

Name of Sub-Committee:	Capital Sub-Committee
Chair of Sub-Committee:	Chair – Lee Davies, Director of Planning
Reporting Period:	December 2022
Key Decisions and Matters Considered by the Sub-Committee:	
<p>Capital Resource Limit (CRL) and Capital Financial Management/Discretionary Capital Programme (DCP) 2022/23</p> <p>The Sub-Committee noted the following:</p> <p><u>Capital Resource Limit 2022/23:</u> The current CRL for 2022/23 has been issued with the following allocations:</p> <ul style="list-style-type: none"> • £27.730m – All Wales Capital Programme • £5.290m – Discretionary Programme • £0.150m – Disposal Proceeds • £33.170m – Total • There have been seven new allocations totalling £4.545m since the last report to the Sub-Committee. • In terms of managing the risk to achieve the in-year CRL, there is still a significant amount of spend to incur before the end of the financial year. This position is in line with the trend for previous years and there are no specific concerns to highlight at this point. • In terms of financial risk around the Withybush Hospital (WH) and Glangwili Hospital (GH) fire precaution works, it was noted that the WH scheme is anticipated to exceed the funding allocation received from Welsh Government (WG). A plan has been agreed with WG in terms of topping up the funding and there is no risk of exceeding allocation to highlight at this stage. <p><u>Capital Programme 2022/23</u> Additional allocation for reporting: The following additional allocation over £0.500m, is being reported to SDODC within item 4.3) Bro Myrddin – an allocation to develop Children and Young People Mental Health Services. The allocation of £0.700m will be received over 2022/23 - £0.391m and 2023/24 -£0.301m.</p> <p><u>Capital Programme 2023/24</u></p> <ul style="list-style-type: none"> • The current expectation is that the DCP allocation for 2023/24 will total £6.939m. This consists of a baseline discretionary allocation of £5.645m, a top-up allocation of £0.888m and repatriation of fees incurred on Cross Hands Outline Business Case (OBC) of £0.406m. • The Capital Planning Group has been considering the distribution of the 2023/24 allocation. The current known pre-commitments for 2023/24 total £2.337m but there may be scope to reduce some of the pre-commitments as more information on the schemes becomes available during 2023/24. • In addition to the pre-commitments, there is a requirement to ring-fence allocations; these total £2.100m. • It is proposed that the allocation for breakdown contingency is increased to £1m for 2023/24 due to the level of calls against this allocation in 2022/23 and the reduced flexibility to manage 	

any unexpected calls for infrastructure expenditure against the Estates & Facilities Advisory Board (EFAB) schemes.

- There is a balance of £2.502m available for prioritisation over three categories. For the 2023/24 DCP it is proposed that the following allocations are made directly:
 - £0.500m Medical and non-medical equipment replacement
 - £0.500m Digital and IT
 - £0.450m Estates Statutory for items not covered by EFAB allocation.
- The remaining £1.052m has been allocated via the prioritisation matrix developed and discussed at Capital Planning Group. This gives a total allocation of:
 - £1.298m Equipment Replacement
 - £0.754m Digital and IT
 - £0.450m Estates

The Sub-Committee approved the proposed 2023/24 DCP for presentation to Executive Team and SDODC within item 4.3)

The Sub-Committee noted the following:

- The Capital Resource Limit for 2022/23
- The endorsed Discretionary Capital Programme for 2022/23 and capital expenditure plan.
- The financial risks
- The continued pressure on the contingency reserve in 2022/23
- The additional allocation for Bro Myrddin development which will be received over 2022/23 and 2023/24 financial years.
- The Health Board is unable to deal with all of its capital risks with the limited DCP allocation available for 2023/24

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;

- Women & Children's Phase 2
- Fire Enforcement Work WH

Projects with an overall amber RAG rating were reported as follows:

- Fire Enforcement Work GH
- Chemotherapy Day Unit
- Sexual Assault Referral Centre
- Business Continuity (Major Infrastructure)
- Carmarthen Hwb

Capital Audit Tracker

The Sub-Committee noted 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 report and the 2022/23 Month 8 Dashboard Reports submitted to WG in December 2022. Key points noted include:

- All the December Dashboard reports were returned to WG within the deadline.
- No comments on the December 2022 Dashboards have been received from WG.

