

Name of Sub-Committee:	Capital, Estates, and IM&T Sub-Committee (CEIM&TSC)
Chair of Sub-Committee:	Chair – Lee Davies, Director of Strategic Development and Operational Planning
Reporting Period:	December 2021 – January 2022
Key Decisions and Matters Considered by the Sub-Committee:	

CEIM&TSC Terms of Reference

The final draft of the revised Terms of Reference was presented to the Sub-Committee following its annual review.

The Sub-Committee agreed the revised Terms of Reference for onward submission to SDODC in February 2022 for approval, subject to the following amendments:

- The reporting sub-groups to be added to the diagram on the front page.
- To add reference to medical and non-medical equipment will be added to the document.
- A proposal for the title of the Sub-Committee to be changed to 'Capital Sub-Committee' (to reflect it has the breadth of capital responsibilities across the Health Board and not limited to estates and IT).

Capital Resource Limit (CRL):

The following key matters were discussed:

Capital Resource Limit 2021/22:

- The CRL for 2021/22 has been issued with the following allocations:
£51.327 - All-Wales Capital Programme
£7.421 – Discretionary Capital Programme
(£0.150) - Less I2S repayment
£0.449 – Disposals proceeds
£59.047 – Total CRL

Since the last report to the Sub-Committee, the following funding has been approved:

- £0.590m GGH Fire Precaution Works.
- £0.132m Eye Care
- £0.102m Digital Funding.
- £2.413m Ultrasound and CT scanners
- £3.356m End of year funding
- £19.937m PPH Modular Theatre
- £0.142m SDEC Funding
- **£26.672m Total**

Expenditure is currently behind plan with £43.3m remaining to be spent before the end of March 2022. Assurance has been provided by the Project Managers for the individual schemes that there are no significant risks at this stage to the delivery of spend by the financial year end. There remain a number of risks to managing the CRL which are outside of the control of the Health Board and a contingency plan has been utilised to manage the risk.

Capital Programme 2021/22:

Since the last report to the Sub-Committee, Welsh Government (WG) has confirmed additional funding of £26.672m. Arrangements are in place to identify and manage any further slippage between now and the financial year-end.

Capital Programme 2022/23

The assumption had been made that there would be £7.4m available through the discretionary capital allocation in line with previous years. On 19th January 2022, (WG) confirmed that the allocation has been reduced by £1.775m to £5.645m. This is due to a reduction of 24% to the central NHS Wales Discretionary Capital allocation. This reduction will have a significant impact on the investments that can be made in key areas for 2022/23.

WG has confirmed that there are currently no additional allocations available and that bids and business cases will need to be prepared in readiness for any slippage that might be identified. As a result of the reduced allocation, work is being undertaken to produce a draft programme for submission to the Executive Team and SDODC by mid-February 2022. For the 2022/23 DCP, it has been proposed that an allocation of £250k is made to each of the programme areas and the Prioritisation Matrix is used for the balance. The highest risk areas that cannot be pursued will be highlighted to SDODC.

WG has confirmed the Estates Facilities Advisory Board (EFAB) funding for 2021/22 will not be continued in 2022/23. WG anticipate reinstating the fund for 2023/24.

The Sub-Committee noted the following:

- The Capital Resource Limit (CRL) for 2021/22.
- The financial risks currently being managed.
- The reduced DCP funding for 2022/23 and the discussions underway for how best to approach the allocation of the balance of funds for onward reporting and agreement with the Executive Team and SCODC.
- The pre-commitments and the need to commit funds for expenditure in 2022/23 in advance of the wider DCP programme particularly with regard to the Women & Children Phase II scheme.
- The risks being managed in relation to the delivery of the 2021/22 capital programme and in particular the risk associated with the Prince Philip Hospital (PPH) modular theatre build.

Capital Governance – Project Highlight Reports

The Sub-Committee received the capital project highlight reports, noting those projects with red and amber RAG status.

