

Hywel Dda University Health Board

Glangwili General Hospital: Fire Precaution Upgrade Works

Phase Two Business Justification Case

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1.0 Executive Summary

Following visits from the Mid and West Wales Fire and Rescue Service (MWWFRS) to Glangwili General Hospital (GGH) in February 2020, Hywel Dda University Health Board (H DUHB) received an enforcement notification in relation to compliance with fire safety regulations.

The Health Board has worked closely with MWWFRS in developing a detailed implementation programme which allows the works to be undertaken in a live hospital environment.

As such, a Programme Business Case (PBC) was submitted to Welsh Government (WG) in October 2020 identifying the significant risk of escalation action by MWWFRS including further enforcement. The PBC detailed the required capital investment and proposed packaging the main works into two phases, each requiring a separate Business Justification Case (BJC).

The Phase One BJC focused on main escape routes / compartmentation lines within the hospital buildings and work completed in February 2025. The outstanding works which address the residual risks within wards and departments, along with any deferred items from Phase One are the subject of this BJC.

The Phase 2 BJC has followed a revised procurement route, moving away from Design for Life Building for Wales frameworks and using Southwest Wales Regional Contractors Framework which will bring greater control to the Health Board in using locally based contractors.

The proposed approach has been endorsed by MWWFRS and enforcement notices aligned with the works delivery programme. The capital costs for the Fire Precaution Upgrade Works outturn at **£19,983,109** including VAT. In addition, a cost estimate of **£2,524,424** has been included to support decorative enhancements to refresh Wards / Departments when the fire works in these areas are concluded and prior to commissioning for patients. This results in a BJC total of **£22,507,533**.

In order to maintain the safety of staff, patients and visitors to the GGH site, the UHB must comply with the MWWFRS fire enforcement notices. Failure to adhere could result in further legally binding enforcement action. Therefore, this BJC seeks formal endorsement from Welsh Government for:

- Approval to proceed with the identified Phase Two works;
- Release of the associated capital funding.

This business case has been structured in line with the Better Business Case Investment Guidance, five case model structure, which is in accordance with HM Treasury best practice and the approach prescribed by Welsh Government.

1.1 Strategic Case

In 2020, the Mid and West Wales Fire and Rescue Service issued the Health Board with an enforcement notice due to failure to comply with provisions of the Regulatory Reform (Fire Safety) Order 2005 because people were unsafe in case of fire. The most urgent recommendations were remedied and the Health Board worked closely with MWWFRS to review progress.

A Programme Business Case (PBC) was submitted in October 2020 with a proposed approach to delivery of the works being to immediately address the most urgent works and to group the main package of works into two phases to remediate the fire compartmentation on the main hospital and associated residential accommodation blocks. The approach was agreed with MWWFRS and enforcement notices were amended to reflect the agreed delivery programme.

- Immediate Works: those works requiring immediate resolution including items of housekeeping, testing of emergency lighting and dry riser systems (works completed);
- Advanced Works: those works against which rapid progress was essential including escape stairwells in the main hospital core block and associated residential accommodation block (works completed);
- Phase One: resolve main horizontal compartmentation lines within the main hospital and associated residential accommodation i.e. escape routes, compartmentation between wards and departments and upgrading and provision of fire and smoke dampers and fire doors including main plant areas and underground service duct (works completed);
- Phase Two: resolve existing horizontal sub-compartments, vertical compartmentation, hazard rooms within departments and ancillary buildings plus additional lobbied approaches to escape stairwells and any works deferred from Phase One (subject of this BJC).

Following approval of the PBC, the Advanced Works commenced on site and completed during September 2021. The Phase One BJC was submitted to WG in July 2021 with works completing in February 2025.

Phase One experienced difficulty in assessing the scope of the work content whilst also keeping the hospital functioning. As a result it was agreed with MWWFRS that works in ITU, theatres, A&E, plant room would be deferred to Phase Two of the project and therefore within the scope of this BJC. Formal confirmation has now been received from MWWFRS that the Enforcement Notice associated with the Phase One scope of works has been lifted (Appendix 6).

Throughout the overall programme, the Health Board has kept MWWFRS informed of progress and ensured their support of the proposed action plans. In December 2025 the Health Board met with MWWFRS to present progress against the fire stopping works on all hospital sites (i.e. BGH, GGH and WGH). MWWFRS were happy with the proposed approach for works and agreed to align the GGH Enforcement Notice with the presented programme i.e. completion of the Phase Two works by July 2029.

The Health Board has undertaken a comprehensive evaluation of its procurement process and following guidance from the Welsh Government (WG) and NHS Wales Shared Services Partnership (NWSSP) has adopted a new procurement methodology was adopted. This revised approach introduced a dedicated Health Board Design Team, enabling a more detailed and collaborative design phase. The process not only improved in efficiency but also delivered significant financial savings.

1.1.1 Required Works

The Health Board has adopted an iterative delivery model, informed by lessons learned during Phase One of the fire stopping works at both WGH and GGH.

The focus of the Phase Two works is to address the outstanding works associated with fire safety matters in patient ward areas and non-ward spaces with patient sleeping risk, along with further works required to comply with the evacuation protocols as agreed with MWWFRS. The phase involves remedial activities in the main hospital, focusing on 30-minute sub-compartment lines in departmental areas such as wards, risk rooms (as required by MWWFRS), and soffit works. These have been split into two separate works packages: the main firestopping works and external civils works.

It is important to note that substantial additional complexity has 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 and 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 to re-provide the unit in an alternative location prior to construction commencing on the new fire escape lift, however, this has had a significant impact on the costs for this element of the project.

This has been discussed with the Deputy Director – NHS Capital, Estates & Facilities where it was agreed to proceed with the BJC on this basis to allow all other aspects of the fire escape works to progress as planned without any delay.

The Health Board will need to undertake further work to explore what alternative arrangements are possible which will reduce the capital cost for this element of the project and will form part of the normal scrutiny process.

Included within the capital costs is an allowance for decorative enhancements to refresh Wards / Departments when the fire works in these areas are concluded and prior to commissioning for patients. It is felt this is an important opportunity to take advantage of decommissioned areas and offer some improvements to patient environments without extending the period required for Fire Compliance works.

1.2 Economic Case

The overarching approach to options development and appraisal was agreed with NHS Wales Shares Services Partnership Specialist Estates Services (NWSSP-SES) in January 2021 where there was agreement that there is only one viable option available to the Health Board which is to undertake the works as required by MWWFRS.

The Business as Usual / Do Nothing option risks further enforcement notices being served. As this is not seen as a viable option, in agreement with WG the BAU option has not been taken forward for further economic / financial appraisal.

The proposed solution ensures compliance with the Fire Enforcement requirements and sustains the hospital for the next 7 – 10 years subject to continued fire management and training in the context of the A Healthier Mid and West Wales strategy.

1.3 Commercial Case

1.3.1 Procurement Strategy

The procurement strategy for this phase of the programme represents a significant evolution from the previous methodology. The Health Board has transitioned away from the Design for Life Framework approach (which previously combined both Principal Designer and Principal Contractor roles) towards a traditional design and tender approach via a framework.

Under this revised strategy, the Health Board has procured a dedicated Principal Design Team through an approved framework. This team operates independently on behalf of the Health Board and is led by a third-party Fire Engineer. The team also includes architectural consultants, mechanical design specialists, and a CDM (Construction Design and Management) Co-ordinator, ensuring a comprehensive and compliant design process.

In parallel, the Health Board has undertaken a competitive tender process for the appointment of a Principal Contractor, working in collaboration with Carmarthenshire County Council and utilising the Southwest Wales Regional Contractor Framework. This approach ensures alignment with regional procurement standards and supports local economic development.

The tender process has concluded but marketplace not yet informed. The contractor will be selected by March 2026.

All contractual arrangements will be formalised using the NEC suite of contracts as prescribed under the relevant frameworks. Following detailed design development by the newly appointed design team, and in agreement with WG and NWSSP SES, an Option A (fixed price) NEC Contract was negotiated and was tendered in two separate contracts:

- Contract 1: Fire Protection Upgrade Works
- Contract 2: Civils Works Externally

This revised procurement approach strengthens governance, enhances design quality, and supports the delivery of a compliant and cost-effective solution to meet the fire safety requirements of the estate.

1.3.2 Service Requirements

This BJC states a requirement for the delivery of the Fire Safety Precautions scheme under the NEC4 Engineering & Construction (ECC) Form of Contract (Option A) and Southwest Wales Regional Contractor Framework.

A series of design proposals are available to support the functional content, based on Health survey reports and building notes and latest available guidance. A full copy of the latest version of the design proposals is included as an appendix to the Estates Annex.

This BJC covers the Phase Two works which focuses on areas with a patient sleeping risk potential or proximity (i.e. mainly in ward and department areas).

A phasing methodology and approach to delivering the works has been agreed in principle with the hospital management team and is further detailed within the estates annex.

1.3.3 Contractual Arrangements

There are no key contractual clauses over and above the standard NEC4 Engineering & Construction (ECC) Form of Contract Option A framework clauses (including Right to Work

legislation). The construction contract for the Principal Contractor will be administered through the South West Wales Regional Contractor Framework. Requirements for AEDET, NEAT, BIM and BREEAM in relation to this project have been amended through local contract amendment and are not required.

The Health Board are aware of the forthcoming updates to the Building Safety Act and will review implications on the project accordingly.

The approach has been agreed with NWSSP SES and MWWFRS.

1.3.4 Payment Arrangements

The Health Board have made, and will continue to make, payments to the externally appointed team in respect of products and services as follows:

- Appointments for Project Manager and Cost Advisor appointments have been made in line with NHS SBS and CCS Framework terms and conditions respectively;
- The fire engineer led design team appointment has been made in line with WPA (Welsh Procurement Alliance) Framework terms and conditions with an NEC Professional Services contract;
- The contracts will be managed by Hywel Dda University Health Board under the NEC4 Option A Priced contract with activity schedule with regards to the Principal Contractor appointment in line with South West Wales Regional Contractor Framework terms and conditions.

Following BJC approval, the Project Bank Account will be activated.

1.4 Financial Case

The capital costs of the preferred option outturn at an estimated cost of **£19,983,109** including VAT and the quantified risk contingencies held only by the Health Board. An additional allowance has been included (estimated costs) to support decorative enhancements to the wards / departments following the upgrade works, bringing the BJC total outturn to **£22,507,533**.

It is noted that the Health Board will be undertaking further work to explore alternative arrangements for delivering the fire escape lift and proximity to the Moducel unit (housing critical IT infrastructure). This will be reviewed with WG through the normal scrutiny process with the aim being to reduce the capital costs for this element of the project.

