

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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	27 June 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Capital Programme 2023/24, Plan for 2024/25 and Capital Governance Update Report
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lee Davies –Director of Strategy and Planning / Cyfarwyddwr Gweithredol Strategaeth a Chynllunio
SWYDDOG ADRODD: REPORTING OFFICER:	Eldeg Rosser, Head of Capital Planning

Pwrpas yr Adroddiad (dewiswch fel yn addas) Purpose of the Report (select as appropriate)
Er Gwybodaeth/For Information

ADRODDIAD SCAA SBAR REPORT
<u>Sefyllfa / Situation</u>
<p>This report is presented to the Strategic Development and Operational Delivery Committee (SDODC) detailing:</p> <ul style="list-style-type: none"> • Update on the 2024/25 Capital Programme and Capital Resource Limit (CRL) for 2024/25 • The allocation of the Discretionary Capital Programme (DCP) for 2024/25 • The capital schemes governance update • Update on the status of the Reinforced Autoclave Aerated Concrete (RAAC) Schemes, Withybush Hospital (WGH) • Update from Capital Sub-Committee
<u>Cefndir / Background</u>
<p>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 25 April 2024 and the Capital Sub-Committee (CSC) meeting held on 21 May 2024.</p> <p>The available capital allocation for 2024/25 will provide Hywel Dda University Health Board (HDdUHB) with a significant challenge and risk in trying to address the historical backlog in:</p> <ul style="list-style-type: none"> • Medical and non-medical equipment • Informatics and Digital infrastructure and equipment • Estates, statutory and infrastructure
Risk
<p>The corporate risk 1196 states:</p> <p><i>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.</i></p>

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)	18.511
Discretionary Programme (gross allocation)	6.216
Total	24.727

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 - May £m	Spend May £m	Remaining balance £m
AWCP				
Estates Funding Advisory Board (EFAB) - Infrastructure	2.772	0.068	0.038	2.704
EFAB - Fire	1.178	0.276	0.107	0.902
EFAB - Decarbonisation	0.049	0.000	0.000	0.049
WGH - RAAC Works	5.953	0.263	0.146	5.690
GGH - Fire Enforcement Phase 1	7.967	1.561	0.678	6.406
GGH - Fire Enforcement works - Phase 2 - Fees	0.237	0.001	0.001	0.236
Cross Hands Health and Wellbeing Centre	0.065	0.031	0.023	0.034
BGH Digital Radiology X-Ray works	0.290	0.000	0.000	0.290
Sub-total AWCP	18.511	2.200	0.993	16.311
Discretionary				
IT	0.716	0.091	0.091	0.625
Equipment	1.439	0.162	0.144	1.277
Estates – Statutory	0.450	0.003	0.003	0.447

Estates Infrastructure	3.212	0.056	0.047	3.156
Other	0.399	0.041	0.027	0.358
Sub-total Discretionary	6.216	0.353	0.312	5.863
TOTAL	24.727	2.553	1.305	22.174

Financial Risks associated with Capital Schemes in 2024/25

Glangwili General Hospital (GGH) Fire Precaution Works

The previous report noted that the project was forecast to significantly overspend against the original allocation. The project team have undertaken significant work to review the programme, re-phasing work into Phase 2 where possible, and to provide assurance on control of programme and cost, with a completion date of November 2024 now agreed with the contractor. Following this an application for additional funding was made to Welsh Government (WG). WG have approved this application and additional funding of £4.84m has been added to the CRL, with a further £2.75m contingency held by WG.

Impact of Inflation

The Health Board continues to experience the impact of inflation with tendered costs exceeding previous price estimates.

Where bids are made for AWCP funding, discussions are held with WG with regard to the potential impact of inflation between pre and post tender contractual awards and the means available to manage that risk such as an additional contingency held by WG.

For any schemes which are delivered via alternative funding sources such as the DCP additional contingency allowances are made to account for the uncertainty associated with inflation.

Without an inflationary increase in the DCP, the total number of schemes that can be funded via the DCP will be reduced in future years.

