

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

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	26 October 2021
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Report on the Discretionary Capital Programme (DCP) 2020/2021 & Capital Governance Update
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Lee Davies – Director of Operational Planning & Strategic Development
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Paul Williams, Assistant Director of Strategic 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 Planning Committee (SD&ODC) detailing:

- The report on the 2021/22 Capital Programme and investments planned.
- The capital schemes governance update.
- An update on the funding of COVID-19 costs

**Cefndir / Background**

This report tracks the approved Discretionary Capital Programme (DCP) for 2021/22 and follows on from the report and discussion at the SDODC meeting held on 26<sup>th</sup> August 2021 and the Capital Estates and IM&T Sub-Committee (CEIM&TSC) meeting held on 29<sup>th</sup> September 2021. The report also captures the outcome of discussions concerning allocation of the balance of the 2021/22 capital allocations available.

The allocation of the programme is set within the context of:

- Continuing risks associated with backlog pressures.
- Capital expenditure associated with the recovery phase of COVID-19.

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 fire code; maintaining the fabric of the estate; and, the timely replacement of equipment’.

The prioritisation process includes representation from Executive portfolios at the Capital Planning Group (CPG) which reports to the CEIM&TSC, and the position set out is consistent with that reported to the Sustainable Resources Committee.

### Asesiad / Assessment

#### Capital Resource Limit (CRL) 2021/22

The current CRL for 2021/22 has been issued with the following allocations:

Allocation	£m
All Wales Capital Programme (AWCP)	28.490
DCP	7.271
<b>Total</b>	<b>35.761</b>

Sales receipts of £0.389m are also available for utilisation, which increases the total funding available for prioritisation:

Allocation	£m
CRL	35.761
Sales receipts	0.389
<b>Total</b>	<b>36.150</b>

#### Capital Expenditure Plan for 2021/22

The table below reflects the additional DCP contributions/payback required for the AWCP in 2021/22:

Scheme	Planned Spend 2021/22 £m	Cumulative Spend Apr - Sep £m	Spend Sep £m
<b>AWCP</b>			
Women and Children Phase II	3.681	2.007	0.227
MRI Withybush General Hospital (WGH)	2.559	2.189	0.111
Cross Hands Primary Care Scheme	0.075	0.000	0.000
Fire Prevention Works Glangwili General Hospital (GGH)	0.787	0.220	0.152
Fire Compliance Works WGH	6.998	1.371	0.512
National Programmes – Estates Funding Advisory Board	5.428	0.135	0.065
National Programmes - Imaging	4.179	0.233	0.154
E-Prescribing System	0.195	0.000	0.000
Fire Enforcement Works GGH	0.463	0.240	0.037
Fire Enforcement WGH - Decant Ward Fees	0.460	0.000	0.000
COVID-19 Recovery 2021-22	4.824	0.000	0.000

<b>Sub-total AWCP</b>	<b>29.649</b>	<b>6.395</b>	<b>1.258</b>
<b>Discretionary/receipts</b>			
Estates - Statutory	1.255	0.183	0.065
IT	0.811	0.362	0.113
Equipment	0.885	0.091	0.000
Estates Infrastructure	3.233	0.477	0.014
Other	0.317	0.037	0.031
<b>Sub-total Discretionary</b>	<b>6.501</b>	<b>1.150</b>	<b>0.223</b>
<b>TOTAL</b>	<b>36.150</b>	<b>7.545</b>	<b>1.481</b>

The table above includes £0.389million of expenditure funded from capital receipts.

Since the previous report, AWCP funding has been received for the following schemes:

- Fire Enforcement Works, GGH
- Fire Enforcement, WGH – Decant Ward Fees – funding has been received to complete the Business Justification Case (BJC) for a Decant ward at WGH. A temporary decant ward is required for Phase 2 of the works (Phase 1 is currently in progress).
- COVID-19 Recovery Funding – this comprises a mix of schemes for both estates schemes and equipment.
- A pending allocation for theatre lighting.

### **Capital Programme 2021/22**

In the previous report to the Committee, a potential over commitment of £0.123m was reported against our capital allocation. This was to enable the Health Board (HB) to progress with the scheme to procure isolation pods for Intensive Care Units across all sites and enable installation in advance of the winter and COVID-19 pressures anticipated.

Since this report, the following additional allocations have become available:

- £0.337m – reallocation of the underspend on CT Scanner Schemes at WGH & GGH against MRI Scheme at WGH to release the equivalent allocation back into the DCP.

