

## **ANNEX B**

# **UNAPPROVED SCHEMES (INDICATIVE COSTS) PRIORITISED AS PER NHS ALL-WALES 10-YEAR CAPITAL PRIORITISATION 2024-25 PLAN (2024-25 TO 2034-35)**

**TO BE UPDATED FOR 2025-26 COST PROFILE AND INFLATION UPLIFTS**

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Abigail Harris  
Chief Executive  
Swansea Bay University Health Board  
1 Talbot Gateway  
Port Talbot  
SA12 7BR

3<sup>rd</sup> December 2024

Dear Abigail,

## NHS - All Wales Capital Prioritisation – Capital Plan (core requirements)

I am writing to provide an update on the NHS prioritisation work to date and provide early notice of approval by the Cabinet Secretary for Health & Social Care to core elements of the plan.

Over the last 12 months, officials have worked with cross government representatives to undertake a detailed review and analysis of investment requirements as set out by NHS organisations. An output from this work is the development of a capital plan but it is important to recognise the lack of long-term funding certainty which will likely impact how this plan is progressed.

### Phase 1 – Core Capital Plan

To prepare for the 2025-26 Financial Year, an early decision has been taken so that core activities can be commenced which are set out below: -

**Revised Discretionary Allocations** – an increase has been agreed from a total of £83.791m to £100m per year across Wales. The revised allocations have been developed in consultation with NHS Wales Shared Services Partnership and have considered age and risks across the estate. The revised allocation for Swansea Bay University Health Board is as follows:

Organisation	Allocation for 2024-25	Revised Allocation	Additional for 2025-26
Swansea Bay University Health Board	£11.168m	£13.875m	£2.707m

**Targeted Estates Fund (TEF)** – It has been agreed that a targeted investment fund is continued following the success of the Estates Funding Advisory Board. An NHS Wales total of £40m per year has been agreed for both 2025-26 and 2026-27 which is to be targeted at a range of activities highlighted through the prioritisation process.

The table below identifies the split against the categories which will be part of a detailed application process managed through NHS Wales Shared Services Partnership – Specialist Estates Services (NWSSP-SES) with final sign off by Welsh Government.

Category	2025-26 £m	2026-27 £m
1 Infrastructure - All Risks	18	18
2 Fire Safety	5	5
3 Mental Health	5	5
4 Decarbonisation	6	6
5 Infection Prevention Control	3	3
6 Decontamination	3	3
<b>Total</b>	<b>40</b>	<b>40</b>

As per the process for EFAB, the Welsh Government's contribution to approved projects through TEF will be 70% with organisations required to support 30% out of discretionary capital.

### **Equipment and Diagnostic Replacement Programme**

To support waiting times, sustainability and fragility in the system, it has been agreed that £15m per year will be prioritised over 2025-26 and 2026-27 to support an equipment and diagnostic replacement programme. Officials will be instructing NWSSP to review its NHS Wales Major Equipment Investment Strategy and engage with organisations in respect of priorities. The principle of the funding has been agreed with the Cabinet Secretary for Health and Social Care and further work is now required as to how the programme will be targeted which will be subject to more detailed advice.

### **Next steps**

Given the need to plan, it has been agreed that the core activities set out in this letter are formally established as soon as possible. The amended discretionary figure set out will be included in the formal approval letter scheduled to be issued in early 2025. The other parts of the plan linked to TEF and Equipment and Diagnostics will now be implemented through NWSSP-SES, with recommendations to be shared and signed off by the Welsh Government. NWSSP-SES will be in touch with the relevant guidance and supporting information in relation to the programmes of work in due course.

For clarity, this letter sets out the approach to be taken for the initial core part of the plan with work required to finalise those scheme specific proposals outside of core activities as set out above. Officials appreciate that this may be frustrating, but with further work being undertaken centrally on the draft budget for 2025-26, various scenarios are still being worked through. A paper was taken to Infrastructure Investment Board at the end of November, and I arranged for a short catch up with capital teams on 26<sup>th</sup> November to discuss options as part of this work. Clearly there are a range of pressures to balance including consideration of the latest backlog

maintenance figure which is now reported at £1.35billion, so it is inevitable that difficult decisions will need to be made.

I trust the above letter provides a helpful update on this challenging piece of work and confirms some of the points raised in the presentation shared with the Chief Executive's meeting earlier today (3 December).

Yours sincerely

**Ian Gunney**  
Deputy Director, Capital, Estates & Facilities – Finance Directorate  
Health & Social Services Group

cc. Director of Finance  
Director of Planning

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Mrs Abigail Harris  
Chief Executive  
Swansea Bay University Health Board  
1 Talbot Gateway  
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SA12 7BR

9<sup>th</sup> January 2025

Dear Abi,

## **NHS - All Wales Capital Prioritisation – Capital Plan (Scheme Specific Elements)**

Further to my letter of 3<sup>rd</sup> December, I am writing to provide an update on the second element of the NHS prioritisation work, relating to the scheme specific part of the plan.

