



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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	25 April 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Capital Programme 2023/24, Plan for 2024/25 and Capital Governance Update Report
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lee Davies –Director of Strategy and Planning / Cyfarwyddwr Gweithredol Strategaeth a Chynllunio
SWYDDOG ADRODD: REPORTING OFFICER:	Eldeg Rosser, Head of Capital Planning

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Gwybodaeth/For Information

ADRODDIAD SCAA SBAR REPORT

Sefyllfa / Situation

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

- Update on the 2023/24 Capital Programme and Capital Resource Limit (CRL) for 2023/24
- The allocation of the Discretionary Capital Programme (DCP) for 2024/25
- The capital schemes governance update
- Update on the status of the Reinforced Autoclave Aerated Concrete (RAAC) Schemes, Withybush Hospital (WGH)

Cefndir / Background

This report provides an update on the 2023/24 Discretionary Capital Programme. It follows on from the report and discussion at the SDODC meeting held on 29 February 2024 and the Capital Sub-Committee (CSC) meeting held on 8 March 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 (i.e., fire, health and safety) and delivery of day-to-day patient care.

Discretionary Allocation Use

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 CSC, and the position set out is consistent with that reported to the Sustainable Resources Committee (SRC).

Asesiad / Assessment

Capital Resource Limit (CRL) 2023/24

The final CRL for 2023/24 has been issued with the following allocations:

Allocation	£'m
All Wales Capital Programme (AWCP)	39.539
Discretionary Programme (gross allocation)	5.435
Disposal Proceeds	0.060
International Financial Reporting Standards (IFRS) 16 Leases	1.945
Total	46.979

Capital receipts of £0.06m have been received due to the disposal of a number of items of medical equipment through the year such as ultrasounds.

Since the previous report, the following changes to the CRL have been made:

Scheme	£m	Description
Withybush General Hospital (WGH) Fire Enforcement Works Phase 1 (additional funding)	0.599	Additional funding to cover expenditure in March 2024.
Diagnostic Equipment	-0.050	Part of funding returned to Welsh Government (WG) as there was an error in the quantities of equipment which were being funded.
Year-end funding	0.782	Medical equipment replacement and some minor Estates works.
Digital Prioritisation Investment Funding (DPIF)	0.444	Funding towards national digital priorities.
Diagnostic Equipment (additional allocation)	1.171	Replacement Digital Radiography (DR) room at Bronglais Hospital (BGH), image intensifiers and MRI upgrades.
Digital Year End Funding	2.031	Investment in replacement switches, firewalls, hardware and cyber security.
IFRS 16	0.761	Additional funding for new and renewed leases.
Total	5.738	

The un-audited Capital Expenditure position for 2023/24 is detailed in the table below:

Scheme	Un-audited Spend 2023/24 £m
AWCP	
WGH Fire Enforcement Works (Phase 1)	5.954
WGH Fire Decant Ward	7.135
WGH Fire Precaution Works (Phase 2)	0.746
Glangwili General Hospital (GGH) Fire Enforcement Works (Phase 1)	6.233
GGH Fire Enforcement Works (Phase 2)	0.259
Cross Hands Primary Care Scheme	1.041
Sanctuary Provision (Bro Myrddin)	0.291
Estates Funding Advisory Board (EFAB) Infrastructure	2.254
EFAB Fire	1.142
EFAB Decarbonisation	0.801
National Programmes – Decarbonisation	0.063
Women's and Childrens Phase 2 GGH	0.671
Reinforced Autoclaved Aerated Concrete (RAAC)	6.847
Diagnostic Equipment	1.270
Emergency Department and Minor Injury Unit Improvements	0.367
Year End Funding	0.767
DPIF	1.757
Diagnostic Equipment (additional allocation)	1.170
Digital Year End Funding	0.628
Sub-total AWCP	39.396
Discretionary	
IT	1.568
Equipment	2.258
Estates – Statutory	0.400
Estates – Infrastructure	0.900
Other	0.480
Sub-total Discretionary	5.606
IFRS 16	
New and renewed leases	1.945
Sub-total IFRS 16	1.945
TOTAL	46.947

Against the resource available, the unaudited expenditure position for the year is an underspend of £0.032m

Equipment vested / bonded at year end

There was a requirement to vest one item of equipment (the DR equipment at Bronglais Hospital (BGH)). This was planned and funding will be received from Welsh Government (WG) in 2024/25 for the enabling works to install this equipment.