1.4.1 Capital Costs

The capital cost forms supporting the fire protection upgrade works (comprising Fire Stopping, Civils / External Packages and Ward Refresh works) packages are included at Appendix 8 and summarised in Table 1.

| Element | Capital Costs |
|---|--------------------|
| Works Cost – Fire Protection Upgrade Works | £5,143,279 |
| Works Cost – Civils Works Externally | £3,378,116 |
| Recovery of Sunk Costs from BJC 1 FY Years 22/23, 23/24 and 24/25 | £918,707 |
| Fees | £2,827,218 |
| Non-works Costs | £2,731,568 |
| Equipment | £30,000 |
| HDUHB Quantified Risk Contingency | £2,462,326 |
| Project Sub Total (excl. VAT) | £17,491,215 |
| VAT | £3,190,570 |
| VAT Reclaim | -£698,676 |
| BJC Total – Excluding Refresh Works | £19,983,109 |
| Refresh Costs – Cost Estimate (incl. VAT and VAT reclaim) | £2,524,424 |
| BJC Total – Including Refresh Works | £22,507,533 |

Table 1: Capital Costs

An indicative cash flow for the capital expenditure is included in Table 2.

| 2022/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | Total |
|---------|---------|---------|---------|---------|---------|---------|----------------|
| £0.93M | £0.98M | £6.18M | £8.34M | £5.06M | £0.88M | £0.14M | £22.51M |

Table 2: Cash Flow

1.4.2 Revenue Implications and Affordability

It has been assumed that there will be no additional recurrent pay and non-pay costs, with the exception of capital charges attributable to the delivery of the programme. The Health Board's assumption is that capital charges including increased depreciation and any impairment charges on completion will be fully funded by Welsh Government.

1.4.3 Funding Arrangements

This project requires further funding from the Welsh Government NHS All Wales Capital programme.

1.5 Management Case

1.5.1 Programme Management Arrangements

The programme management structure for this programme is aligned with the Business Continuity (Major Infrastructure) Programme Approach which has been formally constituted and established in line with best practice (Managing Successful Programmes) and will be managed in accordance with PRINCE 2 methodology.

The programme of works identified within this business case will be managed via the Health Boards central capital projects team.

The Health Board Executive Director of Strategy and Planning is the formal Senior Responsible Officer (SRO) and will ensure that the programme meets its overall objectives and delivers its expected benefits. The Programme Director Major Infrastructure Projects is the Programme Director who will be responsible for the successful delivery of all projects within the programme. The Capital Development Manager is the Estates lead overseeing project operational delivery.

1.5.2 Project Milestones

The detailed programme is included in Appendix 9 with the key milestones shown in Table 3:

| Programme | Time |
|---|--|
| Business Justification Case submission to WG | 26 March 2026 |
| WG Approval | 03 June 2026 (subject to WG election period) |
| External Civil Works | 17 August 2026 – 19 November 2027 |
| Main Firestopping Works Commencement | 17 August 2026 |
| Works Completion: Non-fire stopping works | 19 November 2027 |
| Works Completion: Non-decant areas | 04 May 2029 |
| Works Completion: Decant areas | 25 May 2029 |
| Contract Completion (inc. demobilisation and float) | 20 July 2029 |

Table 3: Programme Milestones

1.5.3 Arrangements for Contract Management

These will be administered under the NEC4 Option A contract (priced contract with activity schedule), with Southwest Wales Regional Framework amendments for both the Project Manager and Cost Advisor.

The design and construction contract for the Principal Contractor will be administered under the NEC4 Option A contract (priced contract with activity schedule).

1.5.4 Main Risks

A comprehensive risk register is in place which has been ratified following a workshop including all of the delivery team members, HDUHB estates and operations team and importantly, the key stakeholders representing the hospital nursing / operational teams.

There are significant concerns identified with delivering the fire escape lift and proximity to critical IT infrastructure. The BJC has included costs for relocating the Moducel unit but through the scrutiny process will undertake further work to explore alternative opportunities with the aim of reducing the capital cost for this element of the project.

The detailed risk register is included in Appendix 10, with the key risks (risk score 16 and above) identified in Table 4.

| Risk | Mitigation Measure |
|---|--|
| Strategic / Planning / Programme Risks | |
| Concerns from the HB regarding the new external lift's proximity to the existing IT container and potential damage. | HB developing costs etc. to relocate |
| Hospital activities impact on proposed phasing or programme of works. Hospital unable to release non-ward areas in accordance with the programme due to clinical needs of patients. Hospital activities affecting access for designer or contractors. | Early engagement with the Hospital and Management Teams to discuss requirements and expectations as well as define phasing strategy. Ongoing coordination between project team and HB during construction phase. P2 works planned on basis of single internal decant ward. Consideration for expanding decant to 2 wards to support effective programme. Non-Decant areas works based on rolling programme Engagement of seconded estates and nursing team member to project to ease comms. |
| There is a risk that the project will be impacted by delays in governance/approvals/market interest/tender returns etc. | Health Board to liaise with Boards, NWSSP and WG to mitigate delay risk. Board approval dates contained on current programme. |
| Limit on decant availability for non-ward areas of the campus (offices, clinic rooms). | Health Board consider alternative accommodation to support programme efficiencies and betterment. |

| Risk | Mitigation Measure |
|--|--|
| | Reconsider strategy for supporting 'estates' works during time pressured fire programme. |
| Timing of BJC submission to Welsh Gov coincides with Purdah period associated with government elections in 2026 and consequential hiatus in approval of business cases. Delay to submission and therefore approval of BJC. | Programme re baselined to accommodate likely delay resultant from Purdah. Consideration of enabling works at risk to prepare for delivery of main works programme, pending BJC approval. Scrutiny comments may be delayed |
| Design Risks | |
| Limitations to scope in ITU due to service congestion above ceiling not acceptable to MWWFRS and requires action | Proactive engagement with MWWFRS to ensure scope well accepted and understood. Derogation schedule to reflect. Assumptions made where access not available. |
| Site and Construction Risks | |
| There is a risk that unknown hazardous materials (including asbestos) will be discovered in the existing buildings. | Identification of findings to client team and if necessary, execute additional surveys before commencement of works. Time and cost allowance made in BJC. Health Board to release existing Asbestos registers. Unknown scenarios, i.e. area which can't be accessed to survey in advance, to be managed through contract administration. |
| Live services impeding the Works and inability to isolate or relocate. | Unknown scenarios, i.e. area which can't be accessed to survey in advance, to be managed through contract administration or approved derogation item as done with Phase 1 examples. Service Isolations confirmations to be provided by HB. Pre-works survey to identify areas which may need to be considered for derogation if too difficult. |
| Lifting and loading operations - risk of materials craned into the courtyard falling or damaging buildings. | Contractor methodology and CPP need to take account for this. Lift operations reviewed with HB prior to lifts |
| IT hub services removal by HB not in line programme | HB to ensure timescales are clearly understood. Float to be included on programme. |

Table 4: Main Risks

1.5.5 Main Benefits

The main benefit from this project will be HDUHB compliance with fire enforcement notices avoiding any further legal action and ensuring delivery of patient services can be sustained. Additional benefits in relation to reduced backlog maintenance and a comprehensive concise fire strategy for the site will also be realised.

1.5.6 Programme Assurance

Due to the nature of this BJC, the Health Board has determined that an Equality and Health Impact is not required. Ensuring that buildings are compliant with fire safety regulations will improve the safety for all patients, staff and visitors to the hospital.

A Risk Potential Assessment has been undertaken by the SRO (Appendix 11). The project has been assessed as low risk.

1.5.7 Post Project Evaluation

The Programme Board will ensure that post project evaluation is undertaken in accordance with Welsh Government requirements. Evaluation will include:

- Evaluation of the project procurement stage;
- Evaluation of the various processes put in place during implementation;
- Evaluation of the project in use shortly after the works are completed.

1.5.8 Contingency Plans

There are no contingency plans should this project fail to achieve approval. The Health Board are at risk of receiving further enforcement notices which would impact on delivery of all hospital services.

1.6 Conclusion and Recommendations

This business case sets the required actions for Hywel Dda University Health Board to be compliant with fire safety regulations and remove the remaining enforcement notices.

The business case has described the proposed approach which aims for completion of the Phase Two works in July 2029, which is dependent on work commencing in August 2026. It is anticipated that MWWFRS will review progress with the Health Board once works have commenced and will align enforcement notices to the contractor programme.

The Health Board must comply within the stipulated timeframe set by the Mid and West Wales Fire and Rescue Service or risk further escalation actions by MWWFRS including further enforcement.

It is requested that Welsh Government approve this business case based on the proposed cost and approach to delivery of work.

2.0 Introduction

2.1 Scope of Document

This Business Justification Case (BJC) has been developed to detail the required investment for Glangwili General Hospital (including residential accommodation blocks) in relation to fire precaution upgrade works.

Following visits from the Mid and West Wales Fire and Rescue Service (MWWFRS) to Glangwili General Hospital (GGH) in February 2020, Hywel Dda University Health Board (HDUHB) received an enforcement notification in relation to compliance with fire safety regulations.

A Programme Business Case was submitted to Welsh Government in March 2020 detailing proposals which ensured that the Health Board would be able to achieve compliance within the stipulated timescales.

The PBC recommended immediate commencement on a programme of Advanced Works (essential works targeted at the buildings where the Health Board had received enforcement notices). These works have been completed.

The remaining works were packaged into two separate phases.

- Phase One of the main works focussed on primary escape routes. Works commenced on site in June 2021 and completed on 14 February 2025.
- Phase Two (this BJC) will address the further works required to comply with sub-compartments and hazard rooms within departments and any works deferred from Phase One.

2.2 Document Structure

This business case has been structured as follows and in line with the Better Business Case Investment Guidance, five case model structure, which is in accordance with HM Treasury best practice and the approach prescribed by Welsh Government (WG):

- **Strategic Case:** This section provides an overview of the context within which the investment will be made. It sets out the background and strategic context outlining the issues faced by Hywel Dda University Health Board and describes how the proposed investment will support organisational objectives;
- **Economic Case:** This section confirms the available options and makes recommendations for the preferred way forward;
- **Commercial Case:** This section sets out the procurement arrangements for the scheme;

- **Financial Case:** This section confirms funding arrangements and affordability and explains any impact on the balance sheet of the organisation;
- **Management Case:** This section details the plans for successful delivery of the project to cost, time and quality including the proposed approach for post project evaluation.

A glossary of abbreviations used is included at Section 9.0.

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3.0 Strategic Case

This case describes the context within which this programme has been developed and demonstrates that the programme has been informed by, and will address, the identified drivers for change.

Following visits from the Mid and West Wales Fire and Rescue Service (MWWFRS) to the Hospital, Hywel Dda University Health Board (HDUHB) received letters of Fire Safety matters in relation to compliance with fire safety regulations. The focus of this business case is to ensure that the Health Board undertake the necessary actions to ensure compliance within the stipulated timescales.

3.1 Organisational Overview

Hywel Dda University Health Board (HDUHB) is one of seven health boards in Wales and serves the population of mid and west Wales. HDUHB covers more than a quarter of the landmass of Wales and is the second most sparsely populated Local Health Board area, with roughly 13% of the total population of Wales.

The Health Board provides primary, community, in-hospital, mental health and learning disabilities services to a population of 384,000 taken from the three counties as follows:

- Carmarthenshire 183,936 residents;
- Ceredigion 79,488 residents;
- Pembrokeshire 120,576 residents.

Acute and community services are provided via four main hospital sites as well as a range of community-based services. The geography of the Health Board is challenging with journey times between the health board sites ranging from 45 to 105 minutes. The acute sites are:

- Bronglais General Hospital in Aberystwyth (BGH);
- Glangwili General Hospital in Carmarthen (GGH);
- Prince Philip Hospital in Llanelli (PPH);
- Withybush General Hospital in Haverfordwest (WGH).

