

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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	19 December 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Capital Programme for 2024/25 and Capital Governance Update Report
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lee Davies, Director of Strategy and Planning
SWYDDOG ADRODD: REPORTING OFFICER:	Eldeg Rosser, Head of Capital Planning

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

This report is presented to the Strategic Development and Operational Delivery Committee (SDODC) to:

- Update on the 2024/25 Capital Programme and Capital Resource Limit (CRL) for 2024/25
- Provide a capital schemes governance update
- Update on the status of the Reinforced Autoclave Aerated Concrete (RAAC) Schemes, Withybush Hospital (WGH)
- Update from Capital Sub-Committee (CSC) and request approval for the updated Sub-Committee Terms of Reference (Appendix 1A).

Cefndir / Background

This report provides an update on the 2024/25 Discretionary Capital Programme. It follows on from the report and discussion at the SDODC meeting held on 31 October 2024 and the Capital Sub-Committee (CSC) meeting held on 19 November 2024.

The available capital allocation for 2024/25 will provide Hywel Dda University Health Board (HDdUHB) with a significant challenge and risk in trying to address the historical backlog in:

- Medical and non-medical equipment
- Informatics and Digital infrastructure and equipment
- Estates, statutory and infrastructure

Risk

The corporate risk 1196 states:

There is a risk the Health Board is not able to provide safe, sustainable, accessible and kind services. This is caused by insufficient investment to ensure appropriate facilities, medical equipment and digital infrastructure of an appropriate standard. This could lead to an impact/effect on the Health Board's ability to deliver its strategic objectives, service

improvement/ development, statutory compliance (ie, fire, health and safety) and delivery of day-to-day patient care.

Discretionary Allocation Use

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

Asesiad / Assessment

Capital Resource Limit (CRL) 2024/25

The CRL for 2024/25 has been issued with the following allocations:

Allocation	£m
All Wales Capital Programme (AWCP)	24.676
Discretionary Programme (gross allocation)	6.216
International Financial Reporting Standard (IFRS) 16 Leases	0.163
Total	31.055

Since the last report the following amendments have been made to the CRL:

Scheme	£m	Description
Fishguard Health and Wellbeing Centre	0.070	Funding for costs associated with the business case for the Fishguard Health and Wellbeing Centre
Estates Funding Advisory Board (EFAB) - Infrastructure	(0.050)	Reduction in in-year funding to reflect the forecast underspend against the original allocation
Withybush Hospital (WGH) - Reinforced Autoclaved Aerated Concrete (RAAC) Fees and Works	(0.500)	Reduction to reflect the forecast underspend against the original WG allocation
Glangwili Hospital (GGH) Fire Enforcement Phase 2 - Fees	(0.182)	Reduction in in-year funding to reflect slippage of programme to 2025/26
Backlog Maintenance 2024-25	(0.660)	Reduction in in-year funding to reflect slippage of programme to 2025/26
Digital Priorities Investment Fund (DPIF) – Radiology Informatics System Procurement (RISP)	(0.150)	Reduction to reflect the forecast underspend against the original WG allocation
IFRS 16 Leases	0.163	Funding for capitalisation of new and renewed leases under IFRS 16 covering the period April to July 2024.
Total	(1.309)	

Capital Expenditure Plan

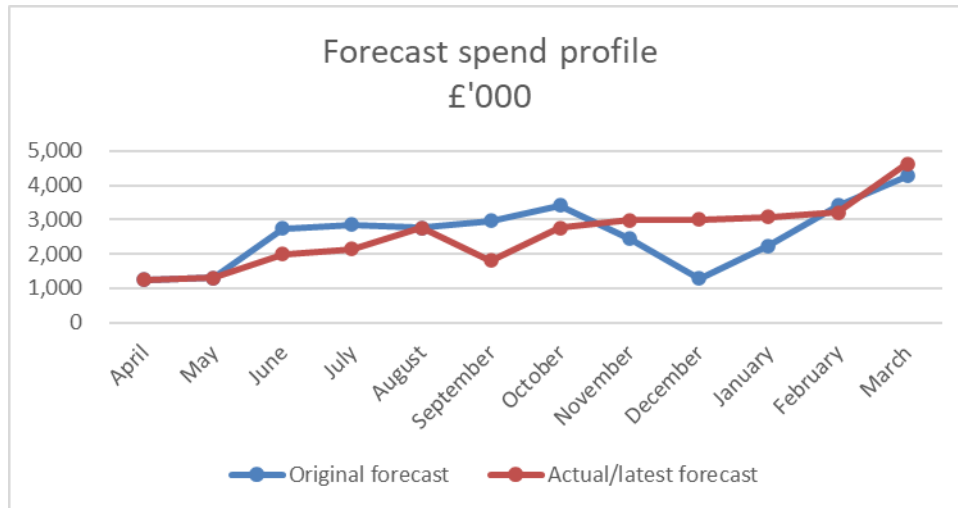
The table below reflects the current expenditure plan as reported to Welsh Government (WG) and provides a breakdown for AWCP funding.

