
- 5.6 Scrutinise and quality assure major capital business cases prior to submission to SDODC including those developed in partnership with other organisations such as, Local Authorities, GP partners and Third Sector organisations.
- 5.7 Ensure a robust disposal policy for redundant estate is in place.
- 5.8 Consider options for the acquisition or disposal of estate and agree recommendations for the Board, via the SDODC.
- 5.9 Review and recommend the appropriate delegated limits for capital expenditure authorisation and authorisation for other funding sources.

- 5.10 Make recommendations on capital expenditure in relation to **Digital**, medical & non-medical equipment, estates statutory and infrastructure, contingencies and other provisions.
- 5.11 Ensure arrangements are in place to assess and deliver benefits of the capital received. Provide assurance to SDODC that risks associated with capital investment for estates, medical and non-medical equipment and Digital services are being effectively managed across the whole of the Health Board's activities (including for hosted services and through partnerships and Joint Committees as appropriate)
- 5.12 Agree the Annual Capital Audit Plan and monitor action against recommendations contained within audit reports issued by Capital Audit.
- 5.13 To receive regular progress updates on the **Housing with Care Fund and Integrated Rebalancing Capital Funds Capital** bids and schemes being progressed
- 5.14 Agree issues to be escalated to SDODC with recommendations for action.
- 5.15 Agree an annual work plan for the Sub-Committee for review and approval by SDODC.

6. Agenda and Papers

- 6.1 The Sub-Committee Secretary is to hold an agenda setting meeting with the Chair and/or Vice Chair and the Lead Executive/Assistant Director at least **six** weeks before the meeting date.
- 6.2 The agenda will be based around the Sub-Committee work plan, identified risks, matters arising from previous meetings, issues emerging throughout the year, and requests from Sub-Committee members. Following approval, the agenda and timetable for papers will be circulated to all Sub-Committee members.
- 6.3 All papers should have relevant sign off before being submitted to the Sub-Committee Secretary.
- 6.4 The agenda and papers for meetings will be distributed **seven** days in advance of the meeting.
- 6.5 The minutes and action log will be circulated to members within **ten** days to check the accuracy.
- 6.6 Members must forward amendments to the Sub-Committee Secretary within the next **seven** days. The Sub-Committee Secretary will then forward the final version to the Sub-Committee Chair for approval.

7. Frequency of Meetings

- 7.1 The Sub-Committee will meet bi-monthly and shall agree an annual of meetings. Any additional meetings will be arranged as determined by the Chair of the Sub-Committee.
- 7.2 The Chair of the Sub-Committee, in discussion with the Sub-Committee Secretary shall determine the time and the place of meetings of the Sub-Committee and procedures of such meetings.

8. Accountability, Responsibility and Authority

- 8.1 The Sub-Committee will be accountable to the Strategic Development and Operational Delivery Committee for its performance in exercising the functions set out in these terms of reference.
- 8.2 The Sub-Committee shall embed the UHB's vision, corporate standards, priorities and requirements e.g. equality and human rights, through the conduct of its business.
- 8.3 The requirements for the conduct of business as set out in the UHB's Standing Orders are equally applicable to the operation of the Sub-Committee.

9. Reporting

- 9.1 The Sub-Committee, through its Chair and members, shall work closely with the Strategic Development and Operational Delivery Committee and other committees, including joint /sub committees and groups to provide advice and assurance to the Board through the:
 - 9.1.1 joint planning and co-ordination of Board and Committee business;
 - 9.1.2 sharing of information.
- 9.2 In doing so, the Sub-Committee shall contribute to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance framework.
- 9.3 The Sub-Committee may establish groups or task and finish groups to carry out on its behalf specific aspects of Sub-Committee business. The following groups have been established:
 - 9.3.1 Capital Planning Group (CPG)
 - 9.3.2 Capital Monitoring Forum (CMF)

- 9.4 The Sub-Committee will receive an update following each Group's meetings detailing the business undertaken on its behalf.
- 9.5 The Sub-Committee will also receive updates from the regular Capital Review meetings held with Welsh Government representation.
- 9.6 The Sub-Committee Chair, supported by the Sub-Committee Secretary shall:
 - 9.6.1 Report formally, regularly and on a timely basis to the Strategic Development and Operational Delivery Committee on the Sub-Committee's activities. This includes the submission of a Sub-Committee update report, as well as the presentation of an Annual Report within 6 weeks of the end of the financial year.
 - 9.6.2 Bring to the Strategic Development and Operational Delivery Committee's specific attention any significant matter under consideration by the Sub-Committee.

10. Secretarial Support

- 10.1 The Sub-Committee Secretary shall be determined by the Lead Director.

11. Review Date

- 11.1 These terms of reference shall be reviewed on at least an annual basis by the Sub-Committee for approval by the Strategic Development and Operational Delivery Committee