3.1.1 Hywel Dda Health and Care Strategy

In 2018, HDUHB published 'A Healthier Mid and West Wales: Our Future Generations living well' (AHMWW), the long-term strategy for transforming health services and delivering quality care closer to home. The focus is on keeping people healthy with a shift to a social model of

health which cannot be separated from our associated workforce, estates, digital and environmental challenges. Hospitals will continue to be a key part of the health and care system, the wider whole system approach will involve the hospitals working much more closely in the community at one end, while forming stronger links to highly specialised services at the other.

The Health Board submitted a Programme Business Case (PBC) to Welsh Government in March 2022 which set out the context and high-level need for the resources to support capital and estates planning for the delivery of the Health and Care Strategy transformation programme.

The PBC is yet to be endorsed and the affordability of the programme in the context of the wider WG capital budget is a concern. As a consequence, WG requested the Health Board to explore an alternative approach to delivering the new Urgent and Planned Care Hospital, Glangwili and Withybush elements of the AHMWW Strategy as described in the PBC. The PBC Addendum has not changed the overall direction of travel for the organisation but has reconsidered the implementation of the strategy and the infrastructure needed. The Addendum is planned for submission to WG in February 2026.

The UHB recognises that a new hospital in the south of Hywel Dda is not likely to be operational for another decade and it is essential that the existing sites continue to be maintained. A separate PBC has been developed to address the business continuity / estates infrastructure issues across all four acute hospitals which was submitted to Welsh Government and received endorsement in July 2021. The strategic context is such that the existing estate will now need to be sustained for a much longer interim period in advance of significant estate transformation and therefore addressing the essential fire precaution works as detailed in this BJC will be essential to maintaining continuity of service in the interim period.

3.1.2 Summary of Financial Standing

The UHB has faced a challenging financial position since its establishment. Since the NHS Finance (Wales) Act came into effect from 1 April 2014 to date the UHB has failed to meet its statutory duties to have an approvable Integrated Medium Term Plan or break even over a 3-year period.

The UHB had seen a stabilisation in its financial position. Improvements in financial control, alongside the financial recognition of the Health Board's demographic challenges in 2018/19 together with additional £10m recurring funding in 2020/21, had contributed to a reduction and then maintenance of the reported in-year deficit position.

Subsequently the Health Board's underlying deficit worsened. WG wrote to the Health Board in September 2022 to advise that the escalation status of the UHB be raised to 'targeted intervention' (level 4) for planning and finance with the organisation as a whole being put into targeted intervention in April 2024. Improvements have been seen with the current (December 2025) escalation level for leadership and governance reduced to Level 1 meaning it is no longer escalated with planned care and cancer being at enhanced monitoring (level 3). However, the Health Board remains at level 4 for areas including finance, strategy and planning and fragile services. Revenue resource performance for the last three years is summarised below.

| | 2022/23 | 2023/24 | 2024/25 | Total |
|---|-------------------|-------------------|-------------------|-------------------|
| Net operating costs for the year | £1,154,992 | £1,264,538 | £1,355,490 | £3,775,020 |
| Less general ophthalmic services and other non-cash limited expenditure | £2,431 | £1,831 | £1,111 | £5,373 |
| Total operating expenses | £1,157,423 | £1,266,369 | £1,356,601 | £3,780,393 |
| Revenue Resource Allocation | £1,098,379 | £1,200,554 | £1,332,462 | £3,631,395 |
| Under/(over) spend against allocation | (£59,044) | (£65,815) | (£24,139) | (£148,998) |

Table 5: HDUHB Financial Position

The University Health Board has submitted an annual plan which included a planned deficit of £31.5m. WG has noted that this is neither acceptable or supportable from its perspective and issued the Health Board with a control total of £24.1m in line with the deficit for FY 24/25. The Health Board is forecasting (November 2025) a £22.1m deficit by the end of FY 25/26 after additional funding was made available from WG to cover all Wales cost pressures associated with the Welsh Risk Pool and Band 2 to 3 re-banding.

The Health Board will be submitting a Three-Year Financial Plan for 2026 – 2029, aspiring for a breakeven position for 2027/28 and beyond, aligned to WG criteria associated with £26m of conditionally recurrent funding allocated to the Health Board in FY 24/25. The Plan focuses on achieving financial breakeven over a three year roadmap to 2028/29, with financial breakeven in-month for March 2027, dependent upon the level of funding uplift from Welsh Government, providing long term stabilisation and in line with our clinical priorities. The plan and organisational priorities are focused on delivery of the Ministerial Priorities. The plan is a continuation of the organisation's journey to date, consistent with the strategy and building on the methodology of strategic objectives, planning objectives and our Board Assurance Framework.

3.1.2.1 Infrastructure Investment Plan

The largest strategic capital commitments in the coming years relate to the 'A Healthier Mid and West Wales: Our Future Generations Living Well' clinical strategy and the associated infrastructure requirements.

The Infrastructure Investment Plan will prioritise both capital developments and backlog maintenance in line with the current prioritised position and strategic objectives and be informed by the current risks the organisation holds. A core focus of the capital plan is the delivery of essential quality and safety, business continuity schemes including replacements, issues of compliance and infrastructure maintenance.

This business case is a direct response to the issues of compliance and essential fire safety matters identified by MWWFRS letters of Fire Safety matters and will be reflected in the Infrastructure Investment Plan.

This BJC is a direct response to the issues of compliance and essential fire safety matters identified by the Mid and West Wales Fire and Rescue Service letters of Fire Safety and are reflected in the Infrastructure Investment Plan.

The Capital Investment Plan will prioritise both capital developments and backlog maintenance in line with the current prioritised position and strategic objectives and be informed by the current risks the organisation holds. A core focus of the capital plan is the delivery of essential quality and safety, business continuity schemes including replacements, issues of compliance and infrastructure maintenance.

3.1.2.2 Discretionary Capital Programme

The UHB receives an annual allocation which is allocated annually into the areas of highest investment needs. For these locally controlled funds, this is in the main targeted to support issues of quality and safety, and business continuity and is allocated over the following headings:

- Infrastructure and statutory backlog;
- Estates statutory compliance;
- Replacement of medical and other equipment;
- Essential maintenance of estates infrastructure;
- Standardisation of medical equipment and devices across sites to enable cross site working;
- Capital support posts and business case developments;
- Significant upgrades of IT infrastructure and keeping pace with IT replacements.

The UHB faces very significant backlog pressures in IM&T, estates maintenance and equipment replacement which means that not all risks can be mitigated. Programmes of replacement will need to be the subject of All Wales Capital support.

3.2 Policy Context

The Health Board has a corporate responsibility to deliver an efficient, safe estate that supports clinical services in line with WHBN 00-08: Estatecode Wales. There are also legal responsibilities in the provision of soft and hard FM services requiring adherence to Health Technical Memoranda (HTM). HTMs provide guidance for the design, management and maintenance of healthcare engineering systems including fire safety.

There are a number of regulatory frameworks that the Health Board must comply with in relation to fire safety. Adherence with these regulatory frameworks underpins this BJC where practicably possible and include:

- Building Regulations 2010;
- Regulatory Reform (Fire Safety) Order 2005;
- WHTM 05-01: Firecode Managing Healthcare Fire Safety (2019);
- WHTM 05-02: Fire safety in the design of healthcare premises (2014);
- HTM 05: Fire Safety (2011);
- Fire and Rescue Services Act (2004);
- Forthcoming Building Safety Act Legislation.

The Regulatory Reform (Fire Safety Order) consolidated the fire related legislation. As a result, the Healthcare Firecode suite of documents was revised with mandatory requirements for all NHS bodies. The NHS Wales Fire Safety Policy provides an unambiguous statement applicable to the NHS in Wales and premises where patients receive treatment or care. The aims are to minimise the incidence of fire throughout the NHS estate in Wales and to minimise the impact from fire on life, safety, delivery of service, the environment and property.

3.3 Programme Investment Aims

Within the overall NHS planning context, the Minister for Health and Social Services has determined a series of investment objectives for the NHS Infrastructure Investment Programme including capital and revenue funding delivery models. These objectives have been adopted by HDUHB and interpreted these for the overarching Estates Infrastructure programme as follows:

- Reduce the risk profile on Estate infrastructure;
- Maintain appropriate levels of patient safety and comfort;
- Extend the operating life of the hospitals;
- Support future service planning by ensuring sufficient infrastructure of systems resilience and capacity for future service modelling;
- Reduce essential backlog maintenance requirements;
- Identify and deliver a cost effective and value for money solution, programme timetable and budget.

The investment aims specific to this business case have been developed within the context of the overarching estates infrastructure approach and have a specific focus on ensuring compliance with the NHS Wales Fire Safety Policy on the Glangwili Hospital Site.

The schemes of work included within this BJC are specific to GGH, elements of which are also works packages included in the Estates Infrastructure programme which is the subject of a separate business case.

The programme investment aims for this BJC are to:

- Ensure compliance with core statutory standards namely Fire Code regulations;
- Reduce the risk profile on estate infrastructure;
- Support the delivery of safe, sustainable and accessible services, and facilitate high standards of patient care.

3.4 Existing Arrangements

The largest of the four Hywel Dda University Health Board's hospitals, Glangwili General Hospital is located approximately 2 miles from the centre of Carmarthen. It has a gross floor area of 48,750m² providing approximately 390 beds and a 24-hour Emergency Department. The total site area is approximately 11.3 hectares. The site includes buildings of various ages from over 60 years to buildings completed within the last 15 years, with the core buildings constructed in the 1950/60s (this includes inpatient wards, operating theatres, outpatients, radiology and pathology services).

Figure 1 shows the age profile of the buildings on the site. The age profile of the estate has implications on estate backlog performance and despite capital investment of circa £25M over the past 10 years a significant backlog maintenance liability remains. This was assessed as being £90,131,379 as at February 2025 (Table 7 and 8).



Figure 1: Glangwili Hospital Site - Age profile of the existing estate

| Backlog Maintenance Costs by Type as at February 2025 | | | | |
|---|-----------------------------|-------------------|--|---------------------|
| Physical Condition Costs | Safeguards & Security Costs | Fire Safety Costs | Disability Discrimination Act (DDA) Costs* | Total Backlog Costs |
| £48,379,011 | £3,365,322 | £38,387,046 | £1,238,977 | £90,131,379 |

*NB DDA costs are included in Safeguards and Security Costs but shown here separately for completeness noting that these figures are not counted again in the totals.

Table 6: Backlog Maintenance Liability by Type

| Backlog Maintenance Costs by Risk Category per risk category as at February 2025 | | | | |
|--|------------------|---------------|------------|-------------|
| High Risk | Significant Risk | Moderate Risk | Low Risk | Total |
| £3,630,393 | £78,466,781 | £3,705,122 | £4,329,083 | £90,131,379 |

Table 7: Backlog Maintenance Liability by Risk

The plan below indicates the current condition of the existing estate. Those buildings coloured beige are the core clinical buildings, the majority of which are over 50 years old and category C in terms of condition (Operational but major repair or replacement needed in the short to medium-term). These buildings contain the main inpatient bed stock, imaging, theatres,

outpatients, essential clinical and some non- clinical support services. The other buildings shown in blue are rated as condition category A/B (operationally safe and exhibiting only minor deterioration).

