



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

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	27 April 2023
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Discretionary Capital Programme (DCP) 2022/23, 2023/24 and Capital Governance Update Report
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Lee Davies –Director of Strategy and Planning / Cyfarwyddwr Gweithredol Strategaeth a Chynllunio
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Eldeg Rosser, Head of Capital Planning

**Pwrpas yr Adroddiad (dewiswch fel yn addas)  
Purpose of the Report (select as appropriate)**

Er Sicrwydd/For Assurance

**ADRODDIAD SCAA  
SBAR REPORT**

**Sefyllfa / Situation**

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

- Update on the 2022/23 Capital Programme
- The allocation of the Discretionary Capital Programme (DCP) for 2023/24
- The capital schemes governance update

**Cefndir / Background**

This report provides an unaudited outturn position on the 2022/23 Capital Programme and an update on the 2023/24 Discretionary Capital Programme; it follows on from the report and discussion at the SDODC meeting held on 23 February 2023 and the Capital Sub-Committee (CSC) meeting held on 24 March 2023.

The available capital allocation for 2023/224 will provide HDdUHB with a significant 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, statutory and infrastructure

**Risk**

Our 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 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 (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 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 and Capital Programme 2022/23**

The final CRL for 2022/23 has been issued with the following allocations:

<b>Allocation</b>	<b>£m</b>
All Wales Capital Programme (AWCP)	27.778
Discretionary Programme (gross allocation)	5.290
Disposal Proceeds	0.195
International Financial Reporting Standards (IFRS) 16 leases	0.585
<b>Total</b>	<b>33.848</b>

In addition, £0.350m of value added tax (VAT) recovery is available for use following completion of the review of the 2021/22 programme.

Capital receipts of £0.195m have been received; the majority being for the Prince Philip Hospital (PPH) and Bronlais Hospital (BH) computerised tomography (CT) scanners.

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

<b>Capital Scheme</b>	<b>Net Change to CRL £m</b>	<b>Brief Scheme Description</b>
Ambulance Shoreline Connections	0.002	Ambulance power connection points outside our Emergency Departments.
IFRS 16 Leases (Quarters 3 and 4)	0.486	As of 1 April 2022, leases which meet certain criteria have to be capitalised as right of use assets. This represents funding received for lease car and photocopier renewals.
<b>TOTAL</b>	<b>0.488</b>	

The Health Board has also received six ultrasound machines, which were transferred from Swansea Bay University Health Board (SBUHB) at the end of January 2023 (which were

surplus to their requirements). A transfer of asset form (S1 form) has been completed between SBUHB and Hywel Dda University Health Board (HDdUHB). There is no adjustment required to the CRL as it is a transfer between NHS Wales Health Boards.

In addition to the resource allocated through the CRL and the net book value of disposals, the Health Board is able to make capital purchases through donations.

<b>Allocation</b>	<b>£m</b>
All Wales Capital Programme (AWCP)	27.778
Discretionary Programme (gross allocation)	5.290
Disposal Proceeds	0.195
International Financial Reporting Standards (IFRS) 16 leases	0.585
<b>Donated and Granted Purchases</b>	<b>0.476</b>
<b>Total Resource Available</b>	<b>34.324</b>

Against this resource, the unaudited expenditure position for the year is an underspend of £0.068m.

**The un-audited Capital expenditure position for 2022/23 is detailed in the table below.**

<b>Scheme</b>	<b>Un-audited Spend 2022/23 £m</b>
<b>AWCP</b>	
Glangwili - Fire Enforcement works - Phase 1	5.966
Withybush - Fire Enforcement works - Phase 1	7.353
Fire Enforcement Works - Withybush General Hospital- Decant Ward Fees	0.898
Withybush - Fire Enforcement works fees - Phase 2	0.552
Glangwili – Fire Enforcement works fees – Phase 2	0.593
Fire Safety Works, Prince Philip Hospital	0.270
National Programme - Fire	0.125
I2S - Multi-site projects	0.307
National Programme - Decarbonisation	0.519
PPH Demountable	1.354
Energy Saving Schemes	0.250
National Programme - Mental Health	0.055
National Programme - Imaging	0.104
National Programme - Imaging - CT Scanner PPH	1.233
National Programme - Imaging - CT Scanner BH	0.787
National Programme - Imaging - DR Rooms	1.755
National Programme - Imaging - Fluoroscopy Rooms	1.446
Additional Imaging	0.181
Mammography Equipment, Prince Philip Hospital.	0.786
Cross Hands Primary Care scheme	0.493
Neonates - Phase II - main	0.969
Business Continuity Programme - Fees	0.121
DPIF - Digital Medicines Transformation Pre-implementation team	0.006
Emergency Department Waiting Area Improvements	0.414
Year end funding	0.697
Sanctuary Provision for Children and Young people	0.389
Eye Care Funding	0.065
Ambulance Shoreline Connections	0.002
End of Year Equipment	0.200

<b>Sub-total AWCP</b>	<b>27.890</b>
<b>Discretionary</b>	
IT	0.429
Equipment	2.491
Estates – Statutory	0.612
Estates Infrastructure	1.692
Other	0.081
<b>Sub-total Discretionary</b>	<b>5.305</b>
<b>IFRS 16</b>	
New leases	0.585
<b>Sub-total IFRS 16</b>	<b>0.585</b>
<b>Donated and Granted Purchases</b>	<b>0.476</b>
<b>TOTAL</b>	<b>34.256</b>

It is pleasing to note that the Supply Chain issues experienced at the end of the last financial year were not experienced in 2022/23 and there was no requirement for items of Medical or Digital equipment to be vested.

