

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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	27 February 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Capital Programme for 2024/25, 2025/26 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
- Outline the proposed allocation of the Discretionary Capital Programme (DCP) for 2025/26
- 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) including a copy of the draft Infrastructure Investment Plan 2025-2028 (Annexes 1 and 2)

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 19 December 2024 and the Capital Sub-Committee meeting held on 16 January 2025.

The available capital allocation for 2024/25 and that announced for 2025/26 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 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 2024/25

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

Allocation	£'m
All Wales Capital Programme (AWCP)	34.411
Discretionary Programme (gross allocation)	6.216
IFRS 16 Leases	1.925
Total	42.552

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

Scheme	£m	Description
Diagnostic and Medical Equipment 2024-25	4.047	Funding for bids against end of year monies
Glangwili Laundry hub - Transfer from NHS Wales Shared Services Partnership (NWSSP)	0.076	Funding transferred from NWSSP for the refurbishment of the laundry building at Glangwili
Digital Equipment - December 2024-25	0.480	Funding for bids against end of year monies
Transfer from Public Health Wales (PHW) for refurbishment of molecular laboratory	0.102	Transfer of funding from PHW for refurbishment of the molecular laboratory on the Glangwili site
Commercial Research Delivery Wales (CRDW) Equipment Call 2024-25	0.007	Equipment funded through CRDW.
Year End Funding – January 2025	1.308	Funding for bids against end of year monies
Year End Funding – January - Digital - 2025	0.600	Funding for bids against end of year monies
Diagnostic Equipment 2024-25	(0.717)	Slippage of funding into next financial year to reflect project timeline slippage on the

		installation of replacement fluoroscopy equipment at Withybush
IFRS 16 Leases	1.307	Funding for capitalisation of leases
Total	7.210	

Capital Expenditure Plan

The following table shows the capital expenditure plan for 2024/25 with expenditure incurred to date:

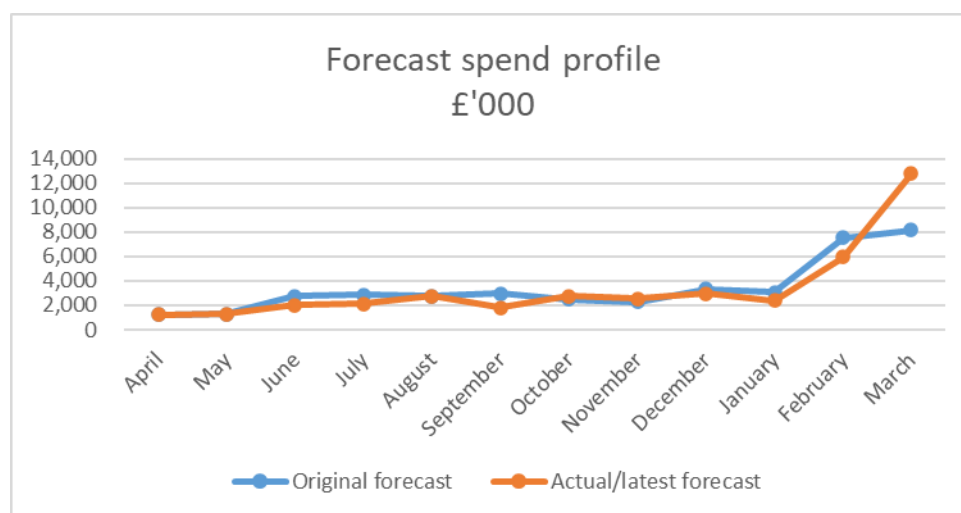
Scheme	Planned Spend 2024/25 £m	Cumulative Spend Apr - Jan £m	Spend Jan £m	Remaining balance £m
All Wales Capital Programme (AWCP)				
Estates Funding Advisory Board (EFAB) - Infrastructure	2.859	1.766	0.173	1.093
EFAB - Fire	1.091	1.034	0.050	0.057
WGH - RAAC Works	5.453	4.053	0.252	1.400
GGH - Fire Enforcement Phase 1	7.967	7.484	0.385	0.483
GGH - Fire Enforcement works - Phase 2 - Fees	0.055	0.047	0.003	0.008
Cross Hands Health and Wellbeing Centre	0.190	0.190	0.007	0.000
BGH Digital Radiology X-Ray works	0.290	0.239	0.001	0.051
Diagnostic Equipment 2024-25	2.651	1.288	0.017	1.363
Backlog Maintenance - 2024-25	3.245	0.664	0.092	2.581
Digital Priorities Investment Fund (DPIF) - RISP	0.224	0.073	0.066	0.151
Fishguard Health and Wellbeing Centre	0.070	0.000	0.000	0.070
Year End Funding – October 2024	1.474	0.000	0.000	1.474
Aberystwyth Sexual Assault Referral Centre	0.708	0.018	0.009	0.690
Picton Terrace	1.150	0.000	0.000	1.150
DPIF - Electronic Prescribing and Medicines Administration (EPMA)	0.500	0.000	0.000	0.500
Diagnostic and Medical Equipment 2024-25	3.915	0.723	0.173	3.192
Glangwili Laundry hub - Transfer from NWSSP	0.076	0.004	0.004	0.072
Digital Equipment - December 2024-25	0.480	0.480	0.480	0.000
Transfer from PHW for refurbishment of molecular laboratory	0.102	0.000	0.000	0.102
Commercial Research Delivery Wales Equipment Call 2024-25	0.007	0.000	0.000	0.007
Year End Funding – January 2025	1.308	0.000	0.000	1.308

Year End Funding – January - Digital - 2025	0.600	0.000	0.000	0.600
Sub-total AWCP	34.415	18.063	1.712	16.352
Discretionary				
IT	1.350	0.778	0.343	0.572
Equipment	1.298	1.164	0.031	0.134
Estates – Statutory	0.450	0.173	0.016	0.277
Estates Infrastructure	2.265	0.866	0.034	1.399
Other	0.849	0.849	0.250	0.000
Sub-total Discretionary	6.212	3.830	0.674	2.382
IFRS 16 Leases	1.925	0.524	0.000	1.401
TOTAL	42.552	22.417	2.386	20.135

Further details on the revenue consequences of these schemes are noted in Annex 1.

Expenditure Profile Forecast

The below chart shows current forecast expenditure compared with the original forecast. Expenditure for January 2025 was slightly higher than forecast. The increased expenditure forecast for March is driven by end of year funds provided by Welsh Government (WG), with circa £5.9m additional funds received since the start of December 2024.



Financial Risks associated with Capital Schemes in 2024/25

End of Year funding allocations

The additional capital funding received since early December 2024 will address some of the significant backlog replacement liability which the Health Board has, however there may be a risk associated with the delivery of some of these goods by the 31 March 2025.

The procurement team are working with Directorates and suppliers to ensure that firm delivery dates are received for all items. Close monitoring will occur to ensure that if there are any risks identified, mitigating measures are put in place to ensure that capital spend is maximised.

A risk has been raised on the Corporate Risk Register to highlight the risk of underspending against our CRL. This is currently scored at a 12.

Equipment to be vested / bonded at year-end

All suppliers have provided assurances to the Procurement team that any orders made can be fulfilled in full by the end of March 2025, however given the high value of spend remaining there is a risk that transfer of title documents may need to be completed if suppliers experience issues in delivering before the 31 March 2025.

There are currently two capital schemes where transfer of titles will be required: -

- WGH Fluoroscopy Scheme – Equipment to be purchased in 2024/25 and enabling works will occur in 2025/26
- EPMA equipment – Equipment to be purchased in 2024/25 with a rolling programme to deliver across hospital sites in 2025/26

Capital Programme 2024/25

All Wales Capital Programme

HDdUHB's All Wales Capital Allocations for 2024/25 is 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
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 Intensive care Unit (ICU)/ High Dependency Unit (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
Llandovery Door replacement	0.022
Autoclaves	0.043
Bronchoscopes	0.240
BGH Meurig works	0.300
Cardiology Diagnostic	0.012
Balance	0.227

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 Combined heat and power (CHP) Flue	0.018	0.102

Balance**0.125**

With the balance held in the contingency and the spend to save allocation along with estimated slippage on schemes in 2024/25 of between £0.200m and £0.300m the following items have been progressed in year:

	Cost £m
Upgrade to WGH Fire Alarm System	0.119
Replacement Air Circuit Breakers (ACBs) PPH	0.046
Building management System (BMS) Upgrade BGH	0.180
Trans-nasal oesophagoscopy (TNO) Scope Head and neck Cancer	0.174
Yttrium Aluminium Garnet (YAG) Laser	0.043
Slit Lamps AVH & GGH	0.071
Total	0.634

As any further underspends or slippage occur in year then the following items will be progressed:

	Cost £m
Cardiology software	0.006
Probe replacement	0.007
Roof repairs St Caradog	0.033
Safety racking theatre	0.032
Cell saver PPH theatre	0.015
Additional items Meurig Ward	0.045
Derwen Ward flooring	0.008
Survey work GGH	0.007
Equipment St Davids pump house	0.020

Additional bids

The following additional allocations have been awarded to HDdUHB in 2024/25:

- 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 (SARC): £3.354m over two 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
- Additional end of year allocation of £1.308m for medical equipment replacement and estates items
- Additional end of year digital allocation of £0.600m

Capital Programme 2025/26

Discretionary Capital Allocation (DCP)

The Health Board has recently received confirmation that the Discretionary Capital Allocation for 2025/26 has been increased to **£10.000m**, an increase of nearly 35% on the 2024/25 level. Whilst this is very good news, it needs to be considered in the context of a combined backlog of c£300m across the estate, medical equipment and IM&T.

The current estimated value of the backlog is:

- £255m Estates backlog
- £26.6m Medical Devices
- £15 - £18m Digital backlog

As part of the capital planning cycle the Capital Planning Team have circulating the capital themed risk registers to the relevant capital leads to assist them with the prioritisation of projects:

- Digital Director
- Deputy Director of Operations
- Director of Estates or nominated deputy
- Members of Capital Planning Group

With these risks in mind the Capital Planning Group, which has representation from the Operational Directorates, Digital Team and Estates has carefully considered the distribution of the 2025/26 DCP allocation.

This consideration noted that the current level of DCP resource available will not enable the Health Board to mitigate all of the capital risks that are currently highlighted on HDdUHB's risk registers as capital themed risks. However, it did recognise that additional allocations received from WG in 2024/25 through the end of year bidding process has enabled the organisation to mitigate against some of the risks being carried.

A paper was prepared for the Executive Team to consider options on the broad split of the DCP allocations for 2025/26.

The £10.000m allocation is the gross allocation available to HDdUHB in 2025/26. The Health Board has already made some pre-commitments for 2025/26 based on decisions already made by the Board. There are some further pre-commitments that will have to be made based on policy decisions by WG such as the Targeted Estates Fund (TEF).

Targeted Estates Fund (TEF)

WG have made £40m available across Wales in 2025/26 and in 2026/27 split over the following categories:

	£m
Infrastructure	18
Fire Safety	5
Mental Health	5
Decarbonisation	6
Infection Prevention Control	3
Decontamination	3

The Health Board has to consider how much of its Discretionary Capital Programme allocation it wishes to contribute towards this fund. WG will fund 70% of the costs of TEF schemes but Health Boards are expected to contribute 30% of the costs.

Over the last two years HDdUHB has contributed £1.200m towards the Estates Funding Advisory Board (EFAB) schemes – the predecessor of TEF.

If HDdUHB were to successfully bid for its resource mapped share of the £40m available across Wales, then a contribution of around £2.100m of DCP would be required as a 30% share. Alternatively, should HDdUHB choose to increase the £1.200m by 35% (ie in line with the DCP budget uplift) then a £1.700m contribution would be required.

A decision on the maximum TEF contribution by the Health Board was required in advance of the TEF bids being submitted to WG at the end of January 2025.

This is the option supported by the Executive Team.

Pre-Commitments

The current schedule of pre-commitments for 2025/26 is listed in the table below:

Pre-Commitments 2025/26	
	£m
TEF 2025/26	1.700
Welsh Intensive Care System	TBC
Paediatric Consultation	0.800
Pentre Awel contribution	0.300
2024/25 slippage/underspend managed into	0.500
Residential Accommodation	0.200
CCTV installation of equipment from 2024/25	0.459
Total	3.959

In addition to the pre-commitments there is a requirement to ring-fence an element of our allocation to deal with the cost of developing business cases and supporting capital developments:

Ring-fenced allocations	
	£m
Development of business cases	0.400
Capital support	0.200
TOTAL	0.600

Other allocations

It is also proposed that:

- We maintain the contingency reserve to deal with system risks such as unexpected equipment failures, mechanical and building breakdown items of £1.000m for 2025/26.
- We provide another £0.941m to deal with opportunity risks to enable the development of solutions for improved clinical accommodation.
- We allocate £0.300m to deal with spend to save initiatives where spending capital will release a revenue benefit.
- An allocation of £1.000m to be available to deal with refurbishment of clinical areas.

This leaves a balance of £2.200m to be allocated over the following categories:

- Medical and non-medical equipment replacement - £0.500m
- Digital and IT - £0.500m
- Estates Statutory - £0.450m
- A balance of £0.750m available to be prioritised through the HDdUHB prioritisation matrix

Discretionary Capital Programme 2025/26	
	£m
Pre-Commitment	3.959
Business Case Development	0.400
Capital Support	0.200
Contingency Reserve	1.000
Opportunity risks	0.941
Spend to Save	0.300
Refurbishment of clinical areas	1.000
Statutory and estates programme	0.450
Equipment	0.500
Digital	0.500
Allocation via matrix	0.750
Total	10.000

Capital Governance – Project Updates

At the 16 January 2025 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:
Cross Hands Health and Wellbeing Centre	ALERT	Full Business Case (FBC) Development	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:
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Regional Pathology	ALERT	Outline Business Case	The current Outline Business Case (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). Confirmation has been received following the outcome of the All-Wales Prioritisation process that this project in its current form is unaffordable. It is likely that some investment in the HDdUHB estate is likely to mitigate the current risks being faced by the service.
Next Key Milestone:	Discussions with Swansea Bay University Health Board (SBUHB) and WG required to determine next steps.		