Organisations will be aware that it has always been the intention of the Capital Prioritisation process to provide clarity on support for scheme specific proposals where business cases can be developed for consideration. The second phase of the capital plan has concentrated on organisational priorities and has been considered by the NHS Infrastructure Investment Board, Executive Directors Team of the Health, Social Care and Early Years group and been endorsed by the Cabinet Secretary for Health & Social Care.

You have already been notified of the core part of the capital plan, which includes an increase to discretionary allocations, the establishment of a Targeted Estates Fund (guidance published on 17<sup>th</sup> December 2024, a diagnostic equipment programme and additional capital digital funding – common themes across most organisations prioritisation proposals.

Due to the well-rehearsed future funding challenges, this second phase only enables a relatively small number of the 182 proposals submitted across Wales to progress. It is **important to note that the additional capital which has been identified through the 2025-26 draft budget has allowed this element of the plan to be developed.**

In terms of Swansea Bay University Health Board's proposals, the focus as part of the second phase of the plan **is for the following business cases to be developed for consideration:**

- **Emergency Department Improvements, Morriston**
- **Urology (OR1) Theatres, Centre of Excellent, Neath Port Talbot**
- **Hybrid Vascular Theatres, Morriston**

**In terms of Regional Pathology this case is currently deemed unaffordable, and officials will need to discuss the impact of this with you and Hywel Dda University Health Board.**

For the avoidance of **doubt this letter is not a project approval, this is an endorsement to discuss and progress next steps in terms of business case submission or development (depending on the level of maturity in the process).**

There are a few aspects of the plan which we are seeking to develop further, including the expansion of the equipment replacement programme outside of strict diagnostics into areas of areas of treatment such as linear accelerators. This opportunity is only made available due to the non-recurrent funding identified through the draft budget. At this point, it is assumed that the budget will revert to the 2024-25 baseline.

Officials appreciate that you will be managing a range of pressures, but the prioritisation work was always going to mean difficult decisions need to be made. It is hoped that by clarifying what has been identified in the capital plan for Swansea Bay University Health Board, this will help you manage your own plans and expectations. **For the avoidance of doubt, all other proposals fall outside of the scope of the capital plan at this point in time.**

The prioritisation work will clearly need to form part of ongoing work over time. **There are other strands of work being taken forward by planning colleagues for example, which will be important in framing clinical services strategies and the financial impact of delivering these in the future.** It is also important to note that **larger scale proposals linked to a new hospital programme continue to be highlighted as unaffordable and will require a Cabinet level discussion in due course.**

I trust the above letter clarifies the second phase of the capital plan and provides helpful direction in terms of the schemes identified as part of it.