### **Capital Programme 2023/24**

#### **All Wales Capital Programme (AWCP)**

Hywel Dda University Health Board (HDdUHB) is currently aware that it will have All Wales Capital Allocations for the following schemes in 2023/24:

- Women and Children Phase II
- Development of the Cross Hands Full Business Case
- Estates Funding Advisory Board (EFAB)
- Fire Enforcement Works at Withybush General Hospital (WGH) and Glangwili Hospital (GH)
- Bro Myrddin – an allocation to develop Children and Young People Mental Health Services
- Estates Funding Advisory Board (EFAB)

#### **Discretionary Capital Allocation (DCP)**

The confirmed discretionary capital allocation for 2023/24 is £6.939m

<b>Allocation</b>	<b>Allocation £m</b>
Baseline discretionary allocation	5.645
Top up allocation	0.888
<b>Confirmed via allocation letter 26 January 2023</b>	<b>6.533</b>
Repatriation of fees incurred on Cross Hands OBC	0.406
<b>TOTAL DCP</b>	<b>6.939</b>

The Board ratified the Capital Programme presented to this Committee in February at its meeting on 30 March 2023.

Schemes	Allocation £m
<b>Pre-commitments</b>	
BH Chemotherapy Day Unit	0.346
GH Women and Children	0.553
Pharmacy Cytotoxic Isolators – (repayable from	0.098
Primary Care Works	0.100
30% EFAB Contribution*	1.226
<b>Ring-fenced allocations</b>	
Breakdown and contingency	1.014
Development of business cases	0.400
Capital support	0.200
Dealing with issues in residential accommodation	0.200
Dealing with issues arising from HIW/Credits for Cleaning audits	0.300
<b>Specific Allocations</b>	
Equipment Replacement	1.298
IT & Digital	0.754
Estates	0.450
<b>TOTAL DCP</b>	<b>6.939</b>

\*The EFAB contribution for the year has now been confirmed at £1.226m.

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.

The Assurance and Risk Team has also undertaken work via gap analysis to align current risks as noted on Datix to the DCP programme, and to identify those projects which currently do not have an associated risk. In instances where a risk has not been identified that aligns to an unfunded project, the Assurance and Risk Team will work alongside the relevant service and the Capital Planning Team to assess and identify relevant risks for addition to the risk register. For those risks whereby capital is the key action to reduce the risk, or whereby all mitigating controls have been actioned and that the risk cannot be managed further, the Executive Lead will be required to confirm that the risk can be tolerated, and if so, these risks will subsequently be reported to Executive Team as per escalation guidance, prior to submission to the relevant Board level committee for formal approval

## Contingency

Significant pressure is already being placed on the contingency of £1.014m due to the specialist survey work which has had to be commissioned on the WGH site to further investigate the condition of the reinforced autoclaved aerated concrete (RAAC) planks. Currently there is no support centrally for these costs but we will continue the dialogue with WG noting the pressure this expenditure will create on the limited DCP

Item	Allocation £m
RAAC Survey	0.540
Dishwasher BH	0.006
<b>BALANCE</b>	<b>0.468</b>

## Capital Governance – Project Updates

At the March 2023 meeting of the Capital Sub-Committee, updates were considered from all HDdUHB's capital projects. Other than the A Healthier Mid and West Wales (AHMWW) PBC, the following projects are complete:

- PPH Modular Theatres (COVID-19 recovery scheme)
- CT Scanner Replacement PPH
- DR Replacement PPH
- DR Replacement GH
- DR Replacement WGH
- CT Scanner Replacement BH
- Fluoroscopy Replacement BH
- DR Replacement BH
- Mammography Replacement PPH

The following are in progress/construction:

- Women and Children Phase II
- Fire Enforcement Work Phase 1, WGH
- Fire Enforcement Work Phase 1, GH

The following projects are currently in the design and development stage:


- Cross Hands Health Centre
- Carmarthen Hwb – Partnership Project led by Carmarthenshire County Council (CCC), levelling up funding approved by UK Government on 27 October 2021.
- Regional Cellular Pathology and Immunology Services
- Chemotherapy Day Unit, BH
- Aseptic Services, WGH
- Sexual Assault and Referral Centre, Aberystwyth


Several projects are now progressing into scoping stages and will require resourcing from a Capital Planning, Estates and Digital perspective:

- Aberystwyth Integrated Care Centre.
- Aberystwyth Integrated Education and Research Centre.
- Fishguard Integrated Health and Wellbeing Centre.