Financial Risks associated with Capital Schemes

Glangwili General Hospital (GGH) Fire Precaution Works

The latest cost reports indicate that the scheme will exceed its total funding allocation.

The reasons are as follows:

- The scope of the work increased significantly when areas were opened up and it was discovered that there were extensive engineering services which required modifications to allow fire stopping to progress.
- The non uniform building layout, age and condition of the site has added to the works delivery challenges with a significant amount of additional cost being incurred as a result.
- Changes in technical advice for product manufactures necessitating fire stopping to be undertaken from both sides of partition walls.
- An increased number of doors resulting from a review of the site fire strategy with NHS Wales Shared Services Partnership (NWSSP) – Specialist Estates Services (NWSSP-SES). In addition to this, a significant number of door locations require additional works to re construct associated fire compartmentation above the now suspended ceiling voids. The cost of fire doors has also increased extensively due to construction inflation and demand/supply challenges in the industry.
- Additional cost associated with working in the underground duct system at GGH to comply with H&S requirements such as duct safety rescue team, environmental considerations and conditions within the duct such as asbestos, heat, vermin and historic sewerage contamination/deposits.
- Noting all of the above and the increased activity and intensity of the work, the impact on clinical services meant we experienced far greater disruption to progress due to the needs of the service than expected at Business Justification Case stage with GGH being the busiest and most congested of the HDdUHB sites. This was further amplified by COVID-19 restrictions during the earlier part of the project. This has impacted on the programme and therefore on the cost profile.

Meetings have been held with WG and NWSSP-SES to discuss arrangements for claiming additional funding and it is anticipated that this will follow a similar process as for the Withybush Phase 1 overspend, which is claimed monthly in arrears.

The Health Board submitted a paper to WG in April 2024 requesting additional funding for the current expected overspend. Our external advisors have estimated that circa 25% of the programme is remaining and this has been utilised to estimate the forecast overspend. We have also included a 10% risk contingency due to the risk of programme prolongation and as yet unidentified works.

The total additional funding request is £7.6m.

WG have requested additional assurances with regards to the steps which the Health Board are taking to minimise spend and a formal response will be made over the next couple of weeks.

A new risk is being developed for the Executives to consider for inclusion on the Corporate Risk register which will capture the organisational risk of breaching the CRL should funding not be available from WG to cover this expenditure.

Capital Programme 2024/25

All Wales Capital Programme (AWCP)

HDdUHB is currently aware that it will have All Wales Capital Allocations for the following schemes in 2024/25:

- Fire Enforcement Works at WGH)and GGH
- Estates Funding Advisory Board (EFAB)

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)
Adjusted DCP allocation	6.188

The available allocation will 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 Board ratified the Capital Programme presented to this Committee in February at its meeting on 28th March 2024.

Schemes	Allocation £m
Pre-commitments	
BGH Clinical Decisions Unit (CDU)	0.346
Replacement morcellator	0.049
GGH MRI Chiller	0.210
Welsh Intensive Care System	0.117
Paediatric Consultation	0.400*
CDU BGH associated moves	0.160
Isolators	0.098
Fees to develop Sexual Assault Referral Centre (SARC) and Aseptic Business Justification Case (BJC)	0.100
30% EFAB Contribution 2024/25	1.233
Other	0.249
Ring-fenced allocations	
Breakdown and contingency	1.500
Residential accommodation	0.200
Business case development	0.100
Capital support	0.200
Statutory programme	0.450
Equipment	1.000
Digital	0.509
Estates improvement programme - Wards	0.500
TOTAL DCP	7.421