Scheme	Planned Spend 2024/25 £m	Cumulative Spend Apr - Oct £m	Spend Oct £m	Remaining balance £m
AWCP				
Estates Funding Advisory Board (EFAB) - Infrastructure	2.808	1.004	0.267	1.804
EFAB - Fire	1.141	0.921	0.000	0.220
WGH - RAAC Works	5.453	2.780	0.393	2.673
GGH - Fire Enforcement Phase 1	7.967	6.127	1.056	1.840
GGH - Fire Enforcement Phase 2	0.055	0.039	(0.068)	0.016
Cross Hands Health and Wellbeing Centre	0.126	0.126	0.012	0.000
Brongais Hospital (BGH) Digital Radiology X-Ray works	0.290	0.205	0.187	0.085
Diagnostic Equipment 2024-25	3.202	0.024	0.017	3.178
Backlog Maintenance - 2024-25	3.165	0.365	0.139	2.800
DPIF - RISP	0.224	0.000	0.000	0.224
Fishguard Health and Wellbeing Centre	0.070	0.000	0.000	0.070
Sub-total AWCP	24.501	11.591	2.003	12.910
Discretionary				
IT	1.349	0.330	0.071	1.019
Equipment	1.669	0.995	0.567	0.674
Estates – Statutory	0.450	0.103	0.027	0.347
Estates Infrastructure	2.365	0.574	0.032	1.791
Other	0.558	0.407	0.050	0.151
Sub-total Discretionary	6.391	2.409	0.747	3.982
IFRS 16 Leases	0.163	0.163	0.000	0.000
TOTAL	31.055	14.163	2.750	16.892

Expenditure Profile Forecast

The below chart shows current forecast expenditure compared with the original forecast. Expenditure for October 2024 was less than forecast on RAAC, EFAB and Backlog Maintenance all Wales allocations. Forecasts for the year have been adjusted for these projects as part of the October CRL fixing exercise with funding handed back or deferred as detailed in the CRL adjustments table above. The revised forecasts reflect the expected delivery to March 2025.

Discretionary expenditure was higher than forecast primarily due to the timing of an invoice for equipment.



Fixing of CRL at the end of October 2024

The Health Board has confirmed what the end of year capital scheme forecasts are to WG at the end of October 2024 for all capital schemes. Any changes to the CRL will only occur due to new approved funding allocations.

The risk of over / under spending against the CRL materialises at this point.

Capital Programme 2024/25

All Wales Capital Programme

HDdUHB's All Wales Capital Allocations for 2024/25 are detailed in the table above, and includes allocations for:

- Fire Enforcement Works at WGH and GGH
- Estates Funding Advisory Board
- Diagnostic Equipment

Discretionary Capital Allocation (DCP)

The confirmed capital allocation for HDdUHB to allocate in 2024/25 is £7.421m.

This allocation is the allocation prior to the adjustment made for the Estates Funding Advisory Board schemes, where the Health Board funds 30% and Welsh Government funds 70% of the scheme costs.

