

Capital and Estates Task Force

13 January 2026 (Meeting 7)

1) Project Updates

2) Capital Funding Outlook 2026/27

3) Land & Property Disposals

1. Project Updates

Project	Status Update	Next Steps
A) Outcome of National Prioritisation - Business Cases to be developed for WG consideration		
Vascular Hybrid Theatre, Morriston	<p>APPROVED, On-Site Business Case approved by WG 4/11/25. In contract</p>	<p>Enabling works commencing January alongside factory construction of theatres. Completion including commissioning period scheduled for September/October 2026.</p>
Urology OR1 Theatres, NPT	<p>FINAL REDESIGN FOLLOWING WG SCRUTINY COMMENTS Case submitted to WG September. Updates to RIBA Stage 4 design recently completed following scrutiny comments from NHS Wales SES (Specialist Estates Services) on electrical UPS (uninterrupted Power Supply) and ventilation which requires replacement of two AHUs (Air Handling Units).</p>	<p>PFI legal and Contractual changes via a Deed of variation to be agreed with funders – could take 3-6 months. PFI out to tender.</p>
ED & UEC Configuration	<p>PAUSED Pending WG response to request to proceed with design on a) Wards A & B refurbishment/reconfiguration b) SOC for new ED build c) Digital EPR. CEO meeting with WG December.</p>	<p>CEO briefing to WG January.</p>
B) National Prioritisation – Cases not cleared for development		
Adult Acute MH Inpatient Wards – Immediate Works	<p>MINOR WORKS – COMPLETED (next slide) PHASE 1 PARTIAL COMPLETION / SOME AREAS DELAYED DUE TO LEAD TIMES PHASE 2 & 3 TENDER UNDER REVIEW <u>Phase 1 Contract c£124k (net of VAT)</u> Staff rest room and office completed prior to planned 31st December handover. Minor delays due to material lead times for specialised anti-ligature IPS (Integrated Plumbing Systems). Handover of new dirty utility room and laundry room on track for 19th January, except the beverage point which suffered a sewage block / overflow on the 6th January which is currently being investigated. <u>Phase 1 Contract Extension</u> In advance of getting into contract for Phase 2 & 3, a procurement compliant CE (Compensation Event) has been issued on the phase 1 contract to allow works to commence on 5th January on 2 bedrooms on Clyne Ward. <u>Phase 2 & 3 Commercial & Funding</u> Board briefing issued with compliant procurement route and capital funding proposal to make £1.9m available from the Health Board’s discretionary capital programme.</p>	<p><u>Phase 2 & 3</u> Revised Tender submissions for Phases 2&3 were received 29th December at £2.1m (works only exc VAT) = estimated £2.9m project outturn (inc non recoverable VAT). These have been forwarded to the Health Board’s Cost Advisor for review. Revised lead in times have been received for major items and a programme review is scheduled for 15th January including MH service leads. This revised programme will likely result in a change to the preliminaries element of the tender. Once tender evaluation report agreed with our Cost Advisor, a period of 3-4 weeks will be required to allow for governance matters, <ul style="list-style-type: none"> ▪ Contract to be issued by the Health Board to the building contractor will require Board approval via Chairs actions ▪ Contract to be issued to the building contractor for signature. ▪ Contract to be signed under seal by Health Board via Corporate Governance team under. </p>

1. Mental Health Immediate Works – Completed Minor Works

Minor Works Completion: During the 2025/26 financial year, non-design related works were completed as below.

Minor Works Completed 2025/26

Tawe Clinic General

Removal of Heras fencing

Removal of old smoking shelter

Repair broken windows (internal & external)

Remove and replace handrail

Replacement of ceiling tiles

Replace where required and encase TVs

Clean up external court yards

Guttering cleaning

Radiator covers - repair/replace

UPVC panels

Repair patios slabs at main entrance

External court yards reconfiguration

Wall removed to edge of building and made good

MDT Office / Meeting Room

Install extract fan in MDT room

Fendrod Ward

W/C- repair leaking sink

Replace fire doors (entrance to dining room)