Red RAG status	Amber RAG rating
<ul style="list-style-type: none">• Cross Hands Health Centre• Women & Children Phase II• Fire Enforcement Work Withybush General Hospital (WGH)	<ul style="list-style-type: none">• Carmarthen Hwb• Transforming Mental Health• Aseptics• Aberystwyth Integrated Care Centre• Bronglais General Hospital (BGH) Chemotherapy Day Unit• Welsh Community Care Information Solution (WCCIS)

- | | |
|--|--|
| | <ul style="list-style-type: none">• Fire Enforcement Work Glangwili General Hospital (GGH) |
|--|--|

The Sub-Committee noted that community schemes are a key part of the 'A Healthier Mid & West Wales' wider Programme Business Case (PBC). Discussions are underway in terms of increasing the pace of delivery for community schemes within the programme following WG scrutiny of the PBC.

The Sub-Committee noted the content of the report, in particular those projects currently reporting a red RAG status or significant increase in RAG status since November 2021.

Capital Audit Tracker

The Sub-Committee received the Capital Audit Tracker and advised that the report tracks progress made on implementing recommendations, however does not currently contain a summary of the information. It is planned to restructure the report to highlight key relevant information to the Sub-Committee and the revised report will be presented to the Sub-Committee in May 2022.

Welsh Government (WG) Dashboards Reports

The Sub-Committee received the Month 8 dashboards submitted to WG in December 2021, and received assurance that the dashboards had been submitted on time in line with the good practice achieved so far this year.

Comments are awaited from WG with any comments received to be addressed in the next submission. It was noted that the dashboards are a retrospective report and the ones submitted in mid-December 2021 reflect the programme and position on projects up to the end of November 2021.

Estates Advisory Board Funding Tracker

The following key points were highlighted to the Sub-Committee:

- Hafan Derwen Solar Farm – WG have moved half of the funding to 2022/23 to allow project completion in the next financial year.
- BGH Fire and Electric Vehicles – these two projects will be cash managed via the DCP into 2022/23 to enable completion in May and June 2022.

Again it was noted that WG has confirmed EFAB will not be continued next year however WG anticipate reinstating EFAB for 2023/34. Priority projects are being identified and bids will be prepared in readiness for any funding that may become available during the year.

Fire Scheme Update

The Sub-Committee noted the contents of the Fire Safety Investment Programme Update Report report, including the significant amount of work necessary for the delivery of the Fire Safety compliance required by the Mid and West Wales Fire and Rescue Service. The Sub-Committee also noted that as the programme continues, highlight reports will be developed for each scheme as required.

A Healthier Mid & West Wales – Programme Business Case (PBC) Update

The Sub-Committee noted the contents of the slide presentation, the current position regarding the submission of the PBC to WG and the next tasks to be undertaken

Key points noted by the Sub Committee included:

- The final draft PBC was submitted to Public Board on 27th January 2022 where it was well received and approved subject to a few minor amendments. The final PBC was submitted to WG week commencing 31st January 2022.
- The timeline for the new Urgent and Planned Care Hospital identifies an opening date of October 2029; all other infrastructure developments will run in parallel where possible within that timeline. WG is supportive of this approach, however have highlighted the challenges and risks to achieving the timeline.
- Capital costs are estimated at circa £1.3bn with a 25% optimism bias bringing the total to circa £1.7bn.
- The Land Shortlist of five sites has been endorsed by the Board; two of the shortlisted sites are subject to further review. A Shortlist Appraisal Group is being established to evaluate the sites and recommend a preferred option for the Board in July 2022.

Post Project Evaluation & Lessons Learnt

Members of the Sub-Committee received an update on Post-Project Evaluation.

The Sub Committee noted the content of the report and current progress on the front-of-house scheme, Bronglais General Hospital (BGH) as well as the upcoming Gateway 5 review for Cardigan Integrated Care Centre (CICC).

Infrastructure & Investment Plan Update

The Sub Committee received a progress update against the schemes listed in the Infrastructure Enabling Plan for 2022/25.

The Sub-Committee noted the Infrastructure and Investment Enabling Plan 2022/25. The draft Plan has been amended following comments made at the last Sub-Committee meeting and will be included as an annex to the IMTP.

Papers for Information

- Capital Review Meeting - Minutes of meetings held on 23rd November 2021
- Capital Monitoring Forum – Minutes of meetings held on 12th October, 9th November and 14th December 2021.
- Capital Planning Group – Minutes of meetings held on 25th November and 16th December 2021 and 14th January 2022.