Projects led by other organisations:

Carmarthen Hwb (led by Carmarthenshire County Council)

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. The current completion for this scheme is likely to be early 2026

Pentre Awel (led by Carmarthenshire County Council)

The completion of the Hydrotherapy Pool element of this development is likely to be in April 2025 with the Clinical Unit being completed towards the end of 2025,

Cylch Caron (led by Ceredigion County Council)

A tender was issued to obtain a housing partner to work with Ceredigion County Council and the Health Board in July 2024. The tender process did not result in the identification of a partner for the project. However, two potential partners have expressed an interest in delivering the scheme, with some variations to those proposed in the tender. In accordance with Procurement Regulations and in order to explore those variations fully to successfully deliver the Cylch Caron Scheme, Ceredigion County Council now propose to run a Competitive Dialogue procurement exercise.

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 (COMPLETE)	131 days	Mon 01/04/24	Mon 30/09/24
OPD B - TENDER 2 (COMPLETE)	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)	145 days	Mon 26/08/24	Fri 14/03/25
WGH RAAC: CURTAINS RE-SURVEY INSPECTIONS SECOND FLOOR	235 days	Mon 22/04/24	Fri 14/03/25

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 16 January 2025:

There are:

- Two items to alert the Committee
- Two items to advise the Committee
- Nine items to assure the Committee

Of the nine items of assurance one of the items to bring to the Committee's attention is the draft Infrastructure Investment Plan which is updated annually and prepared as a technical annex to HDdUHB's Annual Plan and is included as Annex 2 to this report. The Appendices to the Infrastructure Investment Plan can be shared on request.

Argymhelliad / Recommendation

The Strategic Development and Operational Delivery Committee is asked to:

- **NOTE** the update on the Capital Programme and CRL for 2024/25
- **ENDORSE** the proposed allocation of the DCP for 2025/26 for onward ratification to Board
- **NOTE** the capital schemes governance update
- **NOTE** the RAAC update
- **NOTE** the update from Capital Sub Committee and the content of the draft Infrastructure Enabling Plan.

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 Termiau: Glossary of Terms:	Not Applicable
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Datblygu Strategol a Chyflenwi Gweithredol:	CSC Sustainable Resources Committee Capital Planning Group

Parties / Committees consulted prior to Strategic Development and Operational Delivery Committee:	
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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: 16 January 2025

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) of:

1. A Healthier Mid & West Wales Programme Business Case Update

Agreement has been sought with Welsh Government (WG) on the way forward and an Infrastructure Investment Board (IIB) session agreed for 23 January 2025. Key points to note:

- It was hoped that IIB would be the start of a discussion leading to formal agreement of the scope. There were three queries it would be important to be aligned on.
 - It is assumed the Health Board will need to develop a refreshed Programme Business Case (PBC). WG have indicated that a wider set of options should be considered.
 - WG indicated that Hywel Dda University Health Board (HDdUHB) would need to consider the needs of Glangwili (GGH) and Withybush (WGH) Hospitals over the interim period and the interface with primary and community care. WG added a further point on the linkages with Swansea Bay University Health Board (SBUHB) and the approaches to internal and external communications around this.
 - This would be a very substantial piece of work with associated costs. The investment needed for this is not currently in the Health Board's financial plans and would influence the 3-year financial roadmap.

2. The feedback received from WG Prioritisation Process

The Presentation given by WG colleagues to the Chief Executives of NHS Wales in early December 2024 noted that there is currently no funding available to support a hospital building programme across Wales.

Advise² (to monitor)

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

1. Capital Resource Limit 2024/25:

- At the end of December 2024 - 50% of the total allocation had been spent.

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.

- There are around 170 significant individual schemes which need to be completed; therefore, it has been assessed there is a risk to underspending against the Capital Resource Limit (CRL) and a corporate risk scored at 12 was agreed at January 2025 Executive Team (ET) meeting. To mitigate against this risk the Health Board has over-committed against the programme.

2. Capital Programme 2024/25 and 2025/26

- A bid of £2.9m was submitted to WG for end of year monies on 6 January 2025. Confirmation has been received that £1.3m of this has been approved.
- The discretionary allocation has increased from £7.4m to £10m for next year. A report has been prepared for consideration by the Executive Team on 15 January 2025 on how the discretionary allocation for 2025/26 is split
- WG have made available a Targeted Estates Fund (TEF) for next year of £40m across Wales; this has a requirement for the Health Board to contribute 30% with WG contributing 70%. These bids were submitted to WG by end of January 2025.
- The ET approved Option 1 with TEF allocation capped at £1.7m. This option would allow flexibility for the Capital Group. The ET were satisfied to be guided on allocation, and a view on how this could be taken through the CSC.
- CSC were advised that the Paediatrics work was not progressing with the anticipated pace, and that there was a risk that the whole amount (£800k) may not be used next year. Action agreed to meet with the service on the planning of the Paediatrics work.

Assure³ (to note)

The Capital Sub Committee noted the following:

1. The contents of the **Committee Key Actions report**.
2. **The Capital Governance Highlight Reports** and the projects with Red and Amber status.
3. **The Audit Recommendation Update Report** which noted five open reports, which generated 50 recommendations. 28 of these had been completed with 22 recommendations outstanding and 11 recommendations behind schedule.
4. The contents of the **Dashboard Reports** returned to WG in December 2024 on the schemes being funded through a range of sources, including Primary Care, Integrated Regional Capital Fund (IRCF), and All Wales Capital Programme.
5. **The Estates Funding Advisory Board (EFAB) Update Report** and that the two projects were proceeding satisfactorily.
6. **The feedback from WG Prioritisation** and the Presentation given by WG colleagues to the Chief Executives of NHS Wales in early December 2024.
 - 182 prioritisation forms across Wales were submitted.
 - There was a budget gap of £1.25b over three years with a gap of £3.8b shown in future years.

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

- The All Wales budget would need to be doubled to afford the priorities received from organisations.
 - There is currently no funding available to support a hospital building programme across Wales.
 - The letter received from WG and that the Health Board will be formally responding. CSC noted there were some clear points to be drawn.
 - It was not thought WG had intention of a prioritisation refresh, therefore the Health Board would need to consider how changing prioritisation was updated or dealt with.
 - That the Bronglais Hospital (BGH) Fire Works were not included on the list in the letter from WG was discussed. The implications for this work were unknown. A clear steer on this would be sought in the next Capital Review Meeting (CRM) meeting with WG on 21 January 2025.
7. **The BGH Fire Precaution Scheme Programme Business Case (PBC)** and approval to progress to Formal Executive Team on 19 February 2025 and then SDODC on 27 February 2025.
 8. **The draft Infrastructure Investment Enabling Plan** and the work undertaken to update it.
 9. **The Aseptics BJC** which was submitted to Public Board on 30 January 2025 and following Board approval, would be submitted to WG.

Papers for information were noted by the CSC as follows:

1. Capital Review Meeting – Minutes of meeting 21 November 2024
2. Capital Monitoring Forum – Minutes of meeting 10 December 2024
3. Capital Planning Group – Minutes of meeting 29 November 2024 and 20 December 2024.

Review of Risks

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

1. **Capital Resource Limit 2024/25** - There is a risk to underspending against the CRL. To mitigate against this risk the Health Board has over-committed against the programme

Sharing of learning

None noted for this meeting

Recommendation

The SDODC is asked to:

- **NOTE** the draft Infrastructure Investment Enabling Plan and the work undertaken to update it
- **NOTE** the Capital Sub Committee Update Report following its meeting on 16 January 2025.

SAFE, SUSTAINABLE, ACCESSIBLE AND KIND



Hywel Dda University Health Board

Infrastructure Investment Plan 2025/28

V1.0. To support Annual Plan – March 2025



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APPENDICES

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1.0 INTRODUCTION

1.0.1 The NHS Wales Annual Planning Framework for 2025/26 does not specifically call out the requirement to produce an Infrastructure Investment Plan (IIP). Hywel Dda University Health Board however sees this document as a key enabler to the delivery of our:

- Strategic Objectives
- Planning objectives which include the University Health Board's (UHB) Health and Care Strategy, 'A Healthier Mid & West Wales; Our Future Generations Living Well'.
- Approach to the management of capital and infrastructure risks within the UHB

1.1 Strategic Objectives

1.1.1 Our 6 strategic objectives are shown below:

1. Putting people at the heart of everything we do
2. Working together to be the best we can be.
3. Striving to deliver and develop excellent services.
4. The best health and wellbeing for our communities
5. Safe, sustainable, accessible and kind care
6. Sustainable use of resources

1.2 Planning Objectives associated with the IIP.

1.2.1 The Planning Objectives within the Annual Plan have been refreshed for 2025/2026 and include the following detail that can be associated with this Infrastructure Investment Plan:

1.2.2 Planning Objective 8 encompasses the UHB's aspirations to develop world class infrastructure for service delivery for acute, community and primary care:

Planning Objective 8 – Estates plans

Primary Objectives	Secondary Objectives (Enablers to Primary Objectives)	Baseline Assessment	Measurement Method	Outcome/Output
Progress against Business Case process for Implementation of <i>A Healthier Mid and West Wales</i> (AHMWW) Strategy	<ul style="list-style-type: none"> • Nuffield Trust report received and management action plan agreed • WG endorsement of Programme Business case • Approval of Strategic Outline Case (SOC) • Establishment of team and project to deliver Outline Business Cases (OBCs) 	<ul style="list-style-type: none"> • Board-approved Programme Business Case (not yet endorsed by WG) • Strategic Outline Case draft • Nuffield Trust Review undertaken • A Healthier Mid and West Wales Strategy • Review and refresh of regional 10-year capital plan 	<ul style="list-style-type: none"> • Completed action plan following Nuffield report • Agreement with WG on long-term strategic plan via endorsed PBC • Reduction in carbon footprint 	<ul style="list-style-type: none"> • AHMWW Strategic Outline Case produced and agreed by Board • Commence development of Outline Business Case(s)
Estates Rationalisation - Modernisation and rationalisation scheme year 1-4 implementation	<ul style="list-style-type: none"> • Acquisition of Picton Terrace Corporate Hwb • Progress against Business Case process for: <ul style="list-style-type: none"> – Fishguard HWBC – Aberystwyth Resource Centre – Carmarthen Hwb – Pentre Awel – Cross Hands HWBC • Launch of Agile Toolkit 	<ul style="list-style-type: none"> • Estates Rationalisation Strategy • Programme Business Case • A Healthier Mid and West Wales Strategy • Agile toolkit 	<ul style="list-style-type: none"> • Reduction in the number of properties (freehold and lease) within the Health Board's portfolio • Reduction in number and costs of leased properties • Reduction in estates backlog 	<ul style="list-style-type: none"> • Rationalisation of St David's Park and Glien House to Corporate Hwb • Implementation of Short Term (1-4 years) schemes • Progress made towards planning for Medium Term (4-8 years) Modernisation/ Rationalisation Schemes

Scope	Aim	Deliverables /actions	Q1	Q2	Q3	Q4	
<ul style="list-style-type: none"> • Business cases associated with the delivery of AHMWW • Future work to include the remainder of the AHMWW scope relating to Bronglais and Prince Philip Hospital's modernisation • Regional capital plans as delegated to the RPB • Strategic plans for all Health Board estate, both freehold and leased, including purchase of new buildings and new / changes to lease agreements • Agile working and associated factors, such as desk-booking, building design, toolkit etc • Essential estate infrastructure through the major infrastructure business case 	<p>To provide a strategic suite of plans to address the risks and inadequacies of all aspects of the current estate. It is anticipated this will be achieved through partnership working, new models of working and significant investment over a period of the next 10 to 15 years</p>	Actions taken in response to the Nuffield Trust Review to be presented to IIB	x				
		Secure Ministerial endorsement for the AHMWW PBC	x				
		Completion and submission of Board approved SOC (Date TBC subject to WG agreement)					
		Review and refresh of regional 10-year capital plan to WG			x		
		Implementation of Property Asset Strategic Plan	x	x	x		
		Funding approval for moves to WG Building, Picton Terrace					
		Commencement of staff moves into WG Building, Picton Terrace					
		Termination of Block 14, St Davids Park lease					
		Submission of FBC for Cross Hands				x	
		Pentre Awel	x	x			
BJC complete for IRCF funding				x			
MOU							
Heads of Terms							
Carmarthen Hwb	x	x					
BJC completed for IRCF funding							

<ul style="list-style-type: none"> Decarbonisation initiatives and net zero approaches 	Heads of Terms		
	Fishguard Centre	x	x
	funding for SOC/OBC		
	appointment of Supply Chain Partners		
	Aberystwyth Resource Centre		x
	Scoping agreed		
	BJCs for major infrastructure investment		
	Decarbonisation agenda		x
	Continued implementation of the HDd Decarbonisation Delivery Plan 2022/25		
	Undertake review of Decarbonisation Delivery Plan		
Develop phase 2 of Decarbonisation Delivery Plan and gain relevant approvals			

1.2.3 Other Planning Objectives can also be supported by Infrastructure Investment plans. These include:

- Planning Objective 9: Digital Strategic Plan
- Planning Objective 6: Clinical Services Plan
- Planning Objective 10: Population Health (including Social Model for Health and Wellbeing)

1.3 Risk management

1.3.1 The level of Discretionary Capital which is available to the UHB on an annual basis has not been increased for several years and provides us with a challenge and risk in trying to address the historical backlog we have in:

- Medical and non-medical equipment
- Informatics and Digital infrastructure and equipment
- Estates and Statutory infrastructure

1.3.2 Whilst the discretionary capital allocation has increased for 2025/26, there is still significant pressure on the **£10.000m** which will be our allocation in 2025/26.

1.3.3 Corporate Risk 1196 states:

“There is a risk the Health Board will 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. This could lead to an impact/effect on our ability to deliver our strategic objectives, service improvement/development, statutory compliance (i.e., fire, health and safety) and delivery of day-to-day patient care”.