	£m
Original DCP Allocation	7.421
EFAB Infrastructure	(0.817)
EFAB Fire	(0.366)
EFAB Decarbonisation	(0.050)
CRL Adjustment	0.028
Adjusted DCP allocation	6.216

Changes to the CRL through additional allocations and for costs previously incurred through the DCP have resulted in the following revised allocation being available:

	£m
Original DCP Allocation	7.421
CRL Adjustment	0.028
Balance Sheet Release/VAT Recovery	0.728
Previously incurred costs from AWC (BGH lift shaft)	0.235
Revised DCP Allocation	8.412

The available allocation despite the increase will still provide HDdUHB with a significant challenge and risk in trying to address the backlog in:

- Medical and non-medical equipment
- Informatics and Digital infrastructure and equipment
- Estates, statutory and infrastructure

The current Capital Programme amended to reflect the additional allocation, slippage, underspends and VAT recovery is shown below:

Schemes	Allocation £m
Pre-commitments	
BGH Clinical Decisions Unit (CDU)	0.346
Replacement morcellator	0.049
GGH MRI Chiller	0.179
Paediatric Consultation all now in 2025/26	*0.000
CDU BGH associated moves	0.090
Isolators	0.101
Fees to develop Sexual Assault Referral Centre (SARC) and Aseptic Business Justification Case (BJC)	0.100
30% EFAB Contribution 2024/25	1.233
End of Year (EOY) Unreceipted items	0.169
Ring-fenced allocations	
Breakdown and contingency	1.715
Residential accommodation	0.200
Business case development	0.100
Capital support	0.200
Statutory programme	0.450
Equipment	1.260
Digital	1.260
Estates improvement programme - Wards	0.500
Estates	0.260
Invest to Save	0.200
TOTAL DCP	8.412

* now all in 2025/26

The Capital Planning Group will continue to work on the prioritisation matrix developed and refined to ensure that the patient focus remains central. With this approach assured confidence can be taken if any additional allocations become available in year through:

- Additional Welsh Government approvals
- Review of VAT recoveries

- Potential disposals
- Slippage on existing schemes

Schemes are prioritised in a patient focused way.

Contingency

Items currently funded from our Contingency reserve are:

Contingency	£m
Cost of relocation General Medical Services (GMS) Cross Hands	0.037
Ultrasound Probe WGH	0.014
GGH Mortuary Security Upgrade	0.010
Cold Storage Aseptic Drugs	0.093
ECG Machine A&E WGH	0.008
Meurig bed relocation est	0.080
Ultrasound probe replacement Cardigan	0.006
LV panels residential blocks	0.098
GGH ICU/HDU Hot water storage	0.036
St David's Surgery dispersal	0.095
Decontamination Tent WGH	0.028
Cardiac Ultrasound Probe	0.013
Potential additional internal fees	0.100
GGH blast chiller replacement	0.042
BGH Boiler work	0.013
PPH Chiller	0.020
Replacement Platelet Incubator and Agitator	0.010
Fees Cross Hands	0.080
BGH - Access system upgrade for Baby tagging system	0.011
Replacement Dishwasher PPH	0.007
Motorised wheelchair BGH	0.007
Additional adaptation costs Cross Hands Surgery	0.023
GGH Laundry	0.007
Fire BJC fees	0.240
Air conditioning Audiology GGH	0.007
Choledochoscope Theatres GGH	0.006
Day Surgical Theatre operating lights	0.037
PPH Roof repairs	0.101
Balance remaining	0.508

Invest to Save

Of the current £0.200m earmarked for invest to save schemes the following schemes have been approved:

	Cost £m	Annual Saving £m
Mortuary equipment	0.023	0.036

Helipad expenditure WGH	0.035	0.027
BGH CHP Flue	0.018	0.102

Additional bids

The following additional bids have been awarded to HDdUHB:

- Backlog maintenance: £4.061m
- Diagnostic Imaging equipment: £3.202m awarded for
 - MRI in Prince Philip Hospital
 - Fluoroscopy Room in Withybush Hospital
 - Radiology Room in Withybush Hospital
- Sexual Assault Referral Centre: £3.354m over 2 years
- Picton Terrace: £3.835m over two years
- End of year bids £1.833m
 - £1.333m Pentre Awel
 - £0.500m replacement scopes WGH
- End of year and Waiting List support: £4.048m

Pre-Commitments into 2025/26 and future years

Based on current agreements made by the Health Board the following pre-commitments are likely to be incurred in 2025/26 and future years:

	25/26 £m	26/27 £m
Paediatric Service (following consultation)	0.800	
Picton Terrace – for 5 years 2026/27 to 2030/31		0.110
Total	0.800	0.110

Discussions have commenced in the Capital Planning Group to prioritise the DCP expenditure plan for 2025/26 recognising that a significant balance will need to be held in the contingency reserve.

