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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



Meeting Date	31 March 2022	Agenda Item	3.3
Report Title	To agree the discretionary capital plan for 2022/23		
Report Author	Ian MacDonald, Assistant Director of Finance (Strategy & Planning) Simon Davies, Assistant Director of Strategy (Capital Planning)		
Report Sponsor	Darren Griffiths, Director of Finance and Performance Siân Harrop-Griffiths, Director of Strategy		
Presented by	Darren Griffiths, Director of Finance and Performance		
Freedom of Information	Open		
Purpose of the Report	The purpose of the report is to seek approval on the proposed 2022/23 discretionary capital plan.		
Key Issues	<p>Following the scrutiny of the proposed plan at Management Board a balanced plan is being presented and endorsed for Board approval.</p> <p>The plan reflects the capital allocation letter from Welsh Government (WG), which reduces the discretionary allocation by 24% and includes funding for schemes approved through the All-Wales Capital Programme.</p> <p>It also includes resource to complete key strategic enablers for the Board, for example Enfys, Fracture & Orthopaedics Clinic and Neath Port Talbot Hospital theatre enabling works and completion of the Singleton Ophthalmology theatre development.</p> <p>The plan seeks to meet Health Board objectives, key roles and develop our capability to exploit further in-year funding should this materialise from Welsh Government can prosecute rapidly our agreed plans.</p> <p>The allocation overall is inadequate for our needs and the prioritisation has been very challenging.</p>		
Specific Action Required (please choose one only)	Information	Discussion	Assurance
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input checked="" type="checkbox"/>
Recommendations	Members are asked to:		

- | | |
|--|---|
| | <ul style="list-style-type: none">• APPROVE the 2022/23 discretionary capital plan which will form part of the submission in the Health Board's Integrated Medium-Term Plan (IMTP) |
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TO AGREE THE DISCRETIONARY CAPITAL PLAN FOR 2022/23

1. INTRODUCTION

The purpose of the report is to set out the proposed 2022/23 discretionary capital plan for submission in the Health Board's Final Draft Three Year Plan.

2. BACKGROUND

The Management Board received an initial capital plan in February 2022, which followed receipt of the WG (Welsh Government) capital allocation letter. Following work to mitigate an initially over-subscribed plan, the Management Board endorsed a balanced plan in March 2022 as presented in this paper.

3. ASSESSMENT

The main headlines on the proposed balanced plan which are summarised in table 1 are:

- The development of the proposed 2022/23 capital programme has been taking place following an assessment of the capital investment priorities flowing from the Three Year Plan planning process, alongside a review of existing commitments, funding streams and risk assessments from estates, digital and the Capital Prioritisation Group.
- Following a reduction of around £100m in the core capital budget within Welsh Government, all health bodies were advised of a 24% reduction in their discretionary allocation. The impact for Swansea Bay is a reduction of £2.671m in 2022/23. At this stage, the funding outlook for the core NHS capital budget in the following two years is also of a similar reduction.
- The commitments within this plan include resource to complete key strategic enablers for the Board, for example Enfys, Fracture Clinic and Neath Port Talbot Hospital theatre enabling works and completion of the Singelton Ophthalmology theatre development. These also include carry forward commitments on schemes funded through the AWCP, where slippage in 2021/22 requires an additional contribution from the discretionary programme. In total these require a contribution of £2.911m from the discretionary capital programme (See Annex A).
- Agreement has been reached to place an initial temporary hold on several refresh allocations. These have been mitigated through the significant additional funding received from WG towards the end of this year, which has removed all current medical equipment refresh requests with risk scores above 16. Design fees have been allocated to two potential building schemes within clinical areas, which will facilitate the full design of the schemes pending future funding opportunities.
- The replacement of the Gamma Camera in Morriston/NPT is now scheduled to take place in 2023/24, therefore releasing £2m into the 2022/23 discretionary programme.
- The plan assumes that £1.680m of design fees for business cases is included as additional income to be received from WG during 2022/23. This is made up of £355k already submitted to WG and for costs included in the plan for new cases £1.325m.

Table 1 Summary 2022/23 Discretionary Capital Programme

Allocation	Initial Allocation	Temporary Hold	Final Proposed Plan		
	£000				
Discretionary Funding	-8,496		-8,496		
Approved AWCP Funding	-22,320		-22,320		
Assumed Funding for Business Case Fees	-1,680		-1,680	Annex A Discretionary Requirement	2,911
Income	-32,496	0	-32,496		
AWCP & Other Contractual Commitments	27,791	-2,560	25,231		
PFI	2,655		2,655		
Project Management	1,907		1,907		
Refresh Allocation - Digital Infrastructure	410	-160	250		
Refresh Allocation - Estates	740	-370	370		
Refresh Allocation - Clinical Area Works	1,567	-1,507	60		
Refresh Allocation - Medical Equipment	1,344	-1,331	14		
Business Case Fees	1,325		1,325		
Phlebotomy Hubs	400		400		
Cefn Coed Disposal Costs	150		150		
Contingency	135		135		
Expenditure	38,423	-5,927	32,496		
Total -Under / Over Commitment	5,927	-5,927	0		

Whilst significant investment support will be required from WG to provide additional priority investments beyond those approved in Annex A, the proposed balanced plan includes £1.325m design fees for the following priority schemes (table 2).