1.3.4 Corporate Risk 1745 states:

“There is a risk 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 nonclinical estate, educational facilities and managed practices. This is caused by further deterioration of our aging buildings and infrastructure with significant amount of the estate beyond its life expectancy. Multiple points of failure, delays in addressing reported defects and limited capital to address the increasing backlog of estate environmental issues. This could lead to an impact/effect on patient experience, our ability to deliver care in line with expected standards resulting in increased scrutiny and critical reports from auditors, regulators and inspectorates, such as HIW and HSE, and decreased public confidence and perception of our services, facilities and estate environment. Impacts also include increasing revenue costs to supplement the lack of capital funding available required to react to emerging issues, ability to comply with the Health and Safety at Work Act, including other legal regulations and engineering guidance documents such as Welsh Health Technical Memorandums (WHTMS).”

1.3.5 The prioritisation of our available capital resources ensures that we consider risk as a part of this process.

1.3.6 The Capital Sub Committee as noted in their Terms of Reference:

“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.

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.

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.

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.”

1.4 Review of 2024/2025

1.4.1 Delivery of the 2024/2025 capital programme has taken place against the continued backdrop of a challenging backlog position on maintenance and medical equipment and having to deal with the immediate issues of RAAC in Wthybush Hospital.

Discretionary Capital Programme (DCP)

1.4.2 DCP allocations have reduced which has emphasised the importance of adequate prioritisation processes to ensure equity across the programme in assessing the most pressing needs.

1.4.3 The UHB has managed a DCP allocation of **£7.421m** which has been topped up through the awarding of end-of-year allocations (currently @£7.310m) this includes designated funding for the equipment and digital costs associated with Pentre Awel to the tune of £0.974m and replacement of scopes for WGH at £0.500m.

1.4.4 Whilst the additional funding has been welcomed in year, again, it has proved challenging to initiate and deliver the additional schemes due to the relatively short window to year end.

Business Continuity / as usual

1.4.5 The diagnostic imaging programme has continued during 2025/2026. A schedule of the schemes is included below:

Plan	Completion Date
<ul style="list-style-type: none"> DR X-Ray room for A&E in BGH 	Completed
<ul style="list-style-type: none"> Replacement of MRI at PPH 	Completed
<ul style="list-style-type: none"> GGH MRI Chiller 	Completed
<ul style="list-style-type: none"> WGH DR Enablement works 	To be completed by 13 th March 2025
<ul style="list-style-type: none"> Fluoro Room Replacement at WGH 	2025/26



BGH – Digital Radiography X-Ray Room in A&E

1.4.6 The programme of essential Fire Safety precaution upgrades has continued during 2024/2025.

1.4.7 Phase 1 of the work in WGH is now complete. The Phase 2 and final Phase of Fire Enforcement works at WGH is progressing and dates have been confirmed to the MWWFRS:

- Completion of BJC – May 2025
- WG approval of BJC – July 2025
- Commencement of works – c. Sept 2025
- Completion of works – mid 2027

The above programme is the latest available however will be dependent on the WG scrutiny period and subsequent approvals process.

1.4.8 At GGH, Phase 1 is nearing completion following several delays which have resulted in an extended completion date of early to mid-February 2025.

Phase 2 will be subject to the same scope as agreed for WGH Phase 2 following discussions with MWWFRS. The initial proposed programme dates have been confirmed to MWWFRS:

- Completion of BJC – August/September 2025
- WG approval of BJC – October 2025
- Commencement of works – November 2025
- Completion of works – late 2027

1.4.9 At BGH the scheme of works will incorporate all remaining work required by the Letters of Fire Safety Matters (LoFSM) not already undertaken by works carried out through the Discretionary Programme and EFAB funding. The initial BJC was submitted to WG in February 2023 and was in the order of £30m. The HB is in negotiations with MWWFRS to agree a similar scope reduction to that already successfully achieved at WGH and GGH.

The HB have now confirmed the initial dates to the MWWFRS for the latest programme:

- Refresh of the PBC submission – February /March 2025
- Completion of BJC – May 2026
- WG approval of BJC – June 2026
- Commencement of works – September 2026
- Completion of compliance works – December 2028
- Reinstatement of Decant Accommodation etc – March 2029

The works will be carried out in a multi-phased decant programme in order to minimise impact on clinical services.

1.4.10 At PPH all planned investment in Fire Safety funded as part of the EFAB programme are being delivered to plan. All works are due to be completed by March 2025.

The HB is currently assessing the scope and approximate costs of any remaining works needed beyond April 2025, subject to this review it may be possible to complete these works under a Targeted Estates Funding (TEF) bid in 2025/26, but this will depend on the level and scope of works needed.

- 1.4.11 All planned investment in Fire Safety at South Pembrokeshire Hospital (SPH) funded as part of the EFAB programme is being delivered to plan with all works due to be completed by March 2025.
- 1.4.12 Mid and West Wales Fire and Rescue Service (MWWFRS) remain fully briefed and are supportive of this programme.

Implementing the Healthier Mid and West Wales Strategy

- 1.4.13 Programme progress has been the subject of regular reporting to the Capital Sub Committee (CSC), A Healthier Mid and West Wales (AHMWW) Group, AHMWW Infrastructure and Estates Subgroup, Strategic Development and Operational Delivery Committee (SDODC) and Board.

1.4.14 **PBC and SOC**

The Programme Business Case (PBC) is yet to be endorsed. WG requested the Health Board develop a Strategic Outline Case (SOC) for the new hospital and the repurposing of GGH and WGH, indicating a level of support for progressing the programme. WG requested that the Health Board consider “the widest possible options” for the SOC which led to a pause in the development of the SOC as further clarification was sought on the scope of SOC options and the implications for the work undertaken to date.

Dialogue has continued with WG officials over the last 12 months with regards to next steps:

Health Board officers met with WG colleagues in a workshop on 22 April 2024 to discuss options which might form the basis for progression of the SOC in relation to the new Urgent and Planned Care Hospital, Withybush and Glangwili. This followed the meeting with the IIB in September 2023 and subsequent correspondence between the Health Board and WG which set out the need for the Health Board to demonstrate the development and robust assessment of a wider range of infrastructure options.

A meeting was held between HDdUHB’s Chief Executive and Director of Strategic Development and Operational Planning with the Deputy Chief Executive, NHS Wales and the Director of Finance, NHS Wales on the 12 September 2024. The discussion included consideration of the possible ways forward and the potential implications and timeframes. HDdUHB presented the potential timeframes if the programme is to proceed in a manner consistent with the AHMWW Strategy and the timeline for a SOC with an extended scope of scenarios as indicated in WG correspondence. HDdUHB set out the implications of very significant infrastructure costs to maintain the current estate under either scenario which will escalate as the timeframe to major capital investment

extends, this also holds true for the likelihood that capital will be required to support interim service changes.

The Director of Strategy and Planning presented a comprehensive update in relation to the Programme timeline and service and estate implications to the November 2024 Board. (see further information on section 4.2.5 of this plan).

1.4.16 The Nuffield Trust Review of the Clinical Models

The Health Board received the final Nuffield Trust Review of the Health Board's clinical models on 15 April 2024 with a covering letter from the Deputy Chief Executive, NHS Wales. The Review was broadly supportive of the UHB clinical strategy and set out additional analysis and other work which will be required to develop the detail of the strategy implementation and the conclusions and recommendations. Some of these can be the subject of actions in support of the SOC; however, others will form part of the detail for subsequent business cases and implementation planning. The Nuffield Report was presented to Public Board on 30th May 2024. A management response action plan was developed and is subject of regular reporting to SDODC. There are some recommendations in the report which relate to areas outside the Health Board's direct control and which will require collaboration with partners including Health Education and Improvement Wales (HEIW) and WG to progress. The areas called out relate to the development of new training roles for doctors working in rural areas and the need for the development of a digital strategy across Wales. These items will need to be considered with these partner organisations, as the Health Board develops the management response to the review.

1.4.15 Community Schemes Update

Several of the AHMWW Community Schemes have continued to be developed and the summary position is set out below. Key points to note are that:

- Given the capital affordability issues there is only timeline assurance currently relating to the Pentre Awel and Carmarthen Hwb schemes which are led by the Carmarthenshire CC.
- Further work is required to prioritise the UHB schemes which will be informed through the Primary Care & Community strategy review underway and the associated consultation planned for 2025.

The summary position for community schemes is as follows:

Cross Hands Health and Wellbeing Centre

Welsh Government requested the footprint of the scheme be re-visited to reduce capital cost implications. The Full Business Case (FBC) is being reviewed alongside a full-service review to bring the cost back into the financial envelope as advised by WG

Carmarthen Hwb (led by Carmarthenshire County Council)

The Business Justification Case for Integration and Rebalancing Capital Fund (IRCF) funding was submitted to WG and £10.8m of WG funding has been released for the scheme £7m for Carmarthenshire County Council as the lead authority on this scheme and £3.8m for UHB equipping. Building works commenced on site in mid-July 2024.

Pentre Awel (led by Carmarthenshire County Council)

A refresh of the Full Business Case (FBC) has been completed by Carmarthenshire County Council (CCC) for the City Deal funding, this was also submitted to WG for additional IRCF funding. Funding from IRCF source was declined but £1.333m of All Wales Capital Programme funding has been approved for the scheme in 2024/25.

North Pembrokeshire Health and Wellbeing Centre in Fishguard

A paper to confirm the scope of the scheme was approved by the Executive Team in November 2024.

Cylch Caron

A tender was issued to obtain a housing partner to work with Ceredigion County Council and the Health Board in July 2024. The tender process did not result in the identification of a partner for the project. However, two potential partners have expressed an interest in delivering the scheme, with some variations to those proposed in the tender. In accordance with Procurement Regulations and in order to explore those variations fully to successfully deliver the Cylch Caron Scheme, Ceredigion County Council now propose to run a Competitive Dialogue procurement exercise.

The Competitive Dialogue procurement exercise will commence with an open call for interested parties and includes a qualification stage of essential criteria that must be met. After that initial stage it is possible to discuss proposals put forward by the bidders in order to work up those plans to ensure requirements are met. There may be multiple rounds of discussions before a final bid is invited.

Upon completion of the competitive dialogue the results will be submitted to the UHB Board and Ceredigion County Council Cabinet for tender acceptance

Aberystwyth Integrated Care Centre

A further meeting with Ceredigion County Council and Welsh Government has been arranged for mid February.

1.4.16 Governance

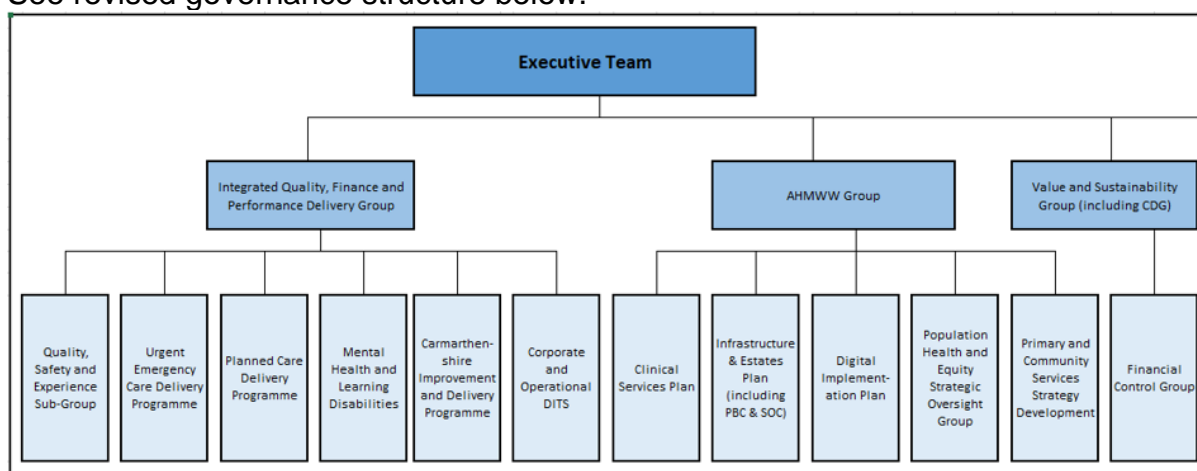
A Healthier Mid and West Wales Group

'A Healthier Mid and West Wales (AHMWW) Group' was established as a Group of the Hywel Dda University Health Board (HDdUHB) Executive Team and constituted from 10th April 2024. The Terms of Reference are broader than the previous A Healthier Mid and West Programme Group which focused solely on production of the Strategic Outline Case (SOC) for Board and Welsh Government approval. These new Terms of Reference reflect delivery of the Health Board's strategy in its wider sense and also reflect the various programmes that feed into it in addition to capital infrastructure planning i.e. the Clinical Services Plan; Digital Plan; Population Health; and Primary Care and Community Services.

A Healthier Mid and West Wales (AHMWW): oversees delivery of the Health Board's strategy and associated programmes; develops and implements the Clinical Services

Plan; ensures alignment between short-term and long-term objectives; focuses on Planning Objectives 6, 7, 8, 9 & 10.

See revised governance structure below.



The A Healthier Mid and West Wales (AHMWW) Infrastructure & Estates Plan Sub-Group has been established as a Sub-Group of the A Healthier Mid and West Wales Group and constituted from 10th April 2024

The purpose of the Infrastructure & Estates Plan Sub-Group is to ensure delivery of the major capital plans and schemes that support delivery of the Health Board’s Strategy, ‘A Healthier Mid and West Wales; Our Future Generations Living Well (AHMWW)’. This will be developed into the HDdUHB’s Estate Strategy which will be produced in support of future AHMWW Outline Business Cases

1.4.17 Audit Review

An Advisory review has been commissioned as an additional review for 2024/25. It will appraise the existing capital management reporting and accountability arrangements to ensure compliance with expectations and to identify any opportunities to enhance arrangements

The approach to this advisory review will be to review existing governance arrangements with particular regard to capital reporting in relation to the Capital Sub Committee, AHMWW Infrastructure and Estates Plan Subgroup and to recommend any changes in relation to streamlining or strengthening of our capital governance arrangements.