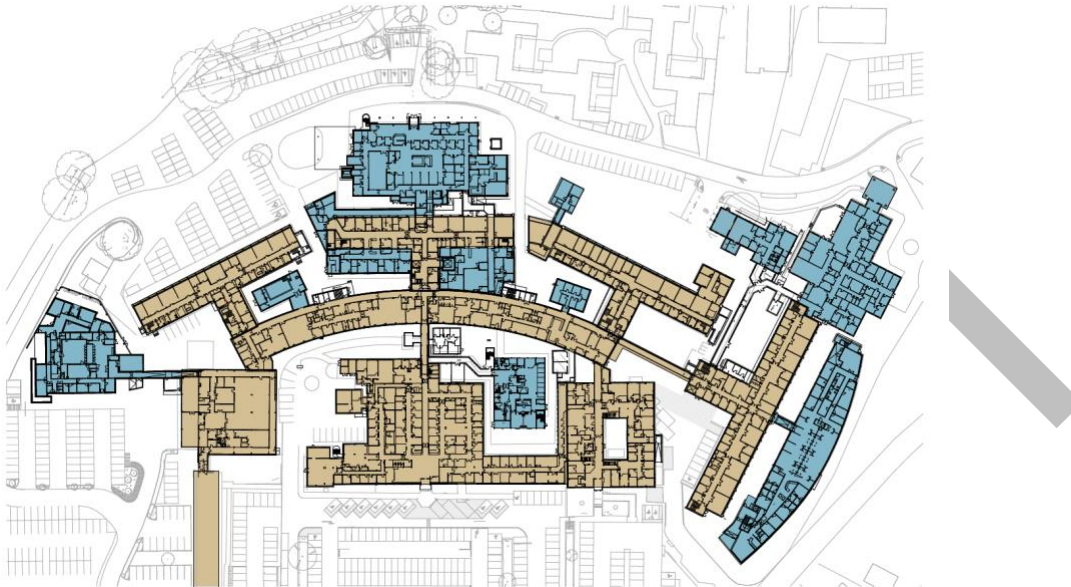


Figure 2: GGH Building Condition Plan

The Health Board has benefited from an uplift in its recurring discretionary capital allocation over the last few years and whilst this has been welcomed and has enabled greater flexibility at a local level to manage competing expenditure priorities, it remains extremely difficult to resolve all risks. HDUHB continues to face very significant backlog pressures in IM&T, estates maintenance and equipment replacement. The resulting impact has been service interruptions, risks to clinical service and business continuity and health and safety concerns. Not all risks can be mitigated and programmes of replacement over a longer timeline are being developed and will need to be the subject of All Wales Capital support. A separate PBC has been developed to address the business continuity / estates infrastructure issues across all four acute hospitals within the context of the AHMWW Strategy.

An overview assessment of the estate was undertaken in 2018 to determine the extent of works required to bring the acute sites in line with statutory compliance regulations. Fire compliance has been assessed against the current version of WHTM 05-02–Firecode (Fire safety in the design of healthcare premises) and it has been concluded that the clinical services blocks do not meet current standards with respect to fire safety. For example:

- Reference to drawings indicates that compartmentation is present, but it was anticipated that some making good works would be required to ensure continuity;

- Fire doors are generally in poor condition, requiring replacement of seals, closers and ironmongery. Whole system replacement is needed to achieve certified performance;
- A number of staircases are accessed direct from inpatient accommodation with no lobbies;
- Staircases are undersized compared to current guidance for mattress evacuation purposes;
- Corridors are below the width recommended for escape.
- The configuration of the wards does not support progressive horizontal evacuation with insufficient space in adjacent wards for patients from other wards;
- There was evidence of waste being stored in corridors and rooms which would typically be classified as 'hazard rooms' in HTM 05-02 and are not fire protected.

The extent and efficacy of fire protection to the structure was unknown, requiring further detailed investigation. The UHB therefore commissioned fire compartmentation surveys to support the development of the Programme Business Case which was submitted in October 2020. The core non-compliance is related to the configuration of the buildings and therefore refurbishment would not fully resolve these issues.

The Phase One BJC focused on primary escape routes / compartmentation lines. Works completed in February 2025 and MWWFRS have confirmed that the associated Enforcement Notice has been lifted (Appendix 6).

This BJC addresses the outstanding works required to comply with the provisions of the Regulatory Reform (Fire Safety) Order 2005.

3.5 The Case for Change

In line with the AHMWW strategy, the Health Board is clear that there is a need to maintain business continuity and a business-as-usual approach whilst the wider strategy is delivered. This requires the UHB to maintain estate and capital requirements to support clinicians to deliver services within the existing model during transition years. The business continuity schemes are crucial to on-going service delivery across the organisation and any deterioration in service delivery within the existing model will impact on clinical care and patient outcomes as well as affecting the ongoing engagement and positive relationship with the local population.

The following sections detail the fire enforcement notices that have been received, the works that have been completed and a detailed assessment of those works that are outstanding and form the subject of the business case.

3.5.1 Fire Enforcement Notices

The Mid and West Wales Fire and Rescue Service (MWWFRS) visited Glangwili General Hospital on 24 February 2020 and issued an enforcement notice (KS/890/06 dated 17 April 2020) requiring the Health Board to remedy a number of specific areas by 16 October 2020. The enforcement notice was issued due to failure to comply with provisions of the Regulatory Reform (Fire Safety) Order 2005 because people were unsafe in case of fire. The letter and accompanying schedule which detail the areas of non-compliance are included as Appendix 1.

A number of issues were immediately actioned as confirmed with MWWFRS (Appendix 7) and included:

- Obstructed escape routes: All housekeeping items removed by a combination of clearance and management process updates;
- Maintenance:
 - Escape lighting testing records in place and shared with MWWFRS;
 - Fire Damper testing and maintenance regime updated and shared with MWWFRS;
 - Escape routes – inappropriate locking mechanisms to Fire Doors replaced;
- Firefighting equipment – replacement of dry power extinguishers;

The PBC stated that the outstanding items (relating to compartmentation, fire resisting doors and fire damper systems) required substantial further investigation, planning of work and financial investment to remedy.

A series of specialist surveys were conducted to enable initial assessments and assumptions of the required works to be made, however, the full extent of works, the impact of asbestos and likely methodology restrictions could not be fully determined at that stage.

The proposed approach to delivery of the works was to immediately address the most urgent works and to group the main package of works into two phases to remediate the fire compartmentation. This was agreed with MWWFRS and the enforcement notice was amended to reflect the agreed delivery programme (Appendix 3).

| Enforcement Notice | Work Package | Action |
|--------------------------|------------------------------|---|
| KS/890/07 (Withdrawn) | Advanced Works (Complete) | Compartmentation: All Vertical Escape Routes To undertake whatever works are necessary to ensure that any/all breaches in fire resisting compartmentation that affect the Vertical Escape Routes within Glangwili General Hospital are addressed as agreed in the programme for Advanced works. |

| Enforcement Notice | Work Package | Action |
|--------------------------|-------------------------------|---|
| KS/890/08 (Withdrawn) | Phase One Works (Complete) | Compartmentation: All Horizontal Escape Routes To undertake whatever works are necessary to ensure that any/all breaches in fire resisting compartmentation that affect the Horizontal Escape Routes within Glangwili General Hospital are addressed as agreed in the programme for Phase 1 Works. |
| | | Compartmentation: All Vertical Breaches and / or Penetrations To undertake whatever works are necessary to ensure that any/all breaches in fire resisting compartmentation that affect the intermediate floors between levels within Glangwili Hospital are addressed as agreed in the programme for Phase 1 Works |
| KS/890/09 | Phase Two Works | Compartmentation: All Vertical Escape Routes To undertake whatever works are necessary to ensure that any/all breaches in fire resisting compartmentation that affect the Wards, Theatres, Plant Rooms, Offices, Surgeries, Specialist Units and any other compartmented spaces within Glangwili General Hospital are addressed as agreed in the programme for Phase 2 works. |

Table 8: Enforcement Notices

The Advanced Works were those works against which rapid progress was essential. The Fire Service were given assurance that work would be progressed in advance of the formal business justification case approval process.

Welsh Government approved the commencement of the Advanced Works and following financial approvals and a local tender based procurement exercise, works commenced on site in May 2021. These focused on the escape stairwells in the main hospital core block and associated residential accommodation block and completed in September 2021.

A review meeting between HDUHB and MWWFRS took place on the 16 June 2020 to discuss progress against the Enforcement Notices. MWWFRS noted that progress had been made in addressing some of the identified issues and they also acknowledged the delays associated with Covid-19. Consequently, MWWFRS reviewed the Enforcement Notice and adjusted the timeline for compliance to February 2021 on the basis of progress to the planned phased works agreed between the UHB and MWWFRS in the meeting (Appendix 2).

A further meeting was held on 2 October 2020 to review progress and the ongoing impact of the Covid-19 on the works. MWWFRS subsequently issued a letter to the UHB advising that several matters remained outstanding. They withdrew Enforcement Notice KS/890/06 and to rationalise the correspondence associated with the outstanding matters and to provide clarity on the

enforcement expectations issued Enforcement Notices KS/890/07, KS/890/08 and KS/890/09 to align with the agreed approach to works as summarised below and detailed in Appendix 3.

Following a meeting on 6 January 2021 MWWFRS issued a letter confirming the timeline for completion of all works and alignment with the approach proposed in the PBC (detailed in Appendix 4).

MWWFRS visited the site on 1 June 2021 to review fire safety measures and subsequently issued a Letter of Fire Safety Matters dated 8 June 2021 (Appendix 5). This letter confirmed the expectation of compliance with the previously issued enforcement notices but detailed further areas of concern which are shown below. MWWFRS indicated that a review would be scheduled for July 2021 with a risk of a further enforcement should progress not be observed

| Area of Non-Compliance | | Required Action |
|------------------------|------------------------------------|---|
| 1 | Compartmentation | <p>Inspected areas to be included within the current compartmentation survey.</p> <p>Holes in ceiling to be repaired in Block 3 FF Rm 36 (IT room)</p> <p><i>Timeline for completion – in line with the agreed programme of works</i></p> |
| 2 | Fire resisting doors and corridors | <p>Ensure escape routes are kept free from fire and smoke by:</p> <ol style="list-style-type: none"> 1. Removing key locks and replacing with single action locking device within Blocks 18A and D 2. All missing hammers on Redlam panic bolts on exits within Block 4 FF, SF, TF to be fitted 3. Doors to rooms not accessed by the public / patients to be locked (e.g. bin store on access corridor, undercroft by pharmacy, Parden Ward) 4. Move all recycling bins from escape routes (Block 4) <p><i>Timeline for completion: within one month of date of letter (July 2021)</i></p> <ol style="list-style-type: none"> 5. Ensure fire doors default to closed position on activation of alarm (corridor doors in Block 4 GF) default to open <p><i>Timeline for completion: in line with the agreed programme of works</i></p> |
| 3 | Alarm and Detention | <p>Fire detection to be updated in accordance with BS 5839 part 1 (outdated detector heads)</p> <p><i>Timeline for completion – within one month of date of letter</i></p> |
| 4 | Storage of Refuse | <p>Management of waste</p> <p><i>Timeline for completion – within one month of date of letter</i></p> |

| Area of Non-Compliance | | Required Action |
|------------------------|-------------------------|--|
| 5 | Obstructed Escape Route | Ensure that everyone can evacuate quickly and safely by removing bins from the access room to the plant room within the area of obstetrics department <i>Timeline for completion – within one month of date of letter</i> |

Table 9: Letter of Fire Safety Matters

3.5.1.1 Phase One Works

In line with the agreed strategy with MWWFRS, the PBC recommended approaching the main works in two phases to remediate the fire compartmentation on the main hospital and residential blocks.