Matters Requiring Strategic Development and Operational Delivery Committee Level Consideration or Approval:

To approve the revised Terms of Reference for the proposed Capital Sub-Committee (see Appendix 1).

All other key capital matters are included in the separate DCP update reports on the SDODC agenda.

Risks / Matters of Concern:Capital Resource Limit 2021/22:

Expenditure is currently behind plan with £43.3m remaining to be spent before the end of March 2022. There remain a number of risks to managing the CRL which are outside of the control of the Health Board, however a contingency plan has been utilised to manage the risk.

There are financial risks associated with capital schemes including PPH modular theatre build where staged payments are being made to the Contractor whilst the build is being constructed off-site. With regard to the Women & Children scheme, there is an estimated additional cost implication of £1.526m due to COVID-19 social distancing legislation. WG has confirmed their policy to refund COVID-19 related costs.

The risk associated with the PPH modular theatre build has the potential to increase the pre-commitment into 2022/23. Discussions with WG colleagues are aiming to mitigate this, with the potential to offset circa £1.82m of monies allocated to the scheme this year to purchase radiology equipment, allowing the money to be carried forward into next year.

Capital Programme 2022/23

On 19th January 2022, WG confirmed that the allocation has been reduced by £1.775m to £5.645m. This is due to a reduction of 24% to the central NHS Wales Discretionary Capital allocation. The reduction will have a significant impact on the investments that can be made in key areas for 2022/23. As a result of the reduced allocation, work is being undertaken to produce a draft programme for submission to the Executive Team and SDODC by mid-February 2022.

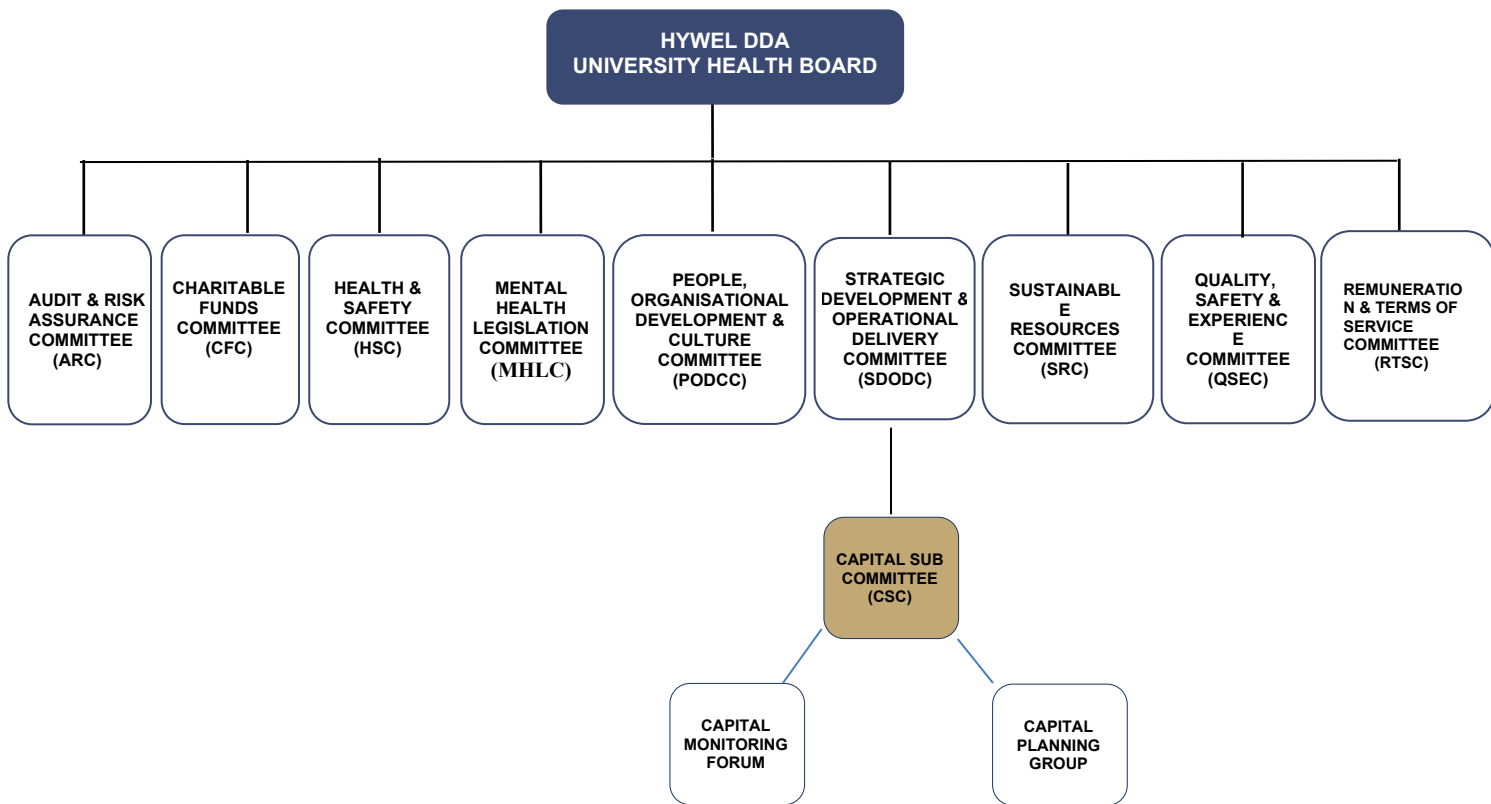
WG has confirmed that EFAB funding for 2021/22 will not be continued in 2022/23. However, WG anticipate reinstating the fund for 2023/24.