Objectives of the area under review are:

- **Control Framework:** To ensure that the expected requirements in respect of capital are adequately defined within the existing control framework, including the operational and assurance governance structures including terms of reference and ensuring minimal duplication and mitigating any gaps in controls.

- **Compliance:** To determine whether the existing arrangements are fit for purpose in respect of accountability, monitoring and reporting.
- **Effectiveness:** To consider the effectiveness of the existing arrangements, identifying any duplication, inefficiency and/ or opportunities to enhance the existing arrangements.

Planning Objective 8 Estates Plan

The work associated with the development of the AHMWW Programme is monitored through Planning Objective 8 Estates Plan. It has been reported that the AHMWW programme timeline has been the subject of significant delay in relation to the need to produce a SOC and the revision to the range of options needing to be developed and appraised in the SOC.

1.5 Approach to Capital

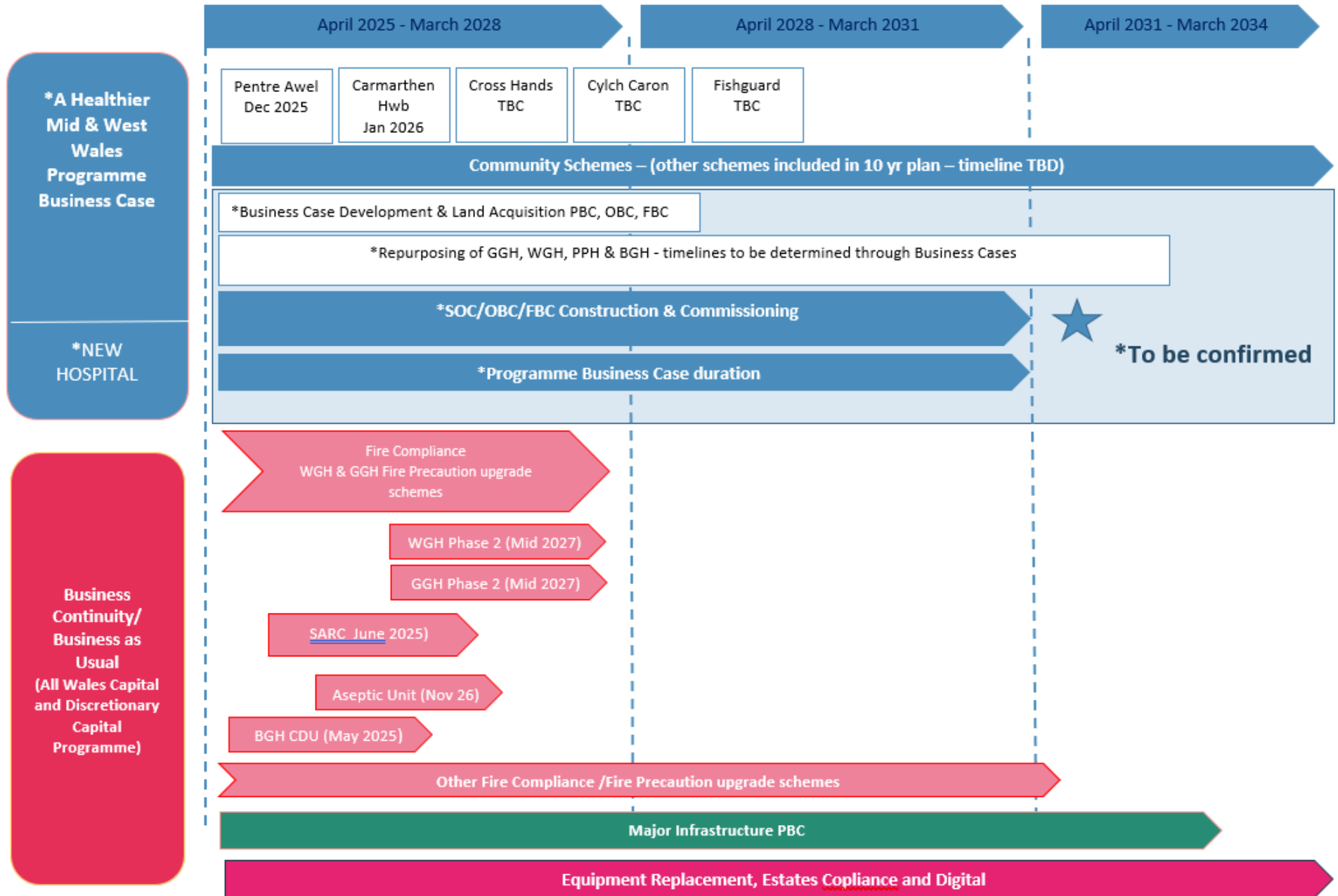
1.5.1 From a capital perspective we have split the portfolio of work into 3 categories:

1. Capital portfolio to support the implementation of the UHB's strategic and planning objectives which include the delivery of our **Health & Care Strategy** (All Wales Capital).
2. Capital Schemes supporting operational **business continuity** in the interim years (All Wales Capital);
3. Capital Schemes supporting '**business as usual**' resources through the UHB's Discretionary Capital Programme (DCP) and charitable funds.

1.5.2 This enabling plan will set out the key components of each of the above categories and reflect the UHB's Capital Investment Plans over a 3-year period, plus a 10-year Investment Plan for the known schemes along with identifying the likely All Wales Capital (AWC) requirements.

1.5.3 The key capital implications of the delivery of the capital portfolio including the delivery of our Health & Care Strategy are set out in the "plan on a page":

Capital Programme Plan: Plan on a Page



- 1.5.4 Our Estates Strategy was developed as part of the development of the Programme Business Case to implement our **Health & Care Strategy**. This document aligns the aspiration for the delivery of our clinical model with our current and future estates requirements. This document can be seen in Appendix 1.
- 1.5.5 Detailed descriptions of our current sites and plans for the development of these and the new Urgent and Planned Care Hospital can be seen in the following Appendices:
- Appendix 2 Urgent and Planned Care Hospital
 - Appendix 3 Glangwili
 - Appendix 4 Withybush
 - Appendix 5 Bronglais
 - Appendix 6 Prince Philip
 - Appendix 7 Community
 - Appendix 8 Estates Strategy
- 1.5.6 Since these documents were developed Reinforced Autoclaved Aerated Concrete (RAAC) has been identified at Withybush and Bronglais sites and whilst the UHB's long term strategy for the site as seen in Appendix 4, sees RAAC removed at an early estimate cost of £60m, the short to medium term solution is to remediate the critical and high-risk planks to manage the risk at via approved Welsh Government capital funding of £6.533min 2023/24 and £5.453m in 2024/25.
- 1.5.7 As well as the Estates Strategy the UHB has developed a Property Asset Strategic Plan (Strategic Plan), was Board approved on the 27th of July 2023 - Appendix 8 which calls out the diverse range of property assets supporting both our clinical and non-clinical services and operations.
- 1.5.8 The Strategic Plan incorporates both the freehold and leasehold sites across the three counties: Pembrokeshire, Ceredigion and Carmarthenshire. The Strategic Plan provides baseline data on the UHBs occupied assets (i.e., the footprint, age profile of the estate) and captures where the UHB has established strategic estate development proposals and approved plans.
- 1.5.9 The Strategic Plan will act as a support document to ensure the estate is aligned to our transformation plans and business operations, assisting teams to meet their aspirations for delivery of clinical and non-clinical services. Our ambition is to work towards an estate that is modern, flexible, cost effective, low carbon and provides a supportive working environment. In addition, our approach aligns to wider Welsh Government policy ambitions including Town Centre First and wider public sector collaboration to benefit the economy, environment and well-being of the UHB's communities.
- 1.5.10 The Strategic Plan sets out a plan for estate rationalisation, including a reduction in our lease estate, aligns to the Agile Working programme and

supports our sustainability goals including the Health Board's Decarbonisation Delivery Plan. Importantly the Strategic Plan aligns with our longer-term plans to deliver on 'A Healthier Mid and West Wales' (AHMWW) and sets out actions over the next three years which would move us towards that vision.

1.5.11 There are many challenges that we face with the estate, including the age profile, backlog maintenance, escalating costs, environmental performance and functionality. It is important the UHB seeks to innovate and work in collaboration with our public sector partners to align these estate ambitions. The focus and aim to ensure the retained property and future plans work towards an estate that is high quality, represents good value, is sustainable, meets our service needs and supports our communities.

2.0 GOVERNANCE

2.1 Context

2.1.1 The Infrastructure Investment Plan is delivered in line with national investment objectives outlined within the NHS Wales Infrastructure Investment guidance WHE (2018) 043 released in October 2018 as follows:

- *Supporting the delivery of safe, sustainable and accessible services, and facilitate high standards of patient care;*
- *Support changes to streamlining and transforming healthcare provision, with a focus on prevention and supported self-management, the provision of care closer to home, and the integration and coordination of service delivery with partners;*
- *Promote the maximum efficient utilisation of assets and to improve asset condition and performance; and*
- *Promote the use of innovation to improve the quality of care, to reduce costs and to deliver the necessary service change.*

2.1.2 In the developing the Health Boards infrastructure plans to deliver service proposals, projects must (via funding bids) clearly demonstrate alignment to the NHS Infrastructure Investment criteria i.e.:

- **Health Gain:** *improving patient outcomes and meeting forecast changes in demand;*
- **Affordability:** *given the long-term revenue assumptions, there should be explicit reference to reducing revenue costs;*
- **Clinical Skills and Sustainability:** *reducing service and workforce vulnerabilities, and demonstrating solutions that are flexible and robust to a range of future scenarios;*
- **Equity:** *where people of highest need are targeted first; and*
- **Value for Money:** *optimising public value by making the most economic, efficient and effective use of resources, including the delivery of efficiency savings.*

2.2 Capital Governance

2.2.1 The governance and assurance associated with capital schemes in the UHB is managed through the Capital Sub-Committee (CSC) which reports into the Strategic Development and Operational Delivery Committee (SD&ODC) of the Board.

2.2.2 The Capital Project Framework continues to be developed. This has included:

- The development of Project Directors / SRO guide, which contains useful information to assist with leadership responsibilities for capital schemes
- Continued with the programme of lessons learnt and post project evaluations.
- Project highlight reports to reflect current progress
- Further development of the Capital Planning SharePoint page on the intranet, to raise awareness of the various capital programmes and to assist with staff engagement and providing useful information.
- Internet pages showcasing the development and Frequently Asked Questions in relation to capital projects completed and community schemes in progress.

2.2.3 These all build on the improvements to Capital governance listed in the previous iteration of this plan.

3.0 NATIONAL POLICY AND FRAMEWORK

3.0.1 In line with the **NHS Wales Infrastructure Investment Guidelines 2018**, the UHB is required to consider how the ambitions of this Capital Infrastructure Plan align with those in the Wellbeing and Future Generations (Wales) Act 2015 and the Welsh Government Strategy “A Healthier Wales: Our Plan for Health and Social Care”, published in June 2018. The guidance stipulates a need to place health inequalities at the heart of planning and the need to work with partners including local authorities and third sector. Organisations also need to demonstrate how investment priorities will deliver a move away from traditional models of hospital-based care towards primary and community care settings.

The Plan also aligns with the Ministerial priorities called out in July 2021 and in the NHS Wales Planning Framework 2025-2028

The planning guidance issued for 2025/28 has not specified a requirement for an Infrastructure Investment Plan.

3.1 NHS Planning Framework 2025-2028

3.1.1 The capital portfolio remains contextualised by the NHS Planning Framework 2025-28 letters issued by the Minister and Director General Health and Social Services. These confirm the priorities as follows:

- Timely Access to Care
- Population Health and Prevention
- Building Community Capacity
- Mental Health Access
- Women's Health

3.1.2 The ministerial priorities are familiar to all NHS organisations and provide the focus for the overarching policy context which stems from A Healthier Wales and the First Minister's conversations and engagement with public and staff since the summer. This includes the longer-term focus on population health and prevention.

3.1.3 Our IIP also addresses priorities called out in the Programme for Government. With investments focused on rebalancing funding, workforce and other resources to support primary and community care, and plans demonstrating how their primary, community and secondary care services will be integrated. This shift is demonstrated in the ambition within the Infrastructure Investment Plan. The plan is a key enabler to the implement of the A Healthier Mid and West Wales Strategy.