Repair damaged plasterboard in bathroom

1. Project Updates

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B) National Prioritisation – Cases not cleared for development		
Adult Acute MH Inpatient Wards – Interim Solution	<p>TEST TO FIT OPTIONS COMPLETED</p> <p>July 25. High level indicative pre-design costs. Aug 25. Test to fit architectural design completed for Option 4 (Relocation of Older Persons to NPT) Sept 25. Test to fit architectural design completed for new Option 7 (Relocation of Adult Wards to Tonna) Oct 25. Gleeds Cost Advisors appointed to undertake cost assessment for test to fit options 4, 6 and 7. Includes latest market tested MH costs from tendered Taith Fire Reinstatement business case, changes to scope including provision of seclusion rooms in each of adult wards and review of ligature assessment report. (See Slide 1A) Nov 25. Health Board IC and Open Board paper. 16th December 25. Meeting held with Welsh Government officials</p>	<ul style="list-style-type: none"> ▪ Follow up meeting with Welsh Government officials 9th January. ▪ Feedback expected from PFI Project Company on their discussion with the funders on risk appetite for the proposed Option 4 works at NPT hospital. ▪ Understanding next steps for March Health Board.
Taith Ward – Fire Reinstatement	<p>APPROVED, On-Site</p> <p>Business Case approved by WG 27/11/25. In Contract.</p>	<ul style="list-style-type: none"> ▪ Construction works commenced 5th January ▪ Completion including commissioning period scheduled for February 27
Seclusion Suite Caswell	<p>BUSINESS CASE SCOPING AGREED WITH WELSH GOVERNMENT</p> <ul style="list-style-type: none"> ▪ Single stage / single option business case agreed with Welsh Government ▪ Design fees £139k committed from SBU discretionary capital programme ▪ RIBA Stage 3 & 4 completed December 25 ▪ Compliant procurement route agreed for enabling works and main works via the South-West Wales Regional Contractors Framework via a Direct Award. ▪ Tender pack issued to selected contractor. 	<ul style="list-style-type: none"> • Tender return expected back from selected contractor 16th February • Tender report from Cost Advisor expected w/c 9th March • Proposed Health Board governance route <ul style="list-style-type: none"> • Project Board signs off business case (exc tendered capital cost) 3rd February. • Management Board sign off business case (exc tendered capital cost) 18th February. • PFC receives final business case with final tendered capital costs 24th March. • Health Board receives final business case with final tendered capital costs 26th March, for submission to Welsh Government.
Regional Cellular Pathology	<p>SITE EVALUATION UNDERWAY</p> <p>Following the report on the two off-hospital site options presented to both Health Boards in September, additional technical feasibility work is underway to support an options workshop scheduled for 1st December. (See Slide 1B)</p> <ul style="list-style-type: none"> ▪ Hoare Lea (M&E) appointed to undertake technical review of both sites. ▪ Stride Treglown (Architect) appointed to conduct a ‘Test for Fit’ (SoA) ▪ Gleeds (Cost Advisor) appointed to update budget estimates based on Hoare Lea’s findings. ▪ Site visit undertaken on 5 November with Welsh Government Capital & Estates officials to both sites. ▪ Post the September Board paper, technical viability is also being undertaken on a 3rd viable site at Swansea University 	<ul style="list-style-type: none"> ▪ December 25 Regional Workshop to agree preferred site rescheduled to 2nd February due to inclusion of a 3rd site option at Swansea University. ▪ February 26 Update to Regional Joint Committee ▪ February/March 26 Submit Outline design SBAR paper to Welsh Government.