Planned Sub-Committee Business for the Next Reporting Period:**Future Reporting:**

- Risk Update Report
- Operational and strategic issues:
 - DCP Update
 - Dashboard Report
 - Estates Advisory Board Funding Tracker.
- Capital Planning Developments
 - A Healthier Mid and West Wales PBC Update
 - Post Project Evaluation and Lessons Learnt
 - Infrastructure Investment Plan
- Self-Assessment of Sub-Committee Effectiveness

Date of Next Meeting:

29th March 2022 at 11am



TERMS OF REFERENCE

CAPITAL SUB-COMMITTEE

Version	Issued to:	Date	Comments
V1	People Planning & Performance Assurance Committee	30 th June 2015	Membership additions
V2	Governance Team	July 2015	Aligned to Governance Review
V3	Capital, Estates & IM&T Sub Committee	July 2015	Membership additions and aligned to PPPAC ToRs – approved
V4	Capital, Estates & IM&T Sub Committee	February 2016	Membership and frequency revisions
V5	Capital, Estates & IM&T Sub Committee	August 2017	In conjunction with

			Corporate Governance Team TOR aligned to PPPAC TORs. Sections 7 & 8 updated
V6	People Planning & Performance Assurance Committee	24 th October 2017	Regional planning made more explicit
V7	Capital, Estates & IM&T Sub Committee	29 th January 2019	DRAFT Membership reviewed, updates to purpose of the sub-committee and sub-group reporting.
V8	People Planning & Performance Assurance Committee	19 th February 2019	Approval of amendments noted at CEIM&T 29/01/19
V9	Capital, Estates & IM&T Sub Committee	19 th November 2020	Approval given. Amendments made
V10	People Planning & Performance Assurance Committee	17 th December 2020	For approval
V9	Capital, Estates & IM&T Sub Committee	25 th November 2021	For discussion
V10	Capital, Estates & IM&T Sub Committee	27 th January 2022	Approved following amendments made
V10	Strategic Development and Operational Delivery Committee	24 th February 2022	For approval

CAPITAL SUB-COMMITTEE

1. Constitution

- 1.1. The Capital Sub-Committee (CSC) has been established as a Sub Committee of the Strategic Development and Operational Delivery Committee (SDODC) and constituted from 1st June 2015.