Table 2 Design Fees Allocated from 2022/23 Discretionary Capital Programme

Scheme	£000
Catheter Lab A Morriston replacement	75
Ward Decant Facility Morriston	300
Paediatric Ward Upgrade, Morriston	100
Short-Stay Unit, Modular Morriston	150
Refurbishment of current ICU and Burns ICU to co-locate and support sustainability. (PHASE 1.1 CCU North)	100
Refurbishment of current ICU and Burns ICU to co-locate and support sustainability. (PHASE 1.1 Theatres 4 or 7 AHU & Refurbishment)	150
Refurbishment of current ICU and Burns ICU to co-locate and support sustainability. (PHASE 2 Ward J Refurbishment)	150
Modular Theatres at Singleton Hospital	200
Tonna, Older Persons / Roof	100
Total Design Fees	1,325

A review of other income opportunities including property disposals and the replacement for the regional ICF (Intermediate Care Fund) have commenced. Whilst it is not envisaged that any property disposal income will be received in 2022/23, it is hoped that receipts may commence in 2023/24.

Given the significant reduction to the discretionary funding received from WG, the proposed plan has a relatively small contingency of £135k. Close monitoring of the programme will be

required to manage new risks and to also ensure additional funding opportunities are maximised.

In addition to the risks and opportunities above, the impact and interdependencies with the introduction of the new IFRS 16 accounting standard for leases will need to be kept under close review. This is a complicated item of accounting, which could bring additional risks and opportunities in dealing with the capital programme.

4. FINANCIAL IMPLICATIONS

The financial implications are set out in this paper.

5. RECOMMENDATION

Members are asked to:

- **APPROVE** the 2022/23 discretionary capital plan which will form part of the submission in the Health Board's Integrated Medium-Term Plan (IMTP)

Governance and Assurance		
Link to Enabling Objectives <i>(please choose)</i>	Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities	
	Partnerships for Improving Health and Wellbeing	<input type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	Deliver better care through excellent health and care services achieving the outcomes that matter most to people	
	Best Value Outcomes and High Quality Care	<input checked="" type="checkbox"/>
	Partnerships for Care	<input type="checkbox"/>
	Excellent Staff	<input type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
Health and Care Standards		
<i>(please choose)</i>	Staying Healthy	<input type="checkbox"/>
	Safe Care	<input checked="" type="checkbox"/>
	Effective Care	<input type="checkbox"/>
	Dignified Care	<input type="checkbox"/>
	Timely Care	<input type="checkbox"/>
	Individual Care	<input type="checkbox"/>
	Staff and Resources	<input checked="" type="checkbox"/>
	Quality, Safety and Patient Experience	
Good financial governance will provide the support needed across the health board to deliver services which are of sound quality and safety and provide the right patient experience.		
Financial Implications		
Approval of the proposed 2022/23 discretionary capital plan.		
Legal Implications (including equality and diversity assessment)		
There are no legal implications to highlight.		
Staffing Implications		
There are no staffing implications to highlight.		
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)		
Robust financial governance arrangements will ensure the right decisions are made for the long-term future of the health board.		
Report History		
Appendices	Annex A - All-Wales Capital Programme Approved Funding and Discretionary Requirement 2022/23	

Annex A – All Wales Capital Programme Approved Funding and Discretionary Requirement 2022/23

Site	Scheme Name	WG Approved Funding	Expenditure	Discretionary Requirement
		£000		
HB Wide	Open Eyes	77	77	0
HB Wide	WICIS	27	27	0
HB Wide	Just in Time Theatre Stock Management System (WG I2S)		59	59
Morrison	Environmental Modernisation BJC 2.2 Sub Station 6		15	15
Morrison	Fracture and Orthopaedic Unit (FOU)		2,124	2,124
Morrison	Completion of capital works at enable UEC changes – Enfys	994	2,146	1,152
Morrison	WEDCIMS - Emergency Department System	0	318	318
Morrison	HEPMA – Electronic Prescribing, Morrison	305	190	-115
Morrison	National Imaging – MRI Scanner, Morrison	3,079	2,779	-300
Morrison	Morrison Access Road - Design	960	400	-560
Morrison	National Imaging 21-22 – CT Scanner, Morrison		148	148
Morrison	Server Room Refurbishment, Morrison		373	373
NPT	Modular Theatres at Neath Port Talbot Hospital	1,500	1,544	44
NPT	Anti Ligature Phase 2 - PFI	537	1,163	626
NPT	National Imaging – CT Scanner, NPT	1,400	1,400	-0
NPT	National Imaging – Gamma Camera, NPT	2,180	180	-2,000
NPT	National Imaging – DR Room 3, NPT	350	350	-0
NPT	Ward G NPT Reconfiguration		30	30
Singleton	PET-CT (Permanent)	211	188	-23
Singleton	SWWCC - Radiotherapy LINAC D	2,167	2,150	-17
Singleton	Modular Ophthalmology Day Theatre		311	311
Singleton	Cladding Main Works	5,828	5,806	-22
Singleton	National Imaging – CT Scanner	1,080	1,080	-0
Singleton	National Imaging – DR Room 4	350	350	0
Singleton	Pharmacy Robot		35	35
Singleton	Additional Mammography Unit		300	300
Singleton	Obstetrics Central Monitoring System		87	87
Unit 32	Health Records Move to Unit 32, Baglan		100	100
Swansea Locality	Swansea Wellness Centre	188	75	-113
Cefn Coed	Anti Ligature Phase 2 - Cefn Coed	537	726	190
LD	Anti Ligature Phase 2 - Learning Disabilities		150	150
EMRTS	EMRTS	550	550	0
Total		22,320	25,231	2,911