The Phase One element of the project focused on the main escape routes / compartmentation lines within the hospital buildings. The scope included:

- Removal and replacement of suspended ceilings as necessary;
- Treatment of asbestos if impacted by the works;
- Repairs and replacement of defective fire door sets and furniture;
- Fire compartmentation improvement works as required both horizontally and vertically;
- Mechanical engineering installations including fire / smoke dampers (FDS) and associated ductwork;
- Control panels, temporary diversion of services to facilitate the works and associated builders work in connection (BWIC);
- Electrical installations modifications including door controls, minor alterations, minor fire alarm modifications to align with revised fire strategy.
- Temporary diversions as required including power, lighting, comms, alarms, ductwork and medical gas etc and associated BWIC.

The works completed also included reconfiguration of fire compartment lines alongside fire door replacements on all newly formed compartmentation lines. Repairs have been made to existing doors where deemed repairable. Works have also been undertaken to introduce compartmentation and fire stopping within the sub-terranean.

Phase One experienced difficulty in assessing the scope of the work content whilst also keeping the hospital functioning. As a result, it was agreed with MWWFRS that some of the works would be deferred to Phase Two of the project and therefore within the scope of this BJC (works in ITU, Theatres, A&E, plant rooms). Certain 60-minute fire walls at junctions with the main hospital remained in Phase One for compliance. The key reasons for deferral were:

- **Operational Disruption:** Works in critical clinical areas would severely impact patient care and infection control. Large areas affected include Block 32 (Endoscopy, Day Surgery, Theatre 6), ITU/HDU, Theatres, A&E, and multiple plant rooms;
- **Access Constraints:** Certain works require full decant of wards or plant rooms, which was not feasible during Phase One causing disruption to firestopping, wall reconstruction, door upgrades, expansion joint works, plant room compliance;
- **Technical Limitations:** Presence of asbestos, cables, and complex expansion joints prevented safe completion;
- **Ethos of Phase One:** Focused on compartmentalisation and minimising disruption, so extensive works were postponed.

The Phase One main works commenced on site in June 2021 and completed 14 February 2025. The Enforcement letter KS/890/08 (Phase One works) was withdrawn on 19 February 2025 (Appendix 6). The Health Board met with MWWFRS on 4 December 2025 to present progress against all of the fire stopping works (i.e. BGH, GGH and WGH). MWWFRS were happy with the proposed approach for works and agreed to align the GGH Enforcement Notice with the presented programme i.e. completion of the Phase Two works by July 2029.

3.5.2 Phase Two Works

The focus of the Phase Two works is to address the outstanding works associated with fire safety matters in patient ward areas and non-ward spaces with patient sleeping risk, along with further works required to comply with the evacuation protocols as agreed with MWWFRS.

The phase involves remedial activities in the main hospital, focusing on 30-minute sub-compartment lines in departmental areas such as inpatient ward areas, main plant rooms, risk rooms (as required by MWWFRS), and soffit works along with the works deferred from Phase One. These have been split into two works packages:

- Fire Protection Upgrade Works
 - Vertical and horizontal fire stopping works.
 - Door and ironmongery repairs or replacements.
 - Damper replacements and associated works, including power, controls and panel connections.
 - Temporary service diversions, as required.
 - Finishes repairs resulting from fire improvement works.
 - Survey of any asbestos material associated with works to establish the need for notification and licensed removal of asbestos products associated with the works for door linings and SVP/electrical riser pipes as examples.

- External Civils Works
 - Installation of an external CAT ladder.
 - Construction of a new lift (externally) and associated building works.
 - Construction of an external link bridge.
 - Construction of external access ramps
 - Upgrade of existing internal lift to evacuation compliant standard

The Health Board has engaged extensively with NWSSP Fire Officers to ensure the proposed works meet the requirements of the fire enforcement notices while minimising disruption to patient care. While it is acknowledged that there will be a small area of the works that have not been scoped due to access constraints, the proposed approach has been reviewed and endorsed by MWWFRS, who support the prioritisation of fire safety upgrades in areas with direct patient sleeping risk.

3.5.3 Lessons Learned from Phase One Works

The Health Board has adopted an iterative delivery model, informed by lessons learned during Phase One. This includes refined specifications for fire-stopping, improved access strategies and expediting the appointment of key advisors to speed up problem solving and reducing associated preliminary costs.

In response to the limitations of the initial survey-based approach in Phase One, the Health Board adopted a more detailed design strategy, delivered by a procured, Fire Engineer-led Design Team. This multidisciplinary team comprising architects, mechanical designers, a CDM coordinator, and an independent fire engineering consultant, has developed comprehensive design documentation to inform the construction phase. This shift has enabled a more robust understanding of the required interventions and has improved the accuracy of cost and programme forecasting.

- Appointing a designer that can be available on site for a minimum of two days per week to ensure that any issues are captured and managed quickly. Whilst this could be seen as wasted time, it will reduce the potential for Prelims in an extended build timeline;
- Directly appointing a Fire Engineer with the correct level of PI to aid with non-tested design detail solutions quickly thus mitigating against any potential delays;
- Procurement strategy has changed from NEC3 option E Cost reimbursable to NEC4 option A Priced contract and activity schedule.
- Allocation of AP resource to the scheme and inclusion of non-works costs in BJC for service isolations/works as needed to progress fire stopping works

- Maximising the opportunity for decanting spaces and reducing the opportunity for delay due to completing works while health care services remain in situ - for example, all ward spaces decanted and handover to the contractor. Theatres and ITU also decanted.
- PM has requested specific inclusion of commentary within the Estates Annex for the SCP to more effectively implement the EWN process associated with findings differing from those expected during works and incorporate for record as part of any change of scope review / reconciliation.

3.5.4 Changes to Scope since PBC

It is acknowledged, that due to the nature of the works the programme will need to be responsive to findings as works progress. Specific changes to scope since PBC are detailed below:

- Inclusion of works deferred from Phase One relating to works in ITU, theatres, A&E and plant rooms;
- Prioritisation of fire safety upgrades in areas with direct patient sleeping risk.

Included within the capital costs is an allowance for decorative enhancements to refresh Wards / Departments when the fire works in these areas are concluded and prior to commissioning for patients. It is felt this is an important opportunity to take advantage of decommissioned areas and offer some improvements to patient environments without extending the period required for Fire Compliance works (avoiding any additional preliminary costs and therefore offering value for money).

3.6 Business Needs

This BJC demonstrates that HDUHB is at risk of further escalation actions by MWWFRS including further enforcement for non-compliance with fire enforcement notices. In order to maintain the safety of all staff, patients and visitors at GGH, HDUHB must address all of the areas of concern. The BJC describes the actions that have already been undertaken by the UHB and sets out the required action and associated investment plan to ensure compliance with all fire safety matters as identified by the MWWFRS.

In line with the AHMWW strategy and direction of travel for future hospital services, the Health Board is clear that there is a need to maintain business continuity and a business-as-usual approach whilst the wider strategy is delivered. This requires the UHB to maintain estate and capital requirements to support clinicians to deliver services within the existing model during transition years. The business continuity schemes are crucial to on-going service delivery across the organisation and any deterioration in service delivery within the existing model will impact

on clinical care and patient outcomes as well as affecting the ongoing engagement and positive relationship with the local population.

The strategic drivers underpinning this Business Case are aligned with the organisational strategy:

- Supporting the transformation programme, planning priorities and strategic objectives;
- Ensuring the estate is functionally suitable for purpose;
- Ensuring the estate is compliant with statutory requirements and latest estate standards and guidance where it is possible to do so and those articulated within the Business Continuity (Major Infrastructure) Programme Business Case submitted to Welsh Government.

In order to maintain the safety of staff, patients and visitors to the GGH site, the UHB must comply with the MWWFRS fire enforcement notice. Failure to adhere could result in further legally binding enforcement action.

3.7 Potential Scope and Service Requirements

The scope of this business case is the programme of works required to ensure all buildings on the Glangwili site are compliant with fire safety regulations with the focus of this phase of works being to address fire safety matters in areas with a patient sleeping risk potential or proximity.

Whilst the proposed delivery strategy has taken into consideration the need to minimise the impact on operational service delivery, the nature of the works makes it impossible to avoid a degree of disruption. A stakeholder engagement and liaison strategy will be in place for the duration of the works to ensure that there is a robust approach to maintaining all essential service requirements.

3.8 Main Benefits

There are two main benefits associated with this project. It is unlikely that these will be fully realised until the end of Phase Two works:

- Removal of the fire enforcement notices;
- Improved safety of patients, staff and visitors in the event of a fire.

3.9 Main Risks

The main risk associated with this BJC is the failure to comply with the fire enforcement notices leading to risk of further legally binding enforcement action

A detailed risk register has been developed for the project which considers strategic, financial, design and construction risks (see section 7.5.2).

3.10 Constraints

There are a number of constraints to the delivery of the Phase Two project requiring management:

- Availability of capital funding;
- A need to comply with the timeframes stipulated by MWWFRS;
- A need to minimise disruption to services during the construction phases.

3.11 Dependencies

The project is dependent on the following considerations:

- MWWFRS support to the proposed approach;
- MWWFRS continued support to the proposed approach;
- WG and NWSSP SES support to proposed approach;
- Availability of capital funding, noting that WG have already funded the Advanced Works and Phase One Works Package.

4.0 Economic Case

The purpose of the economic case is to identify the preferred programme that optimises value for money.

4.1 Critical Success Factors

The critical success factors associated with this BJC are:

- Strategic Fit:
 - Compliance with MWWFRS fire enforcement notices.
- Achievability:
 - Timescales for delivery;
 - Deliverability with minimal site constraints or challenges;
 - Potential affordability (capital).
- Supplier Capacity and Capability:
 - Ability of potential suppliers to deliver the required services;
 - How attractive the option is to the supply side.
- Potential Value For Money:

4.2 Main Options

Given the nature of this business case there are limited choices available to the Health Board i.e. compliance with fire safety requirements is mandatory. The overarching approach to options development and appraisal was reviewed and agreed with NHS Wales Shared Services Partnership Specialist Estates Services (NWSSP SES) in January 2021.

A Business as Usual / Do Nothing option is not a viable approach as there is no mitigation against the identified fire risks leaving patients, visitors and staff at risk of harm. Failure to comply with enforcement notices is likely to result in MWWFRS taking further action including the potential for further enforcement.

It was therefore agreed that the only viable option available to the Health Board is to undertake the works as required by MWWFRS. In agreement with WG, the BAU option has not been taken forward for further economic / financial appraisal.

Iterative options of work scope have been reviewed between the Health Board and NHS Wales Shared Services Partnership Fire Officers since the commencement of the Phase Two business case, in order to establish a solution which improves the fire safety of the building and meets the requirements associated with the enforcement notice, while managing the impact and effect to patient care during the delivery of the works.

The reviewed options started with a full building review in order to make an assessment of the likely scale of works. In discussion with MWWFRS this has been rationalised to focus on the higher risk departments and patient sleeping risk areas. The resulting proposed scope of works and associated delivery programme has been endorsed by MWWFRS. Confirmation of their support has been received, providing the identified works are completed by July 2029. Based on discussions with MWWFRS, it is anticipated that the Enforcement Notices will be aligned with the proposed works programme.