This releases £0.219m back into the programme. The following commitments have also been made since the previous report:

- Gold Command at their meeting on 25<sup>th</sup> August 2021 agreed to support a Single Tender Action to progress with a capital bid to improve the infrastructure in paediatrics to support the expected surge in cases of Respiratory Syncytial Virus (RSV) within Children's Services; this is at a cost of £0.180m.
- The cost of the additional Fire Precautionary Works in Tregaron Hospital is £0.045m higher than expected.
- It has been agreed that £0.070m is released as a priority to enable the Estates Team to progress with priority Fire Precaution Works at Bronlais General Hospital (BGH) as detailed in the Letter of Fire Safety Matters.

This left the programme over committed by £0.076m.

During August 2021, two requests were received from WG for capital bid submissions for:

- COVID -19 related items, and for

- Same Day Emergency Care (SDEC) related bids

Bids totalling £8.866m were submitted for COVID-19 related schemes and equipment with an allocation of £4.824m made available. Work is currently being undertaken with the Estates Team and Operational Services to confirm what is now possible to deliver from our bids before 31<sup>st</sup> March 2022. As we confirm the schemes to be delivered, this will release £0.600m of DCP funding back into our programme for redistribution.

The SDEC bids were for a significantly smaller amount of money, totalling £0.142m with the bids 'to enable enhanced delivery of same day emergency care, by investing in minor building works or equipment'.

As part of the risk reporting to CEIM&TSC, the detail of the value of highest priority bids from Estates Statutory, Infrastructure, Equipment and Digital that have currently not been progressed in 2021/22 due to the limited amount of available capital was presented. The table below provides a summary of these:

Category	£m
Estates – Infrastructure	2.228
Estates – Statutory*	0.400
IT & Digital	2.179
Equipment	2.398
<b>Total</b>	<b>7.205</b>

\* It should be noted that the relatively low figure for Estates Statutory is not reflective of the extent of the statutory backlog being carried by the HB.

WG have advised that in addition to the allocations currently received, additional capital funds may be available in-year and the HB has been asked to prepare bids for this by the end of October 2021. At this point in the year, with the requirement to delivery by 31<sup>st</sup> March 2022, these bids will mainly be focused on equipment and IT.

### Capital Programme 2022/23

The CPG which includes representation from Executive portfolios has been working on refining the prioritisation matrix developed to allocate the balance of the capital that is available in 2021/22 and an element of the Discretionary Capital for 2022/23.

The current working principle is that:

- The approach being used to allocate funds reflects the HB's desire to provide safe, sustainable, accessible and kind services
- Each spending proposal is scored on an equitable basis against specified criteria across the following areas:
  - Digital
  - Equipment
  - Estates Infrastructure
  - Estates Statutory
- Acknowledgement that the prioritisation process must consider the risk appetite of the HB.

An update on this process will be available for the next Committee meeting on 15<sup>th</sup> December 2021.

### **Capital Governance – Project Updates**

At the September 2021 meeting of the CEIM&TSC, updates were considered from all of the projects listed below.

The following projects are in progress:

- Women and Children Phase II.
- Fire Enforcement Work, WGH.

Following approval of the Business Continuity (Major Infrastructure) Programme Business Case (PBC) with an estimated capital value of circa £87m, which was reported to the last Committee meeting, work is now underway to evaluate the priorities and identify the resources required to progress with the first business cases.

The following project remains subject to further feedback from WG:

- Aseptic Strategic Outline Case (SOC).

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

- CT replacement WGH.
- A second CT at GGH.
- Fire Enforcement Work GGH.
- Estates Advisory Board Funding Schemes.

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.
- Carmarthen Hwb.
- Fishguard Integrated Health and Wellbeing Centre.
- Neyland Integrated Primary and Community Development.
- Chemotherapy Day Unit, BGH
- Regional Cellular Pathology services.
- PPH Demountable solution (COVID-19 recovery scheme).

Projects with a red RAG status are reported as follows:

- Cross Hands Health Centre.
- Women & Children Phase II.

Additionally, two significant schemes are being rescoped and these will require revised or new business cases to be progressed.

- Cylch Caron – the subject of an update in this report.
- Transforming Adult Mental Health - the subject of a report to the July 2021 Board meeting. Work is underway to assess the implications of the service developments undertaken over the last year for the PBC and the infrastructure developments required to support the service transformation programme.