3.1.4 The UHB occupation of buildings will also maintain focus on reviewing Estates Rationalisation of Non-Clinical space in line with WG request to commission this piece of work with particular focus on:

- Disposing of surplus freehold property
- Terminating leases or renewing leases on a reduced footprint
- Sharing accommodation with other NHS bodies and the wider public sector
- Letting surplus accommodation to the private sector

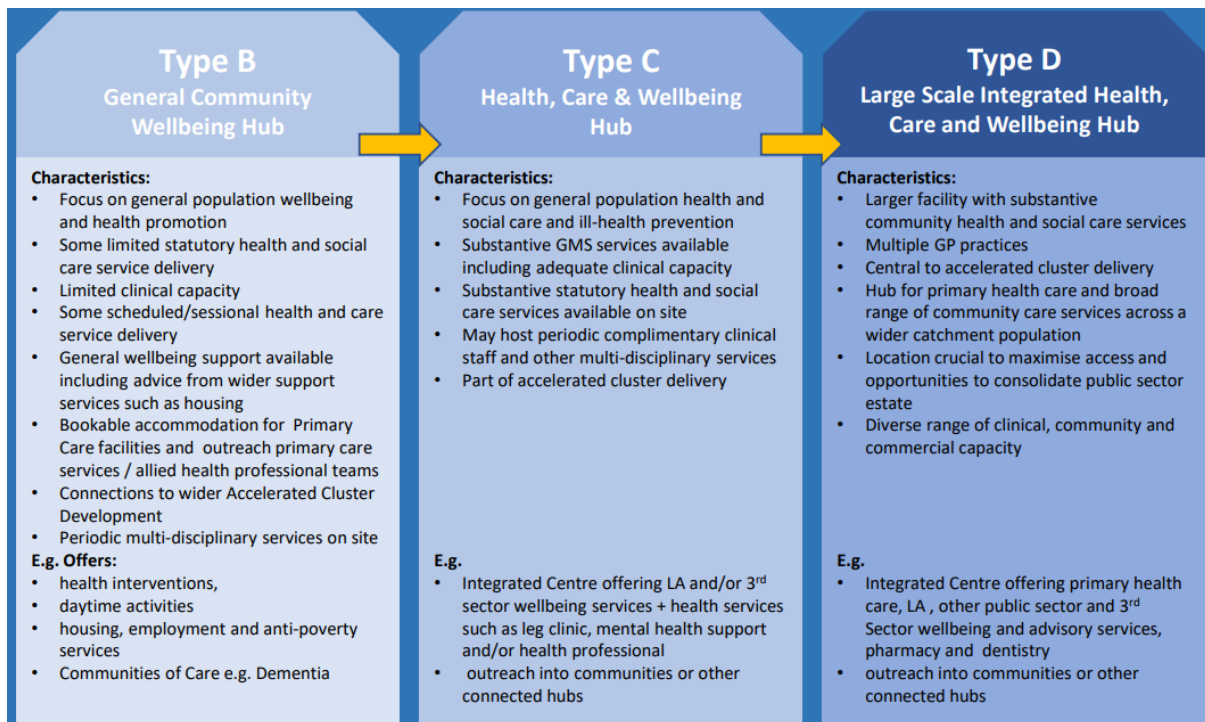
3.2 Regional Capital

3.2.1 The strategic capital planning context continues to evolve at a regional level. West Wales Regional Partnership Board continue to have responsibility for developing a ten-year strategic capital plan in support of current Welsh Government (WG) policy commitments. These include:

- The delivery of Integrated Health and Social Care Hubs (IHSCH's)
- Rebalancing the adult residential social care market
- Eliminating profit from the provision of children's residential care.
- Support innovative housing development to meet care needs

The draft Welsh Government budget for 2025-2026 features the continuation of both the [Housing with Care Fund \(HCF\)](#) and the [Integration and Rebalancing Capital Fund \(IRCF\)](#) in support of these policy commitments.

Directives have been issued by WG to RPB's in support of the continuation of both funding streams. For IHSCH's, the focus is on smaller developments in line with Type B & C of the hub definitions compiled by Welsh Government



Other aspects of the directive also include the need to consider the redevelopment and regeneration of corporate/community assets to create localised hubs, as well as a stronger focus on wellbeing, prevention and third sector involvement as a key driver in hub development.

Crucially, such projects must be achieved with a maximum of £5million budget and achievable prior to March 31st 2027. Whilst no set intervention rates have been mandated by WG, there is an expectation of contribution from grant applicants.

Another key development in support of the next tranche of funding, is the need for West Wales RPB to formalise its priority list of projects that wish to be taken forward during the next two years. Given the financial pressures experienced in IRCF and the current projects in the business case process, it is likely that only a very small number of projects will be submitted to WG as initial applications for business case development.

Formal submission of the prioritised list of schemes will take place as part of the refresh of the [Strategic Capital Plan](#) in March 2025.

The Regional Capital Programme Management Office is working closely with the UHB in programming anticipated timelines for Community Schemes.

The assumption in this Infrastructure Investment Plan is that the Community Infrastructure Projects detailed in our Programme Business Case will be included and progressed via the IRCF route.

3.3 Key policy considerations

3.3.1 The UHB remains committed to embodying the key policy considerations that will be recognised within each scheme that is included in this plan. These include:

- WG net zero carbon 2030 ambition contained in the NHS Wales Decarbonisation Strategic Delivery Plan 2020-2030
- The NHS Net Zero Building Standard
- Wellbeing of Future Generations (Wales) Act 2016
- Social Services & Wellbeing (Wales) Act 2014
- Socio-economic Duty
- The Foundational Economy in Health and Social Services 21/22 Programme
- Agile / hybrid working
- One Health developments

3.3.2 The UHB is committed to taking this agenda forward as it develops its Infrastructure Investment decisions.

Decarbonisation

3.3.3 Decarbonisation of the public sector by 2030 is a priority for Welsh Government and UHB, and in response, the UHB has developed its own Decarbonisation Delivery Plan to set out the actions to respond to this ambition and meet NHS specific targets set out in the NHS Wales Strategic Decarbonisation Plan. The Health Board's Delivery Plan sets out a work programme to meet the targets established in the NHS Wales Decarbonisation Strategic Delivery Plan in the areas of carbon management, buildings, transport, procurement, estate planning and land use, and its approach to healthcare including promoting clinical sustainability.

3.3.4 Over the last year the health board has continued to contribute to reducing carbon and embedding sustainable practices through its day-to-day activities by delivery of several energy efficiency/decarbonisation projects, maintenance of the Environmental Standard ISO14001, increased agile working, encouraging reuse and delivery of source segregated recycling schemes and the transition to ULEV fleet.

3.3.5 A number of key projects have already been delivered, as examples, Hafan Derwen Solar Farm, the continued roll out of roof mounted PV solar at community sites, the installation of a heat pump at Cardigan Integrated Care Centre and this financial year the Liquid Petroleum Gas (LPG) project at Glangwili Hospital to reduce oil use which all contributing to reducing our energy consumption and carbon footprint across the estate. We have commenced the transition of our fleet from diesel/petrol fuelled vehicles to 'electric or hybrid vehicles' and have published a regional healthy travel charter to support delivery of our sustainable travel and transport plan for across our region.

3.3.6 Decarbonisation forms a key component of the UHB's Property Asset Strategic Plan, to ensure investment is aligned to the Health Boards estate transformation plans. As part of the decarbonisation estate aims are, a number of linked property disposals targeting poor performing accommodations and many environmental sustainability initiatives, which include mitigating impacts of climate change through reducing waste and promoting recycling and re-use where possible, supporting Biodiversity and incorporating Biophilic design when developing projects.

3.3.7 The following e-learning has been made available to staff on Electronic Staff Record (ESR):

- NHS Wales - Achieving Net Zero in Wales
- NHS Wales - Climate Change and Sustainability
- Building a Net Zero NHS
- Environmental Sustainability in Quality Improvement
- Healthcare waste management and disposal

There is a 'Sustainability Hub' and 'Environment Hub' created on SharePoint providing access to knowledge, information, case studies, videos and links to other sources of useful information.

3.3.8 Moving forward, the UHB continues to deliver a pipeline of projects and scope a range of new initiatives that will deliver further emission reductions. The UHB is currently implementing a new Energy Performance Contract via all Wales "Refit" programme, to support with the delivery of further decarbonisation schemes and emission reductions in the future.

Biophilia

3.3.9 Biophilia is the belief that humans are genetically predisposed to be attracted to nature. The concept of biophilic design was introduced in 1984 by E.O Wilson.

3.3.10 The overall aim of biophilia is to increase the well-being of people, biodiversity and the environment using 3 interconnecting areas, that will focus on greening our estate, by greening our spaces, increasing access, enhancing biodiversity and wildlife habitats.

3.3.11 The UHB with the support of the Research and Innovation teams, alongside Swansea University has recently developed an action learning programme. This developed employee awareness of the benefits of biophilic design and how it can be incorporated into current and future design of healthcare facilities, with particular emphasis on the Urgent and Planned Care Hospital. Following the conclusion of the action learning, the UHB's approach has been to build biophilic design into its core programmes and activities as well as advancing enabling activities. Examples of the latter, include a partnership with the National Botanic Garden of Wales, supported by

Shared Prosperity Funding, which led to the application of Biophilic Design principles on the Glangwilli and Prince Philip General Hospital sites. The UHB is also part of a funding application to the Arts and Humanities Research Council to take a 'mission based' approach to advancing Biophilic design in South West Wales.



<https://whitearkitekter.com/news/white-arkitekter-and-the-acorn-team-to-deliver-new-velindre-cancer-centre/>

- 3.3.12 Specific learning is also being gleaned from the design associated with the new Velindre Cancer Centre, which is now under construction. Biophilic principles have been incorporated into the design brief, with the new cancer centre aiming to be the greenest in the UK.

Arts in Health

- 3.3.13 **Hywel Dda UHB Arts and Health Charter** - In early 2024, Hywel Dda launched the first Arts and Health Charter in Wales.

Our Arts and Health Charter is a public promise to integrate the arts into the work of the Health Board, making it an integral part of how we deliver health and wellbeing services.

It sets out an ambitious vision to 'Put creativity at the heart of health and wellbeing' and makes public our intention to 'integrate the arts into the work of the Health Board, to improve health and wellbeing and promote healing and recovery' through a set of 8 Arts and Health Principles and Pledges.

To learn more about HD Arts and Health Charter please visit - [Arts and Health Charter - Hywel Dda University Health Board](#)

Arts and health are used to refer to all work with creativity, arts and culture that supports people's health and well-being. By 'arts and health' we mean all artforms

and may include visual arts and craft, music, dance, theatre, creative writing, storytelling, singing and more.

Arts and health is delivered by skilled arts and health practitioners, artists, musicians, dancers, writers and theatre makers in collaboration with patients, staff and communities.

Some brilliant examples include live music to soothe and comfort patients, dance for falls prevention, singing to improve lung health and memory, visual arts to improve mental health and well-being.

An Arts and Health Plan is being developed to deliver upon the promises set out in our Charter which will include the development of an Improving Healthcare Environments Plan through our Creative principle - to draw on all art forms to transform healthcare environments to aid healing and recovery and to support people to live healthier, happier, more joyful lives.

We are currently successfully piloting a Flagship Art and Capital project by incorporating the arts into the new Cancer Treatment Unit at Bronglais Hospital in Aberystwyth.

The delivery of our Arts and Health Charter will enable us to explore opportunities for Arts in Health to be prominent in future Infrastructure Investment decisions. Estates and Capital Planning teams are working closely with the Arts in Health Co-Ordinators to embed Arts in Health opportunities within individual schemes and to explore the potential of developing an Improving Healthcare Environments Plan (2025 – 2030) to create more welcoming surroundings for patients, families and staff - building learning, public art development processes and policies across Hywel Dda.

Transport and Accessibility

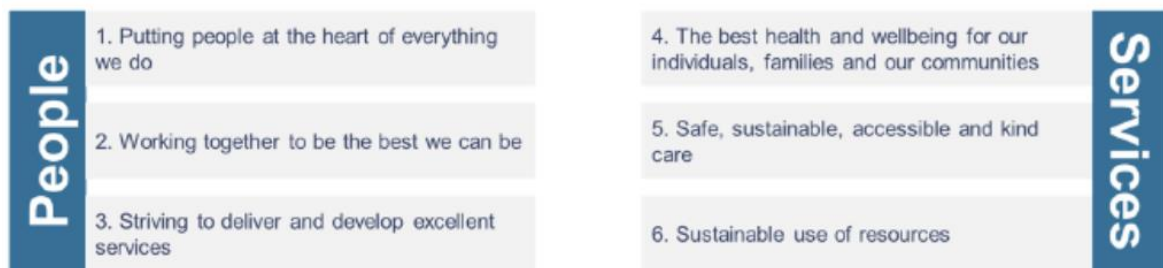
- 3.3.14 The UHB has committed to developing and addressing access, travel, transport, and the necessary infrastructure to support service re-configuration (Planning objective 5C)
- 3.3.15 This is part of the objective to develop business cases to support the repurposing of GGH and WGH as well as the implementation of the new urgent and planned care hospital.
- 3.3.16 This planning cycle has seen the completion and implementation of a Transport and Accessibility Strategy. Driven by many concerns from the public on travel times and accessing services in the future configuration, the transport strategy sets out how we and our partners will develop transport services for our patients, visitors, and staff over the next 10 years. Our aim is to ensure our general hospitals, community facilities and integrated care centres are easily accessible for all by ensuring the availability of a wide range of sustainable services and transport modes. It is also cognisant of the Climate Emergency declared by Welsh Government in 2019 and the new transport strategy for Wales, Llwybr Newydd, which followed in 2021, urging us

to change the way we travel, with less reliance on the motor car and more use of public transport, walking and cycling. How we intend to deliver the improvements required is set out in an implementation programme, jointly developed with partners and key stakeholders. The implementation programme will be subject to annual review and will include specific targets to help track progress on achieving our objectives.

4.0 HEALTH & CARE STRATEGY – A HEALTHIER MID AND WEST WALES: OUR FUTURE GENERATIONS LIVING WELL

4.0.1 The Health & Care Strategy transformation programme, 'A Healthier Mid and West Wales: Our Future Generations Living Well' (AHMWW), was approved by the University Health Board in November 2018 along with the 20-year vision for population health outcomes set out in 'Future Generations: Living Well - our Health and Wellbeing Framework'.

4.0.2 This model of service configuration supports the Board to meet its strategic goals of:



4.1 Background

4.1.1 The UHB has previously taken forward its Programme Business Case (PBC) which was submitted to Welsh Government in February 2022. This set out the high-level intent to deliver the AHMWW strategy and to specifically:

- *The repurposing or new build of GGH and WGH*
- *Implementation of a new urgent and planned care hospital (with architectural separation between them) within the zone of Narberth and St Clears*
- *Work with partners to develop and address access, travel, transport, and the necessary infrastructure to support the service configuration taking into account the learning from the COVID pandemic*
- *Develop plans for all other infrastructure requirements in support of the health and care strategy.*
- *Ensure the new hospital uses digital opportunities to support its aims to minimise the need for travel, maximise the quality and safety of care and deliver the shortest, clinically appropriate lengths of stay.*

- *Implement the requirements of 'My charter' to involve people with a learning disability in our future service design and delivery.*
- *Incorporate Biophilic Design Principles, learning from the best in the world, into the design of the new hospital and the repurposing of GGH and WGH*

The PBC was based on the public consultation which concluded the need for a new Urgent and Planned Care Hospital in an identified geographic zone between Narberth and St Clears. The vision for the Programme is:

- The integration of health and social care to deliver **an integrated community model**, based on an **integrated social model for health** and well-being (the model), at a pace.
- Working with social care and other partners, this will be a long-term commitment, focused on **prevention, well-being, early intervention** and help build resilience to enable people to live well within their own communities.
- The development of a **plan for the existing Community Hospitals**, working with local communities.

