

**PWYLLGOR STRATEGAETH A CHYNLLUNIO
STRATEGY AND PLANNING COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	18 December 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Capital Programme for 2025/26 and Capital Governance Update Report
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lee Davies, Executive Director of Strategy and Planning
SWYDDOG ADRODD: REPORTING OFFICER:	Eldeg Rosser, Head of Capital Planning

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

This report is presented to the Strategy and Planning Committee (SPC) to:

- Update on the 2025/26 Capital Programme and Capital Resource Limit (CRL) for 2025/26
- Update on the allocation of the Discretionary Capital Programme (DCP) for 2025/26
- Update on the planning of the allocation of DCP for 2026/27
- Notify the SPC of the contracts that may require sealing during 2025/26
- Provide a capital schemes governance update
- Provide an update from Capital Sub-Committee (CSC)

Cefndir / Background

This report provides an update on the 2025/26 DCP. It follows on from the report and discussion at the SPC meeting held on 30 October 2025 and the CSC meeting held on 14 November 2025.

The available capital allocation for 2025/26 will provide Hywel Dda University Health Board (HDdUHB) with a significant challenge and risk in trying to address the historical backlog in:

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

Risk

The 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 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 (i.e., fire, health and safety) and delivery of day-to-day patient care.

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 Finance and Planning Committee (FPC)

Asesiad / Assessment

Capital Resource Limit 2025/26

The CRL for 2025/26 has been issued with the following allocations:

Allocation	£m
All Wales Capital Programme (AWCP)	27.393
Discretionary Programme* (DCP)	6.850
IFRS 16 Leases	0.281
Total	34.524

*The Health Board received DCP of £10m in 2025/26. A contribution of £2.205m has been made towards the Targeted Estates Fund schemes within AWCP. A further £0.945m has been paid back to the AWCP to account for capital scheme slippages in 2024/25.

Capital Expenditure Position

The table below reflects the current expenditure position at the end of October 2025 as reported to Welsh Government (WG).

Scheme	Planned Spend 2025/26 £m	Cumulative Spend Apr - Oct £m	Spend October £m	Remaining balance £m
AWCP				
Glangwili - Fire Enforcement works - Phase 2 - Fees	0.779	0.705	0.185	0.074
Backlog Maintenance – (slippage from 2024-25)	1.214	0.481	0.114	0.733
Aberystwyth Sexual Assault Referral Centre	1.875	1.665	0.069	0.210
Block C, Picton Terrace	2.488	1.248	0.592	1.240
Diagnostic Equipment - WGH Fluro & Chilled Water Plant	2.570	0.386	0.360	2.184
EFAB - Infrastructure	0.127	0.004	0.000	0.123
EOY Funding 24/25 – (Pentre Awel)	0.150	0.119	0.024	0.031

TEF - Fire	0.570	0.000	0.000	0.570
TEF - Infrastructure	4.363	0.077	0.033	4.286
TEF - Decarbonisation	0.050	0.000	0.000	0.050
TEF - Mental Health	1.684	0.002	0.000	1.682
TEF - Infection Prevention Control	0.569	0.297	0.049	0.272
TEF - Decontamination	0.426	0.177	0.177	0.249
Carmarthen Hwb - Equipment and Fit-out costs	2.318	0.003	0.002	2.315
Fishguard Health and Wellbeing Centre	0.067	0.032	0.005	0.035
DPIF - Digital Maternity Cymru System Programme 2025/26	0.100	0.001	0.001	0.099
Non-Radiology Ultrasound Replacement	0.761	0.000	0.000	0.761
DPIF - RISP	0.429	0.000	0.000	0.429
Aseptic Unit, Withybush	1.753	0.011	0.001	1.742
Gamma Camera/SPECT-CT Upgrade, Withybush	0.481	0.007	0.000	0.474
Mental Health Quality and Safety Schemes	1.317	0.030	0.000	1.287
MRI Upgrade, Glangwili General Hospital	1.324	0.014	0.014	1.310
Radiology Ultrasound Replacement, PPH	0.138	0.000	0.000	0.138
Hospital Helicopter Landing Sites Schemes 2025-26	0.030	0.010	0.010	0.020
Withybush - RAAC Fees and Works VAT Recovery	-0.900	0.000	0.000	-0.900
EFAB VAT Recovery	-0.394	0.000	0.000	-0.394
Front Door Project, GGH	2.096	0.048	0.048	2.048
Fire Enforcement and Associated Works WGH - Phase 2	0.912	0.230	0.230	0.682
Sub-total AWCP	27.297	5.547	1.914	21.750
Discretionary				
IT	1.687	0.336	0.032	1.351
Equipment	1.711	0.657	0.078	1.054
Estates – Statutory	0.450	0.142	0.042	0.308
Estates Infrastructure	2.523	0.766	0.476	1.757
Mental Health	0.000	0.000	0.000	0.000
Other	0.574	0.121	-0.287	0.453
Sub-total Discretionary	6.945	2.022	0.341	4.923
IFRS 16 Lease	0.281	0.281	0.281	0.000
TOTAL	34.523	7.850	2.536	26.673

Confirmation of CRL

The Health Board confirmed its end of year capital scheme forecasts by the end of October to WG. The CRL is then fixed for the financial year. Any further changes to the CRL now will only occur when new funding allocations are approved.