SDODC is asked to note the **red** RAG status for the projects listed as follows:

<b>Cross Hands Health Centre</b>	<b>RAG Status</b>	<b>Risk Category</b>		
		<b>Funding</b>	<b>Timescales</b>	<b>Other</b>
		✓	✓	
	<b>Timescale for improved RAG rating</b>	The underlying reasons for the red rating for the scheme remain unchanged due to timeline delay. An update to the Outline Business Case is currently being progressed to incorporate updated Capital Costs which reflect the Decarbonisation Strategy issued by Welsh Government. It is anticipated that revised capital costs will be available in early February 2022.		

**Risk Update:**

The Project Group and Project Team have now recommenced, with the Project Team meeting monthly and Project Group meeting bi-monthly. An early indication of the refreshed brief has been discussed with the Design Team with a formal update to be issued by the end of September. The revaluation of the land has been instructed. ARCHUS, have been appointed to undertake some further work to refresh the Outline Business Case. It is anticipated that the updated capital cost will be available for the Health Board in early February 2022.

<b>Women &amp; Children's Phase 2</b>	<b>RAG Status</b>	<b>Risk Category</b>		
		<b>Funding</b>	<b>Timescales</b>	<b>Other</b>
		✓	✓	
	<b>Timescale for improved RAG rating</b>	The underlying reasons for the red rating are unchanged from the previous report. Work is ongoing to resolve outstanding financial and time related risks.		

**Risk Update:** The RAG on this scheme remains on red as there remains a significant delay in the scheme completion. A Project completion date on the last accepted programme issued by Tilbury Douglas C36 has a reported date of 15th November 2022, the original completion date was 13th November 2020. This timeline was been reviewed and accepted by the Health Board team. Under this programme handover of Section 2 was due on 27th September 2021. This date was not achieved due to some additional structural engineering tests and a report that has had to be commissioned by Tilbury Douglas to provide the HB with assurance around the structural work which has been undertaken during Section 2. At the time of preparing for this Committee this report had not been received. The current Project completion date of 15th November 2022 does not currently reflect risks around the Section 2 structural work or the flooring and a shear wall in theatres that may materialise during Section 3 works. These could have a further impact on the programme and the contribution required from the DCP in 2022/23.

Ongoing monitoring of the Supply Chain Partner performance continues along with the monitoring of the Design Team engagement for the next phase of the Project. Specific performance issues that have recently arisen on Section 2 have been escalated to the Framework Managers and Tilbury Douglas.

**Post Project Evaluation & Lessons Learnt**

At the August meeting of SDODC the following plan for undertaking the Post Project Evaluations (PPEs) was shared and the outputs of these evaluations will be reported to the appropriate CEIM&TSC meeting.

Project	Undertaken	Reported to CEIM&TSC
Women & Children Phase II – Lessons Learnt	Complete	July 2021
Ward 9/10	Complete	September 2021
*Cardigan	September/October 2021	November 2021
Front of House	November 2021	January 2022
Aberaeron Integrated Care Centre	February 2022	March 2022
Bronglais MRI	March 2022	May 2022

\* Cardigan ICC will be subject to a full Gateway 5 review by WG Assurance Hub.

In line with this plan, a Lessons Learnt Report has been produced and considered for Women & Children Phase II and Ward 9 & 10 schemes. These have been very comprehensive processes from which lessons have been learnt both for future PPEs and for future projects. The output of the Women and Children report is included as an Appendix to a separate agenda item for this Committee meeting. The Ward 9 & 10 Scheme PPE whilst highlighting areas of improvement also recognised the significant environmental improvements for the delivery of primarily Oncology patients at WGH and noted how positively the scheme has been received by staff and patients.

#### Argymhelliad / Recommendation

The Strategic Development and Operational Delivery Committee is asked to:

- Note the interim over-commitment against the CRL
- Note the additional capital bids submitted and approved by WG
- Note the further issues that may require capital solutions in-year
- Note the work being undertaken on the capital prioritisation matrix
- Note the PPE reports completed in line with timetable

#### **Amcanion: (rhaid cwblhau)**

#### **Objectives: (must be completed)**

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.11 Consider proposals from the Capital, Estates and IM&T 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:	Risk 956 - Risk to delivery of the CRL for 2020/21. Risk 624 – Risk to the ability to maintain and address backlog maintenance and develop infrastructure to support long term strategic objectives.

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

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
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:	CEIM&TSC and Sustainable Resources Committee

<b>Effaith: (rhaid cwblhau) Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	Capital values noted within the report. Included within individual business cases and Capital prioritisation process.
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	Included within individual business cases and Capital prioritisation process.
<b>Gweithlu: Workforce:</b>	Included within individual business cases and Capital prioritisation process.



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