Capital Governance – Project Updates

At the November 2024 meeting of the Capital Sub-Committee, the Projects with a current alert status were reported as follows:

Project:	RAG Indicator:	Stage:	Matters for Committee attention:
Aseptics	ALERT	Business Justification Case development	As the initial tender closed due to nil returns from invited tenderers. Subsequently, a second tender has been issued and is also experiencing delays due to queries raised. Tender returns have been received and at the time of preparing this report were being evaluated. The timeline will be reviewed following the tender

			return report and recommendations. This could potentially impact on the planned BJC submission to Board in January 2025 which the Project Group are working towards mitigating against.
Next Key Milestone:	Tender Return / BJC Health Board Internal Scrutiny		
Project:	RAG Indicator:	Stage:	Matters for Committee attention:
Cross Hands Health and Wellbeing Centre	ALERT	Full Business Case Development (FBC)	Further work and discussions are ongoing with Welsh Government following the conclusion of a feasibility study to consider reduced options as required to progress the refresh of FBC. HDdUHB have been given an indicative financial envelop to deliver the project. Confirmation that the supply chain partner will continue to work with us has been received. The timeline for the progression of the scheme will now be reviewed.
Next Key Milestone:	Update of timeline following WG meeting		
Project:	RAG Indicator:	Stage:	Matters for Sub Committee attention:
Regional Pathology	ALERT	Outline Business Case (OBC)	The current OBC preferred option and design significantly exceeds the scope and anticipated outturn cost in alignment with the original Strategic Outline Case (SOC) submission (adjusted for inflation). Swansea Bay UHB are awaiting confirmation of funding from WG to progress the OBC, no project team or project group meetings have been held in recent months pending confirmation of funding.
Next Key Milestone:	Confirmation from WG with regards to the Prioritisation Programme submissions.		

Projects led by other organisations:

Carmarthen Hwb (led by Carmarthenshire County Council (CaCC))

Health and Social Care Integration and Rebalancing Capital funding has been awarded to Carmarthenshire County Council and the Health Board to progress this development, which has been previously discussed by the Board as part of the estate rationalisation plan. Work commenced on site in mid-July 2024. The Board approved the signing under seal, of the contract documentation for the lease with Carmarthenshire County Council at their meeting on 25 July 2024.

Pentre Awel (led by Carmarthenshire County Council)

A bid to support £1.3m of the health element of the project has been approved by Welsh Government. This development was supported in principle by the Board in January 2024 as part of the Health Board's Estates Rationalisation Plan and in September 2024 the Board supported the signing of the lease documentation and revenue consequences associated with the project.

Cylch Caron (led by Ceredigion County Council (CeCC))

The tendering process to obtain a Delivery Partner to work with Ceredigion County Council and the Health Board on the project closed on 20 September 2024. Tenders were invited for a Delivery Partner to work with the Council and Health Board to deliver a new fully integrated health, social care and housing centre, Cylch Caron in Tregaron. No tenders met the tender requirements. There is however scope for further discussions with two potential partners which is currently being followed up by CeCC and HDdUHB. A meeting with WG to discuss next steps is to be held on 4 December 2024.

Reinforced Autoclave Aerated Concrete Schemes WGH

A detailed programme of work has been developed to remediate all critical and high-risk planks. In addition, where it has been able to safely temporarily prop areas, these facilities have also been reopened pending future repair works.

The works underway are all progressing to programme which is summarised below:

Task Name	Duration	Start	Finish
WGH RAAC: 2023/24 CONSTRUCTION PHASE SUMMARY	190 days	Mon 26/06/23	Fri 15/03/24
POTWASH ADVANCED WORK (COMPLETE)	20 days	Mon 26/06/23	Fri 21/07/23
EMERGENCY PROPPING/ADVANCED WORK (COMPLETE)	143 days	Wed 13/09/23	Fri 29/03/24
WARD 9 (COMPLETE)	50 days	Mon 24/07/23	Fri 29/09/23
WARD 12 (COMPLETE)	50 days	Mon 28/08/23	Fri 03/11/23
TEMP KITCHEN ENABLEMENT WORK (COMPLETE)	15 days	Mon 16/10/23	Fri 03/11/23
TEMP KITCHEN FACILITY (OPERATIONAL)	81 days	Mon 14/08/23	Mon 04/12/23
SPH ADDITIONAL BED CAPACITY (COMPLETE)	45 days	Mon 23/10/23	Fri 22/12/23
WARD 7 (COMPLETE)	50 days	Mon 09/10/23	Fri 15/12/23
WARD 11 (COMPLETE)	45 days	Mon 23/10/23	Fri 22/12/23
WARD 8 (COMPLETE)	50 days	Mon 08/01/24	Fri 15/03/24
WARD 10 (COMPLETE)	50 days	Mon 08/01/24	Fri 15/03/24
MAIN KITCHEN ENABLEMENT (COMPLETE)	35 days	Mon 29/01/24	Fri 15/03/24
WGH RAAC: STRUCTURAL SURVEYS (COMPLETE)	230 days	Mon 15/05/23	Fri 29/03/24
2024/2025 WGH RAAC: RED RAG RATED GF REMEDIAL WORK	250 days	Mon 01/04/24	Fri 14/03/25
OPD A - TENDER 1 (COMPLETE)	95 days	Mon 29/01/24	Fri 07/06/24
MAIN KITCHEN - TENDER 1 (COMMISSIONING PHASE)	131 days	Mon 01/04/24	Mon 30/09/24
OPD B - TENDER 2 (CONSTRUCTION PHASE)	130 days	Mon 24/06/24	Fri 20/12/24
OTHER G/F AREAS - TENDER 3 (CONSTRUCTION PHASE)	190 days	Mon 24/06/24	Fri 14/03/25
WGH BGH PLANT ROOMS/OPD ROOF - TENDER 4 (CONSTRUCTION)	85 days	Mon 26/08/24	Fri 20/12/24
WGH RAAC: CURTINS RE-SURVEY INSPECTIONS SECOND FLOOR	215 days	Mon 22/04/24	Fri 14/02/25

The programming of the future inspection regime is now being planned in some detail and is detailed below:

WGH RAAC: CURTINS RE-SURVEY INSPECTIONS SECOND FLOOR	215 days	Mon 22/04/24	Fri 14/02/25
Ward 9: Re-survey Inspections	15 days	Mon 22/04/24	Fri 10/05/24
Ward 12: Re-survey Inspections	20 days	Mon 20/05/24	Fri 14/06/24
Ward 7: Re-survey Inspections	15 days	Mon 28/10/24	Fri 15/11/24
Ward 11: Re-survey Inspections	15 days	Mon 18/11/24	Fri 06/12/24
Ward 8: Re-survey Inspections	15 days	Mon 09/12/24	Fri 27/12/24
Ward 10: Re-survey Inspections	15 days	Mon 06/01/25	Fri 24/01/25
Re-survey Inspections Contingency	15 days	Mon 27/01/25	Fri 14/02/25

Progress on the RAAC schemes is regularly reported to the Health and Safety Committee.

Update from Capital Sub Committee

Attached in Annex 1 is the update from the Capital Sub-Committee (CSC) held on 19 November 2024:

There are:

- two items to alert the Committee
- four items to advise the Committee
- one item to assure the Committee

One of the alert items for SDODC to approve as part of this update is the amendments made to the CSC Terms of Reference (TOR) following the meeting the updated TOR are attached as Annex 1A.

Argymhelliad / Recommendation

The Strategic Development and Operational Delivery Committee is asked to:

- **NOTE** the update on the Capital Programme and CRL for 2024/25
- **NOTE** the capital schemes governance update
- **NOTE** the RAAC update
- **NOTE** the update from Capital Sub Committee
- **APPROVE** the amended terms of reference for the Capital Sub Committee

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 Corporate Risk 1745 - of not being able to deliver safe, effective and timely services across the Health Board estate, including acute, community and mental health facilities. This risk also impacts the Health Board's nonclinical estate, educational facilities and managed practices. Risk Score 15
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	1. Safe
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	5. Whole systems perspective
Amcanion Strategol y BIP: UHB Strategic Objectives:	6. Sustainable use of resources
Amcanion Cynllunio Planning Objectives	8 Estates plans
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	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
Partïon / 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 assessments are included within individual business cases and capital prioritisation process when required.