This plan has been focussed on the provision of ambulatory care including out-patient services, diagnostics, treatment, observation, rehabilitation, and end of life care.

- A new **urgent and planned care hospital in the South of the Health Board area**;
- Acute medicine to continue at **Prince Philip General Hospital**;
- A **repurposed Glangwili General Hospital and Withybush General Hospital** offering a range of services to support a social model for health and well-being, designed with local people to meet their needs.
- **Implementation of the Bronglais Strategy**
- Development of our **Community Estate**

The submission of the PBC was followed, with WG agreement, by the development of the SOC for the new hospital, Withybush and Glangwili Hospitals. Work on this was suspended at the end of 2023 whilst the results of the Nuffield Trust Review was awaited and subsequent WG correspondence which raised concern that the options being considered in the SOC were too limited. Community Schemes have continued to be progressed as part of the AHMWW Programme.

Capital assumptions

4.1.2 The capital assumptions associated with the Health & Care Strategy were set out in the PBC and ranged from £1.342m to £1.392m excluding optimism bias and between £1.677 and £1.740m with 25% optimism bias.

4.1.3 The A Healthier Mid and West Wales (AHMWW) Infrastructure & Estates Plan Sub-Group has been established as a Sub-Group of the A Healthier Mid and West Wales Group and constituted from 10th April 2024.

The purpose of the Infrastructure & Estates Plan Sub-Group is to ensure delivery of the major capital plans and schemes that support delivery of the Health Board's Strategy, 'A Healthier Mid and West Wales; Our Future Generations Living Well (AHMWW)'. This will be developed into the HDdUHB's Estate Strategy which will be produced in support of future AHMWW Outline Business Cases

The Infrastructure & Estates Plan Sub-Group will be responsible for the:

- Development and completion of the Strategic Outline Case (SOC) for the new urgent and planned care hospital build, Glangwili Hospital and Withybush Hospital for approval by the Health Board and subsequent submission to Welsh Government.
- Progression of the technical work around land acquisition and co-ordination of the provision of appropriate and available information to the Board to assist with further site shortlisting.
- Responding to the completed independent review of the clinical model.
- Progression of the infrastructure implications of the work undertaken on the Clinical Services Plan. The work being undertaken for the short to medium term clinical modelling will feed into pathway work that will need to be undertaken for the Outline Business Cases which form part of AHMWW infrastructure investment requirements.
- Updating of the PBC as required.
- Alignment of CSP infrastructure plans and other interim infrastructure plans to produce a route map in support of the implementation of the strategy.

The Infrastructure & Estates Plan Sub-Group will also oversee the development of the interim infrastructure and estate plans and ensure alignment of short- and medium-term schemes with the strategy. These will include schemes such as fire, business continuity, major infrastructure and those emanating from the Clinical Services Plan (CSP).

The future work plan is dependent upon the agreement reached with WG following discussions at the IIB meeting on the 23rd January 2025. This will need to be a detailed and funded milestone plan relating to the AHMWW PBC and SOC and will also need reflect the UHB Strategy Refresh and associated programmes of work such as the Clinical Services Plan, Interim infrastructure investment, and the Primary Care & Community strategy. The work programme will include significant public, staff and stakeholder engagement and consultation.

Progression of AHMWW programme and infrastructure implications.

The Director of Strategy and Planning presented a comprehensive update to Board at their meeting on 28th November 2024. This included the indicative AHMWW

programme timescales and wider infrastructure and estates implications as highlighted below

Programme Timescale - The pandemic and subsequent programme delays have meant the timescale for delivery of the programme, in particular the new hospital

- network, is substantially longer than originally anticipated. It is now highly likely that the new hospital would not be operational for at least a decade.
- **The timing and sequence of delivery will need to change** - Given the affordability challenges it would appear highly unlikely that all the capital schemes within the programme could be delivered within a decade. The Health Board will therefore likely need to prioritise and sequence the capital schemes and adjust the wider plans to reflect this.
- **The interim plan will need to change** - In accepting that a new hospital will not be operational until the mid to late 2030s, it follows that the key service changes unlocked through a new hospital will now need to be considered ahead of a new facility and within the existing site configuration.
- **The proposed location for the new hospital may need to be reviewed** - In agreeing the strategy, the Health Board set out a 'zone' between Narberth and St Clears where the new hospital would be located, based upon detailed analysis of journey times for the population. Since the strategy was agreed, the Health Board has undertaken an exercise to generate a long list of possible site locations, evaluated and shortlisted these options and undertaken a public consultation leading to two sites remaining, one in St Clears and one in Whitland. Both locations are viable but the analysis has clearly shown that, for those services not provided for at PPH (currently the most notable services are A&E, obstetrics, paediatrics and emergency surgical services), the further west the hospital is located the more activity flows to Swansea Bay. A change of flows would have two consequences: firstly it increases the capacity requirement in Swansea Bay (in the case of acute medicine this was the main reason for retaining that service in PPH as part of the strategy) and secondly it reduces the critical mass (activity volumes) of the Hywel Dda service, which in turn may potentially affect its long-term viability. This latter consideration was for example, in the case of Obstetrics, the primary reason for removing the Narberth site as part of the land shortlisting process. Indeed, there was significant clinical concern from women and children's services about any site for the new hospital further west than Carmarthen.
- **The overall capital costs are likely to increase but the programme may become more affordable** - It is highly likely that an extended implementation period will lead to increased capital costs as old, poor condition buildings are maintained prior to the necessary major capital investment. Paradoxically, whilst the overall cost of the programme may increase, the phasing over a longer period could in fact make it more affordable for Welsh Government as capital investment is spread over more financial years

It highlights that an extended programme timeline could bring potential for more capital investment directed towards digital, prevention and primary and community care early in the programme. In terms of a strategic refresh, the scope of the strategic refresh will need to be agreed but it may include re-consideration of the infrastructure options, and sequencing.

The Board agreed the need for a strategic refresh given the context set out in the Board report.

At the meeting with the Welsh Government Infrastructure Investment Board on the 23rd Jan 2025 the UHB set out the context for the discussions and posed questions which the UHB considered needed to be jointly agreed with the Welsh Government to be able to make constructive steps towards the delivery of a long term strategy.

Specifically:

1. Does the IIB continue to support the development of a long-term strategic solution for West Wales (recognising the capital affordability challenge)?
2. Which approach would the IIB want the Health Board to take and what is the product we are aiming for?
 - Revised strategy
 - Revised Programme Business Case (PBC) which will allow us to develop a long list of options to be refined through the business case process including some options that won't result in a "new" hospital
3. If new PBC, what is the content of that PBC?
 - Agree whether this is an 'end state' PBC or one which describes the 'end state' and the programme of works that get us to that point.
 - Noting that the latter approach will demonstrate the need for investment over and above that currently being considered through the Business Continuity work

At the meeting the following summary position was reached

- WG are supportive of the development of a long term strategic solution for West Wales
- There was agreement on the need to develop a strategy document. The precise form of that document and the content and component parts are to be the subject of a workshop to be held between WG and UHB officers within 6 weeks of the IIB meeting date.
- It was agreed there needs to be a plan which addresses the clinical services and estate fragility.
- It was agreed the plan will need to include any regional opportunities most particularly with Swansea Bay University Health Board (SBUHB).

WG welcomed the pragmatic approach being adopted by the UHB to find consensual agreement on the best way forward and the shared aim that this will result in a supportable and deliverable programme plan

It is anticipated the Health Board will agree the next steps for the programme and the necessary business cases with Welsh Government over the next few months.

- 4.1.4 In the health and care strategy, A Healthier Mid and West Wales, the UHB made a commitment to continuous engagement and good communication with our population. This means we work together every step of the way with our staff, patients, carers, people who live and work in our communities, and people or organisations delivering or interested in health, care, and well-being.
- 4.1.5 A communications and engagement plan will be detailed in association with the Strategic Refresh and the other related workstreams which are subject to engagement and consultation.

Equalities and Health Impact Assessment

- 4.1.6 An Equality & Health Impact Assessment (EHIA) has been developed for the whole of the Programme Business Case. The EHIA includes an overview of the potential positive and negative impacts on people, and how the UHB will mitigate them and address equality duties. The EHIA was updated as part of the land consultation process when shortlisting for the new Urgent and Planned Care Hospital. The document will be continually updated moving forward. The UHB also plans to undertake focus groups with the public, and particularly with vulnerable or disadvantaged groups (referred to as people with protected characteristics) or people who may be affected by the building of a new hospital, for example those living close to the two potential sites. Information from these groups will be used in the EHIA as we learn more. The programme EHIA has been the subject of interim stage review in December 2024.

Importantly also, separate EHIAs will be produced for each community scheme as they progress.

5.0 COMMUNITY INFRASTRUCTURE DEVELOPMENTS

- 5.0.1 The PBC includes a range of community initiatives which continue to be developed. These schemes are hugely significant to developing the community model as described in the Strategy.
- 5.0.2 In referencing the Social Care Integration and Rebalancing programme above, it is clear that this regional fund will present significant opportunities for our community infrastructure developments.
- 5.0.3 This fund will support RPB's and their partners (including the UHB) to deliver a programme of local community hubs to co-locate front-line health and social care and other services.
- 5.0.4 The West Wales Care Partnership (WWCP) will develop a 10-year Strategic Capital Plan (SCP) that brings together health, social care, housing, third sector, education,

and regeneration partners to develop integrated service delivery facilities and integrated accommodation-based solutions.

Work has begun on the next tranche of community schemes that have been previously included in this IIP.

5.0.5 The following schemes will be included in the 10-year Regional Capital Plan:

Scheme	Description & current stage
Current work plan	
Cross Hands ICC	<p>The development aims to provide a sustainable solution for the continued provision of primary and community health and social care in the area.</p> <p>The Full Business Case (FBC) is currently being reviewed to realise within the OBC +10% capital value.</p>
Fishguard Integrated Health & Wellbeing Centre	<p>Will address wider local health and community needs by developing an integrated Health and Care Centre for Fishguard in partnership with Pembrokeshire County Council</p> <p>Development of SOC/OBC continues following approval of scoping options by Executive Team in November 2024.</p>
Aberystwyth ICC	<p>The project aimed to deliver an Integrated Care Centre (ICC) in Aberystwyth to bring together a range of public services under one roof in an environment that is compliant with regulatory standards and is suitable for the delivery of twenty first century care. Work on a revised scope for this scheme has been undertaken by the Regional Capital Team to be considered by key stakeholders.</p> <p>The project is currently at scoping stage.</p>
Cylch Caron (led by Ceredigion County Council)	<p>The original aim of the project was to deliver a new health and housing facility in Tregaron and is led by Ceredigion County Council (CCC) in collaboration with Hywel Dda University Health Board (HWDUHB), Tregaron Surgery, Tregaron Pharmacy, and Welsh Government. The vision was to replace the currently scattered unfit for purpose building with a purpose-built centre for the integrated delivery of health and social care services; together with specialist housing for individuals with care needs right at the heart of the deeply rural community of Tregaron.</p> <p>The Tenders for a housing partner to work with Ceredigion County Council and the UHB to deliver this scheme was out to the market and closed on 20th September 2024. The Tender was not met by any of the Interested parties, however there is scope for further discussions with 2 potential partners which is currently being followed up by Ceredigion CC and the UHB.</p> <p>A positive meeting held with WG on 4th December where next steps on the development of the business case were agreed. A timeline and plan to progress these steps will now be developed</p>

<p>Carmarthen Hwb (led by Carmarthenshire County Council)</p>	<p>The vision for the Carmarthen Hwb is for a modern and accessible centre in the heart of Carmarthen that will improve quality of life for people in Carmarthen and its surrounding area and drive economic resilience and growth in the town centre. It will promote preventative healthcare through better integrated, better-connected services in a high-quality setting, creatively linking these with culture, learning and leisure opportunities. Specifically, the project proposes dedicated spaces for Hywel Dda University Health Board and University of Wales Trinity St David; a Collections Centre, leisure activities and public services hub operated by Carmarthenshire County Council and shared space for collaborative and community use.</p> <p>Business Justification Case for Integration and Rebalancing Capital Fund (IRCF) funding was submitted to WG and £10.8m of WG funding has been released for the scheme £7m for Carmarthenshire County Council as the lead authority on this scheme and £3.8m for UHB equipping. Building works are progressing on site. Milestone event was held on site 12th December</p>
<p>Future Work Plan</p>	
<p>Llandovery Community Hub</p>	<p>The project offers excellent opportunities to integrate health and social care services alongside third sector services and community organisations. It focuses on the needs of specific client groups but also cross generational opportunities to promote the hub as a beacon for community development needs within Llandovery and the surrounding area. This alongside a bespoke proposal for rural educational opportunities, partnering with universities. There is a strong vision and desire for the project to succeed with significant buy in from key anchor organisations. The proximity of the existing hospital and GP practice to the Hub offers a unique opportunity to build on existing infrastructure to optimise the availability of services and initiatives in the area.</p> <p>Work on this scheme is currently on hold due to resource issues relating to the input required from the Capital Planning Team which is fully employed on other Carmarthenshire schemes.</p>
<p>Milford Haven</p> <p>Narberth and Crymych</p> <p>Pembroke Dock Integrated Health and Wellbeing Centre</p> <p>Tenby Integrated Health and Wellbeing campus</p> <p>South Pembrokeshire Rehabilitation Centre</p> <p>Haverfordwest Central</p>	<p>Not yet commenced</p>

Amman Valley	
Lampeter Integrated Care Centre	
Llandysul Integrated Care Centre	

Pentre Awel (led by Carmarthenshire County Council)

A refresh of the Full Business Case has been completed by Carmarthenshire County Council (CCC) for the City Deal funding, this was also submitted to WG for additional IRCF funding. Funding from IRCF source was declined but £1.333m of AWCP funding has been approved for the scheme in 24/25. Final details of the Agreement for Lease are being worked on.