Yours sincerely,

**Ian Gunney**  
Deputy Director, Capital, Estates & Facilities – Finance Directorate  
Health & Social Services Group

cc. Director of Finance  
Director of Planning

Priority No All schemes	Priority No Exc BAU Replacements	Funding Route WG Letter 9/1/25	Scheme Name	Business Case Status	Estimated Capital Costs £m
					Total
<b>A. Total Discretionary</b>					<b>139</b>
<b>A. All Wales Capital Programme</b>					
1	1	WG Endorsement to progress Business Case	ED Improvements, Morriston	Initial design fees approved by WG. Business Case in Development	27
2	2	WG Endorsement to progress Business Case	Urology OR1 Theatres, Centre of Excellence, NPT	BJC submitted to WG September 2024. Awaiting WG scrutiny comments.	4
3		CORE - Consider as part of Diagnostic Replacement programme	Imaging Replacement Programme - CT	Design fee submission agreed WG October 2024	11
4		CORE - Consider as part of TEF	Environmental Modernisation / EFAB	Further year prioritisation work in progress.	46
5		CORE - Consider as part of Diagnostic Replacement programme	Imaging Replacement Programme - Fluoroscopy	WG Funding approved June 2024. Design commenced for scheme completion Q1 2025-26	4
6	3	Approved	2nd CT-SIM at SWWCC, Singleton (additional)	BJC Submitted to WG July 2024 WG scrutiny comments returned to WG.	3
7	4	WG Endorsement to progress Business Case	Hybrid Vascular Theatre, Morriston	Combined OBC/FBC Submitted to WG May2024 WG scrutiny comments received - being worked through.	10
8		CORE - Consider as part of Diagnostic Replacement programme	Imaging Replacement Programme - DRs	Submitted to National Imaging Programme. Future Years	3
9		CORE - Consider as part of Diagnostic Replacement programme	Imaging Replacement Programme - Mammography	Submitted to National Imaging Programme. Future Years	3
10		CORE - Consider as part of National Digital Replacement Programme	Digital Network Replacement Programme (Core, LAN & Wi-Fi)	Capital bids submitted for 2025-26 priorities	20
11		CORE - Consider as part of Diagnostic Replacement programme	Imaging Replacement Programme - MRI	Submitted to National Imaging Programme. Future Years	9
12	5	Outside Scope of WG Capital Plan	Morriston Access Route & Enabling Infrastructure	Design work commenced through City Deal.	45
13	6	Outside Scope of WG Capital Plan	Thoracic, Morriston	SCP appointed for OBC production. OBC on Hold pending approval of resource fee schedule and National Prioritisation.	43
14	7	Outside Scope of WG Capital Plan	Regional Pathology Centre, Morriston	SCP appointed for OBC production. OBC on Hold pending approval of additional design fees and National Prioritisation.	135
15	8	Outside Scope of WG Capital Plan	Adult Acute Mental Health Unit, Cefn Coed	OBC on hold pending approval to proceed with SCP appointment and National Prioritisation.	55
16	9	Outside Scope of WG Capital Plan	Swansea Wellness Centre	OBC on hold pending review of scheme feasibility and National Prioritisation.	34
17	10	Outside Scope of WG Capital Plan	New ED, Critical Care & Theatre Block + Model Ward Reconfiguration, Morriston Hospital		210
18	11	Outside Scope of WG Capital Plan	Elective Modular Theatres, Centre of Excellence, Singleton Hospital	FBC Submitted Nov 2023. On Hold pending National Prioritisation.	23

Priority No All schemes	Priority No Exc BAU Replacements	Funding Route WG Letter 9/1/25	Scheme Name	Business Case Status	Estimated Capital Costs £m
					<b>Total</b>
19	12	Approved	PET-CT (Permanent), SWWCC Singleton	BJC submitted to WG September 2024. WG Approved December 2024	14
20	13	Outside Scope of WG Capital Plan	Refurbishment of Burns ITU Phase 2, Morriston		41
21	14	Outside Scope of WG Capital Plan	2nd MRI, Morriston (additional)		3
22	15	Outside Scope of WG Capital Plan	2nd CT, Singleton (additional)		3
23	16	Outside Scope of WG Capital Plan	Development of Seclusion Suites, Medium Secure Unit, Caswell Clinic, Glanrhyd	Initial design commenced. Discussions taking place with WG on ring-fenced funding allocation.	1
24	17	Outside Scope of WG Capital Plan	Older Persons Mental Health Wards/Roof, Tonna		8
25	18	Outside Scope of WG Capital Plan	Ward Refurbishment Programme, Singleton		27
26	19	Outside Scope of WG Capital Plan	RMHSS P7 Re provision of Mental Health Day Facilities (Westfa)		4
27	20	CORE - Consider as part of Diagnostic Replacement programme	SWWCC PBC - 5th Linacc/6th Bunker	Jan 25 Initial HB discussions taking place on design at Singleton.	5
28		CORE - Consider as part of Diagnostic Replacement programme	Cath Lab Replacement Programme	Submitted to National Imaging Programme. Future Years	6
29		CORE - Consider as part of Diagnostic Replacement programme	SWWCC - Radiotherapy Replacement Programme	Submitted to National Imaging Programme. Future Years	20
30		CORE - Consider as part of Diagnostic Replacement programme	Nuclear Medicine Replacement Programme - SPEC-CT	Submitted to National Imaging Programme. Future Years	4
31		CORE - Consider as part of Diagnostic Replacement programme	Imaging Replacement Programme - SPEC-CT	Submitted to National Imaging Programme. Future Years	2
<b>Total AWCP Unapproved Schemes</b>					<b>822</b>
<b>West Glamorgan Regional Partnership</b>					
		RPB Endorsement to progress Business Case through HCF	Dan Y Deri Learning Disabilities	HCF Initial application and design fees approved.	7
		RPB Endorsement to progress Business Case through IRCF	Cymmer / Croeserw Health & Well Being Centre	IRCF Initial application and design fees approved.	2
<b>Total RPB Unapproved Schemes</b>					<b>9</b>

WG Funding Route	Business Case Status
Approved	Approved
WG Endorsement to progress Business Case	Case with WG
Unaffordable - WG discussions	Design Phase in Progress
CORE - Consider as part of TEF	ON HOLD - Funding/National Prioritisation
CORE - Consider as part of Diagnostic Replacement programme	
CORE - Consider as part of National Digital Replacement Programme	
Outside Scope of WG Capital Plan	