

**PWYLLGOR ADNODDAU CYNALIADWY
SUSTAINABLE RESOURCES COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	25 February 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	All-Wales Capital Programme 2024/25 Capital Resource Limit and Capital Financial Management Update
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Sarah Welsby, Senior Finance Business Partner Planning and Major Projects

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Gwybodaeth/For Information

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

This update report is presented to the Sustainable Resources Committee to:

- Note the 2024/25 Capital Resource Limit (CRL)
- Note the risks being managed
- Note the project updates
- Note and scrutinise the potential revenue consequences of capital schemes

Cefndir / Background

This report provides an update on the CRL for 2024/25

Asesiad / Assessment

Capital Resource Limit 2024/25

The CRL for 2024/25 has been issued with the following allocations:

Allocation	£'m
All Wales Capital Programme (AWCP)	34.411
Discretionary Programme (gross allocation)	6.216
IFRS 16 Leases	1.925
Total	42.552

Since the last report the following amendments have been made to the CRL:

Scheme	£m	Description
Diagnostic and Medical Equipment 2024-25	4.047	Funding for bids against end of year monies
Glangwili Laundry hub - Transfer from NWSSP	0.076	Funding transferred from NWSSP for the refurbishment of the laundry building at Glangwili
Digital Equipment - December 2024-25	0.480	Funding for bids against end of year monies
Transfer from PHW for refurbishment of molecular laboratory	0.102	Transfer of funding from Public Health Wales for refurbishment of the molecular laboratory on the Glangwili site
Commercial Research Delivery Wales (CRDW) Equipment Call 2024-25	0.007	Equipment funded through CRDW.
Year End Funding – January 2025	1.308	Funding for bids against end of year monies
Year End Funding – January - Digital - 2025	0.600	Funding for bids against end of year monies
Diagnostic Equipment 2024-25	(0.717)	Slippage of funding into next financial year to reflect project timeline slippage on the installation of replacement fluoroscopy equipment at Withybush
IFRS 16 Leases	1.307	Funding for capitalisation of leases
Total	7.210	

Capital Expenditure Plan

The following table shows the capital expenditure plan for 2024/25 with expenditure incurred to date:

Scheme	Planned Spend 2024/25 £m	Cumulative Spend Apr - Jan £m	Spend Jan £m	Remaining balance £m
AWCP				
Estates Funding Advisory Board (EFAB) - Infrastructure	2.859	1.766	0.173	1.093
EFAB - Fire	1.091	1.034	0.050	0.057
WGH - RAAC Works	5.453	4.053	0.252	1.400
GGH - Fire Enforcement Phase 1	7.967	7.484	0.385	0.483
GGH - Fire Enforcement works - Phase 2 - Fees	0.055	0.047	0.003	0.008
Cross Hands Health and Wellbeing Centre	0.190	0.190	0.007	0.000
BGH Digital Radiology X-Ray works	0.290	0.239	0.001	0.051
Diagnostic Equipment 2024-25	2.651	1.288	0.017	1.363
Backlog Maintenance - 2024-25	3.245	0.664	0.092	2.581
DPIF - RISP	0.224	0.073	0.066	0.151
Fishguard Health and Wellbeing Centre	0.070	0.000	0.000	0.070
Year End Funding – October 2024	1.474	0.000	0.000	1.474