4.3 Preferred Way Forward

The UHB must comply with the requirements of the fire enforcement notices resulting in only one viable option (i.e. the Do Minimum option). The Phase Two scope of works has been endorsed by MWWFRS and represents an option which ensures compliance with the Fire Enforcement requirements and sustains the hospital for the next 7 – 10 years subject to appropriate fire management and training to allow for the HDUHB Healthy Mid and West Wales strategy to come to fruition without the new hospital build.

The scope of fire safety upgrade works is described in detail within the Estates Annexe which accompanies this BJC and addresses the risks in the following areas;

- A&E
- Theatres
- ITU
- Non-ward areas with a direct relationship to patient sleeping risk, for example departments located below ward areas (with works taking place out of hours where practicable possible)

The capital and revenue implications of the preferred way forward are described in Section 6.0 (Financial Case) and the timescales are as described in Section 7.0 (Management Case).

5.0 Commercial Case

5.1 Procurement Strategy

The Phase One BJC was delivered via the Building for Wales framework which provided both project / cost managers as well as the main contractor / supply chain partner. Following the initial cost estimates and delivery experience from the previous supply chain partner, the Health Board requires a more agile and efficient model for procurement and construction delivery for works of this nature and scale and has therefore revised its procurement strategy for Phase Two

At the time of initiating Phase One, the works were of an emergency nature, and access for defining the works adequately was not possible. Initial approaches to market via the NHS Wales Building for Wales framework using the standard option C approach resulted in rejection by contractors / supply chain partners and the only route to market at that time was via the Building for Wales framework, with contract forms amended to NEC option E (cost reimbursable).

Whilst significant programme and cost increases were directly attributable to lack of scope and disruption due to access / working methods, reviews of Phase One have concluded that the significant increases in cost and programme could be bettered, and cost / time predictability improved, if an alternative route is pursued. The procurement approach therefore adopts a Design and Build model, offering greater control over design quality, programme certainty, and cost management.

Existing frameworks have been reviewed and the Southwest Regional Contractors Framework hosted by Carmarthen Council lot 4a (£4m - £7m) would appear to be appropriate for the value of the works. The framework lot contains local, medium sized contractors who are used to working for Hywel Dda in the live environment. The size of their organisations should also afford lower on costs than those on the National Building for Wales framework.

It is proposed that a dual tender process is followed with competitive tenders being received for inclusion within the BJC. One process will address the further fire stopping works not picked up during Phase One within the ward and non-ward spaces with patient sleeping risk and the second will include the external civils works required to comply with evacuation protocols.

The construction element of Phase Two will be procured through the Southwest Wales Regional Contractor Framework, ensuring compliance with public sector procurement standards and access to a pre-qualified, regionally focused supply chain. Under this revised model, the Health Board has separately procured a Fire Engineer-led Design Team to develop detailed designs

on its behalf. This team includes architectural, mechanical, and CDM co-ordination expertise. Part B has been separately appointed as the Fire Engineer-led Design Team.

The appointed contractor(s) will assume the role of Principal Contractor. The role of Principal Designer under the Construction (Design and Management) Regulations 2015 (CDM 2015) will be undertaken by the lead designer / team appointed directly by the Health Board. The contractor and its specialist subcontractors will work collaboratively with the Health Board's design team to finalise the design and deliver the works.

The revised procurement strategy is intended to:

- Enhance design quality through early engagement of a specialist-led design team
- Improve cost and programme certainty through a fixed-price contract structure
- Reduce delivery risk by aligning responsibilities and accountability
- Streamline delivery through integrated design and construction planning

To support this approach, the Health Board has moved from the previously used NEC Option E (cost reimbursable) contract – which was necessary during Phase One due to the high level of unknowns, to an NEC4 Option A (priced contract with activity schedule) for Phase Two. This contract form provides a clear pricing structure and incentivises efficient delivery, while maintaining flexibility to manage change through defined processes.

This change in strategy was informed by lessons learned during Phase One, where the inability to fully define the scope of works due to the extent of surveys required and the operational sensitivity of the hospital environment, necessitated a more flexible contract. With a more developed design and clearer scope now in place, the NEC4 Option A contract, combined with a Design and Build approach, provides a more robust and deliverable solution for Phase Two.

The tender process has concluded but marketplace not yet informed. The contractor will be selected by March 2026.

5.1.1 Contract Type

Contractual arrangements with all parties have been entered into using the NEC contract as prescribed under the Framework. Following a review of lessons learnt from Phase One, and the nature and accessibility of the works, an NEC Option A form has been selected. This aims to allow greater cost certainty over that provided under Phase One which was procured via Option E.

There are no key contractual clauses over and above the standard framework clauses (including Right to Work legislation), although requirements for AEDET, NEAT, BIM and BREEAM in relation to this project have been amended through local contract amendment and are not required.

The Health Board are aware of the forthcoming updates to the Building Safety Act and will review implications on the project accordingly.

The approach has been agreed with NWSSP SES and MWWFRS.

5.2 Service Requirements and Outputs

This BJC states a requirement for the delivery of the Fire Safety Precautions scheme under the NEC3 Engineering & Construction (ECC) Form of Contract (Option A) and the Southwest Wales Regional Contractor Framework.

A series of design proposals are available to support the functional content, based on Health survey reports and building notes and latest available guidance. A full copy of the latest version of the design proposals is included as an appendix to the Estates Annex.

The Phase Two works focus on the fire safety matters identified by MWWFRS in areas with a patient sleeping risk potential or proximity (i.e. mainly in ward and department areas).

A phasing methodology and approach to delivering the works has been agreed with the hospital management team and is further detailed within the Estates Annex. Works will progress in Ward, ITU and Theatre environments with spaces decanted to maintain effective hospital operations. Construction works will be completed on an area-by-area basis maintaining patient services.

5.3 Commercial Arrangements

This section details the proposed procurement approach and gives detailed consideration to the specific commercial arrangements required. The preferred funding option for the investment is via Welsh Government Funding as public funding is considered the only viable option for this scheme.

5.3.1 Contractual Arrangements

Following consultation with NWSSP SES, the Health Board has elected to adopt the NEC4 Option A contract (priced contract with activity schedule) for the delivery of the Phase Two works.

This contract type provides a clear and structured pricing mechanism, offering greater cost certainty and incentivising efficient delivery through a defined activity schedule. It is particularly suited to projects where the scope of works is sufficiently developed to allow for a fixed-price approach, as is now the case following the completion of detailed design work by the procured Fire Engineer-led Design Team.

This represents a strategic shift from the NEC Option E (cost reimbursable) contract used during Phase One. Option E was previously selected due to the high level of uncertainty and the inability to fully define the scope of works at the outset. While Option E allowed flexibility in managing unknowns, it also placed greater financial risk on the Health Board, as the contractor was reimbursed for actual costs incurred, plus a fee.

With the scope of Phase Two now better understood and defined, the move to Option A reflects a more balanced allocation of risk and a commitment to delivering the programme within a controlled financial framework. This approach supports the Health Board's objectives of achieving value for money, improving delivery assurance, and maintaining compliance with public sector procurement best practice.

5.3.2 Payment Arrangements

The Health Board have made, and will continue to make, payments to the externally appointed team in respect of products and services as follows:

- Appointments for Project Manager and Cost Advisor appointments have been made in line with NHS SBS and CCS Framework terms and conditions respectively;
- The fire engineer led design team appointment has been made in line with WPA (Welsh Procurement Alliance) Framework terms and conditions with an NEC Professional Services contract;
- The contracts will be managed by Hywel Dda University Health Board under the NEC4 Option A Priced contract with activity schedule with regards to the Principal Contractor appointment in line with South West Wales Regional Contractor Framework terms and conditions.

Following BJC approval the Project Bank Account will be activated.

5.3.3 Proposed Charging Mechanisms

At the completion of the projects there will be no ongoing service arrangements provided by the Procurement partner and therefore no recurring charges associated with project.

5.4 Quality Assurance / Standards Compliance

Upgrade works will be designed and installed in line with WHTM 05-02 where reasonably practicable. Where total compliance cannot be achieved, engineered judgement from competent fire safety specialists will be drawn upon to ensure compliance with the functional requirements of the regulations can be achieved. A full derogations schedule is included within the Estates Annex accompanying this BJC.

Due to the nature of the project, the existing building, and project scope of works, BIM level 2 will not be provided. A Common Data Environment and naming conventions of which the client team will be involved with, will be in place.

Following completion of the works, there will be a comprehensive fire and evacuation strategy for the Glangwili General Hospital.

Planning permission is not required due to the nature of the works. AEDET, NEAT and BREEAM are also not relevant to this scheme.

5.5 Personnel Implications

As this procurement is for construction only there are no Transfer of Undertakings (Protection of Employment) (TUPE) and Retention of Employment (RoE) implications.

The internal project management arrangements and requirements for specialist advice to support the design, procurement and delivery of the projects will be reviewed on an ongoing basis to ensure that adequate resources are available to deliver projects to the quality, cost and timelines required. The resource implications for the work packages are identified in the cost forms.

5.6 Potential for Risk Transfer

The general principle is that risks should be passed to “the party best able to manage them”, subject to value for money (VFM). The following table indicates where the responsibility for risk lies between public and private sector:

| Risk category | Potential Allocation | | |
|------------------------------------|----------------------|---------|--------|
| | Public | Private | Shared |
| Design Risk | ✓ | | |
| Construction and development risk | ✓ | | |
| Transition and implementation risk | ✓ | | |
| Availability and performance risk | ✓ | | |
| Operating risk | ✓ | | |
| Variability of revenue risks | ✓ | | |
| Termination risks | ✓ | | |
| Technology and obsolescence risks | ✓ | | |
| Control risks | ✓ | | |
| Residual value risks | ✓ | | |
| Financing risks | ✓ | | |
| Legislative risks | ✓ | | |
| Other project risks | ✓ | | |

Table 10: Risk Allocation Matrix

5.7 Accountancy Treatment

It is estimated that the impact on the Balance Sheet of the Health Board will be an increase in the value of fixed assets by **£TBC.**

6.0 Financial Case

6.1 Capital Costs

The purpose of this section is to set out the financial implications of the preferred option identified in the Economic Case and the proposed deal as described in the Commercial Case.

The capital cost forms supporting the fire protection upgrade works (comprising Fire Stopping, Civils / External Packages and Ward Refresh works) packages are included at Appendix 8 and summarised in the table below:

There is additional complexity and capital cost requirements associated with delivering the fire escape lift and proximity to the Moducel unit (housing critical IT infrastructure). The current recommendation is to reprovide the unit in an alternative location prior to construction commencing on the new fire escape lift which has increased the costs for this element of the project by circa £2.65M.

Through the scrutiny process the Health Board will be undertaking further work to explore whether alternative arrangements are possible to reduce the capital costs for this element of the project. It has been agreed with NHS Capital, Estates & Facilities (Deputy Director) to proceed with the approach as planned to allow all other aspects of the fire escape works to progress without any delay and give the time necessary to further review alternative opportunities.

Noting the above, the capital costs outturn at an estimated cost of **£19,983,109** including VAT.

The brief, scope, design and costs for the ward refresh works will be developed in conjunction with the appointed contractor for the Fire Precaution Upgrade Works during March and April 2026. Therefore an estimate of costs of £2,524,424 (including VAT and VAT reclaim) has been included resulting in a BJC total of **£22,507,533** (Table 12).