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Linear Accelerator Capacity	<p>BUSINESS CASE SCOPING AGREED WITH WELSH GOVERNMENT</p> <p>Agreed business case will take the form of a multi-phase business justification case without the need for a separate programme case.</p> <ul style="list-style-type: none"> BJC1 will include a fully designed and tendered solution for the additional Linacc in the spare 5th bunker at Singleton. We expect the case to be ready for approval by both Health Boards in September 2026. It may be possible to bring this forward to July 2026, but this will require the design programme to reduce by a month and the revenue impact to have been agreed well in advance by both Boards to reduce the internal governance timeline. BJC2 will only include works for the new spare 6th bunker in Singleton and updated narrative/high-level costs/programme for phase 3. We expect the case to be ready for Health Board approval in January 2027. BJC3 (which may need to be more than a BJC once we get into that detail) will focus on the location of the proposed 6th & 7th Linaccs. 	<ul style="list-style-type: none"> Commencement of design following transfer of fees from capital programme contingency
Dan y Deri	<p>BUSINESS CASE APPROVED BY BOARD</p> <ul style="list-style-type: none"> Business Case submitted to Welsh Government July 25. Scrutiny comments received 	<ul style="list-style-type: none"> Business Case scheduled for presentation to Welsh Government Investment panel 21st January.
Croeserw Health & Wellbeing Centre	<p>DESIGN ALTERATIONS REQUIRED</p> <ul style="list-style-type: none"> Original design complete Design alterations agreed by Primary Care Service Group Board RIBA Stage 4 design complete. Additional £100k design fee funding approved by Welsh Government from IRCF. 	<ul style="list-style-type: none"> Project Board to be re-established February 26. Issue design for tender February 26 Health Board approval July 26.

2. Capital Funding Outlook 2026/27

- We are aiming for breakeven in 2025-26. Recent in-year allocations of £7.364m from WG for medical equipment and digital refresh have significantly eased the in-year **pressure on** emerging service and infrastructure risks and will allow the 2026-27 plan to start from a more stable base. This ability to respond to national slippage bids has allowed us to pull forward spend of £1m allocated from the 2026-27 discretionary programme for phase 2 of the Anaesthetic Machine replacement programme in Morriston and £1.7m for the upgrade of the LAN (local area network) IT switches in Morriston.
- There is the emerging possibility of receiving an additional £1.4m for equipment and digital device refresh this year.
- Increased 2026/27 discretionary capital allocation from Welsh Government to £15.579m. This represents a 40% increase over the last 3 years, which goes some way to making inroads into the national 24% reduction applied in 2022/23 and no national uplifts made to discretionary allocations since 2010.

	Allocation	In Year Change		Cumulative Change	
	£m	£m	%	£m	%
2024/25	11.168				
2025/26	13.875	2.707	24.2%	4.4	39.5%
2026/27	15.579	1.704	12.3%		

- Alongside already approved national TEF funding of £8m for major replacement schemes priorities, the focus in 2026/27 for the discretionary programme is likely to be,
 - Substantial increase to the discretionary allocation for estates business continuity issues
 - Contribution of £1.9m to the Tawe Clinic Adult Acute MH Inpatient Wards Immediate Works at Cefn Coed, as flagged in the project update

3. Land & Property Disposals

A meeting took place on 9th December with Welsh Government Planning officials.

- Cefn Coed. Will keep a watching brief
- Garngoch. Some advice provided related to potential early demolition.
- Cimla. WG may be interested although don't want to be in competition with NPT LA. Health Board need to be certain of an exit strategy
- Central Clinic. Keep in dialogue with WG