Capital Programme 2024/25

All Wales Capital Programme

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

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

Discretionary Capital Allocation (DCP)

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

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

	£m
Original DCP Allocation	7.421
EFAB Infrastructure	(0.817)

EFAB Fire	(0.366)
EFAB Decarbonisation	(0.050)
Adjusted DCP allocation	6.188

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

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

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

Schemes	Allocation £m
Pre-commitments	
BGH Clinical Decisions Unit (CDU)	0.346
Replacement morcellator	0.049
GGH MRI Chiller	0.210
Welsh Intensive Care System	0.117
Paediatric Consultation	0.400*
CDU BGH associated moves	0.160
Isolators	0.098

Fees to develop Sexual Assault Referral Centre (SARC) and Aseptic Business Justification Case (BJC)	0.100
30% EFAB Contribution 2024/25	1.233
Other	0.249
Ring-fenced allocations	
Breakdown and contingency	1.500
Residential accommodation	0.200
Business case development	0.100
Capital support	0.200
Statutory programme	0.450
Equipment	1.000
Digital	0.509
Estates improvement programme - Wards	0.500
TOTAL DCP	7.421

*Split over 2 financial years

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

- Additional Welsh Government approvals
- Review of VAT recoveries
- Potential disposals
- Slippage on existing schemes

Schemes are prioritised in a patient focused way.

Contingency

Items currently funded from our Contingency reserve are:

Contingency	£m
Cost of relocation GMS Cross Hands	0.030
Roof repairs Fishguard Health Centre	0.030
Balance	1.440


Additional bids


Since the last meeting HDdUHB have been asked to submit bids for additional resources against an All-Wales central pot of £30m to address backlog maintenance across Health Boards and Trusts.


The Health Board has also been asked to provide information to WG on the costs of diagnostic imaging projects that could be delivered by 31 March 2025.

Capital Governance – Project Updates

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

Project	Overall RAG	Matters for Sub Committee attention
	Current RAG	
Aberystwyth Sexual Assault and Referral Centre (SARC)	Trend 	There are timeline delays to accommodate BJC scrutiny and approvals processes which has been benchmarked against previous scrutiny activity. An impact will be any delay in SARC vacating their current residence in Bow Street where the lease expires at the end of March 2025. The Project Director is in discussions with lease holders to agree an extension (Ceredigion County Council). The BJC for the scheme was approved by the Board on 30 May 2024 and submitted to WG.

Project	Overall RAG	Matters for Sub Committee attention
	Current RAG	
Fire Enforcement Work, Glangwili General Hospital	Trend 	A full application for additional funding has been made to NHS Wales Shared Services Partnership NHS Wales Shared Services Partnership – Specialist Estate Services (NWSSP-SES) who have supported the need for this. Ministerial briefing has been provided to secure Welsh Government (WG) support. Mid and West Wales Fire and Rescue Service (MWWFRS) remain supportive of the scheme as do WG. Project Managers have advised a further programme has been agreed AP12 which extends the current completion date for the Phase 1 works to end of November 2024. Additional funding for the scheme has now been approved.

Project	Overall RAG	Matters for Sub Committee attention
	Current RAG	
Cross Hands Health and	Trend 	Target costs have been received and reviewed, these are higher as expected and have been notified to WG. A further value engineering exercise has been instructed with the aim to reduce costs. Several

Wellbeing Centre

meetings have been held with WG to review the costs and value engineering opportunities. This could have a resulting impact on the programme timeline.

Projects led by other organisations

Additional funding for the development of the Carmarthen Hwb Scheme has been approved by WG.

The Health Board is working with Carmarthenshire County Council on the submission of a bid for additional capital funding for the Pentre Awel Scheme.

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 (CONSTRUCTION PHASE)	95 days	Mon 29/01/24	Fri 07/06/24
MAIN KITCHEN - TENDER 1 (CONSTRUCTION PHASE)	60 days	Mon 01/04/24	Fri 21/06/24
OPD B - TENDER 2 (MOBILISATION STAGE)	120 days	Mon 24/06/24	Fri 06/12/24
OTHER G/F AREAS - TENDER 3 (TENDER AWARD STAGE)	190 days	Mon 24/06/24	Fri 14/03/25
WGH BGH PLANT ROOMS/OPD ROOF - TENDER 4 (DESIGN STAGE)	85 days	Mon 26/08/24	Fri 20/12/24
WGH RAAC: CURTINS RE-SURVEY INSPECTIONS SECOND FLOOR	215 days	Mon 22/04/24	Fri 14/02/25

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

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

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

Update from Capital Sub Committee

Attached in Appendix 1 is the update from the Capital Sub-Committee (CSC) held on 21 May 2024:

There are:

- No items to alert the Committee
- Two items to advise the Committee
- 10 items to assure the Committee

Argymhelliad / Recommendation

The Strategic Development and Operational Delivery Committee is asked to:

- **NOTE** the update on the Capital Programme and CRL for 2024/25.
- **NOTE** the capital schemes governance update.
- **NOTE** the RAAC update.
- **NOTE** the update from Capital Sub Committee.