The cash flow is included in Table 11. Capital cost forms are included at Appendix 8. The quantified risk register is included at Appendix 10.

| 2022/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | Total |
|---------|---------|---------|---------|---------|---------|---------|----------------|
| £0.93M | £0.98M | £6.18M | £8.34M | £5.06M | £0.88M | £0.14M | £22.51M |

Table 11: Cash Flow

| Element | Capital Costs |
|---|--------------------|
| Works Cost – Fire Protection Upgrade Works | £5,143,279 |
| Works Cost – Civils Works Externally | £3,378,116 |
| Recovery of Sunk Costs from BJC 1 FY Years 22/23, 23/24 and 24/25 | £918,707 |
| Fees | £2,827,218 |
| Non-works Costs | £2,731,568 |
| Equipment | £30,000 |
| HDUHB Quantified Risk Contingency | £2,462,326 |
| Project Sub Total (excl. VAT) | £17,491,215 |
| VAT | £3,190,570 |
| VAT Reclaim | -£698,676 |
| BJC Total – Excluding Refresh Works | £19,983,109 |
| Refresh Costs – Cost Estimate (incl. VAT and VAT reclaim) | £2,524,424 |
| BJC Total – Including Refresh Works | £22,507,533 |

Table 12: Capital Costs

6.1.1 Capital Cost Assumptions

The following assumptions have been made in developing the capital costs for the PBC:

- Capital costs – costs are escalated with published and assessed inflation for the duration of the project;
- Location Factor – 0.97 (all costs indexed to site location);
- Works Cost:
 - Fire Protection Upgrade Works: based on tenders received, currently being evaluated, it is anticipated the accepted tender will be notified by mid-March.
 - Civils Works Externally: based on tenders received, currently being evaluated, it is anticipated the accepted tender will be notified by mid-March.
- Professional Fees – based on returned tenders and best estimates for smaller consultant's services;
- The internal project management costs associated with the development of this business case have been included in the professional fees.
- Project Risk Contingency – based on quantified risk register (Appendix 10) equating to 17.45% of combined works, fees and non-works costs;
- VAT recovery. An assessment will be made of potential VAT recovery with the Health Board's VAT advisors with opportunities for VAT recovery maximised as follows;
 - Fees: 100%

- Fire Protection Upgrade Works: 25%
- Civils Works Externally: 0%
- Refresh Works:
 - Works cost based on an indicative scope produced by HDUHB and an estimate of costs based on WGH Phase 2.
 - An assessment will be made of potential VAT recovery with the Health Board's VAT advisors with opportunities for VAT recovery maximised as follows;
 - Fees: 100%
 - Works Cost: 40%

6.1.2 Changes in Capital Cost Assumptions from PBC

At PBC stage, a series of technical surveys were undertaken to allow initial assessments and assumptions of the required works to be made. It was acknowledged that the full extent of works could not be fully determined at that stage and that more detailed analysis of requirements at BJC stage would refine the assumptions.

As described in section 3.5.3 there have been changes in the Phase Two scope of works which have reflected lessons learnt during the Phase One programme, therefore, a direct comparison in cost assumptions from PBC has not been included.

6.2 Revenue Implications and Affordability

For the purposes of this business case it has been assumed that there will be no additional recurrent pay and non-pay costs, with the exception of capital charges attributable to the delivery of the programme. The Health Board's assumption is that capital charges including increased depreciation and any impairment charges on completion will be fully funded by Welsh Government.

The estimated Annually Managed Expenditure (AME) Impairment charge is **£TBC** and annual Departmental Expenditure Limit (DEL) depreciation charge is **£TBC**.

6.3 Funding Arrangements

This project requires further funding from the Welsh Government NHS All Wales Capital programme.

7.0 Management Case

This section of the BJC demonstrates the approach that HDUHB will take to support the delivery of the programme in accordance with best practice. The programme management arrangements are aligned with those described in the Estates Infrastructure Programme Business Case ensuring that the Health Board are able to make progress against the identified key priority areas but also have sufficient flexibility to respond to changing requirements.

7.1 Programme Management Arrangements

The programme management structure within which this project sits, is aligned with the Business Continuity (Major Infrastructure) Programme Approach which has been formally constituted and established in line with best practice (Managing Successful Programmes) and will be managed in accordance with PRINCE 2 methodology.

The programme of works identified within this business case will be managed via the Health Boards central capital projects team

The Estates Infrastructure Programme Board will provide strategic direction in order to develop the specific capital investment proposals within this Business Justification Case and ensure that these are aligned with the Business Continuity (Major Infrastructure) PBC. Progress will be reported to the Health Board via the Capital Sub-committee.

7.1.1 Programme Roles and Responsibilities

The Health Board Executive Director of Strategy and Planning is the formal Senior Responsible Officer (SRO) and will ensure that the programme meets its overall objectives and delivers its expected benefits. The Programme Director Major Infrastructure Projects is the Programme Director who will be responsible for the successful delivery of all projects within the programme. The Capital Development Manager is the Estates lead overseeing operational delivery of the project.

| Role | Responsibility |
|---------------|--|
| Project Board | <p>Responsible for successful delivery of the Programme to meet requirements of MWWFRS</p> <ul style="list-style-type: none"> • Monitor programme / project plan for completion at key stages in capital investment process and monitor on a monthly or as required basis; • Provide strategic leadership and direction to the Delivery Team; • Approve project plan for completion of key stages and monitor on behalf of HDUHB; |

| Role | Responsibility |
|---------------|---|
| | <ul style="list-style-type: none"> • Provide a challenge mechanism for the project; • Receive project reports and outputs ensuring sufficient detail is provided; • Progress strategic specific issues and monitor the associated work programmes; • Support the development of technical briefs and outline design in conjunction with the Delivery Team; • Ensure that there are adequate project management arrangements in place; • Brief WG / MWWFRS on a regular basis to ensure good communication and understanding of project; • Monitor capital costs; • Support and guide the development of the technical documentation for the BJC in support of the delivery team and approval of the Health Board. |
| Delivery Team | <p>Responsible for delivering the projects</p> <ul style="list-style-type: none"> • Develop programme / project plan for completion at key stages in capital investment process and monitor on a monthly or as required basis; • Implementation of project plan activities on a daily basis; • Develop and monitor project planning, phasing and sequencing programme; • Manage associated work programme; • Provide operational and technical lead for the site; • Communicate with the site operational managers and master planning team; • Ensure suitable project management arrangements are in place; • Implement project systems and controls e.g. risk, change management; • Issue regular progress reports to the Programme Board; • Develop capital costs; • Develop BJCs; • Participate in internal and external audit processes. |

Table 13: Programme Roles and Responsibilities

7.1.2 Use of Special Advisors

The following team of specialist advisors has been appointed by the Health Board.

| Advisor | Responsibility |
|-------------------------------|------------------------------------|
| Mace | Project Management |
| Lee Wakemans Management | Quantity Surveyors / Cost Advisors |
| Strategic Healthcare Planning | Business Case Authors |
| Part B | Lead Designer & Fire Engineer |
| RIO | Architect |
| McCann | Building Services and M&E |

| Advisor | Responsibility |
|-----------|-------------------------|
| Cambria | Civils and Structures |
| Green Hat | CDM Consultant |
| TBC | Main Contractor |
| TBC | Principal M&E Installer |
| TBC | NEC Supervisor |

Table 14: Specialist Advisors

7.2 Programme Milestones

Given the locations and concealed nature of the works, full exposure of the as-built arrangements and conditions will be required to fully assess the scope of works and establish accurate timescales for their execution. Temporary or permanent diversions to existing services may also be required to facilitate access to the works. Indicative allowances and assumptions have therefore been made for certain elements.

The programme takes account of these assumptions and is built up using quantitative analysis of surveyed information for representative work sections and relative allowances for other sections based on size and complexity.

A detailed programme is included in Appendix 9 with key milestones summarised in Table 15:

| Milestone | Time |
|--|--|
| Business Justification Case submission to WG | 26 March 2026 |
| WG Approval | 03 June 2026 subject to WG election period |
| Phase 2 Delivery Programme | |
| External Civil Works | 17 August 2026 – 19 November 2027 |
| Main Firestopping Works Commencement | 17 August 2026 |
| Works Completion: Decant areas | 25 May 2029 |
| Works Completion: Non-decant areas | 04 May 2029 |
| Works Completion: Non-fire stopping works | 19 November 2027 |
| Contract Completion (including demobilisation and float) | 20 July 2029 |

Table 15: Programme Milestones

7.2.1 Phasing Strategy

The programme has been discussed with hospital stakeholders and a detailed approach to the works has been developed following feedback. Engagement will continue throughout the construction phase with monthly updates and the preparation of lookahead programmes that will clearly identify current and forthcoming works in the short term.

For the main hospital building, each of the areas for required works are divided into manageable works sections. Dedicated teams will carry out the works moving progressively from one section to the next in a focused and efficient manner. Ward works have been phased to follow the completion of works to the decanted wards to maintain patient flow where possible and to minimise disruption to the operation of the hospital.

Using this process in conjunction with the proposed phasing strategy, the following construction timescales have been developed to ensure minimum disruption and congestion wherever possible:

| Phase | Duration | Indicative Dates |
|--|-----------|-------------------------|
| External Civil Works | | |
| Block 4 Lift | 66 weeks | 17/08/2026 – 19/11/2027 |
| External Lift | 64 weeks | 17/08/2026 – 05/11/2027 |
| Cat Ladder | 16 weeks | 12/10/2026 – 29/01/2027 |
| Bridge | 26 weeks | 09/11/2026 – 07/05/2027 |
| Main Firestopping Works | | |
| Decant Areas (Lolfa, Steffan, Dewi, Cadog, Towy Wards, CCU, Gwenllian, Pardarn, Dinefwr, Antenatal, Cilgerran Wards, PACU), iddau, Merlin, Derwen, Picton, Teifi, Wards) | 145 weeks | 17/08/2025 – 25/05/2029 |
| Non-Decant Areas (A&E, CDU, Tysul, Corridor 1, 2, & 3, Endoscopy, Theatre 6, ITU, DSU, CSSD/HSDU, Preili, Aberglasney, Cleddau Wards, Block 10/11 Resi/Office, | 142 weeks | 17/08/2025 – 04/05/2029 |

Table 16: Phasing Plans

7.3 Arrangements for Contract Management

This will be administered under the NEC4 Option A contract (priced contract with activity schedule), with Southwest Wales Regional Framework amendments for both the Project Manager and Cost Advisor.

The design and construction contract for the Principal Contractor will be administered under the NEC4 Option A contract (priced contract with activity schedule).

7.4 Arrangements for Change Management

The Health Board recognises the challenges associated with delivery of these works whilst maintaining an operational site.

The works will be implemented in a systematic way that causes the least disruption to services. The project structure has been established to implement the necessary changes and ensure operational management leadership remains central to this.

To take this process forward working groups have been established during the development of the BJC involving the key hospital managers and nursing heads, or delegated leads. These groups will be fully consulted with regards to any changes to the works that may impact the provision of health services on the Glangwili site. Any fundamental changes to the project scope or timeline will be authorised in advance by the Project Director and established Project Board.