*Split over 2 financial years

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	0.030
Balance	1.470

Capital Governance – Project Updates

At the March 2024 meeting of the Capital Sub-Committee (CSC), the Projects with a current red RAG status were reported as follows:


Project	Overall RAG	Matters for Committee attention
	Current RAG	Tender return costs were significantly higher than expected. SBAR presentation to Executive Team, Charitable Funds Committee and Board have been made to approve a revised refurbishment plan. The RAG score for the next Committee update will be revised.
Chemotherapy Day Unit	Trend 	

Project	Overall RAG	Matters for Committee attention
	Current RAG	
Aberystwyth Sexual Assault and Referral Centre (SARC)	Trend 	Timeline delays to accommodate BJC scrutiny and approvals processes which has been benchmarked against previous scrutiny activity. Impact will be a delay in SARC vacating their current residence in Bow Street where the lease expires at the end of March 2025.

Project	Overall RAG	Matters for Sub Committee attention
	Current RAG	
Fire Enforcement Work, Glangwili Hospital	Trend 	The scheme continues to provide challenges in a live operational hospital environment due to additional scope of works as areas are opened up. This is causing significant financial pressure resulting from increasing programme durations. WG are being kept updated with NWSSP-SES attendance at Project Board. An optimistic further programme has been agreed AP12 which extends the current completion date for the Phase 1 works to end of November 2024.

The Chemotherapy Day Unit Scheme in BGH was reported as a red RAG score to the Capital Sub Committee due to the tender return costs being significantly higher than expected and the potential impact on timeline. However, since the CSC presentations to the Executive Team, Charitable Funds Committee and Board have approved a revised refurbishment plan. The RAG score for the next CSC update will reflect the Board and Trustee's decision to progress with the revised plan.

Projects led by other organisations

Project	Overall RAG	Matters for Committee attention
Carmarthen Hwb	Current RAG	The submission of the BJC and Integration and Rebalancing Capital Fund (IRCF) application for additional funding was planned for 1 April 2024. Enabling works commenced from February 2024 and if additional funding is secured, and it is anticipated that the works contract will once WG funding is confirmed. There could be an additional 8 - 10 weeks added onto the main contract programme due to the sequencing required to install a mass barrier ceiling. HDdUHB project leads continue to work with Carmarthenshire County Council (CCC) project leads to flex and prioritise activities to review design information.
	Trend 	

Reinforced Autoclave Aerated Concrete (RAAC) Schemes WH

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 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 WORK COMPLETE)	75 days	Mon 29/01/24	Fri 10/05/24
OPD A (CONSTRUCTION PHASE)	75 days	Mon 29/01/24	Fri 10/05/24
WGH RAAC: PROFESSIONAL SERVICES - STRUCTURAL SURVEYS	230 days	Mon 15/05/23	Fri 29/03/24
Completion of Curtins Survey - Ground and Lower Ground Floors	60 days	Mon 08/01/24	Fri 29/03/24
WGH RAAC: CURTINS RE-SURVEY INSPECTIONS SECOND FLOOR	155 days	Mon 01/04/24	Fri 01/11/24

The programming of the future inspection regime is now being planned in some detail.

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

Argymhelliad / Recommendation

The Strategic Development and Operational Delivery Committee is asked to:

- **NOTE** the update on the Capital Programme and CRL for 2023/24.
- **NOTE** the update on the Capital Programme for 2024/25.
- **NOTE** the capital schemes governance update.
- **NOTE** the RAAC update.

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 HB estate, including acute, community and mental health facilities. This risk also impacts the HB's non clinical 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	5a Estates Strategies
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 Termiau: 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 assessments are included within individual business cases and capital prioritisation process when required.