Fire Scheme Update

The Sub-Committee noted the Fire Safety Management Update Report. Key points noted include:

- An overarching programme for all of the fire schemes being managed by the Health Board was presented to the Fire Service at a meeting in December 2022.
- The WH Phase 1 scheme has been under financial challenge and an intensive financial assessment regime has been developed to manage and monitor the cost outcome as the project progresses.
- It was noted that EFAB funding is now embedded into some of the fire projects. The Health Board was successful in securing an allocation from WG of c£5.7m over two years, with Health Board support of c£2.4m.
- The total programme value of Fire Safety projects currently being managed by the Health Board is c£40m. This excludes Business Cases being developed for Phase 2 WH and GH and Business Cases on Bronglais Hospital (BH) and Prince Philip Hospital (PPH).

The Sub-Committee noted the following:

- The content of the report and the work achieved to strengthen fire safety compliance.
- The current forecast financial position on WH Phase 1 project.
- The significant level of Capital spend now being delivered on Fire Safety (circa £40m).

Capital Governance Review Action Tracker

An update on the Management Response and Action Plan prepared as a consequence of the internal Capital Governance Review was presented to the Sub-Committee.

The Sub-Committee noted the one remaining recommendation and supported the proposed future monitoring arrangement.

A Healthier Mid and West Wales Update

The Sub-Committee noted the progress being made with the four strands of work being undertaken as well as the Consultation Institute's Quality Assurance Process and the delay to the consultation launch date. Key points noted:

- There are currently four strands of work being undertaken:
- Review of the clinical model
- A Strategic Outline Case (SOC)
- Land technical appraisal
- Land selection consultation
- Clinical Model: WG are undertaking the procurement of the review team. It is anticipated the procurement process will be complete by mid-March 2023 and the review will commence in early April 2023.
- SOC: WG have agreed the scope of the SOC. A programme of work has been developed to produce the SOC by mid-July 2023 for submission to August Board.

- Land technical appraisal: further technical activities are progressing with the work to develop heads of terms and options to purchase.
- Land selection consultation: the land consultation will commence at the end of February 2023. The Consultation Institute are providing quality assurance reviews on the work undertaken to date.

Regional Plans Update

The Sub-Committee noted the presentation on the Regional Capital Programme. Key points noted include:

- There is a range of funding that will help deliver in terms of the 10-year capital strategy.
- The Housing with Care Fund (HCF) has a c£8m allocation per annum for West Wales. One aim of the 10-year plan is to start developing a capital pipeline so that every year there will be a range of schemes that can be brought forward to utilise the budget fully.
- For the Integration and Rebalancing Care Fund (IRCF), regions bid on a 'first-come first-service' basis. There is potentially up to £50m funding for regions to bid on in 2022/23.

Infrastructure Investment Enabling Plan

The Sub-Committee noted the contents of the Draft Infrastructure Enabling Plan 2023/26.

Aseptic Business Justification Case (BJC).

The Sub-Committee noted the following

- The contents of the report and the BJC
- The capital costs of c£2.8m and revenue cost position of £0.039m per annum.
- The Board at its January 2023 meeting will be considering the BJC for approval and submission to WG for further scrutiny and approval of funding availability.

South West Wales Cancer Centre

The Sub-Committee noted the contents of the report. Key points noted include:

- One option being explored with Swansea Bay University Health Board (SBUHB) is the siting of the Linac machines. They are currently sited in Singleton Hospital but there is the potential option to have a Linac sited in Hywel Dda University Health Board to increase capacity and accessibility.
- A strategic case has been developed between the two Health Boards giving the rationale for the proposed approach in terms of provision of the services. Issues being considered include access, workforce and any capital and revenue streams required to support the service.

Papers for Information

The Sub-Committee noted the following papers for information:

- Capital Review Meeting - Minutes of meeting held on 22 November 2022
- Capital Monitoring Forum – Minutes of meetings held on 15 November and 13 December 2022.
- Capital Planning Group – Minutes of meetings held on 11 November and 12 December 2022.

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

The proposed 2023/24 DCP (agenda item 4.3).

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
 - Infrastructure Investment Plan

Date of Next Meeting:

24 March, 2023