7.5 Risk Management

There are a number of objectives from the implementation of a robust risk management process. The key objectives are as follows:

- **Secure predictability:** by analysing the risks, greater insight can be gained into the likelihood of successfully delivering the project within budget, on programme and to the required quality;
- **Manage the risk exposure proactively:** a clear understanding of the threats and opportunities will ensure that robust mitigation strategies can be put in place and opportunities are realised. This significantly reduces the chance of failure through a constant reassessment of the project's risk profile;
- **Define mitigation strategies:** provide clear mitigation strategies and action plans which are to be addressed by the appropriate owners;
- **Ensure opportunities are both identified and realised;**

- Address contingency management: ensure that the contingency of both client and contractor allowances are managed, providing adequate cover for identified risks. If the opportunity arises to release contingency back in to working capital this should be addressed in line with the requirements of the project.

Risk management helps with matters of cost control and with overall project delivery by assessing potential problems and formulating mitigation measures through the implementation of a structural approach so that:

- Potential risks to a project are identified;
- Management action plans are drafted as a response to the risks;
- Contingencies can be allocated to reflect identified risks;
- An audit trail is produced for the decisions taken;
- There is increased team understanding of the project and of the implications of certain courses of action;
- Risk events are responded to more swiftly and effectively.

Risk management will be an ongoing project control measure that encourages all participants to be proactive in identifying areas of concern and potential risk that can, when identified at an early enough stage, be managed to reduce / eradicate the impact on the programme.

A comprehensive risk register is in place which has been ratified following a workshop including all of the delivery team members, HDUHB estates and operations team and importantly, the key stakeholders representing the hospital nursing / operational teams.

7.5.1 Risk Register

The risk register is a management tool that logs potential risks to the programme, primarily driven by health and safety, cost, programmes delays or any other risks that may be relevant to its successful completion.

The register is a live document and will be updated at regular intervals in Project Team and Board meetings as appropriate. The Project Manager will manage and retain ownership of the risk register throughout the programme. The risk register will be updated by both adding newly identified risks and reallocating risk funds where activities no longer pose risk. The risk register records and logs details of any item or event which is considered by the project team to put the objectives of the programme at risk (Appendix 10).

7.5.2 Main Risks

The main risks were reviewed at a workshop with clinical and operational service representation. The main risks (risk score 16 and above) are identified in the following table:

| Risk | Mitigation Measure |
|--|---|
| Strategic / Planning / Programme Risks | |
| <p>Hospital activities impact on proposed phasing or programme of works.</p> <p>Hospital unable to release non-ward areas in accordance with the programme due to clinical needs of patients.</p> <p>Hospital activities affecting access for designer or contractors.</p> | <p>Early engagement with the Hospital and Management Teams to discuss requirements and expectations as well as define phasing strategy.</p> <p>Ongoing coordination between project team and HB during construction phase.</p> <p>P2 works planned on basis of single internal decant ward. Consideration for expanding decant to 2 wards to support effective programme.</p> <p>Non-Decant areas works to planned based on rolling programme</p> <p>Engagement of seconded estates and nursing team member to project to ease comms.</p> |
| <p>There is a risk that the project will be impacted by delays in governance/approvals/market interest/tender returns etc.</p> | <p>Health Board to liaise with Boards, NWSSP and WG to mitigate delay risk. Board approval dates contained on current programme.</p> |
| <p>Limit on decant availability for non-ward areas of the campus (offices, clinic rooms).</p> | <p>Health Board consider alternative accommodation to support programme efficiencies and betterment.</p> <p>Reconsider strategy for supporting 'estates' works during time pressured fire programme.</p> |
| <p>Timing of BJC submission to Welsh Gov coincides with Purdah period associated with government elections in 2026 and consequential hiatus in approval of business cases. Delay to submission and therefore approval of BJC.</p> | <p>Programme re baselined to accommodate likely delay resultant from Purdah. Consideration of enabling works at risk to prepare for delivery of main works programme, pending BJC approval. Scrutiny comments may be delayed - consider early submission.</p> |
| Design Risks | |
| <p>Limitations to scope in ITU due to service congestion above ceiling not acceptable to MWWFRS and requires action</p> | <p>Proactive engagement with MWWFRS to ensure scope well accepted and understood. Derogation schedule to reflect. Assumptions made where access not available.</p> |
| Site and Construction Risks | |
| <p>There is a risk that unknown hazardous materials (including asbestos) will be discovered in the existing buildings.</p> | <p>Identification of findings to client team and if necessary execute additional Asbestos etc surveys before commencement of works. Time and cost allowance to be made in BJC.</p> <p>Health Board to release existing Asbestos registers.</p> |

| Risk | Mitigation Measure |
|---|---|
| | Unknown scenarios, i.e. area which cant be accessed to survey in advance, to be managed through contract administration. |
| Live services impeding the Works and inability to isolate or relocate. | Unknown scenarios, i.e. area which cant be accessed to survey in advance, to be managed through contract administration or approved derogation item as done with Phase 1 examples. Service Isolations confirmations to be provided by HB. Pre-works survey to identify areas which may need to be considered for derogation if too difficult. |
| Concerns from the HB regarding the new external lift's proximity to the existing IT container and potential damage. | HB developing costs etc. to relocate |
| Lifting and loading operations - risk of materials craned into the courtyard falling or damaging buildings. | Contractor methodology and CPP need to take account for this. Lift operations reviewed with HB prior to lifts |
| IT hub services removal by HB not in line programme | HB to ensure timescales are clearly understood. Float to be included on programme. |

Table 17: Main Risks

7.6 Benefits Realisation

The main benefit from this project will be HDUHB compliance with fire enforcement notices avoiding any further legal action and ensuring delivery of patient services can be sustained. Additional benefits in relation to reduced backlog maintenance and a comprehensive concise fire strategy for the site will also be realised.

7.7 Programme Assurance

7.7.1 Risk Potential Assessment

The impact of the programme has been scored against the risk potential assessment (RPA) model (Appendix 10). The project has been assessed as low risk which will continue to be monitored via the Project Board and escalated as required.

7.7.2 Equality and Health Impact Assessment

Due to the nature of this BJC, the Health Board has determined that an Equality and Health Impact is not required. Ensuring that buildings are compliant with fire safety regulations will improve the safety for all patients, staff and visitors to the hospital.

7.7.3 Integrated Impact Assessment

Due to the nature of this BJC, the Health Board has determined that an Integrated Impact Assessment (IIA) is not required.

As an infrastructure upgrade project there are no long-term impacts anticipated, however there will be disruption to services during the delivery phase of the works. The aim is to minimise this impact and a communications plan is being developed to keep staff informed throughout the duration of the works.

7.7.4 Integrated Assurance and Approval Plan

Capital audit will be undertaking audits of the scheme in accordance with the HB Audit and Risk and Assurance Committee requirements. This will provide assurance on the effectiveness of governance and risk management arrangements and will maintain an appropriate financial focus (Appendix 13).

7.8 Post Project Evaluation

The Programme Board will ensure that post project evaluation will be undertaken in accordance with Welsh Government requirements.

The Health Board is committed to ensuring that a thorough and robust post-project evaluation (PPE) is undertaken to ensure that positive lessons can be learnt from the project. The lessons learnt will be of benefit to:

- HDUHB – in using this knowledge for future projects including capital schemes;
- Other key local stakeholders – to inform their approaches to future major projects;
- The NHS more widely – to test whether the policies and procedures which have been used in this procurement are effective.

PPE also sets in place a framework within which the benefits realisation plan can be tested to identify which benefits have been achieved and which have not. NHS guidance on PPE has been published and the key stages which are applicable for this project are:

- Evaluation of the project procurement stage;
- Evaluation of the various processes put in place during implementation;
- Evaluation of the project in use shortly after the works are completed.

7.8.1 Stage 1 Evaluation: Project Procurement

The evaluation at this stage will examine:

- The effectiveness of the project management of the scheme;
- The quality of the documentation prepared by HDUHB;
- Communications and involvement during procurement;
- The effectiveness of advisers utilised on the scheme;
- The efficacy of NHS guidance in delivering the scheme;
- Perceptions of advice, guidance and support from:
 - Welsh Government;
 - NWSSP – Estates.

It is planned that this evaluation will be undertaken within four months of BJC approval.

7.8.2 Stage 2 Evaluation: Implementation

The evaluation at this stage will examine:

- The effectiveness of HDUHB project management of the scheme;
- The effectiveness of the PSCP project management of the scheme;
- Communications and involvement during commissioning;
- The effectiveness of the joint working arrangements established by the project partner and the project team;
- Support during this stage from other stakeholder organisations – Welsh Government, Welsh Health Estates and any others as appropriate;

It is planned that this evaluation will be undertaken six months following works completion.

7.9 Contingency Plans

There are no contingency plans should this project fail to achieve approval. The Health Board are at risk of receiving further enforcement notices which would impact on delivery of all hospital services.

8.0 Conclusion and Recommendations

This business case sets out the required actions for Hywel Dda University Health Board to be compliant with fire safety regulations and remove the remaining enforcement notices.

The business case has described the proposed approach to the works which aims for completion of the Phase Two works by July 2029 (dependent on works commencing in August 2026).

The Health Board must comply within the stipulated timeframe set by the Mid and West Wales Fire and Rescue Service or risk further legally binding enforcement action. It is noted that the delivery programme extends the timelines stipulated within the Enforcement Notices, however it is anticipated that MWWFRS will align the notices with the proposed programme of works.

It is requested that Welsh Government approve this business case based on the proposed cost and approach to delivery of work.

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9.0 Glossary of Abbreviations

| Abbreviation | Definition |
|--------------|---|
| AHMWW | A Healthier Mid and West Wales: Our Future Generations living well |
| AME | Annually Managed Expenditure |
| BGH | Bronglais General Hospital |
| BJC | Business Justification Case |
| BRE | Building Research Establishment |
| BWIC | Builders Work in Connection |
| CDM | Construction (Design and Management) |
| CEIMTS | Capital, Estates, Information Management and Technology sub-committee |
| CSF | Critical Success Factor |
| DEL | Departmental Expenditure Limit |
| ECC | Engineering and Construction |
| FDS | Fire/Smoke Dampers |
| FM | Facilities Management |
| GEM | Generic Economic Model |
| GGH | Glangwili General Hospital |
| GIFA | Gross Internal Floor Area |
| HDUHB | Hywel Dda University Health Board |
| IHP | Integrated Health Projects |
| IIA | Integrated Impact Assessment |
| IM&T | Information Management and Technology |
| MWWFRS | Mid and West Wales Fire and Rescue Service |
| NEC | New Engineering Contract |
| NHS | National Health Service |
| NWSSP SES | NHS Wales Shares Services Partnership Specialist Estates Services |
| PBC | Programme Business Case |
| PPE | Post Project Evaluation |
| PPH | Prince Philip Hospital |
| PSCP | Principle Supply Chain Partner |

| | |
|------|---|
| RoE | Retention of Employment |
| RPA | Risk Potential Assessment |
| SCP | Supply Chain Partner |
| SES | Specialist Estates Services |
| SRO | Senior Responsible Officer |
| TBC | To Be Confirmed |
| TUPE | Transfer of Undertakings (Protection of Employment) |
| UHB | University Health Board |
| VAT | Value Added Tax |
| VFM | Value for Money |
| WGH | Withybush General Hospital |
| WG | Welsh Government |
| WHBN | Welsh Health Building Note |
| WHTM | Welsh Health Technical Memoranda |

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