The risk of over / under spending against the CRL materialises at this point.

Risk 2204

A risk has now been placed on our operational risk register to reflect both the risk of not achieving the CRL which has been set for the organisation but also to reflect the funding uncertainties from WG that are currently impacting on our ability to progress and plan in year expenditure.

Discretionary Capital Allocation (DCP)

2025/26

HDdUHB's Discretionary Capital Allocation for 2025/26 increased to **£10.000m**, an increase of nearly 35% on the 2024/25 level. Whilst this news was positive, it needs to be considered in the context of a combined backlog of c£300m across the estate, medical equipment and IM&T.

The current estimated value of the backlog is:

- £266m Estates backlog
- £26.6m Medical Devices
- £15-£18m Digital backlog

The following split of allocations was agreed by the Board in March 2025.

Discretionary Capital Programme 2025/26	
	£m
Pre-Commitment	3.959
Business Case Development	0.400
Capital Support	0.200
Contingency Reserve	1.000
Opportunity risks	0.941
Spend to Save	0.300
Refurbishment of clinical areas	1.000
Statutory and estates programme	0.450
Equipment	0.500
Digital	0.500
Allocation via matrix	0.750
Total	10.000

As additional allocations become available during the year through VAT recovery and other opportunities the use of these allocations will be reviewed and reported.

Additional allocations

HDdUHB has received the following additional funding in year from WG for:

- **Radiology Replacement equipment**
Confirmation has now been received of the following funding:

- Nuclear Medicine equipment upgrade WGH - £0.481m
- Upgrade MRI in GGH - £1.324m
- Ultrasound replacement PPH - £0.138m

- **Ultrasound Scanners outside of radiology**

HDdUHB has been awarded £0.771m of funding to progress with the procurement of the 10 scanners.

- **Accelerating Targeted Estates Fund (TEF) schemes from 2026/27**

HDdUHB has submitted a schedule of bids that can be brought forward from 2026/27 and delivered in 2025/26 to WG. Confirmation that HDdUHB will receive an additional £0.704m funding from WG in 2025/26 has been received.

WG is also considering the funding of additional TEF schemes which can be brought forward from 2026/27 into 2025/26.

- **Mental Health Estates Targeted Improvements Bids**

Confirmation that £1.381m of funding has been made available for the schemes listed below has been received.

- External improvements to Psychiatric Intensive Care Unit, Low Secure and High Dependency Units and internal works for anti-ligature-type and replacement salto-system throughout to improve patient/staff safety and security
- Improvement works at Bryngofal, Prince Philip Hospital (PPH)
- Undertake a range of works to improve patient and staff safety and to enhance environment at Child and Adolescent Mental Health Services (CAMHS) sites and St Non's
- Mental Health and Learning Disability inpatient bedroom furniture replacement.

- **End of Year 2025/26**

Confirmation from WG of the following allocations has been received

- Digital Capital Investment for wi-fi upgrade - £0.630m
- Estates improvement works - £1.294m
- Additional Ultrasounds - £0.220

Use of Contingency

The original allocation of £1.000m contingency was increased by an additional £0.750m following a review of the balance sheet and confirmed VAT recovery. There are some items of risk and expenditure that have had to be managed in 2025/26 such as the additional cost of remedial works to concrete cladding in Withybush Hospital (WGH). Funding from WG has now resourced some items previously funded through the contingency and the schedule below has been updated to reflect this.

Discretionary Capital Programme 2025/26	
	£m
Digital Maternity	0.048
Blow down vessel Boiler House, PPH	0.023
Dental Chair enabling works	0.017
MRI Chiller Glangwili Hospital (GGH)	0.069
Fire Doors - Radiology/Pathology/AVH	0.100
Roof Leak Repairs	0.041
Helipad Lighting and other works	0.030
Mortuary Compressor - additional costs	0.002
Concrete cladding issue (Scaffolding)	0.103
Concrete cladding issue (further costs)	0.325
Additional cost concrete cladding	0.398
Installation of Cooling Unit - following Healthcare Inspectorate Wales (HIW) inspection	0.013
Formalin Cabinet replacement Bronglais Hospital (BGH)	0.021
Replacement of endoscopic probes	0.036
Works to PPH Body Store	0.033
Vapotherm replacement Cilgerran Ward	0.018
Ty Cadell roof	0.042
Fire alarms Tenby Surgery	0.022
PPH Hoval Burners	0.032
PPH Chiller	0.040
PPH roof survey	0.015
Endoscopy BGH	0.120
Windows 11 cardiology equipment	0.149
Fishguard Clinic damage	0.048
Ultrasound probe replacement	0.006
Autopsy saw	0.007
Enabling works Microbiology autoclave WGH	0.040
Microdebrider	0.031
Gas Scavenging System replacement theatres	0.023
Teifi Ward Bathroom	0.017
Roof repairs Ty Llewelyn	0.017
Roof repair Cardiology	0.019
Nurses Home concrete cladding	0.040
Chiller units GGH Accident and Emergency (A&E)	0.026
Doors Day Surgery Unit (DSU) PPH	0.011
Boiler Wellfield Road	0.014
Total	1.996

Additional VAT recovery associated with DCP schemes, along with underspends on precommitment from previous years has enabled us to top up our contingency and there is currently £0.278m left in this pot.

