



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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	26 October 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	Business Continuity/Major Infrastructure - Programme Business Case (PBC)
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Andrew Carruthers, Director of Operations
SWYDDOG ADRODD: REPORTING OFFICER:	Rob Elliott, Director of Estates, Facilities and Capital Management

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Gwybodaeth/For Information

ADRODDIAD SCAA
SBAR REPORT

Sefyllfa / Situation

The Hywel Dda University Health Board (HDdUHB) has an extensive Estate with significant levels of backlog maintenance. These backlog levels are currently estimated at circa £137m.

The management of this level of backlog is not possible within the current sources of funding available. These funding sources are currently Discretionary Capital and more recently Estates Funding Advisory Board (EFAB) funding.

The Estate within HDdUHB is some of the oldest within the Welsh NHS. Specifically, Glangwili Hospital (GH) which dates from the mid 1950's so is currently circa 70 years old and Withybush Hospital (WH) which dates from the mid circa 1970's, so is currently 50 years old. This age profile creates a range of challenges for building and engineering infrastructure.

The current funding available (EFAB and Discretionary Capital) will be insufficient to deal with these challenges at the scale necessary.

Given this under investment in aging Estate we are now seeing regular instances of failures of our infrastructure. This has included air handling plant and lifts and more recently major failures in our roofing systems, causing a loss of capacity until repairs have been undertaken. In addition, a wide range of other engineering infrastructure systems which are beyond their useful operational life, are at risk of failure with subsequent Business Continuity impacts. This is reported via the HDdUHB risk assessment process and is currently being refreshed to update risk reporting for the Estate.

This deterioration of our Estate performance created by historical under investment is clearly reflected in the increases of our backlog maintenance totals from circa £62m in 2019/20 to circa £137m at present.

The need to strategically plan a programme of investments to manage this risk is clearly necessary. This investment, being aligned with the 'A Healthier Mid and West Wales (AHMWW) Programme' will support the Estate Strategy and a planned approach to Estate risk

until new modern Estate is commissioned and therefore avoid the ad hoc, urgent failures HDdUHB currently experiences which are so disruptive to Business Continuity.

Cefndir / Background

HDdUHB is committed to a wide-ranging strategic service and investment plan which includes both new hospital buildings and repurposing of existing Estate. The AHMWW programme is currently at Programme Business Case (PBC) stage and discussions are ongoing with Welsh Government (WG) in respect of the planned delivery programme. This PBC is not yet endorsed and therefore progression to the Strategic Outline Case submission cannot be made.

In terms of Major Infrastructure Investment Programme planning, a working assumption was that the above programme would be delivered over circa seven years (commissioned during 2029). This programme is now proving challenging with most recent optimistic assessment of the delivery of the AHMWW programme being in the order of 2031. There is a risk of this timeline extending further resulting in the need for HDdUHB to maintain the existing portfolio of hospital sites for an extended period beyond these assumed dates.

The challenge for HDdUHB is to maintain a safe Estate with strong assurance on Business Continuity for the interim position until AHMWW investment is in place. Any extension of these timelines will create further challenges in maintaining the Estate for an extended period.

In considering all of the above it is essential that HDdUHB takes all possible steps to introduce significant investment in the Estate to enable the ongoing delivery of safe and sustainable services for patients during this interim period.

The Health Board has been proactive in this by developing the Major Infrastructure Investment Programme and has worked closely with WG colleagues for several years to progress this.

This Major Infrastructure Investment Programme has been revised on a number of occasions following guidance from WG and taking account of the progression of the AHMWW programme.

The original PBC submitted in 2019 included a range of infrastructure investment plus a comprehensive refurbishment programme of Departments and Wards across the HDdUHB Estate.

HDdUHB was asked to revise this programme, taking into account the planned investment within the AHMWW Programme.

The PBC was therefore revised to only include essential infrastructure investment necessary to maintain business continuity assurance for the interim period until repurposing was in place. Any allowance for refurbishment, upgrade or service development needs were removed from the Major Infrastructure PBC and included only in the AHMWW Business Case.

This reduced the capital value of the Major Infrastructure Investment PBC to circa £87m. This PBC was presented to the WG Infrastructure Investment Board and was subsequently endorsed in July 2021.