CAPITAL SUB COMMITTEE UPDATE REPORT

Date of last meeting: 19 November 2024

Quoracy: Met

Report by: Eldeg Rosser, Head of Capital Planning

KEY DISCUSSION POINTS AND MATTERS TO BE ESCALATED FROM THE DISCUSSION AT THE MEETING:

Alert¹ (may require discussion)

Capital Sub-Committee (CSC) wish to **alert** members of the Strategic Development and Operational Delivery Committee (SDODC) that:

- **The CSC Terms of Reference (ToR) have been reviewed** with updates to membership made and are attached in Annex 1A for approval by SDODC.
- The **A Healthier Mid and West Wales update** paper to Board in November 2024 explicitly outlined the current situation with the development of Health Board infrastructure plans to support the strategy and the expectation the New Hospital is a minimum of 10 years away, and the significant implications of this. This will require a refresh of the Strategic Plan and there will be a requirement for this CSC to consider the capital components of this.

Advise² (to monitor)

Capital Sub-Committee wish to **advise** members of SDODC that:

- **Capital Resource Limit (CRL) 2024/25:**
 - The CRL needed to be fixed with Welsh Government (WG) by end of October 2024. The amounts returned / to note are:
 - £500k forecast underspend on Reinforced Autoclaved Aerated Concrete (RAAC) works at Withybush Hospital (WGH).
 - £660k slippage associated with backlog maintenance schemes.
 - There are no risks to be highlighted to achieve the forecasted spend by end of March 2025.
 - A forecast overspend against the WGH Imaging Scheme was highlighted. The current indicative position is an overspend of £1.9m against the budget received from WG.
 - The risk to the Discretionary Capital Programme (DCP) was discussed. In the meeting on 18 November 2024 WG advised there is an imaging allocation in the next financial year. It was indicated although not confirmed this scheme would be the priority against this funding.
- **Capital Programme 2024/25**

¹ There is a lack of confidence that any action in place is sufficient to address the issue satisfactorily and/or within the scope of the operational team or executive to resolve. Engagement, action or intervention required.

² There are areas of concern where assurance has been taken on actions in place but requires close monitoring. An early warning of an emerging and potentially serious concern.

- Since the last update there has been approval for the Sexual Assault Referral Centre (SARC) in Aberystwyth at £3.354m over two years and works costs for Picton Terrace at £3.835m over two years. There has been capital approval for Pentre Awel equipment and digital items and equipment in WGH.
- A bid was submitted to WG of £2.5m for items which could be delivered before 31 March 2025 that would assist with the reduction of waiting times. Response anticipated from WG by week ending 22 November 2024.
- The preparatory work for developing the capital plan for next year for the Capital Planning Group has begun.
- There is £800k pre-commitment against next year for the work resulting from the Paediatric Consultation.
- Whether there needed to be an allocation from DCP for any work resulting from the Clinical Services Plan was raised. It was noted that due to the timing, there may be no requirement next financial year, and that a substantial contingency was held as standard. A discussion with Executives was suggested.
- **Audit Wales will be undertaking a Review of Capital Investment Prioritisation** - this is expected to be within the next few months.
- **The Infrastructure Investment Enabling Plan 2024-2027 schemes** have been reviewed for progress and work on the Infrastructure Investment Enabling Plan for 2025 - 2028 has commenced. A draft plan will be presented to the Capital Sub-Committee in January 2025

Assure³ (to note)

The Capital Sub-Committee wish to **assure** members of the SDODC that:

- **Capital Governance Highlight Reports** have been reviewed by CSC for all projects with Red and Amber. Other key points highlighted:
 - Workshops would be needed with the Community teams and Primary Care to work through a priority list for community infrastructure priorities and how this supported the strategic plans, linking to the work being done to refresh the regional capital prioritisation through the Regional Partnership Board (RPB) and the Regional Capital Group.
 - The delay in the regional pathology scheme may cause the Health Board to incur capital spending to provide an interim solution. Work is ongoing to evaluate this. It was noted that progress on the capital prioritisation process and how this affected the regional pathology scheme would be raised in the next Capital Review Meeting with WG.
 - Radiology schemes were not currently included on the Highlight Report (HLR) for capital governance updates, and these would be added to this bi-monthly reporting.