The additional allocations received from WG and a review of slippage and current expenditure profiles on schemes to year end has resulted in the following amendments being made:

Discretionary Capital Programme 2025/26		
	Changes £m	Balance £m
Contingency	(0.800)	0.278
Invest to Save	(0.200)	0.040
Operational Risk/Opportunities	(0.200)	0.035
Slippage across DCP	(0.460)	
<i>Additional expenditure</i>		
Citrix Upgrade	0.750	
Pager Upgrade	0.160	
Additional digital devices	0.250	
Additional equipment	0.500	
Total	0.000	0.353

One of the schemes previously funded through the contingency but which has now been funded by additional WG monies was the costs associated with survey works on the roof at the PPH site to check the condition. The concern was that as the roof is of a similar design to Princess of Wales hospital, PPH site could be heading towards a similar scenario, where a major incident was declared and due to safety concerns an entire floor was closed. At Princess of Wales Hospital the impending risk was not identified and due to the deterioration of the roof timbers, and concerns around roof integrity the entire top floor was closed due to because porous tiles and water ingress causing significant deterioration to the timbers.

A survey was commissioned for the PPH site to gain a detailed understanding of the existing roof build-up, evaluate the current condition of key elements, and provide guidance on the roof's remaining serviceable life and the likely extent of future remedial or replacement works. The survey did not identify any concerns with the current condition but did recommend that the roof covering is reaching the end of life and should be replaced in circa 3–5 years, as the tiles are becoming porous and the roof will inevitably deteriorate quickly if not addressed beyond this period.

It has been recommended that further surveys are commissioned in say three years to inform the decision and timing of future investment.

2026/27

As part of the capital planning cycle the Capital Planning Team has circulated the capital themed risk registers to the relevant capital leads to assist them with the prioritisation of projects:

- Digital Director
- Deputy Director of Operations
- Director of Estates or nominated deputy
- Members of Capital Planning Group

With these risks in mind the Capital Planning Group, which has representation from the Operational Directorates, Digital Team and Estates is currently considering the distribution of the 2026/27 DCP allocation.

This consideration noted that the current level of DCP resource available will not enable HDdUHB to mitigate all the capital risks that are currently highlighted on the Health Board's risk registers as capital themed risks.

The current planning assumption is that the DCP allocation for 2026/27 will remain at £10.000m

We already have the following known Pre-Commitments against the 2026/27 and future year allocations. These are due to decisions already taken by the Health Board:

- To implement service changes
- On contributions towards WG policy decisions – 30% TEF
- On contributions towards All Wales Capital Programme funded capital schemes
- To deliver the actions of external inspections

	2026/27 £m	2027/28 £m
TEF 2026/27	2.200	
Paediatric Consultation	1.200	
Picton Terrace – for five years 2026/27 to 2030/31	0.110	0.110
Residential accommodation	0.200	0.200
WGH Microbiology	TBC	
Total	3.710	0.310

Discussions have commenced in the Capital Planning Group to prioritise the DCP expenditure plan for 2026/27 recognising that a balance will need to be held in the contingency reserve.

In advance of the CSC in January 2026 the Capital Planning Group will be developing a proposal for the programme that will look at:

- A plan that will overcommit the programme by 5% - 10% at the beginning of the year
- An expenditure plan that will run over two years
- Development of oven ready schemes

Potential contracts for sealing

The Board has approved the distribution of HDdUHB's capital allocation and plan. The delivery of this plan requires the Health Board to enter works and construction contracts which may require sealing. Works and construction contracts executed under seal provide an extended latent defects period cover, an extension from six years to 12 years.

Schemes listed in Annex 1, are the schedule of projects that are currently in our capital plan for 2025/26 where there may be associated works contracts that require sealing. This schedule is updated for Capital Sub Committee and SPC on an ongoing basis so that it can be submitted to Board with the Committee Update .

Capital Governance – Project Updates

At the November 2025 meeting of the Capital Sub-Committee, the projects with a current alert status were reported as follows:

Project:	RAG Indicator:	Stage:	Matters for Sub Committee attention:
Cross Hands Health and Wellbeing Centre	ALERT	Full Business Case Development	Discussions held with All Wales Capital Team, WG. Additional high level feasibility work being undertaken to consider services currently at GGH that could potentially relocate to Cross Hands. Scheme was therefore not submitted to Integration and rebalancing Capital Fund (IRCF) Panel in September 2025 for approval of fees to take to RIBA Stage 2 until further feasibility work completed. This work has now been shared with WG.
Next Key Milestone:	Await WG feedback on the high-level feasibility work shared.		

