

## CAPITAL SUB COMMITTEE UPDATE REPORT

**Date of last meeting:** 17 July 2025

**Quoracy:** Met

**Report by:** Eldeg Rosser, Head of Capital Planning

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### KEY DISCUSSION POINTS AND MATTERS TO BE ESCALATED FROM THE DISCUSSION AT THE MEETING:

**Alert<sup>1</sup>** (may require discussion)/ **Rhybuddio** (efallai y bydd angen trafodaeth)

Capital Sub-Committee had no items of which to **alert** the Strategy and Planning Committee.

**Advise<sup>2</sup>** (to monitor)

Capital Sub-Committee wish to **advise** members of the Strategy and Planning Committee that:

#### 1. Capital Programme 2025/26:

- Bids have been submitted for:
  - Radiology Replacement equipment.
  - Ultrasound Scanners outside of radiology.
  - Accelerating Targeted Estates Fund (TEF) schemes from 2026/27 schedule of bids.
  - Mental Health Estates Targeted Improvements Bids.
  - Response received on ultrasound scanners – all 10 have been supported with confirmed allocation of £761k.
- £1m of contingency originally set aside for this year. £909k of this has been committed, leaving a balance of £91k.
- VAT recovery of an additional £750k has been identified and Capital Planning Group (CPG) proposal was to put this against the contingency allocation and was supported by CSC.

#### 2. Capital Governance Update

Capital Sub Committee have:

- Received assurance from the meeting held with Welsh Government (WG) to agree next steps for the Cross Hands scheme.
- Been advised on the Worthybush Hospital (WGH) fire precaution scheme and the Glangwili Hospital (GGH) fire precaution upgrade scheme.
- For Aseptics, advised that WG have now approved the business case and funding to progress the scheme.

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<sup>1</sup> 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.

<sup>2</sup> 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.

- For the Radiology scheme, advised that the existing WGH Gamma Camera will be upgraded, not replaced.
- Advised that work is currently being undertaken for a solution to the cellular pathology service.
- Taken assurance from Pentre Awel's public opening and advise that the Hydrotherapy Collaboration Agreement is pending resolution of outstanding issues.
- Discussed Cylch Caron's tender process closed with no tender returns.

### **Assure<sup>3</sup> (to note)**

Capital Sub-Committee wish to **assure** members of the Strategy and Planning Committee of:

- **Capital Resource Limit 2025/26** - there is assurance provided on delivery of the CRL.
- The membership updates undertaken to the **CSC Terms of Reference** following Operational Organisational Change Process (OCP).
- **The Regional Capital Plan Update.**
- **The WG Dashboard Reports** - 75% of dashboards submitted on time.
- **TEF approved by WG** - CSC took assurance on the schemes noted, excepting the GGH Hospital Sterilisation and Decontamination Unit (HSDU) washer replacement project and the planned 2026/27 Electric Vehicle (EV) project, on which CSC was advised, and these would be closely monitored.
- **Capital Governance Arrangements Draft Management Response** - The report provided assurance that there were no gaps although there was some duplication. The recommendation was that no changes to be made at this time, pending outcome of further discussions with WG on the work programme.
- **Fire Schemes Update** assurance on the agreements reached with Mid and West Wales Fire and Rescue Service (MWWFRS), and the reassurance received from WG on future capital support.
- **Property Asset Strategic Plan Update** and that in 2026 the property plan will need to be refreshed. This will include consultation with services and alignment to Clinical Services Plan (CSP). This will also link to the wider Estates Strategy to support strategic developments.
- **Audit Wales – Report on Review of Capital Investment Prioritisation** - One recommendation was provided which Hywel Dda University Health Board (HDdUHB) accepted. To ensure the Operational directorate was aware of the processes and procedures in place for procuring capital, and to ensure understanding of the requirement for the involvement of the clinical engineering team in this process.
- **A Healthier Mid and West Wales (AHMWW) update** and the meeting with WG 3 July 2025. Key points from the discussion include:
  - There was recognition action was needed for both infrastructure and service sustainability.

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<sup>3</sup> *There is confidence that actions are robust and will be sufficient to address the issue or generally operating effectively. Routine monitoring.*

- There was discussion on what the fixed points in the programme would be, including WGH with Reinforced Autoclaved Aerated Concrete (RAAC) and other infrastructure issues.
- WG offered potential opportunity for first phase redevelopment of WGH with suggestion of a short form strategy paper, outlining a first phase as part of the planned site redevelopment, for September.
- Next meeting date 10 October 2025.

**Papers for information** were noted by the CSC as follows:

- Capital Review Meeting – Minutes of meeting 6 May 2025.
- Capital Monitoring Forum – Minutes of meeting 13 May 2025 and 10 June 2025.
- Capital Planning Group – Minutes of meeting 23 May 2025 and 27 June 2025.
- Capital Sub-Committee Work Plan 2025-26.

## Review of Risks

There is a risk that the Decontamination Project to replace the HSDU washers in GGH may overspend by 25k due to changes in equipment prices. This has been discussed at the TEF Task and Finish Group and it is currently anticipated that this can be contained within the overall TEF budget.

## Sharing of learning

### 1. Capital Programme 2024-25 Lessons Learnt

Key points:

- There was significant shortfall in funding for some projects due to high level budget costs produced underestimating tendered costs. Learning points:
  - It would be beneficial to increase the involvement of external cost advisors in compiling and reviewing estimates and for more consistent involvement in the Finance team in production of the development appraisal forms.
  - There is scope for more consistent project governance arrangements across some of the significant projects.
- The level and quantity of end of year funds bid for and received from WG. While end of year funds are welcome it was noted that the comparative lateness and high level of funds received created challenges in delivery by 31 March 2025. Learning points:
  - It would be helpful to consider and review these risks more robustly.
  - For Executives to be sighted on the level of risks.

The CSC endorsed the Lessons Learnt and welcomed an update later in the year.

## Recommendation

The Strategy and Planning Committee is asked to:

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

- **NOTE** the sharing of learning from the Capital Programme 2024-25 Lessons Learnt