

PWYLLGOR CYLLID FINANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	28 April 2020
TEITL YR ADRODDIAD: TITLE OF REPORT:	Update on All-Wales Capital Programme - 2019/20 Capital Resource Limit and Capital Financial Management
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Executive Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Huw Thomas, Executive Director of Finance

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 Finance Committee to

- Note the 2019/20 Capital Resource Limit and unaudited out-turn position
- Note the impact of Covid 19 on the 2019/20 CRL
- Note the Capital Resource Limit for 2020/21
- Note the value of capital expenditure currently committed to deal with Covid 19 for 2020/21

Cefndir / Background

Further to previous update reports to Finance Committee and the Capital, Estates and Information Management & Technology Sub-Committee (CEIM&TSC), this report provides the outturn position on the CRL for 2019/20 and opening position for 2020/21.

Asesiad / Assessment

Capital Resource Limit 2019/20

The final CRL issued for 2019/20 was £40.295m.

The following adjustments to the CRL were made in March 2020.

Additional All Wales Capital programme funding for:

- Additional end of year funding (equipment) - £0.675m
- Funding to install solar panels - £0.113m
- ICF Funding for South Pembrokeshire Project - £0.015m

As the Covid 19 pandemic has unfolded over the last 4-6 weeks it has impacted on the Health Board's ability to deliver against certain capital projects and also resulted in the Health Board incurring additional capital costs.

Ongoing discussions with Welsh Government over this period around the Covid 19 position has resulted in adjustments being made to the 2019/20 CRL to account for these changes.

Allocation adjustments	£m	Comments
DCP Allocation		
DCP Equipment	(0.217)	5 items of equipment unable to be delivered by 31/3 due to supply chain issues around Covid 19
DCP IT	(0.445)	Equipment deliveries from China delayed due to Covid 19
DCP Estates	(0.113)	Schemes unable to be completed by 31/3 due to Covid 19 preparations on acute sites, contractors unwilling to complete work due to Covid 19 risks and material unavailability due to supply chain issues relating to Covid 19
Total DCP adjustment	(0.775)	
AWCP Allocation		
Statutory Fire and Estates allocation	(0.315)	As per DCP Estates note above
Total AWCP adjustment	(0.315)	
CRL adjustment before Covid 19	(1.090)	Provided back to HDUHB in 2020/21 CRL
Covid 19 Expenditure in 2019/20		
IT	0.105	
Equipment Field Hospital/Community	0.283	
Equipment Acute	0.040	
Sub-total Covid expenditure 2019/20	0.428	
TOTAL CRL Adjustment	(0.662)	

A total of £1.090m capital resource was handed back to Welsh Government for 2019/20 schemes. This reduction in resource for 2019/20 has been added to the Health Board CRL for 2020/21.

Additional capital costs associated with the Health Board preparations to deal with the pandemic resulted in £0.428m of capital expenditure being incurred before the 31/03/2020, Welsh Government have added this resource to our CRL for 2019/20. This resulted in a net reduction of £0.662m to the 2019/20 CRL.

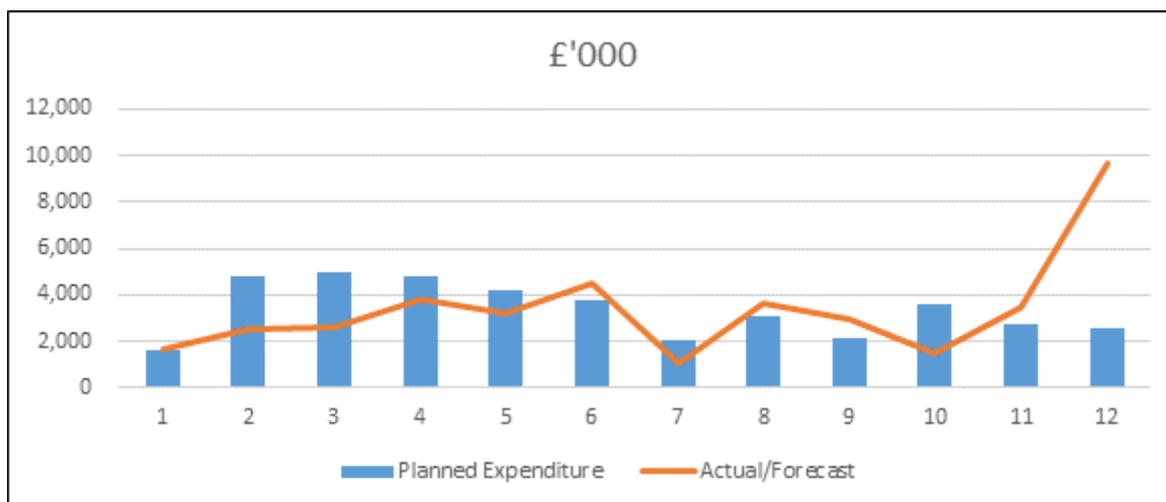
In addition to the resource allocated through the CRL the Health Board is able to spend the net book value of assets disposed in the year and make capital purchases through donations:

Allocation	£m
All Wales Capital Programme	33.787
Discretionary Programme	6.508
CRL	40.295
Net Book value of disposals	0.323
Donated and Granted purchases	1.099
Total Resource available	41.717

Against this resource the unaudited expenditure position for the year is currently £ 41.685m; an underspend of £0.032m

Expenditure	£m
AWCP	
Bronglais MRI	4.430
Women & Children Phase II	11.052
Ward 9/10, Withybush	1.892
Aberaeron Integrated Care Centre	1.136
Cardigan Integrated Care Centre	9.059
Cross Hands	0.907
Imaging	1.333
Digital	0.939
End of Year Medical Equipment	1.696
Other AWCP	0.567
Covid 19	0.428
Sub-total	33.439
Discretionary	
Equipment	2.700
IM&T	1.419
Estates Infrastructure	0.645
Estates Statutory	0.451
Capital Support	0.291
Business Case Development	0.308
Contingency	0.298
Estates Development	1.035
Sub-total	7.147
Total	40.586
Donated and Granted Purchases	1.099
Gross Capital Expenditure	41.685

The expenditure profile for 2019/20 is shown below:



Capital Resource Limit 2020/21

The CRL for 2020/21 has been issued with the following allocations

Expenditure	£m
All Wales Capital Programme	12.503
Discretionary Programme	7.271
Slippage due to Covid 19 from 2019/20	1.090
Total	20.846

There is currently no allocation in the 2020/21 CRL for new expenditure associated with Covid 19.

The value of capital orders placed by the Health Board to date expected to impact on 2020/21 is

Expenditure	Total value orders £m as at 15/04/2020	Costs incurred 2019/20 £m	Costs expected 2020/21 £m
Acute Site – Level 3 Beds	5.909		5.909
Field Hospitals	2.745	0.283	2.462
Informatics	0.911	0.105	0.806
Acute Site Diagnostics	0.713		0.713
Acute Site Other	0.574	0.007	0.567
Infection Control	0.266	0.033	0.233
Acute Site Oxygen	0.072		0.072
Acute Paediatrics	0.034		0.034
Mental Health	0.015		0.015
Balance	11.239	0.428	10.811

*these costs exclude the design and build costs for the Field Hospitals which are currently estimated at £7.7m

Work is being undertaken with colleagues in Local Government and WG to understand how these additional costs will be funded in 2020/21.

Argymhelliad / Recommendation

The Finance Committee is requested to:

- Note the 2019/20 Capital Resource Limit and unaudited out-turn position
- Note the impact of Covid 19 on the 2019/20 CRL
- Note the Capital Resource Limit for 2020/21
- Note the value of capital expenditure currently committed to deal with Covid 19 for 2020/21.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference:
Cyfeirnod Cylch Gorchwyl y
Pwyllgor:

4.5 Provide assurance to the Board that robust arrangements are in place for financial planning, financial performance and financial forecasting.

	5.13 Provide assurance to the Board that arrangements for Capital, Estates and IM&T are robust.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Capital priorities included within service risk registers. Risk 624 - Ability to maintain and address backlog maintenance and develop infrastructure to support long term strategic objectives – Current Risk Score 16
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	All Health & Care Standards Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners. 5. Deliver, as a minimum requirement, outcome and delivery framework work targets and specifically eliminate the need for unnecessary travel & waiting times, as well as return the organisation to a sound financial footing over the lifetime of this plan
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement	Improve efficiency and quality of services through collaboration with people, communities and partners All business cases for capital investment require alignment to HDdUHB's Well-being Objectives where applicable

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:	Included within the body of the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee:	Capital Monitoring Forum Capital Planning Group Individual Project Boards of Capital Schemes Welsh Government Capital Review Meeting Capital, Estates and IM&T 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.
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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:	Equality assessments are included within individual business cases and Capital Prioritisation process when required