Project:	RAG Indicator:	Stage:	Matters for Sub Committee attention:
Fishguard Health and Wellbeing Centre	ALERT	SOC/OBC	Land workshop postponed due to confidentiality issues with one of the land options. High level capital cost estimates indicate that further reduction in scheme scope may be required to fall within financial envelope of £30m.
Next Key Milestone:	Land selection workshop – date tbc		

Project:	RAG Indicator:	Stage:	Matters for Sub Committee attention:
TEF 2025-26 and 2026-27	ALERT	Technical Design	Tendered costs significantly exceed budget (£1.376m shortfall). Proposed reallocation of other TEF scheme funding to protect delivery of highest risk priority schemes with deferral and reprofiling to 2026/27.
Next Key Milestone:	Manufacturing and Construction		

Projects led by other organisations:

Carmarthen Hwb (led by Carmarthenshire County Council)

Construction work is progressing well, with the current completion for this scheme due in 2026. Work continues on the commissioning plan for the development and site visits have been arranged with WG and other health boards.

Pentre Awel (led by Carmarthenshire County Council)

Canolfan Pentre Awel public opening of leisure services took place on 15 October 2025. The hydrotherapy pool element of this development is now complete and HDdUHB is currently in the process of commissioning this facility. The contractors for the Clinical Delivery Unit (CDU) are now on site, and it is expected that this phase of the development will be complete in 2026/27.

Cylch Caron (led by Ceredigion County Council)

A tender process for partners to work on the scheme closed with no tender returns. WG has requested a report that details the next steps for the Outline Business Case (OBC) refresh and a review of the resource schedule. A housing consultant has been commissioned to explore the options available to Ceredigion County Council for their elements of the scheme.

Update from Capital Sub Committee

Attached in Annex 2 is the update from the CSC held on 14 November 2025.

There are:

- One item to alert the Committee
- Four items to advise the Committee
- Six items to assure the Committee

Argymhelliad / Recommendation

The Strategy and Planning Committee is asked to:

- **RECEIVE ASSURANCE** from the update on the Capital Programme and CRL for 2025/26
- **NOTE** the allocation of the DCP for 2025/26 and the changes since Board ratification
- **RECEIVE ASSURANCE** from the work being undertaken on the planning of the 2026/27 DCP
- **RECEIVE ASSURANCE AND UPDATE THE BOARD**, that the seal can be applied for all schemes listed in Annex 1
- **RECEIVE ASSURANCE** from the capital schemes governance update and discuss the status of the Cross Hands scheme
- **RECEIVE ASSURANCE** from the Capital Sub Committee update in Annex 2 and **APPROVE** the updated Terms of Reference

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.1.16 Review capital (excluding digital) business cases, prior to Board approval.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol:	Corporate Risk 1196 - not be able to provide safe, sustainable, accessible and kind services. This is

Datix Risk Register Reference and Score:	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 nonclinical 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:	3. Great care
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 Termiau: Glossary of Terms:	Not Applicable
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Strategaeth a Chynllunio Parties / Committees consulted prior to Strategy and Planning Committee:	Project Group Formal Executive Team