2. Membership

- 2.1 The membership of the Sub-Committee shall comprise:

Title
Director of Strategic Development and Operational Planning (Chair)
Assistant Director of Strategic Planning and Development (Sub-Committee Lead and Deputy Chair)
Independent Member
Director of Estates, Facilities and Capital Management
Assistant Director of Nursing, Infection, Prevention and Control
Senior Business Partner (Finance) (Delegated on behalf of the Director of Finance)
Head of Facilities Information and Capital Management
Assistant Director of Operations
Assistant Director, Medical Directorate (Delegated on behalf of the Medical Director)
Digital Director
Assistant Director of Primary Care
Head of Governance and Assurance
Head of Procurement
Head of Capital Planning
Director of Mental Health and Learning Disabilities
County Director - Carmarthenshire
County Director – Ceredigion
County Director - Pembrokeshire
Head of Radiology
General Manager, Women and Children’s Directorate
Head of Pathology
Assistant Director of Therapies & Health Science
In Attendance
Committee Support/Secretary
Head of Capital Audit (three times a year/tri-annual)
Capital Programme Manager, Capital Planning
Project Manager, Capital Planning
Head of Property Performance

- 2.2 The membership of the Capital Sub-Committee will be reviewed on an annual basis.

3. Quorum and Attendance

- 3.1 A quorum shall consist of no less than a third and must include as a minimum the Chair or Vice Chair of the Sub-Committee.
- 3.2 An Independent Member shall attend the meeting in a scrutiny capacity. The scrutiny role of Independent Members on Sub-Committees is to ensure their effectiveness in terms of processes and outcomes, and in particular that their work is organised and undertaken in accordance with their terms of reference, that they have clarity about the limits of their delegated powers and responsibilities, and that they understand fully their relationship with and reporting responsibilities to their parent Committee.
- 3.3 Any senior officer of the University Health Board or partner organisation may, where appropriate, be invited to attend, for either all or part of a meeting to assist with discussions on a particular matter.
- 3.4 The Sub-Committee may also co-opt additional independent external 'experts' from outside the organisation to provide specialist skills.
- 3.5 Should any member be unavailable to attend, they may nominate a suitably briefed deputy to attend in their place. Where attendance is delegated, the nominated representative is responsible for informing discussions where relevant and reporting back to the named member accordingly.
- 3.6 The Head of Internal Audit shall have unrestricted and confidential access to the Chair of the Capital Sub-Committee.
- 3.7 The Sub-Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

4. Purpose

- 4.1 The purpose of the Capital Sub-Committee is to:
 - 4.1.1 Oversee the delivery of the Health Board's capital programmes and projects included in the planning cycle (in year and longer term).
 - 4.1.2 Recommend to the Board, via the Strategic Development and Operational Delivery Committee (SDODC), the use of the Health Board's Capital Resource Limit (CRL), in line with the HB's financial scheme of delegation
 - 4.1.3 Review, on an annual basis, the DCP programme for the following financial year.

- 4.1.4 Oversee the development of the Estates Strategy and Infrastructure Investment Enabling Plan aligned to the A Healthier Mid and West Wales Strategy for consideration by SDODC, prior to Board approval.
- 4.1.5 Oversee the development and delivery of implementation plans for the Estates Strategy agreeing corrective actions where necessary and monitoring its effectiveness.

5. Operational Responsibilities

- 5.1 Develop recommendations to the Board, via the SDODC and Executive Team, on the use of the Health Board's Capital Resource Limit (CRL), for approval.
- 5.2 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.
- 5.3 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.
- 5.4 Provide assurance that capital projects are managed and governed in accordance with mandatory requirements, best practice and the latest Welsh Government capital guidance, ensuring that revenue consequences associated with capital projects are explicit at project scoping stage.
- 5.5 Provide assurance around the effective management of the Health Board's CRL, ensuring expenditure is in line with Standing Orders and within the agreed programme.
- 5.6 Scrutinise and quality assure major capital business cases prior to submission to SDODC including those developed in partnership with other organisations such as, Local Authorities, GP partners and Third Sector organisations.
- 5.7 Ensure a robust disposal policy for redundant estate is in place.
- 5.8 Consider options for the acquisition or disposal of estate and agree recommendations for the Board, via the SDODC.
- 5.9 Review and recommend the appropriate delegated limits for capital expenditure authorisation and authorisation for other funding sources.