- Fire Improvements BH.
- Llandoverly Health and Wellbeing Centre

Projects with a red RAG status reported to the CSC were as follows:

Project	Overall RAG	Matters for Sub Committee attention
Women & Children Phase 2	Current RAG	The hand over of Theatre 2 has now been completed. Scheme completion is still expected in July 2023.
	Trend 	

Project	Overall RAG	Matters for Sub Committee attention
Fire Enforcement Work Withybush General Hospital	Current RAG	The Phase 1 programme continues to be under pressure due to impact of pest infestations in mental health facilities which are now on the critical path of the delivery programme. This has resulted in a request for a further one-month extension of time. The Financial position remains challenging. The latest information received highlights that there is a potential risk that the outturn cost of the scheme could exceed the scheme funding allocation (including the risk contingencies). The Health Board is working closely with the Project Manager, Cost Advisor and Supply Chain Partner to verify this and to explore potential mitigations such as a request to Welsh Government to retain any VAT reclaim. Welsh Government remain supportive and have requested the Health Board make a formal request for additional funding in the new financial year in order that approval may be sought from the minister for the additional funding.
	Trend 	

### Key updates on other Projects

**Cross Hands OBC:** The Health Board has received confirmation of funding to progress with the development of the Full Business Case through the Integration and Rebalancing Capital Fund (IRCF). We have re-engaged with the supply chain and are working with them to update the timeline. Payment of the deposit for the land was made at the end of March 2023.

**Aberystwyth Integrated Care Centre:** Business case writers have been appointed to work with HDdUHB on to develop a Strategic Outline Case (SOC)/Outline Business Case (OBC).

### Sexual Assault Referral Centre (SARC), Aberystwyth

The solution to provide SARC services which comply with the ISO standards is being developed and a Business Justification Case (BJC) is being developed.

### Aseptic Services, WGH

The BJC was presented and approved by Board at its January 2023 meeting. The scheme will provide the interim service solution pending the implementation of the national TRAMS

programme. The BJC has been submitted to WG consider the scheme in principle and scrutiny comments have been received. HDdUHB is developing its responses to the scrutiny comments.

### **Fishguard Health and Wellbeing Centre**

Business case writers have been appointed to work with HDdUHB to develop a Strategic Outline Case (SOC)/Outline Business Case (OBC). An application for IRFC funding to progress with the development of a SOC/OBC has been prepared and being considered via the West Wales Regional Partnership Board.

### **Llandovery**

A project launch event was held in Llandovery on 5 December 2022. Stakeholders from the wider community, service providers and other UHB staff were invited to participate. Business case writers have been appointed to work with HDdUHB to develop the case.

### **Projects led by other organisations**

**Carmarthen Hwb:** The Local Authority(LA) have appointed a Principle Contractor and a Project Manager. HDdUHB has provided detailed feed back on Stage 2 design. The LA has submitted a planning application for the development. Work is also being undertaken by the Council and HDdUHB to develop a bid for IRCF funding for the capital costs not included within the original Levelling up funding bid. This is being considered via the West Wales Care Partnership.

**Pentre Awel:** Building work has commenced on site. Internal meetings with service users have recently taken place. Further detailed work is now required to confirm the clinical service model on site.

**Regional Pathology:** Work is underway on a regional basis across all laboratory disciplines to explore transformation opportunities. Work on the development of the OBC has commenced.

### **Cylch Caron**

Work is currently being undertaken by the Project Group and Ceredigion County Council Legal Team to update the documentation required to enable the issue of tender documentation for the project. Tenders will be issued to determine the market interest for design, build and/or management of this scheme.

### **Argymhelliad / Recommendation**

The Strategic Development and Operational Delivery Committee is asked to RECEIVE ASSURANCE in respect of:

- The unaudited position on the CRL for 2022/23
- The update on the Capital Programme for 2023/24
- The updates on the Health Board Capital schemes

### **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
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners.
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report	8. Transform our communities through collaboration with people, communities and partners

#### Gwybodaeth Ychwanegol: Further Information:

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

#### Effaith: (rhaid cwblhau) Impact: (must be completed)

Ariannol / Gwerth am Arian: Financial / Service:	Capital values noted within the report. Included within individual business cases and Capital prioritisation process.
Ansawdd / Gofal Claf: Quality / Patient Care:	Included within individual business cases and Capital prioritisation process.

<b>Gweithlu: Workforce:</b>	Included within individual business cases and Capital prioritisation process.
<b>Risg: Risk:</b>	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.
<b>Cyfreithiol: Legal:</b>	Included within individual business cases and Capital prioritisation process.
<b>Enw Da: Reputational:</b>	Included within individual business cases and Capital prioritisation process.
<b>Gyfrinachedd: Privacy:</b>	Included within individual business cases and Capital prioritisation process.
<b>Cydraddoldeb: Equality:</b>	Equality assessments are included within individual business cases and Capital prioritisation process when required.