³ *There is confidence that actions are robust and will be sufficient to address the issue or generally operating effectively. Routine monitoring.*

- **The Arts and Health Annual Update Report** outlining the range of projects and growing evidence base shows that the Arts have a role to play in creating therapeutic and healing environments. The Bronglais Cancer Treatment Unit was identified as a flagship project for the incorporation of the arts into this capital project.

Review of Risks

The Capital Sub Committee discussed and noted the risks highlighted in relation to

Capital Resource Limit 2024/25:

- The risk to DCP was discussed. At the meeting on 18 November 2024 Welsh Government advised that there is an imaging allocation in the next financial year. It was indicated although not confirmed this scheme would be the priority against this funding.
- This was a key action on the radiology equipment Corporate Risk Register regarding the Withybush Hospital fluoroscopy room that once complete could reduce the risk score.

Sharing of learning

The Arts and Health Annual Update Report highlighted key learning and recommendations as follows:

- Identification of a key flagship project each year/ every two years which can be developed, and learning shared that can affect all other schemes across the Health Board.
- Incorporating art into Capital Projects to creating healing spaces should be a strategic consideration to the Health Board.
- Establish a Patient Experience Group or Healing Environments Group as part of subgroup structure for capital projects.
- Further consideration of Project Management from an Arts perspective.
- Establishment of a scalable percent for Art Policy as standard practice and develop a Public Art Plan.