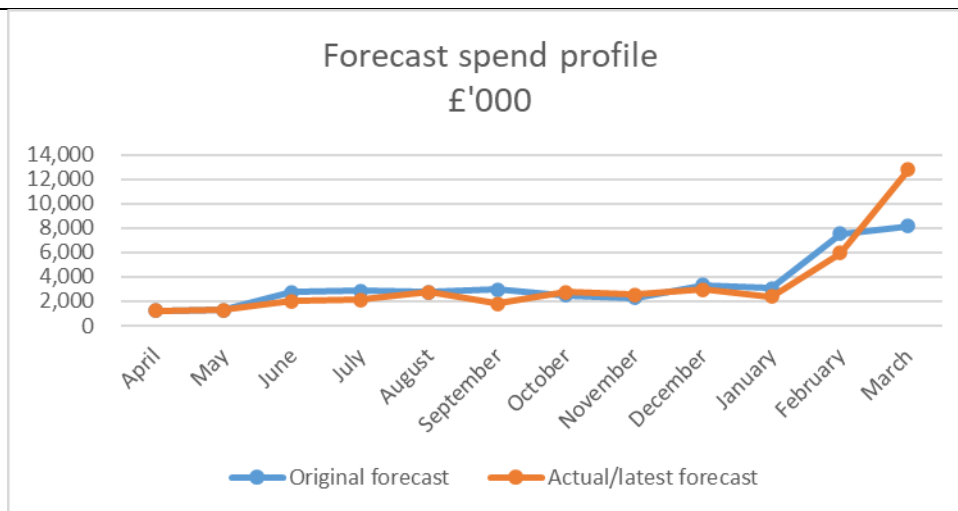
Aberystwyth Sexual Assault Referral Centre	0.708	0.018	0.009	0.690
Picton Terrace	1.150	0.000	0.000	1.150
DPIF - Electronic Prescribing and Medicines Administration (EPMA)	0.500	0.000	0.000	0.500
Diagnostic and Medical Equipment 2024-25	3.915	0.723	0.173	3.192
Glangwili Laundry hub - Transfer from NWSSP	0.076	0.004	0.004	0.072
Digital Equipment - December 2024-25	0.480	0.480	0.480	0.000
Transfer from PHW for refurbishment of molecular laboratory	0.102	0.000	0.000	0.102
Commercial Research Delivery Wales (CRDW) Equipment Call 2024-25	0.007	0.000	0.000	0.007
Year End Funding – January 2025	1.308	0.000	0.000	1.308
Year End Funding – January - Digital - 2025	0.600	0.000	0.000	0.600
Sub-total AWCP	34.415	18.063	1.712	16.352
Discretionary				
IT	1.350	0.778	0.343	0.572
Equipment	1.298	1.164	0.031	0.134
Estates – Statutory	0.450	0.173	0.016	0.277
Estates Infrastructure	2.265	0.866	0.034	1.399
Other	0.849	0.849	0.250	0.000
Sub-total Discretionary	6.212	3.830	0.674	2.382
IFRS 16 Leases	1.925	0.524	0.000	1.401
TOTAL	42.552	22.417	2.386	20.135

Further details on the revenue consequences of these schemes are noted in **Appendix 1**.

Expenditure Profile Forecast

The below chart shows current forecast expenditure compared with the original forecast. Expenditure for January was slightly higher than forecast.

The increased expenditure forecast for March is driven by end of year funds provided by WG, with c £5.9m additional funds received since the start of December 2024.



FINANCIAL RISKS ASSOCIATED WITH CAPITAL SCHEMES IN 2024/25

End of Year Funding Allocations

The additional capital funding received since early December will address some of the significant backlog replacement liability which the Health Board has, however there may be a risk associated with the delivery of some of these goods by the 31 March 2025.

The procurement team are working with Directorates and suppliers to ensure that firm delivery dates are received for all items. Close monitoring will occur to ensure that if there are any risks identified, mitigating measures are put in place to ensure that capital spend is maximised.

A risk has been raised on the Corporate Risk Register to highlight the risk of underspending against our CRL. This is currently scored at a 12.

Equipment to be Vested or Bonded at Year-End

All suppliers have provided assurances to the Procurement team that any orders made can be fulfilled in full by the end of March, however given the high value of spend remaining there is a risk that transfer of title documents may need to be completed if suppliers experience issues in delivering before the 31 March 2025.

There are currently two capital schemes where transfer of titles will be required: -

- Withybush Hospital (WGH) Fluoroscopy Scheme – Equipment to be purchased in 2024/25 and enabling works will occur in 2025/26
- Electronic Prescribing and Medicines Administration (EPMA) equipment – Equipment to be purchased in 2024/25 with a rolling programme to deliver across hospital sites in 2025/26

Impact of Inflation

The Health Board continues to experience the impact of inflation with tendered costs exceeding previous price estimates.