5.1 Business Continuity

- 5.1.1 To this point, we have discussed the estates and capital planning requirements of the transformation portfolio. In addition to these, and not part of those Programme Business Cases, we must ensure that we maintain and develop our essential service infrastructure where necessary for the interim period.
- 5.1.2 Our business continuity schemes are critical to the on-going service delivery across our organisation. Any deterioration in service delivery within the existing model will impact on clinical care and patient outcomes as well as affecting the ongoing engagement and positive relationship with our local population whilst non-maintenance of estate and equipment will also impact heavily on care delivery.
- 5.1.3 We need to ensure existing services are maintained with an infrastructure and estate which can last until the new hospitals and existing sites and community facilities are completed. These will be the subject of separate business cases to be developed and discussed with WG colleagues in the usual way. An example is the Major Infrastructure PBC, submitted to WG in 2020 which was endorsed in July 2021 for £89m (Feb 2020 prices).
- 5.1.4 A high level view of the scale of estate and medical devices backlog facing the organisation is as follows:

Area	Total Cost [2023/24]	Includes
Estates Backlog	£256m [including £42m high risk backlog and £165m to address areas categorised by	Glangwili Hospital - £90.2m Withybush Hospital - £72.3m Prince Philip Hospital - £27.7m Bronglais Hospital - £36.0m

	Welsh Government as significant risk]	
Medical Devices Backlog	£26.6m	Replacement equipment recognised as overdue for replacement or due for scheduled maintenance/replacement
Digital Backlog	£15m - £18m	End user device replacement programme for Laptops, Pc's tablets etc, also replacement of local area networks and application and software and upgrades

5.1.5 Whilst discretionary capital is allocated to these areas, All Wales Capital Programme (AWCP) support is required to make large scale impact. There are also service developments which will need to be supported by capital investment in the 'interim years'.

5.1.6 The following are schemes currently included in our forward look AWCP recognising that these are at mixed stages of development ranging from scoping/still to be agreed phase, to business case development to construction phase.

Description	Status	2025/26	2026/27	2027/28	Progress
Business Continuity Capital Schemes					
Diagnostic Equipment Replacement • Fluoroscopy Withybush					Scheme due for completion in 2025/26
WGH Fire Precaution Upgrade Scheme – BJC	Phase 2 BJC	*	*	*	BJC in production anticipated completion May 2025
GGH Fire Precaution Upgrade Scheme – BJC	Phase 2 BJC	*	*	*	BJC in development anticipated completion autumn 2025
Major Infrastructure Programme Business Case	BJCs in development				Programme Business Case has been endorsed by Welsh Government. Funding has been allocated in 2022/23 to progress with the work required to align the UHB's risk registers and the packaging of schemes for the development of future BJC's. Work has been undertaken in 2024/25 with NWSSP Shared Services to agree a prioritised list of projects.
Aseptics	BJC On Site	*	*		A BJC has been developed for a small-scale capital refurbishment of the Aseptic unit in WGH. This was approved by UHB Board in January 2025 and has been submitted to WG.
Chemotherapy Day Unit BGH	On site	*			Scheme completion expected May 2025
Aberystwyth Sexual Assault and Referral Centre (SARC)	On site	*			Work is currently on site with scheme completion expected June 2025.
RAAC WGH	On site				Further survey works on going and remedial capital works funded via WG
Business Case Development Programme					
Implementing the "A Healthier Mid and West Wales Programme"					
Detail of next steps to be confirmed					Details of next steps in the business case process will be confirmed with WG during 2025/26
Community Infrastructure Developments					
Cross Hands Health & Wellbeing Centre	FBC	*	*	*	The UHB are currently reviewing the building footprint to align with the available budget in WG.
Aberystwyth Integrated Care Centre	Scoping				Further meeting with WG is planned for February 2025

Fishguard Health and Wellbeing Centre	SOC/OBC	*	*		Funding to progress with Fishguard SOC/OBC has been approved through WG IRCF Capital.
Bronglais Post Graduate Development (Aberystwyth Integrated Education & Research Centre)	Scoping		TBD	TBD	Options for early consideration at project scoping stage have been developed no further work has been undertaken from a capital planning perspective in 2023/24.
Mental Health & Learning Disabilities priorities					
Preseli Centre, Pembrokeshire	Scoping				Demountable building based on WGH and houses the clinical, administrative and support staff. Poor condition of the facility means a feasibility report is being completed with full costings provided for two options. 1. A Double demountable or 2.
Schemes not led by the UHB					
Carmarthen Hwb	On site	*			Scheme on site anticipated completion January 2026
Pentre Awel	Construction				<p>Pentre Awel will create:</p> <p>£199.5 million of infrastructure including research and business development facilities, a learning academy, an Independence Centre of Excellence incorporating a state-of-the-art care home and rehabilitation centre, extra care housing, a new leisure and aquatics centre with hydrotherapy pool, wellness hotel and outdoor leisure space.</p> <p>A multidisciplinary community health, care and research facility linked to HB services.</p> <p>The UHB is currently engaged in the detailed design discussions with CCC and the Contractor</p> <p>The completion date for Zone 1 is October 2024</p>
Cylch Caron Health and Wellbeing Centre, Tregaron	Refresh OBC		*	*	The Project Board has reconvened Ceredigion CC and HDUHB have re-tested the market for a housing partner. A competitive dialogue will now commence during the Spring of 2025.
Regional Cellular Pathology Services	OBC	*			This is a collaborative project being led by SBUHB.

					This project is currently deemed to be unaffordable from a WG perspective. The HDdUHB and SBUHB will need to review the position and interim solutions for the individual pathology disciplines.
Other projects					
Bandi Appeal	Scoping				The Bandi appeal has raised c. £1.1m for improvements to children services. Given the condition of the existing outpatients areas in the children's centre in GGH (Ty Arthur), scoping is underway for a refurbishment project with the Bandi trustees. Further fundraising is also being explored with the Bandi trustees.
Paediatric review outcome	Scoping				The paediatrics consultation process will begin in May 2023 and will run for 12 weeks. Three options have been detailed, each with a "do minimum" and "do maximum" options. The likely scenario which aligns to a "do minimum" has been costed at £35,000 for each option. There will be a DCP implication for this in 2025/26.
WG office accommodation scheme	Design	*			Funding approved; design ongoing
Improvement to access control across acute sites	On going				In response to P.O 3L, access control improvements have been scoped across all acute sites. The approach is to target each acute site in a phased manner to ensure affordability from DCP. Additional CCTV cameras have been purchased and will be installed during 2025/26.
BGH Lift shaft remedial works	On site	*			The works will be completed during 2025/26.

KEY

On site
Business case or scoping stage

5.1.7 In addition to the schemes highlighted above, additional schemes may be reflected in the plans submitted from the County Teams, Women & Children's Directorate, Planned Care and Pathology.

6.0 10 YEAR INFRASTRUCTURE INVESTMENT PLAN

6.0.1 In previous years the NHS Wales Planning returns have provided a template for capital investment plans. This has been used to display the cashflow (where appropriate) and forward look of capital schemes in various sections:

- Business Continuity Schemes
- Schemes that fall under the umbrella of delivering our Health and Care Strategy and PBC
- Digital Schemes

6.0.2 All Wales Prioritisation

A letter was issued on 20th November 2023 outlining an All Wales Capital Prioritisation process. The NHS Infrastructure Investment Board (IIB) agreed a framework which provided a common basis for investment decision making.

A prioritisation form was completed for all business case irrelevant of status, where Full Business Case / Business Justification approval has not been received. The documentation was returned to WG at the end of March 2024. The scrutiny of organisation returns was run through a sub-group of the IIB. The aim was to assist officials with clarity around priority schemes that are likely to be supportable going forward. In addition, the work would be essential in informing and influencing Welsh Government budget discussions for 2025- 26 onwards.

The framework was to provide the IIB with a common basis from which investment decisions can be considered and consistently prioritised. The **framework excludes** the following funding routes, namely – Digital Priorities Investment Fund (DPIF) and the **Integration and Rebalancing Capital Fund (IRCF)**. However, should any project be reliant upon multiple funding sources, including the All-Wales Capital Programme (AWCP), then these will need to be highlighted.

The overarching objectives, and criteria (including weightings, which were agreed by the IIB) are set out below.

- Overarching Investment Objectives Objective 1 – Ensure quality, safety and operational sustainability of health and care services, prioritising areas with the greatest health and care needs, reducing inequalities to facilitate high standards of care.
- Objective 2 – Support the shift in focus towards prevention by providing more integrated services, in convenient and accessible settings for the population to take more responsibility for their own health & wellbeing.

- Objective 3 – Transform services through innovation, technology, and improved ways of working, to delivery more efficient processes to support resilience, improved experiences and outcomes.
- Objective 4 – Deliver value for money by increasing the efficiency and quality of the estate, while improving the effectiveness of services for the population and workforce, targeting investment in long term priorities, aligning to environmental strategies, whilst minimising nugatory spend.

Criteria and Weightings

	1	2	3	4	5	6	
Criteria	Fit with Priorities & Policy	Clinical Impact	Value for money (VfM)	Statutory Compliance and Risk (SCR)	Equity & Community	Wider Benefits and Climate Change	Total
Weighting	25%	20%	16%	13%	13%	13%	100%

6.0.3 The UHB in undertook an internal prioritisation process and the outcome of this process is detailed in the table below:

Scheme	Rank
New Urgent & Planned Care Hospital, Glangwili and Withybush Community Hubs	1
Business Continuity - Major Infrastructure	2
Withybush Fire Remedial Works - Phase 2	3
Glangwili Fire Remedial Works - Phase 2	4
Aseptics Project	5
Bronglais Fire Remedial Works	6
Diagnostic Imaging Equipment Replacement Programme	7
Prince Philip Fire Remedial Works	8
Sexual Assault Referral (SARC)	9
Site Refurbishment – Condition/Fabric upgrades	10
RAAC Remedial Works/Removal Withybush	11
ICT Infrastructure Upgrade Programme	12
Preseli Centre	13
User Devices Upgrade Programme	14
Medical Devices Replacement Programme	15
Clinical Services Plan Impact – Functional suitability & changes	16
Endoscopy Decontamination and Hospital Sterilisation and Disinfection Unit (HSDU) - Bronglais	17
Substance Misuse Development, Llanelli	18
Security Infrastructure – Access Control and CCTV	19
AHMWW Bronglais Modernisation	20

AHMWW Prince Philip Modernisation	21
Isolation Facilities	22
Welsh Government Buildings – Picton Terrace	23
Digitally Enabled Transformation	24
Decarbonisation	25
Dental School	26

6.0.4 The outcome of this process which has been shared with UHB's to date is as follows

Phase 1

- The UHB's discretionary capital allocation has been increased from £7.421m to £10.000m
- A Targeted Estates Fund has been created of £40m across Wales to deal with

	£m
Infrastructure	18
Fire Safety	5
Mental health	5
Decarbonisation	6
Infection Prevention Control	3
Decontamination	3
Total	40

- An equipment and diagnostic replacement programme allocation has been earmarked of £15m per annum for 2025/26 and 2026/27

Phase 2

- Given the funding challenges faced only a small number of the proposals/bids submitted across Wales can be supported for the future. For Hywel Dda the following developments were called out
 - Fire enforcement Works – Phase 2 at Glangwili and Withybush; and
 - Continue to engage and develop plans for business continuity, linked to major infrastructure risks across sites

We have reviewed the list of priority schemes for the UHB and the table below details these

Table to be inserted

The Community and Primary care schemes are detailed in the Regional Partnership Board 10-year Regional Capital Plan which has been referenced in this document (see under index number 3.2)

6.0.5 Appendix 9 provides a profile of potential expenditure on our capital priorities across the All Wales Capital and Regional Capital Plans.

7.0 BUSINESS AS USUAL – DISCRETIONARY CAPITAL PROGRAMME

7.1 Discretionary Capital Programme

7.1.1 The University Health Board Discretionary Capital Programme (DCP) has to be utilised to manage competing expenditure priorities; it remains extremely difficult for the University Health Board to resolve risks around:

- Infrastructure and statutory backlog.
- Replacement of medical equipment.
- Standardisation of medical equipment across sites to enable cross site working;
- Rolling ward refurbishment programme to upgrade the patient environment;
- Replacement of major radiology equipment – general rooms along with CT & MRI replacements;
- Significant upgrades of IT infrastructure and keeping pace with IT replacements;
- Small value capital developments associated with service improvements and developments.

2025/2026 allocations

7.1.2 For 2025/2026, the allocation of discretionary capital has been confirmed by Welsh Government at **£10.000m**

7.1.3 This means that the University Health Board will face significant backlog pressures in digital, estates maintenance and equipment replacement which continues to mean that not all risks can be mitigated.

7.1.4 Programmes of replacement over a longer timeline are being developed and will need to be the subject of All Wales Capital support.

7.1.5 A proposed allocation of the 2025/26 programme was approved by the Executive Team on 15th January 2025

7.1.6 The current schedule of pre-commitments for 2025/26 is listed in the table below:

Pre-Commitments 2025/26	Option 1 £m
TEF 2025/26	1.700
Welsh Intensive Care System	TBC
Paediatric Consultation	0.800
Pentre Awel contribution	0.300
24/25 slippage/underspend managed into 25/26**	0.500

Residential Accommodation	0.200
CCTV installation of equipment from 24/25	0.459
Total	3.959

In addition to the pre-commitments there is a requirement to ring-fence an element of our allocation to deal with the cost of developing business cases and supporting capital developments

Ring-fenced allocations	Option 1 £m
Development of business cases	0.400
Capital support	0.200
TOTAL	0.600

The following option was agreed by the Executive Team

	Option 1 £m
Pre-Commitment	3.959
Business Case Development	0.400
Capital Support	0.200
Contingency Reserve	1.000
Opportunity risks	0.941
Spend to Save	0.300
Refurbishment of clinical areas	1.000
Statutory and estates programme	0.450
Equipment	0.500
Digital	0.500
Allocation via matrix	0.750
Total	10.000

7.2 Regulatory Compliance and Estate Environment

- 7.2.1 While major investment has been undertaken in service improvements this has not impacted significantly on the estate backlog performance.
- 7.2.2 While estate condition based on a 5-facet survey or critical risk analysis will be a key component in developing strategic estate solutions, there are a range of important principles which need to be applied to ensure the UHB takes advantage of the opportunities available and develop the estate appropriate to needs. These include:
- Maximising the use of existing estate and refurbishing rather than new build where possible
 - Aligning with national and local planning priorities;
 - Ensuring estate is functionally suitable for purpose;
 - Ensuring estate is compliant with statutory requirements and latest clinical service and estate standards and guidance;
 - Ensuring acute hospital site estate is prioritised for clinical purposes and non-clinical functions moved off site when appropriate;
 - Actively working with our partners to maximise opportunities to improve estate utilisation;
 - Disposing of unnecessary estate and maximise value;
 - Innovative forms of finance will be explored to deliver service and estate modernisation;
 - Ensuring compliance with regulatory recommendations such as Healthcare Inspectorate Wales (HIW).