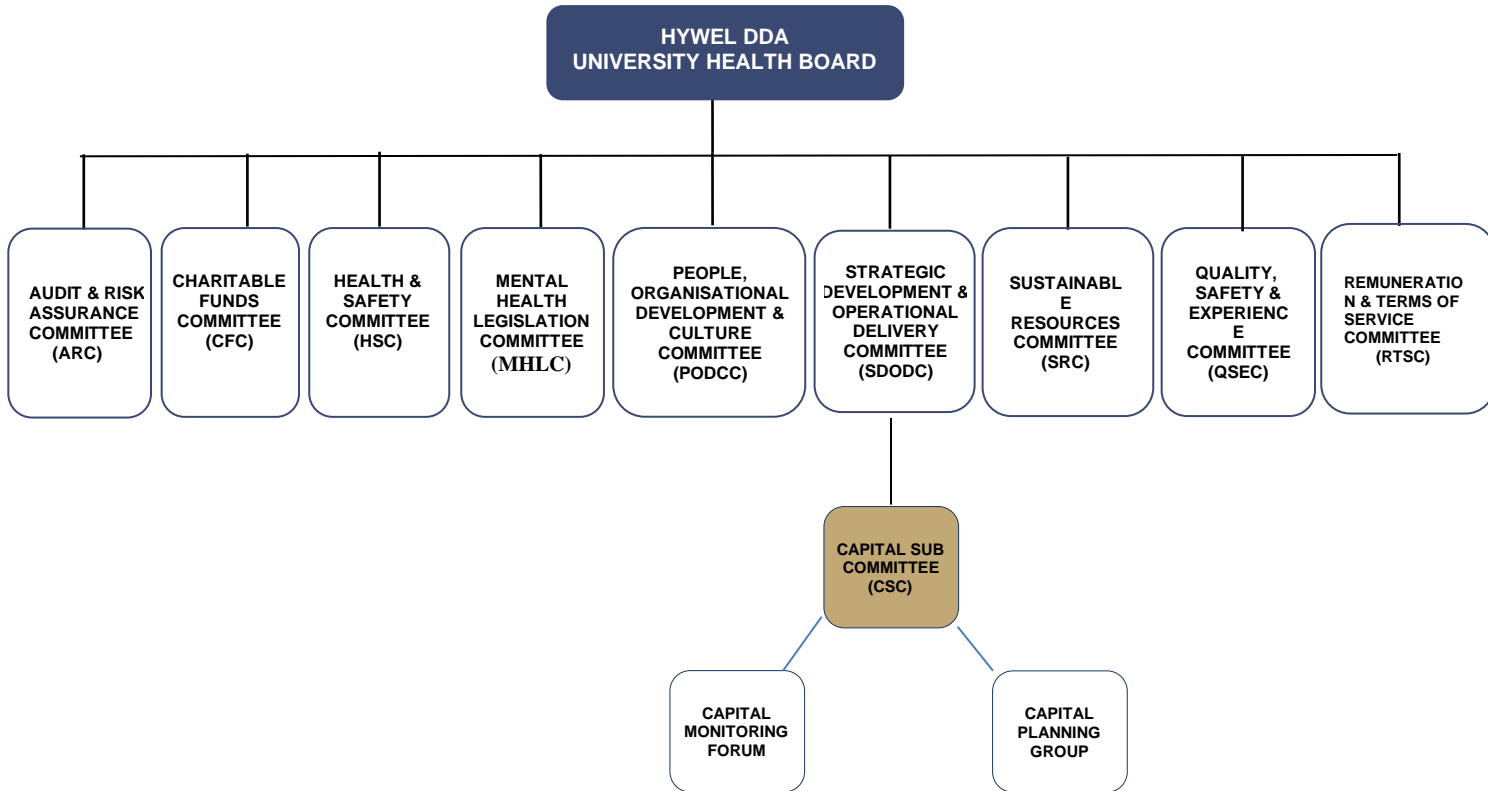
Recommendation

The SDODC is asked to:

- **NOTE** the Capital Sub Committee Update Report following it's meeting on 19 November 2024
- **APPROVE** the CSC Terms of Reference (ToR) appended at Annex 1A

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
V13	Capital Sub Committee	23 rd March, 2023	Approved by SDODC 27/04/2023 subject to 1 amendment see V14 5.12
V14	Capital Sub Committee	25 th May 2023	For information
V15	Capital Sub Committee	July, 2023	Updated membership list for discussion with CSC
V16	Capital Sub Committee	6 th November, 2023	Updated in line with recommendations made at CSC meeting 22.09.23. For further review at CSC 17.11.23 Approved by SDODC 21/12/23
V17	Capital Sub Committee	19 th November, 2024	The following changes agreed at CSC meeting 19.11.24 for onward ratification by SDODC at their meeting on 19.12.24

			<ul style="list-style-type: none">• Change Head of Therapies to Chair of Medical Devices Group• insert after the current 5.10 <p><i>To receive reports and papers relating to the effective application of capital resources scrutinising final use against original business justification intentions. Monitors the improvement impacts of strategic investment over time.</i></p>
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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
Executive Director of Strategy and Planning (Chair)
Assistant Director of Strategic Planning and Development (Deputy Chair)
Independent Member
Director of Estates, Facilities and Capital Management
Senior Business Partner (Finance) (Delegated on behalf of the Director of Finance)
Head of Facilities Information and Capital Management
Deputy 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 (Sub Committee Lead)
Chair of Medical Devices Group
Director of Nursing and Control of Infection representative
In Attendance
Committee Support/Secretary
County Director Representative
Head of Capital Audit (three times a year/tri-annual)
Director of Mental Health and Learning Disabilities
Capital Programme Manager, Capital Planning
General Manager, Women and Children's Directorate
Head of Radiology
Project Manager, Capital Planning
Head of Pathology
Head of Property Performance
Capital Programme Manager, West Wales Regional Partnership Board
Clinical Director of Pharmacy and Medicines Management

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 To receive timely post project evaluation and project closure reports which will include a review of the effective application of capital resources and scrutinise the final use against original business justification objectives and monitors the initial improvement impacts of strategic investment.
- 5.12 Provide assurance to SDODC that risk is considered as part of prioritisation of capital expenditure items and that where risks are not addressed by capital funding, these risks have been reviewed to assess whether further mitigation actions should be taken (to minimise the impacts should the risk materialise), contingency measures can be strengthened (in case the risk materialises to minimise disruption) and reflect whether the risk is being tolerated or further treated.
- 5.13 Agree the Annual Capital Audit Plan and monitor action against recommendations contained within audit reports issued by Capital Audit.
- 5.14 To receive regular progress updates on the Housing with Care Fund and Integrated Rebalancing Capital Funds Capital bids and schemes being progressed through the West Wales Regional Partnership Board
- 5.15 Agree issues to be escalated to SDODC with recommendations for action.
- 5.16 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