**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.

Annex 1

Potential Contracts requiring the use of the UHB Seal in 2025/2026						
Project Name	Site	Funding Source	Supplier	Contract sealing date	Start on Site	
Phase 2 Fire Works	WGH	AWCP	TR Jones	October (end)	December / January	
Phase 2 Fire Works	GGH	AWCP	to be added when known	to be added when known	to be added when known	
Flouroscopy Room	WGH	AWCP	TR Jones	to be added when known	to be added when known	
Provision 2nd generator at Glangwili Site	GGH	WG - TEF	TR Jones	to be added when known	30/03/2026	
Provision 2nd generator at Wityhush	WGH	WG - TEF	TR Jones	to be added when known	16/03/2026	
Provision 2nd generator at Prince Philip	PPH	WG - TEF	TR Jones	to be added when known	22/06/2026	
AHU Refurbishment Works all sites		WG - TEF	TR Jones	to be added when known	to be added when known	
Replacement & upgrades to passenger lifts		WG - TEF	Otis	to be added when known	to be added when known	
Glangwili Roof related projects	GGH	WG - TEF	TR Jones	to be added when known	12/01/2025	
South Pembrokeshire roof related project Combined with scheme above	SPH	WG - TEF	Edmunds Webster	to be added when known	to be added when known	
PPH IPS UPS Installation	PPH	WG - TEF	Weavers	to be added when known	to be added when known	
Theatre Lights upgrade		WG - TEF	Lewis Construction	to be added when known	to be added when known	
Chiller replacement ITU	WGH	WG - TEF	Edmunds Webster	Signed under seal - yes - date ?	08/12/2025	
LV Electrical Infrastructure		WG - TEF	TR Jones	to be added when known	to be added when known	
Chiller refurbishment	PPH	WG - TEF	to be added when known	to be added when known	to be added when known	
Replacement Fire dampers		WG - TEF	Weavers	to be added when known	to be added when known	
Cause and effect upgrade programme		WG - TEF	TR Jones	to be added when known	to be added when known	
Replacement programme obsolete fire alarms and detection system		WG - TEF	Lewis Construction	to be added when known	to be added when known	
Ty Bryn Scheme		WG - TEF	Lewis Construction	to be added when known	22/06/2026	
S136 Adult and Young Person Stepdown Carmarthen		WG - TEF	Lewis Construction	to be added when known	13/04/2026	
St Non's Point of Ligature		WG - TEF	Lewis Construction	to be added when known	05/01/2026	
Private Wire Solar Farm enabling works	PPH	WG - TEF	to be added when known	to be added when known	to be added when known	
Phased replacement of single glazed windows		WG - TEF	to be added when known	to be added when known	to be added when known	
Electrical vehicles Charging Points	GGH & PPH	WG - TEF	to be added when known	to be added when known	to be added when known	
Replacement Surgical Instrument Washers	GGH	WG - TEF	to be added when known	to be added when known	to be added when known	
Replacment endoscope washers and centralisation into HSDU	BGH	WG - TEF	Edmunds Webster	Pending	05/01/2026	
Low Voltage Breaker replacements	GGH & PPH	WG - TEF	to be added when known	to be added when known	to be added when known	
Picton Terrace	Picton Terrace	AWCP	TR Jones	21/05/2025	27/05/2025	
Sensory Garden	PPH	Charitable Funds	TR Jones	to be added when known	to be added when known	
Aseptic Project	WGH	AWCP	Lewis Construction	to be added when known	to be added when known	
Fire Doors	AVH/PPH		Lewis Construction	to be added when known	to be added when known	
Mortlais Ward inc Fire Doors	GGH		Edmunds Webster	to be added when known	to be added when known	
Concrete Cladding Remedial Works	WGH		to be added when known	to be added when known	to be added when known	
Cwm Seren Fire Doors	Cwm Seren	WG - TEF	John Weaver	to be added when known	to be added when known	
Point of Ligature Works MH bedrooms (TEF Cwm Seren)	Multiple Sites	WG - TEF	Lewis Construction	12/11/2025	24/11/2025	
Fire Doors	Multiple Sites		to be added when known	to be added when known	to be added when known	
St Brynach Day Hospital Roof Replacement	WGH	WG - TEF	to be added when known	to be added when known	to be added when known	
Gamma Camera Upgrade patient experience	WGH	Diagnostic	to be added when known	to be added when known	to be added when known	
GGH Front Door	GGH	TBC	John Weaver	to be added when known	to be added when known	
MRI Upgrade in Glangwili	GGH	Diagnostic	to be added when known	to be added when known	to be added when known	
Chiller Works	PPH	WG - TEF	to be added when known	to be added when known	to be added when known	
Works to residences	WGH	DCP	to be added when known	to be added when known	to be added when known	
Works to residences	PPH	DCP	to be added when known	to be added when known	to be added when known	
Dinefwr Ward Works	GGH	DCP	to be added when known	to be added when known	to be added when known	
Boiler Replacement	SPH	DCP	to be added when known	to be added when known	to be added when known	
Mains gas works	WGH	DCP	to be added when known	to be added when known	to be added when known	
Chiller Works	BGH	DCP	to be added when known	to be added when known	to be added when known	
LTHW Heating Boiler, Prince Philip General Hospital & Low-Pressure Hot Water (LPHW), Glangwili General Hospital	PPH/GGH	TBC	to be added when known	to be added when known	to be added when known	
Microbiology Works	WGH	DCP	to be added when known	to be added when known	to be added when known	
Dexa Scanner Works	BGH	TBC	to be added when known	to be added when known	to be added when known	

CAPITAL SUB COMMITTEE UPDATE REPORT

Date of last meeting: 14 November 2025

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)

The Capital Sub-Committee wishes to **alert** members of the Strategy and Planning Committee (SPC) that:

1. AHMWW Programme.

The Health Board has had further constructive discussions with Welsh Government (WG) on the infrastructure challenges facing the organisation, in particular at the Withybush (WGH) and Glangwili (GGH) Hospital sites.

WG has recently requested the Health Board produce an addendum to the Programme Business Case (PBC) submitted in February 2022, by early in the New Year. This is a significant piece of work, which is currently being scoped. At this stage the intention is to present it to Public Board in January 2026. There is a risk that this will be unachievable in the timeline as Hywel Dda University Health Board (HDdUHB) has still to finalise with WG officers the scope of work required for the Addendum. There is also a risk that the capital cost may be in excess of WG expectations.

Advise² (to monitor)

Capital Sub-Committee wishes to **advise** members of SPC that:

1. Capital Resource Limit 2025/26:

- Spend against capital programme at the end of October 2025 has increased at 22%; this is lower than spend in previous financial years, due to:
 - Funding approvals received mid-year.
 - Profile spend of Targeted Estates Fund (TEF) scheme.
- At end of September 2025, reporting overspend position against capital programme of £845k due to assumption that WG would fund WGH cladding.
- At end of October 2025, funding returned to WG for underspend against capital schemes as usual; £804k underspend reported with largest part related to Carmarthen Hwb.

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.

- £1.5m returned as slippage; just under £1m of this linked to Pentre Awel and Carmarthen Hwb due to the commissioning periods going into 2026-27. The other funding is linked to TEF schemes.

2. Capital Programme 2025/26:

- Position on end-of-year capital:
- HDdUHB had submitted schedules to WG for any available end-of-year allocations.
- In last fortnight, approval has been received to proceed with the GGH front door scheme which is now proceeding at pace.
- The current planning assumption is that the Discretionary Capital Programme (DCP) allocation for 2026/27 will remain at £10m. Pre-commitments are approximately £3.7m.
Discussions have taken place in Capital Planning Group (CPG) regarding looking at over-committing at the beginning of the year, given that delay and slippage is inevitable.
During the recent Capital Review Meeting (CRM), discussions with WG explore the potential for TEF 2; while no commitment was given, there is an expectation that an allocation may be possible. Therefore, planning for these schemes should begin, for surety regarding the development of a programme that, if over-committed, would need to be escalated to the Executive Team.

3. Targeted Estates Funding

- Five of the tenders came in over budget, resulting in an estimated shortfall of approximately £1.2m. Following discussions with WG, there is currently no slippage available for HDdUHB, meaning the shortfall will need to be funded internally through previously approved schemes.
- Considering a potential pause on the Prince Philip Hospital (PPH) generator scheme, as its timeline is behind the WGH and GGH schemes. PPH also benefits from better road links, which would facilitate the use of a temporary generator, if required.

4. Joint Capital Construction Framework

CSC noted the FCSG approval to proceed, endorsed HDdUHB's participation in the joint framework and approved submission to the next governance stage in line with procurement timelines

Capital Sub-Committee wishes to **assure** members of the SPC that:

1. **Committee Key Actions** have been reviewed and items noted for information.
2. **Terms of Reference** have been reviewed with membership reviewed and updated. These are attached for approval by SPC.
3. **Capital Governance Update** - Capital Sub Committee has taken assurance on the schemes progressing as planned and RAG rated green, and were advised on the schemes RAG rated amber. The CSC had discussed and

were alerted to the schemes RAG rated red: Fishguard and TEF, and Cross Hands.

4. **Welsh Government Dashboard Reports** submitted to WG on the All Wales Capital Programme (AWCP) and Integration & Rebalancing Capital Fund (IRCF) funded projects, reflecting progress up to the end of September 2025.
5. **Fire Safety Management Update** on the fire programme.
 - WGH – This is the final stage of works needed at WGH and has now been fully approved by WG.
 - GGH – The business case is on programme to be ready February/ March 2026.
 - Bronglais Hospital (BGH) – this is a Letter of Fire Safety. Programme Business case (PBC) submission to WG was in April 2025. There was confidence that this would be endorsed in November 2025.
6. **Procurement Update and governance and compliance around the Procurement Act 2023** that came into force in February 2025, introducing new obligations.

Papers for information were noted by the CSC as follows:

- Capital Review Meeting – Minutes of meeting 4 September 2025
- Capital Planning Group – Minutes of meeting 24 October 2025
- Capital Monitoring Forum – Minutes of meeting 9 September 2025 and 14 October 2025.
- Major Infrastructure Report
- Estate Backlog Report to SPC
- Scrutiny Grids:
 - Bandi
 - Fire Precaution Works WGH
 - Fire Precaution Upgrade Works BGH
 - Emergency Department GGH

Review of Risks

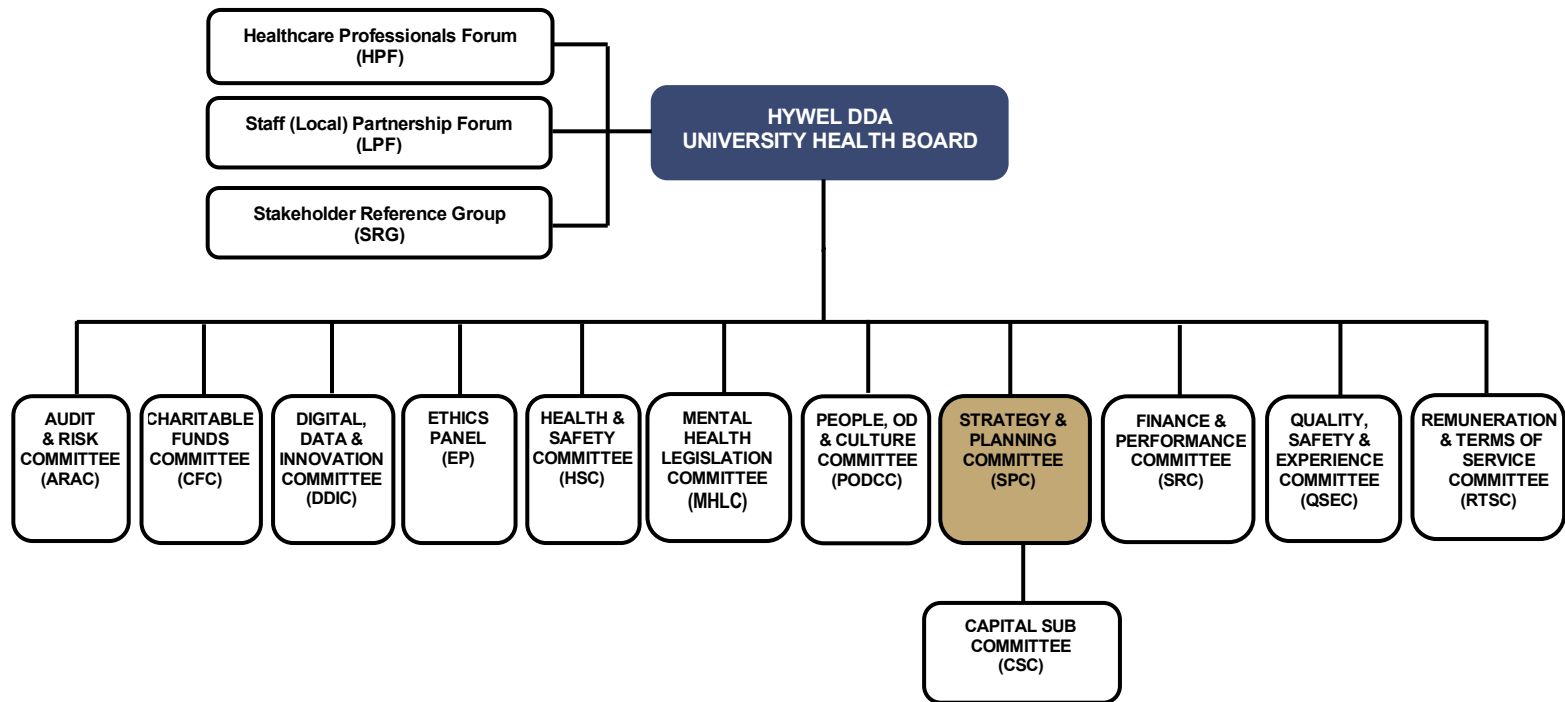
1. **Capital Resource Limit 2025/26:** CSC members made aware that the flagged risk 2204 of not achieving the Capital Resource Limit (CRL) has been allocated a score of 12 with a target score of 8, which is a medium-level risk.
2. **Targeted Estates Funding:** WGH and GGH generator due to the tender costs they will now start this financial year and complete next year. Noted that the existing risk would need to be tolerated until this time.

Recommendation

The Strategy and Planning Committee is asked to:

- Approve the updated Terms of Reference for Capital Sub Committee

- **NOTE** the items the Sub-Committee is advising them of
- **RECEIVE ASSURANCE** from the items that the Sub-Committee is providing assurance on



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
V11	Strategic Development and Operational Delivery Committee	24 th February 2022	For approval
V12	Capital Sub Committee	22 nd November 2022	Approved following amendments made
V13	Capital Sub Committee	23 rd March, 2023	Approved by SDODC 27/04/2023 subject to 1 amendment see V14 5.12
V14	Capital Sub Committee	25 th May 2023	For information
V15	Capital Sub Committee	July, 2023	Updated membership list for discussion with CSC
V16	Capital Sub Committee	6 th November, 2023	Updated in line with recommendations made at CSC meeting 22.09.23. For further review at CSC 17.11.23 Approved by SDODC 21/12/23
V17	Capital Sub Committee	19 th November, 2024	The following changes agreed at CSC meeting 19.11.24 for onward ratification by SDODC at their meeting on 19.12.24 <ul style="list-style-type: none"> • Change



			<p>Head of Therapies to Chair of Medical Devices Group</p> <ul style="list-style-type: none">• insert after the current 5.10 <p><i>To receive reports and papers relating to the effective application of capital resources scrutinising final use against original business justification intentions. Monitors the improvement impacts of strategic investment over time.</i></p> <p>Approved by SDODC on 19 December 2024.</p>
V18	Capital Sub Committee	14 November 2025	<p>Approved, changes included</p> <ul style="list-style-type: none">• change in reference to SPC as parent Committee• updated membership
V18	Strategy and Planning Committee	18 December 2025	For Approval

CAPITAL SUB-COMMITTEE

1. Constitution

- 1.1 The Capital Sub-Committee (CSC) has been established as a Sub Committee of the Strategy and Planning Committee (SPC) and constituted from 1 June 2015.

2. Principal Duties

- 2.1 The purpose of the Capital Sub-Committee Committee is to:
- 2.1.1 Oversee the delivery of the Health Board's capital programmes and projects included in the planning cycle (in year and longer term).
 - 2.1.2 Recommend to the Board via SPC the use of the Health Board's Capital Resource Limit (CRL), in line with the Health Board's financial scheme of delegation.
 - 2.1.3 Review on an annual basis, the Discretionary Capital Programme (DCP) for the following financial year.
 - 2.1.4 Oversee the development of the Estates Strategy and Infrastructure Investment Enabling Plan aligned to the A Healthier Mid and West Wales (AHMWW) Strategy for consideration by SPC, prior to Board approval.
 - 2.1.5 Oversee the development and delivery of implementation plans for the Estates Strategy agreeing corrective actions where necessary and monitoring its effectiveness.