Estates regulatory compliance

- 7.2.3 A programme of prioritised schemes has been included in the DCP for 2024/25 as outlined above. These are referred to as statutory schemes within the programme to ensure compliance on various aspects of the estate.
- 7.2.4 Whilst the in-year discretionary apportionment to statutory items will help improve the overall position, longer term emphasis remains on the Major Infrastructure PBC.
- 7.2.5 This continues to progress. WG have been supportive of the UHB throughout this process and have recently approved £0.150m to enable the UHB to appoint a consultant team to undertake enhanced scoping work. This work will include additional risk assessment information on the UHB priorities, will consider additional risks contained in the latest Estates & Facilities Corporate Risk Registers and provide more detail of the expected cashflow required each year over the programme period.
- 7.2.6 The PBC which has been endorsed by WG has been developed on the basis of Estate safety and Business Continuity assurance for our acute Estate to support the HB for the interim period until strategic investment is in place as part of the AHMWW programme.

Estates environmental improvements (infrastructure)

7.2.7 In December 2024, WG announced the Targeted Estates Funding (TEF) for 2024-25 & 2025-26. The funding has been split across several headings:

7.2.8 Importantly, the details of the fund include the ability for projects to span across financial years to be considered.

7.2.9 Like its predecessor fund organisations are required to contribute 30% towards all schemes. A programme will be submitted to WG with a cap of £xxxm contribution from the 2024/25 and 2025/26 DCP, as agreed by the Executive Team in January 2025.

7.3 Medical and Non-Medical Equipment

7.3.1 The requirement to closely manage the medical and non-medical equipment replacement and inventory is reported to the Capital Sub-Committee and Strategic Development and Operational Delivery Committee on an annual basis.

7.3.2 The position was reported to Capital Sub-Committee in July 2024, and the report has highlighted:

- Overall investment in medical devices during 2023/24 was c.£4.08m.
- Welsh Government directly funded an additional targeted £1.74m.
- The updated and estimated replacement cost for the inventory is now £118.37 million across 30,093 devices.
- The value of in-service devices that are due or overdue replacement based on age has risen to £26.3m from a previous figure of £25.9m.
- The number of in-service devices that are due or overdue replacement has risen to 4,603 from a previous figure of 3,558.
- The age profile of in-service devices supporting patient care has reduced slightly compared to last year's position. Currently 65% the inventory is under 5 years old; the previous figure was 69%. There are many new devices imminent due for deployment which will improve this position.

7.3.3 The table below shows the quantity and estimated replacement cost of the medical devices on the inventory. Also shown are the number and value of these devices that had been identified as 'potentially' requiring replacement. From the table below it can be concluded that

- Year-on-year, efforts to replace both capital and revenue devices are limiting the backlog increase. The value of the backlog although higher than last year has been inflated largely because of the higher than usual inflation figure used in the value uplift process carried out annually.
- This information is taken from the Clinical Engineering inventory database that shows devices both Capital and Revenue that are identified as due or overdue for replacement, based on expected service life, or defined end of life data received.

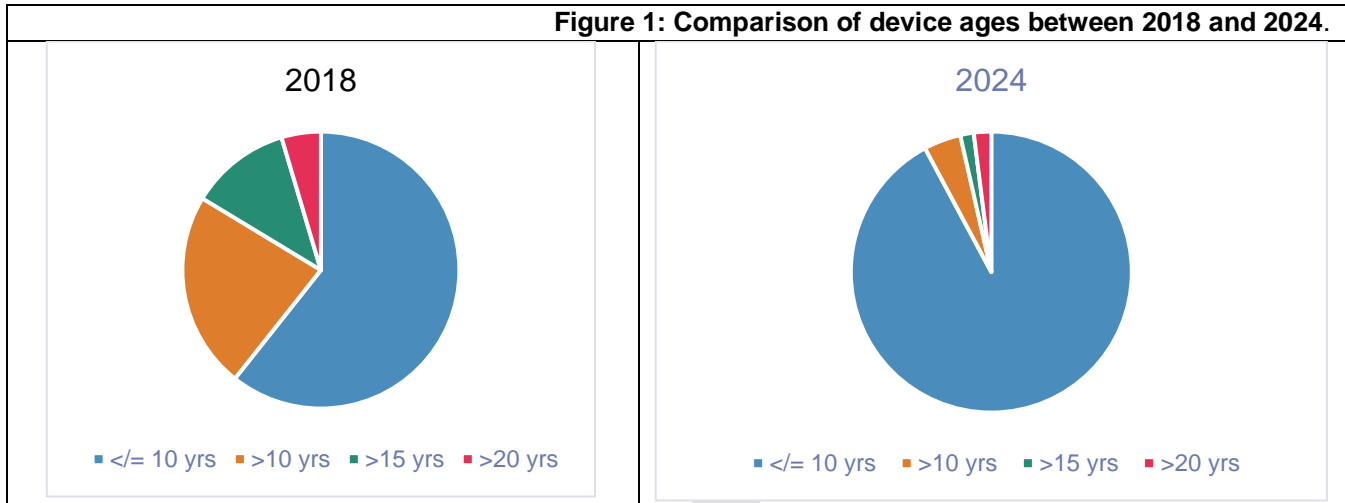
- In the year from June 2023 to June 2024, the number of capital devices by definition, increased by 28 devices. However, the overall value of the inventory items identified for replacement fell by £1.34m.
- Over the same period, the number of devices classified as revenue identified for replacement rose by 1,045 devices representing an increase of 4% having an additional value of approximately £1.7m.
- It follows that although the combined effect seen is an overall increase in backlog by 1073 devices along with an associated near freeze in the replacement backlog rising by only £0.36m.
- It should also be noted that the overall financial backlog has remained consistent with the previous year through the continued investment as per forecast

Devices 'In-Use' identified as potentially Due/Overdue/Requiring Replacement						
	Capital		Revenue		Overall	
	Qty.	Est. Replacement (£m)	Qty.	Est. Replacement (£m)	Qty.	Est. Replacement (£m)
2024	771	22.040	3,832	4.250	4,603	26,290
2023	743	23.380	2,815	2.550	3,558	25.930
2022	930	27.860	3,633	3.820	4,563	31.680
2021	981	30.560	4,241	4.880	5,222	35.440
2020	1,016	23.480	3,813	5.320	4,829	28.800
2019	1,131	30.070	3,210	5.290	4,341	35.360

7.3.4 From the graph below it can be concluded that:

- From a 2018 position where 78% of devices in service were 10 years old or less, this has improved to 92%.
- Furthermore, 71.7% of In-Use devices are now 5 years or less in service.
- The Health Board should take assurance that these positive trends can be expected to continue through 2024/25 with the further deployment of the devices highlighted earlier.
- It can also be seen that the number of devices in clinical use that are >10 years in service has fallen from 22% (4,234) of the total in 2018 to 4.3% (1,476) in 2024.
- Likewise, the number of devices >15 years has also fallen from 11% (2,177) in 2018 to 2% (537) during the same 6-year period.

Figure 1: Comparison of device ages between 2018 and 2024.



7.3.5 The key conclusions from the report from a capital perspective are:

- that improvements to the inventory will allow service leads to make more informed decisions when planning service developments and medical device replacements.
- without significant and sustained investment in this area or a corresponding reduction in the number of devices in service, the Health Board can expect that the number and value of devices due/ overdue replacement will continue to increase to the potential detriment of patients, staff, and organisational safety.
- intrinsically linked to the increasing number and value of equipment on the medical device inventory are the increased revenue resource requirements to ensure their appropriate maintenance arrangements are in place.
- Whilst there will be a plethora of benefits to be realised from the progress made into medical device investment which will be seen by clinical users, the main motivation behind having a modern stock of medical devices must be the desire to improve patient safety and the outcomes associated with the care provided by the organisation to our patient population. Through its rolling replacement programmes and the clinical/ technological modernisation of its devices, the Health Board can have increased assurance that its clinical staff have the essential tools to deliver the highest standards of patient care which should go beyond minimum expectations of the public.
- With an inventory replacement value of £118.37m and a notional life cycle of 10 years an annual replacement budget of £11.837m is required to stand still. The current value of the DCP allows for an investment of between £0.5m - £1m in the equipment inventory.

7.4 Digital response

- 7.4.1 The digital age has created a new set of challenges for healthcare. Traditional digital healthcare models are no longer effective. For example, the purchasing of siloed and unconnected systems, with limited interoperability which reduces the ability to leverage the data for secondary purposes. Therefore, we must adapt to keep up with changing patient expectations.
- 7.4.2 Digital technology is a significant part of our everyday lives improving the way we socialise, shop and work. It also has great potential to improve how the NHS delivers its services in a new and modern way, providing faster, safer and more convenient care. Our Health Board approach will increase the range of digital health tools and services available. People will be able to seek health information and support online and choose whether they speak to a doctor on the phone or in person. A wide range of NHS Wales approved apps will help people get ongoing support to help them manage their health and wellbeing needs, backed up by face-to-face care when this is needed. As part of this programme will be investing in improving NHS Digital systems and in developing new technology. We will make sure staff have the technology they need to do their jobs, and our systems can talk to each other and share vital information to support the delivery of care, ensuring that everyone is digital included, and staff and patients are not excluded.
- 7.4.3 In 2019, HDUHB published its Health and Care Strategy, “A Healthier Mid and West Wales (AHMWW): Our Future Generations Living Well” Digital enablement was identified as a core enabler within the document, and will be central in creating an integrated, patient centric, community based and social model of care. A Programme Business Case (PBC) presented the strategic intent in the form of an ambitious 10-year digital transformation Programme with the use of digital as an enabler.
- 7.4.4 Therefore, digitally enabled transformation is the integration of digital technology into all areas of a business, resulting in fundamental changes to how businesses operate and deliver value. Successful digital transformation delivers multiple benefits, from improved clinical outcomes and patient user experiences, through to improvements in productivity and efficiencies.
- 7.4.5 Several key challenges face HDdUHB, including increase in demand for healthcare services, a lack of sustainable digital infrastructure, siloed and unconnected systems, and a lack of real-time data. In response to these challenges, a Digital Enablement Plan has been created to drive intelligent insight to deliver more efficient and effective care for staff and people using the healthcare services.
- 7.4.6 The digital enablement plan will introduce several key foundational building blocks and enable transformation of clinical services at pace. Through the Digital Enablement Plan, HDdUHB will look to:
- Provide digital services and tools to give people more control over their own health and the care they receive from the NHS.

- The ambition is to extend the NHS Wales App to everyone, where General Practitioners have agreed to become involved, as a new digital 'front door' to give people secure digital access to their own medical records; find trusted information about their health online; allow patients to conveniently book appointments and view test results online. In time it will also provide medical advice and consultations securely.
- Give health and care staff the technology they need to help them complete administrative tasks more quickly, freeing up time to spend with patients.
- Set standards that keep information secure and make sure systems talk to each other to provide health and care staff with complete access to joined up patient records.

7.4.7 We have ambitious plans for the future with a 10-year **Digital Enablement Transformation Plan**. This aims to fundamentally change the way we deliver services in the future, improving outcomes and enhancing financial sustainability for the health board. The scale of change across the organisation will have a significant impact on ways of working and the culture at HDdUHB. The plan represents a level of investment and commitment by HDdUHB

7.4.8 To realise our vision for the people of Mid and West Wales we will need to work at pace, carefully prioritising the delivery of change to maximise impact and enable reinvestment into the programme. This cannot be done in isolation; critical to our success will be working closely with partners in an integrated way, with a shared understanding of priorities. The transformation journey has started but there is more to do to deliver for our citizens.

7.4.9 In 2023, HDdUHB updated the Patient Vision, reflecting the progress to date and the need to go further. Our ambitions include, in the future HDdUHB will have digitised all the events and information that relate to a patient's care into an easily accessible data store that can be shared with partners. Clinicians will be able to view all the requests and results relating to a patient, including images, not only from the Health Board but also partners in primary, secondary and community care. By digitising the complete care pathway, from admission through to medicines administration and on to discharge, patients will receive better and safer care as HDdUHB teams will have a clear and easily understood picture of the patient's health.

Our Patient Vision

Our digitally transformed future healthcare vision...

In the future we will have digitised all the events and information that relate to a patient's care into an easily accessible data store that can be shared with our partners. Clinicians will be able to view all the requests and results relating to a patient, including images, not only from our Health Board but also our partners in primary, secondary and community care.

By digitising the complete care pathway, from admission through medicines administration and onto discharge, patients will receive better and safer care as our teams will have a clear and easily understood picture of the patient's health.



7.4.10 The Health Board committing to the digital programme business case and the digital enablement plan, the Health Board will continue to develop as a digital integrated health organisation. We will work to ensure patients, and staff, local citizens, and partners are able to thrive in the digital future and play active roles in shaping Hywel Dda into a digital exemplar where technology is used to improve the lives and life chances of everyone.

7.4.11 We want everyone to have access to the digital information, tools and services needed to help maintain and improve their own health and well-being. We want health and social care information to be captured electronically, integrated and shared securely. We want digital technology and data to be used appropriately and innovatively to help plan and improve services and ultimately improve outcomes for all.

7.4.12 A key component of the strategic assessment was the evaluation of operational readiness for digital change. The digital roadmap requires and recommends service redesign principles for a whole system approach.