- 5.10 Make recommendations on capital expenditure in relation to IM&T, medical & non-medical equipment, estates statutory and infrastructure, contingencies and other provisions.
- 5.11 Ensure arrangements are in place to assess and deliver benefits of the capital received. Provide assurance to SDODC that risks associated with capital investment for estates, medical and non-medical equipment and IM&T services are being effectively managed across the whole of the Health Board's activities (including for hosted services and through partnerships and Joint Committees as appropriate)
- 5.12 Agree the Annual Capital Audit Plan and monitor action against recommendations contained within audit reports issued by Capital Audit.
- 5.13 To receive regular progress updates on the ICF Capital bids and schemes being progressed
- 5.14 Agree issues to be escalated to SDODC with recommendations for action.
- 5.15 Agree an annual work plan for the Sub-Committee for review and approval by SDODC.

6. Agenda and Papers

- 6.1 The Sub-Committee Secretary is to hold an agenda setting meeting with the Chair and/or Vice Chair and the Lead Executive/Assistant Director at least **six** weeks before the meeting date.
- 6.2 The agenda will be based around the Sub-Committee work plan, identified risks, matters arising from previous meetings, issues emerging throughout the year, and requests from Sub-Committee members. Following approval, the agenda and timetable for papers will be circulated to all Sub-Committee members.
- 6.3 All papers should have relevant sign off before being submitted to the Sub-Committee Secretary.
- 6.4 The agenda and papers for meetings will be distributed **seven** days in advance of the meeting.
- 6.5 The minutes and action log will be circulated to members within **ten** days to check the accuracy.
- 6.6 Members must forward amendments to the Sub-Committee Secretary within the next **seven** days. The Sub-Committee Secretary will then forward the final version to the Sub-Committee Chair for approval.

7. Frequency of Meetings

- 7.1 The Sub-Committee will meet bi-monthly and shall agree an annual of meetings. Any additional meetings will be arranged as determined by the Chair of the Sub-Committee.
- 7.2 The Chair of the Sub-Committee, in discussion with the Sub-Committee Secretary shall determine the time and the place of meetings of the Sub-Committee and procedures of such meetings.

8. Accountability, Responsibility and Authority

- 8.1 The Sub-Committee will be accountable to the Strategic Development and Operational Delivery Committee for its performance in exercising the functions set out in these terms of reference.
- 8.2 The Sub-Committee shall embed the UHB's vision, corporate standards, priorities and requirements e.g. equality and human rights, through the conduct of its business.
- 8.3 The requirements for the conduct of business as set out in the UHB's Standing Orders are equally applicable to the operation of the Sub-Committee.

9. Reporting

- 9.1 The Sub-Committee, through its Chair and members, shall work closely with the Strategic Development and Operational Delivery Committee and other committees, including joint /sub committees and groups to provide advice and assurance to the Board through the:
 - 9.1.1 joint planning and co-ordination of Board and Committee business;
 - 9.1.2 sharing of information.
- 9.2 In doing so, 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.
- 9.3 The Sub-Committee may establish groups or task and finish groups to carry out on its behalf specific aspects of Sub-Committee business. The following groups have been established:
 - 9.3.1 Capital Planning Group (CPG)
 - 9.3.2 Capital Monitoring Forum (CMF)
- 9.4 The Sub-Committee will receive an update following each Group's meetings detailing the business undertaken on its behalf.
- 9.5 The Sub-Committee will also receive updates from the regular Capital Review meetings held with Welsh Government representation.

- 9.6 The Sub-Committee Chair, supported by the Sub-Committee Secretary shall:
- 9.6.1 Report formally, regularly and on a timely basis to the Strategic Development and Operational Delivery Committee on the Sub-Committee's activities. This includes the submission of a Sub-Committee update report, as well as the presentation of an Annual Report within 6 weeks of the end of the financial year.
 - 9.6.2 Bring to the Strategic Development and Operational Delivery Committee's specific attention any significant matter under consideration by the Sub-Committee.

10. Secretarial Support

- 10.1 The Sub-Committee Secretary shall be determined by the Lead Director.

11. Review Date

- 11.1 These terms of reference shall be reviewed on at least an annual basis by the Sub-Committee for approval by the Strategic Development and Operational Delivery Committee