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 non clinical estate, educational facilities and managed practices. Risk Score 15
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	1. Safe
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	5. Whole systems perspective
Amcanion Strategol y BIP: UHB Strategic Objectives:	6. Sustainable use of resources

Amcanion Cynllunio Planning Objectives	8 Estates plans
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	8. Transform our communities through collaboration with people, communities and partners

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Included within the report
Rhestr Termau: Glossary of Terms:	Not Applicable
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Datblygu Strategol a Chyflenwi Gweithredol: Parties / Committees consulted prior to Strategic Development and Operational Delivery Committee:	CSC Sustainable Resources Committee Capital Planning Group

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Capital values noted within the report. Included within individual business cases and Capital prioritisation process.
Ansawdd / Gofal Claf: Quality / Patient Care:	Included within individual business cases and capital prioritisation process.
Gweithlu: Workforce:	Included within individual business cases and capital prioritisation process.
Risg: Risk:	Risk assessment process is integral to the capital prioritisation process and the management of capital planning within HDdUHB also included within individual business cases and capital prioritisation process.

Cyfreithiol: Legal:	Included within individual business cases and capital prioritisation process.
Enw Da: Reputational:	Included within individual business cases and capital prioritisation process.
Gyfrinachedd: Privacy:	Included within individual business cases and capital prioritisation process.
Cydraddoldeb: Equality:	Equality assessments are included within individual business cases and capital prioritisation process when required.

CAPITAL SUB COMMITTEE UPDATE REPORT

Date of last meeting: 21 May 2024

Quoracy: Met

Report by: Eldeg Rosser, Head of Capital Planning

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

Alert¹ (may require discussion)

No issues to specifically alert on this occasion.

Advise² (to monitor)

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

Capital Resource Limit 2024/25:

- Unaudited 2023/24 position
 - Underspend of £0.32m.
 - Health Board managed end of year 2023/24 with minimal impact on 2024/25 Programme.
- WG have now confirmed Glangwili Hospital (GGH) Phase 1 Fire Works.

Capital Programme 2024/25

- Board approved 2024/25 Programme at the 28 March 2024 meeting.
- £1.5m put aside to deal with emergency issues of which £60k has been used to date.
- In the last 10 days Welsh Government (WG) have asked the Estates Team to submit bids against £30m in the All-Wales allocation for maintenance type issues of which bids for £7m have already been sent to WG which include Bronglais Hospital (BGH) improvements and are now awaiting their response.

Assure³ (to note)

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

- The Capital Sub-Committee endorsed the Capital Sub-Committee Work Plan for 2024/25.
- Capital Governance Highlight Reports have been reviewed by CSC for all projects with Red and Amber Schemes.

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.

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

The Capital Sub Committee noted the following:

- The EFAB Update Report.
- Capital Audit Tracker Report - and the progress of the implementation of outstanding capital themed audit recommendations. Also noted information provided in respect of lapsed timescales which will be reported to the Audit and Risk Assurance Committee (ARAC).
- WG Dashboard Reports - and the ongoing positive responses from WG.
- Regional Capital Programme - verbal update and progress made in respect of the Regional Capital Programme.
- The A Healthier Mid and West Wales (AHMWW) update report and progress made in respect of the AHMWW Programme Business Case.
- Cross Hands Health and Wellbeing Centre Project - and challenges facing the Cross Hands Project.
- The Sexual Assault Referral Centre (SARC) Business Justification Case (BJC) – Progress Update Report and that the Executive Team have approved the Business Case to go to Board for approval on 30 May 2024.
- WG funding for radiology schemes - The Capital Sub-Committee were advised that the Health Board has received notification from WG of potential three radiology schemes they may support in year. We have been asked to review costs and delivery by 31 March 2025.

Papers for information were noted by the CSC as follows:

- Capital Monitoring Forum – Minutes of meeting held on 12 March.

Review of Risks

- To note the challenging external factors facing the Cross Hands Health and Wellbeing Centre and the update being prepared for Executive Team to keep them informed of issues.

Sharing of learning

The Project Closure Report (PCR) Women and Children's Phase 2 project at Glangwili General Hospital was noted by the CSC. This forms a key product in the post implementation and evaluation process. CSC noted that good practice and reflections for future projects will be included within capital planning processes and project management framework.

Recommendation

The SDODC is asked to **NOTE** the Capital Sub Committee Update Report following it's meeting on 21 May 2024.