Following the endorsement of the above case HDdUHB has worked closely with NHS Wales Shared Services Partnership (NWSSP) and WG to move this programme forward. Clearly capital resources within the NHS are limited and in order to provide further evidence for the need of this programme WG supported a piece of work to increase the detailed analysis of scheme risk and to identify the most urgent projects needed to be undertaken. This WG funding was £150k.

As part of this work a detailed review of the elements contained within the PBC was undertaken jointly with a refresh of the capital value to current index levels. This work was concluded in February 2023 and submitted to WG. The value of this programme at that time was circa £130m.

Asesiad / Assessment

HDdUHB has been in constant dialog with NWSSP in progressing this programme of urgent investments but clearly the challenge around central capital availability is significant. It is also a standing agenda item on the HDdUHB bi-monthly Capital Resource Meeting with WG.

Following the submission of the refreshed Programme Case at circa £130m WG requested that HDdUHB provide a further submission reducing the Capital needed to circa £50m for the most urgent priorities within this case. This being an initial investment pending further consideration of the wider works necessary. This was submitted to NWSSP in June 2023 in the sum of circa £47m.

Following this submission, a request was received from WG to reduce this initial investment further. As part of this work NWSSP offered to work in partnership with HDdUHB to review risk assessments and to jointly agree on the most urgent priorities needed to manage current risks in the Estate. The Health Board has now an agreed list of the most urgent investments supported by NWSSP and this revised submission was made in September 2023 in the sum of circa £35m.

Following this submission, NWSSP have now requested HDdUHB undertake a further review to determine the financial efficiencies possible if it delivers this improved list of investments outside of the Design for Life (DFL) Building for Wales (B4W) framework. Whilst this will involve an increased number of individual procurement exercises, it will reduce the oncost and fee levels normally associated with major DFL projects.

HDdUHB has now completed this exercise and has submitted a refreshed total of circa £30m to WG on 5 October 2023.

In addition to the above, NWSSP have asked for a revised approach to major mechanical infrastructure plant in refurbishing plant and replacing only individual components in the plant rather than replacing the whole of the package plant as a unit, which would be a normal approach when infrastructure is beyond its normal operational life. We have suggested to WG that this should be undertaken at Business Justification Case (BJC) given the analysis necessary.

This refreshed submission to WG will make it clear that this can only be considered an initial investment to cover critical risks that are being experienced now. Therefore, this investment will provide a time horizon of 2-3 years in terms of covering key risks. More funding will need to be secured as work progresses beyond this limited time period. This being especially pertinent in considering the current challenge regarding the AHMWW Programme timelines and the potential that the Health Board will remain on the WH and GH sites beyond 2031.

This Major Infrastructure Investment Plan is entirely separate to other investment programmes currently underway. Most significantly, major works in achieving fire compliance to Fire Enforcement Notices in place at both GH and WH. Also, significant investment at WH to manage Reinforced Autoclaved Aerated Concrete.

Argymhelliad / Recommendation

The Strategic Development and Operational Delivery Committee is asked to:

- **Note** the work undertaken by the Health Board in providing regular submissions to Welsh Government to obtain urgent funding to manage key Estate risks
- **Note** the current status of these submissions to Welsh Government
- **Note** the significant Estate risk currently being managed
- **Note** that further, formal reports will be developed as this programme progresses.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	Not Applicable
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Estates and Facilities Risk No not yet on system. Score: 15
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	6. Sustainable use of resources
Amcanion Cynllunio Planning Objectives	5a Estates Strategies
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	9. All HDdUHB Well-being Objectives apply

Gwybodaeth Ychwanegol: Further Information:

Ar sail tystiolaeth: Evidence Base:	Extensive site bases survey information and direct input from key operational estate staff
Rhestr Termiau: Glossary of Terms:	Contained within the body of text
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Datblygu Strategol a Chyflenwi Gweithredol: Parties / Committees consulted prior to Strategic Development and Operational Delivery Committee:	Not Applicable

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Funding sought from Welsh Government
Ansawdd / Gofal Claf: Quality / Patient Care:	Not Applicable
Gweithlu: Workforce:	Delivering a sustainable estate to support Clinical functions
Risg: Risk:	Business Continuity Management
Cyfreithiol: Legal:	Risk of enforcement from external agencies
Enw Da: Reputational:	Not Applicable
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable