

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

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	26 February 2026
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Business Justification Case (BJC) for Glangwili Hospital (GGH) to support Phase 2 of Fire Enforcement Notice
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Lee Davies – Executive Director of Strategy & Planning
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Rob Elliott – Programme Director Major Infrastructure Projects

**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 sets out the next and final stage in delivering the Strategic Capital investment necessary to comply with the Fire Enforcement Notice in place on the Glangwili Hospital (GGH) site.

The Business Justification Case (BJC) document referred to in this report and attached at Appendix 1 is currently in draft form. The document sets out the Capital Investment required to enable the delivery of the Phase 2 Fire Precaution Upgrade Works within inpatient ward areas, departments and risk rooms at GGH. Final checks are now being made to the capital expenditure required before this report can be considered at Board. Also attached at Appendix 2 are the draft appendices to the BJC.

**Cefndir / Background**

The Hywel Dda University Health Board (HDdUHB) has worked closely with Mid and West Wales Fire and Rescue Service (MWWFRS) in developing a detailed implementation programme which allows the works to be undertaken in an operational acute hospital. This has resulted in the MWWFRS reissuing their Fire Enforcement Notices (FENs) into the stages reflecting the dates from the HDdUHB implementation plan:

**Key Stages**

- Advance Works Contract – Vertical escape routes in main hospital core blocks and residential accommodation – now complete.
- Phase 1 – Main horizontal compartmentation in main hospital core block and associated residential accommodation including main plant rooms and underground service ducts – now complete.

The FENs for the above phases of the programme have now been lifted.

The next and final stage of the investment is Phase 2 – All departments/ward areas/risk rooms (FEN KS 890 09)

This report sets out a summary of the current status of the BJC to support the Phase 2 of the work which forms the final stage at GGH. Further work is currently underway to complete the validation checks to the funding requirements prior to this being presented to Board.

Throughout the development of the above, HDdUHB has worked closely with Welsh Government to appraise them of progress.

The MWWFRS is fully involved in regular discussions with HDdUHB on progress and are supportive of actions to date. They remain committed to supporting HDdUHB to complete all of these works.

### Asesiad / Assessment

This BJC for Phase 2 has followed a revised procurement route, moving away from Design for Life Building for Wales frameworks. The new approach developed in partnership with NHS Wales Shared Services Partnership (NWSSP) brings greater control to HDdUHB Management.

HDdUHB has now made direct appointments to external Project Managers and a full design team, all of which are directly managed by the HDdUHB Major Capital Projects Team. In addition, we are now using south west Wales Regional Contractors Framework, which will offer far greater grip and control in using locally based contractors rather than national contractors on the Design for Life framework.

The development of the BJC has included extensive involvement of the Operational Clinical Management Team, in order to agree the Programme of Works in line with clinical requirements as far as possible.

The BJC sets out the Capital needs for the Phase 2 works project.

The investment in Phase 2 Fire Enforcement work at GGH can be summarised into two separate components:

- Fire Safety Works and associated Compartmentation Works including Fire Doors etc.
- Civil Engineering Works to include new Fire Escape lift on Block 32 and new High Level Bridge Access to Preseli Ward (Ward Block 2 Second Floor); including enabling works required to provide a Moducel Unit.

The status of the procurement for these two separate elements can be confirmed as:

- Fire Safety Works – full tender return received and has been analysed and cost checked successfully.
- Civil Engineering Works – full tender return received but is still subject to analysis and cost checking to confirm the Contractor has fully complied with the scope and detail of the Tender Invitation. The Health Board will also need to conclude the usual quality assessment on the Contractor's bids (as required within the Procurement process) to determine the optimum tender which the Health Board will accept. This work is currently underway and will be completed in line with the timeline for reports for consideration at Board on 26 March 2026.

It is important to note here that substantial additional complexity and capital cost requirements have been identified in delivering the fire escape lift on Block 32. This is related to the proximity of the Moducel unit which houses critical IT components for the Health Board. The Head of Digital Operations has identified substantial concerns with the proximity of the new fire escape lift to this unit specifically with large scale civil

engineering works causing damage to this highly sensitive equipment. The current recommendation is therefore to re-provide the unit in an alternative location prior to construction commencing on the new fire escape lift. This has increased the costs for this element of the project by circa £2.6m.

The Health Board has discussed this issue with the Deputy Director – NHS Capital, Estates and Facilities and a way forward has been agreed in that the Health Board will submit the BJC as planned. However, the Health Board will confirm within the BJC that further work is necessary to explore what alternative arrangements are possible which will reduce the capital cost for this element of the project. This will be addressed during the scrutiny period of the Business Justification case (BJC).

This approach will allow all other aspects of the Fire Enforcement Notice works to progress as planned without any delay and give the time necessary to further review alternative opportunities.

Noting the above, the current capital cost of the project is a total outturn cost (including contingency) of £22.51m. This is inclusive of VAT.

**Note: The normal approach to VAT recovery will be followed with Health Board specialist advisors undertaking a review of this. The Business Case currently includes an initial assessment of this figure.**

The total outturn cost outlined above will be reviewed, as noted in this report, during the evaluation of the tender return for the civil engineering element of the project. This review will adjust the figure, however it is currently expected that the evaluation will result in a reduction of the overall outturn cost.

Capital charges associated with depreciation and impairment will be calculated following finalisation of the capital costs. The expectation is that these will be fully funded by Welsh Government.

The Health Board has also included a sum as an allowance for decorative enhancements to refresh Wards/Departments when the Fire Works in these areas is concluded and prior to commissioning for patients. This is in the sum of circa £2.5m inclusive of VAT. This is viewed an important opportunity to utilise decommissioned areas and enhance the quality of patient environments. This can be achieved without extending the period required for Fire Compliance works and therefore avoid any additional preliminary costs and offering good value for money. Whilst we previously secured a similar allowance for the Withybush Hospital (WGH) Phase 2 Fire Enforcement work, this proposal is likely to receive significant scrutiny from Welsh Government, as it is not directly associated with meeting Fire Enforcement Notice requirements.

All work necessary to fully complete the financial assessments and the BJC documentation is now underway and will be completed and available to be presented to the Board on 26 March 2026.

### **Argymhelliad / Recommendation**

The Committee is asked to:

- **SUPPORT** the submission of the Business Justification Case to Board, subject to all final assessments being completed.

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<b>Amcanion: (rhaid cwblhau)</b> <b>Objectives: (must be completed)</b>	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.1.16.Review the Health Board’s annual capital allocation and plan, and capital (excluding digital) business cases, prior to Board approval.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Risk 813
Parthau Ansawdd: Domains of Quality <a href="#">Quality and Engagement Act (sharepoint.com)</a>	1. Safe
Galluogwyr Ansawdd: Enablers of Quality: <a href="#">Quality and Engagement Act (sharepoint.com)</a>	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	8 Estates plans
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022</a>	10. Not Applicable

<b>Gwybodaeth Ychwanegol:</b> <b>Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Extensive site bases survey information and direct input from key operational estate staff
Rhestr Termau: Glossary of Terms:	Contained within the body of the text
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Strategaeth a Chynllunio Parties / Committees consulted prior to Strategy and Planning Committee:	Capital Sub Committee

<b>Effaith: (rhaid cwblhau)</b> <b>Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian:</b>	Funding sought from Welsh Government

<b>Financial / Service:</b>	
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	Not applicable
<b>Gweithlu: Workforce:</b>	Delivering a sustainable estate to support Clinical Functions
<b>Risg: Risk:</b>	Business Continuity Management
<b>Cyfreithiol: Legal:</b>	Risk of enforcement from external agencies
<b>Enw Da: Reputational:</b>	Not applicable
<b>Gyfrinachedd: Privacy:</b>	Not applicable
<b>Cydraddoldeb: Equality:</b>	Not applicable