Site	Size	Indicative Value (£m)	Likelihood of execution	Notes	Proposed Next Steps
Central Clinic	A 0.364 acre site in central Swansea comprising 2,937 sq m	DV valuation of £1.15M produced in draft in 2022 as part of a site swap proposal. Residential redevelopment of the site deemed unviable with most viable use deemed as being conversion to offices. May be housing association interest however.	Chance of success of a sale before 31/3/26: On open market 10%. With land swap partner interest 20%	The land swap partner might still be interested in an acquisition but this is currently unknown. If they were then an unconditional transaction, using the WG Land Transfer Protocol, might be possible. As vacant possession not possible by March 2026, a sale and leaseback arrangement might be possible but would complicate matters and would be less attractive.	Take forward as part of reshaped Swansea Wellness Centre Project. Initial Project Board meeting scheduled for 11 November. To be discussed at meeting on 9 December with local Welsh Government officials from the Place Division.
Garngoch Hospital	A 4.134 acre site in a remote location near Gorseinon	The rear part of the site (with a gross site area 2.353 acres, including derelict buildings thereon) had an estimated site value of c.£350k in April 2024, subject to existing restrictive covenant and assuming planning consent was attainable for C2.	Chance of success of a sale before 31/3/26: On open market 10%.	The site is heavily constrained both in planning terms, and by restriction on use to that of an isolation hospital. A local Housing Association withdrew its interest in the site following a negative pre-planning application response to a proposal for development of part residential care facility (Class C2) part supported living accommodation (Class C3(b) and associated works). Consequently, it is considered there would be limited interest in the site on an unconditional basis, even at figures significantly below the April 2024 indication.	Updated demolition survey commissioned on the old derelict ward buildings at the back of the site. Review overall MH&D Service Strategy to see if front of site required for long term service need and impact of any changes on the rear of the site. To be discussed at meeting on 9 December with local Welsh Government officials from the Place Division.
Cimla Site	A 3.491 acre site in a residential area of Cimla.	Based on local land values, the site is estimated to be worth c.£900k may be achievable on a conditional (subject to planning) basis and subject to no significant abnormal development costs. If an unconditional offer is required, this figure could be discounted by c.50%.	Chance of success of a sale before 31/3/26: On open market 10%. With WG or NPTCBC 30%	An obvious residential development site (although no residential LDP allocation or planning permission). Likely to be of interest to local, regional and possibly national housebuilders. However, they are likely to want to purchase with planning permission in place and may be put off, or significantly reduce any offer, if they had to bid on an unconditional basis. Would vacant possession be available by March 2026? If not, a sale and leaseback arrangement might be possible but would complicate matters and would be less attractive. Enquires made with WG Land Division or NPTCBC might still be interested in an acquisition (initial expression of interest received from WG – apparently there have been discussions between the UHB and Cab Sec!) . If they were then an unconditional transaction, using the WG Land Transfer Protocol, might be possible.	To be discussed at meeting on 9 December with local Welsh Government officials from the Place Division.

2. Land & Property Disposals

Site	Size	Indicative Value (£m)	Likelihood of execution	Notes	Proposed Next Steps
Cefn Coed Hospital land	A 76 acre site located between Cockett and Sketty in Swansea.	<p>With Outline Planning Permission but without any demolition and assuming current Masterplan remains with proposed MH Adult Acute Unit £3m to £5m.</p> <p>If all of the buildings were demolished, asbestos removed and a developer was not constrained by retaining any of the buildings (and can therefore deliver a more traditional type scheme) – value is in the order of c £9 - £10m.</p>	Chance of success of a sale before 31/3/26: 5%	<p>Allocated for residential development in the LDP. Two parcels of land, that could be accessed independently of the main hospital access, have been sold off in the past.</p> <p>No further parcels of land that could be sold off individually exist without substantial access and infrastructure works being undertaken.</p>	<p>To be discussed at meeting on 9 December with local Welsh Government officials from the Place Division.</p> <p>Feasibility work commissioned on Service Diversions between old and new site.</p>
Land at HQ	The north-eastern part of the 4.962 acre site, situated beyond the car park and comprising c.1 acre could be suitable for employment use.	However, there is plenty of alternative employment land in the vicinity and a quick sale is unlikely and would only achieve c.£125K.	Chance of success of a sale before 31/3/26: Employment land 10%. Roadside retail 5%	There is the potential for roadside retail in the area which could achieve higher values, but other sites are more suitably located, and a conditional offer (subject to planning) is more likely in this scenario.	To be discussed at meeting on 9 December with local Welsh Government officials from the Place Division.
HQ building			Chance of success of a sale before 31/3/26: 25%	<p>If SBUHB was willing to sign up to a long (10+ year) lease on the building and to market the freehold, it is anticipated that the investment would be of interest to the market (due to the UHB's strong covenant strength). The longer the lease the more valuable the investment.</p> <p>However, whilst this would bring in a capital receipt, it would incur revenue costs for the duration of the lease. There are likely to be associated financial implications.</p> <p>The information isn't immediately available to produce a disposal value now, but it is estimated that it could be several million pounds.</p> <p>Whether a sale could be completed before the end of the financial year is debatable. It would require an immediate decision and for everything to run smoothly.</p>	