Where bids are made for AWCP funding, discussions are held with WG with regard to the potential impact of inflation between pre and post tender contractual awards and the means available to manage that risk such as an additional contingency held by WG.

For any schemes which are delivered via alternative funding sources such as the DCP additional contingency allowances are made to account for the uncertainty associated with inflation.

CAPITAL SCHEME UPDATES (SCHEMES GREATER THAN £1M)

GGH Fire Compliance Work

Work commenced on site in January 2022 and the current accepted programme forecasts a completion date of 14 February 2025. The original expected completion date was April 2023.

Cross Hands Health & Wellbeing Centre (HWBC)

Following recent WG correspondence, the Health Board is reviewing the Full Business Case, which is under development, to ensure that it is deliverable within the new guidance issued on budgetary constraints by WG in September 2023.

WGH Reinforced Autoclaved Aerated Concrete (RAAC) Works

Extensive work has been undertaken at Withybush to make safe the roof following surveys assessing the extent of RAAC used in its original construction. £12.8m has been awarded by WG to undertake the works. Works required to six of the affected wards were completed by March 2024. The remaining works are due to complete in March 2025. Forecast costs for the remainder of the project were robustly reviewed as part of the CRL fixing process and £0.5m of the original funding returned to WG.

Bronglais Chemotherapy Day Unit

Work on a new Chemotherapy Day Unit at Bronglais Hospital commenced in May 2024. The scheme will remodel part of the existing floor area and repurpose accommodation to ensure the needs of staff and patients are met to deliver a modern and welcoming facility. The majority of the scheme has been funded via charitable funds with a £0.32m contribution from the Health Board's discretionary capital programme.

Aberystwyth Sexual Assault Referral Centre (SARC)

Following WG approval of the business case for the Aberystwyth SARC, £3.354m funding has been provided with work starting in January 2025 and due to complete in 2025/26. Forecast costs for the current year are £0.7m.

Argymhelliad / Recommendation

The Sustainable Resources Committee is requested to:

- **NOTE** the CRL for 2024/25
- **NOTE** the capital risks being managed

- **NOTE** the project updates.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.5 Receive assurances over the delivery of the financial plan. This will be achieved through scrutiny of the monthly finance report. This report shall ensure clarity in: 3.5.3 Performance against other financial metrics, such as cash management, capital management and Public Sector Payment Policy.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Corporate Risk 1196 - not be able to provide safe, sustainable, accessible and kind services. This is caused by insufficient investment to ensure we have appropriate facilities, medical equipment and digital infrastructure of an appropriate standard. Score 16 Corporate Risk 2000 – risk of underspending against Capital Resource Limit in 2024/25. Score 12
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	3. Striving to deliver and develop excellent services 6. Sustainable use of resources
Amcanion Cynllunio Planning Objectives	8 Estates plans 9 Digital plan
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	9. All HDdUHB Well-being Objectives apply

**Gwybodaeth Ychwanegol:
Further Information:**

Ar sail tystiolaeth: Evidence Base:	Capital Allocation and prioritisation process. Capital Investment procedure and all relevant Welsh Government guidance.
Rhestr Termiau: Glossary of Terms:	Contained within the body of the report.
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Capital Monitoring Forum Capital Planning Group Individual Project Boards of Capital Schemes Welsh Government Capital Review Meeting Capital Sub-Committee

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Capital values noted within the report. Included within individual business cases and Capital prioritisation process.
Ansawdd / Gofal Claf: Quality / Patient Care:	Included within individual business cases and Capital prioritisation process
Gweithlu: Workforce:	Included within individual business cases and Capital prioritisation process
Risg: Risk:	Risk assessment process is integral to the capital prioritisation process and the management of capital planning within HDdUHB
Cyfreithiol: Legal:	Included within individual business cases and Capital prioritisation process
Enw Da: Reputational:	Included within individual business cases and Capital prioritisation process

Gyfrinachedd: Privacy:	Included within individual business cases and Capital prioritisation process
Cydraddoldeb: Equality:	Included within individual business cases and Capital prioritisation process