3. Operational Responsibilities

- 3.1. The Sub-Committee will, in respect of its provision of advice and assurance to the Board:
- 3.1.1. Develop recommendations to the Board, via the SPC and Executive Team, on the use of the Health Board's Capital Resource Limit (CRL), for approval.
 - 3.1.2. 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.
 - 3.1.3. 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.

- 3.1.4. 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.
- 3.1.5. 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.
- 3.1.6. Scrutinise and quality assure major capital business cases prior to submission to SPC including those developed in partnership with other organisations such as, Local Authorities, GP partners and Third Sector organisations.
- 3.1.7. Ensure a robust disposal policy for redundant estate is in place.
- 3.1.8. Consider options for the acquisition or disposal of estate and agree recommendations for the Board, via SPC.
- 3.1.9. Review and recommend the appropriate delegated limits for capital expenditure authorisation and authorisation for other funding sources.
- 3.1.10. Present and review a schedule of projects/schemes within the Health Board's Capital Plan where there may be associated works contracts that require sealing.
- 3.1.11. Make recommendations on capital expenditure in relation to Digital, medical and non-medical equipment, estates statutory and infrastructure, contingencies and other provisions.
- 3.1.12. To receive timely post project evaluation and project closure reports which will include a review of the effective application of capital resources and scrutinise the final use against original business justification objectives and monitors the initial improvement impacts of strategic investment.
- 3.1.13. Provide assurance to SPC that risk is considered as part of prioritisation of capital expenditure items and that where risks are not addressed by capital funding, these risks have been reviewed to assess whether further mitigation actions should be taken (to minimise the impacts should the risk materialise), contingency measures can be strengthened (in case the risk materialises to minimise disruption) and reflect whether the risk is being tolerated or further treated.
- 3.1.14. Agree the Annual Capital Audit Plan and action against recommendations contained within audit reports issued by Capital Audit.

- 3.1.15. To receive regular progress updates on the Housing with Care Fund and Integrated Rebalancing Capital Funds Capital bids and schemes being progressed through the West Wales Regional Partnership Board.
- 3.1.16. Agree issues to be escalated to SPC with recommendations for action.
- 3.1.17. Agree an annual work plan for the Sub-Committee for review and approval by SPC.

4. Membership

- 4.1 The membership of the Committee shall comprise:

Member
Executive Director of Strategy and Planning (Chair)
Assistant Director of Strategic Planning and Development (Deputy Chair)
Independent Member
Director of Estates and Facilities or Deputy
Programme Director Major Infrastructure Projects
Discretionary Capital Projects Manager
Head of Property Performance
Senior Business Partner (Finance) (Delegated on behalf of the Director of Finance)
Head of Facilities Information and Capital Management
Deputy Director of Operations
Digital Director
Assistant Director of Assurance and Risk
Head of Procurement
Head of Capital Planning (Sub Committee Lead)
Chair of Medical Devices Group
Director of Nursing and Control of Infection representative

- 4.2 The following should attend Committee meetings:

In Attendance
Committee Support/Secretary
Head of Capital Audit (three times a year/tri-annual)
Capital Programme Manager, Capital Planning
Project Manager, Capital Planning
Capital Programme Manager, West Wales Regional Partnership Board
Head of Maintenance and Engineering
Papers sent for Information
Clinical Care Group Service Director – Community and Integrated Medicine
Clinical Director of Pharmacy and Medicines Management
Clinical Care Group Service Director - Planned and Specialist Care
Clinical Care Group Service Director - Allied Health Professions and Health Sciences
Clinical Care Group Service Director - MH&LD

Assistant Director of Primary Care

Assistant Director, Medical Directorate (Delegated on behalf of the Medical Director)

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

5. Quorum and Attendance

- 5.1 A quorum shall consist of no less than a third of the membership and must include as a minimum the Chair or Vice Chair of the Sub-Committee.
- 5.2 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.
- 5.3 Any senior officer of the Health Board or from a 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.
- 5.4 The Sub-Committee may also co-opt additional independent external 'experts' from outside the organisation to provide specialist skills.
- 5.5 Should any officer 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.
- 5.6 The Head of Internal Audit shall have unrestricted and confidential access to the Chair of the Capital Sub-Committee.
- 5.7 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.

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 request of 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 Committee Chair for approval.

7. Frequency of Meetings

- 7.1 The Sub-Committee will meet bi-monthly and shall agree an annual schedule of meetings. 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 Strategy and Planning Committee for its performance in exercising the functions set out in these terms of reference.
- 8.2 The Sub-Committee shall embed the Health Board's vision, corporate standards, priorities and requirements through the conduct of its business.
- 8.3 The requirements for the conduct of business as set out in the Health Board'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 **SPC** 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 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 SPC 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 six weeks of the end of the financial year.

9.6.2 Bring to SPC'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

12.1 These terms of reference shall be reviewed on at least an annual basis by the Sub-Committee for approval by SPC.