

ANNEX A

DRAFT CAPITAL RESOURCE PLAN 2025-26 & INDICATIVE 2026-27 AND 2027-28

CAPITAL PLAN 2025/26 – FINANCIAL CONTEXT

Financial context:

- We are aiming for breakeven in 2024-25. Recent in-year allocations of £9.1m from WG for medical equipment, digital replacements and estates infrastructure have significantly eased the in-year pressure on emerging service and infrastructure risks and will allow the 2025-26 plan to start from a more stable base.
- The 2025-26 discretionary plan reflects initial WG advice on the NHS All Wales Capital Prioritisation and initial core funding allocations received on 3/12/24 (phase 1).
- Our prioritised 10-year forecast for the All-Wales Capital Programme (AWCP) remains in place, with work continuing on cases where design fee funding is available. Others have remained on-hold pending the outcome of the national prioritisation work. Advice received on 9/1/25 on the outcome of the National Capital Prioritisation work (Phase 2 Scheme Specific – see Annex B) provides clarity on those business cases which can be developed for consideration and other proposals which fall outside of the scope of the national capital plan at this stage.

Key financial challenges and opportunities:

- Significant national capital funding constraints remain. The level of discretionary funding has continued to be eroded against inflation and continued growth in the fixed asset base in medical equipment and digital devices, with no national uplift to discretionary allocations since 2010. Following the 2022/23 national reduction in core capital funding 24%/£100m, the local reduction of £2.7m was fully reinstated in 2024/25 (following a 50% reinstatement in 2023/24).
- Phase 1 of the national Capital Prioritisation work has provided core uplifts across several areas for 2025/26 (WG 3/12/25 Annex B).
 - A 19.3% national uplift to discretionary allocations from £83.7m to £100m. The impact for SBUHB is an uplift of 24%/£2.7m to £13.875m.
 - National funding allocations are also to be made for a) TEF (Targeted Estates Fund) £40m, b) Diagnostic Equipment Replacement Programme £15m and c) Digital Replacement Programme £10m, with these allocations for both 2025/26 and 2026/27. Work has already commenced locally to bid against these national allocations.
- The PFI contract for Neath Port Talbot hospital has a fixed £1.389m contribution to the lifecycle replacement programme [note: starts to reduce significantly from 2025/26 and ends

The combination of significant backlog maintenance (estates, equipment and digital) means investment from the discretionary programme for service change/recovery projects is likely to be limited and difficult choices will be required to achieve a balanced opening 2025/26 capital resource plan.

CAPITAL PLAN – INITIAL 2025/26 DISCRETIONARY (SUMMARY)

Allocation	Opening Plan	Less Funding Provided 2024/25	Less Service Change Choice	Less Approved National Funding	Less Charitable Funds Available	Less Potential National Funding	Updated Plan	Option 1	Option 2	Option 3	Final Draft Proposed Plan	Draft Years 2 & 3	
								Less Potential Adjustments (Risk Score 16 & below)	Less Revenue Funding Option available via lease (IFRS 16) / Short-Term Lease	Less Temporary On-Hold		Indicative Year 2 Plan 2026/27	Indicative Year 3 Plan 2027/28
£000													
A Discretionary Allocation	-13,875	0	0	0	0	0	-13,875	0	0	0	-13,875	-13,875	-13,875
B Income Adjustments	-125	0	0	0	0	-609	-734	0	0	0	-734	0	0
C Commitments	19,705	0	0	-15,169	0	0	4,536	0	0	0	4,536	2,911	3,136
D Refresh & Other Allocations	23,855	0	0	0	0	-8,748	15,106	-5,451	0	-738	8,917	9,624	10,739
E IMTP Choices	3,095	0	0	0	0	0	3,095	-600	0	-1,340	1,155	1,340	0
Total -Under / Over Commitment	32,655	0	0	-15,169	0	-9,357	8,129	-6,051	0	-2,078	-0	-0	-0

- **Section A.** Discretionary allocation uplifted by £2.77m/24% to £13.875. This is the first uplift to discretionary capital baseline allocations since 2010, to recognise age and risks across the estate. Overall national uplift 19.3%.
- **Section B.** Income adjustments, include Board approved disposals. No account taken for recovery of expended business case fees from the AWCP, expect for those cases which have received WG approval to proceed for business case development.
- **Section C.** Commitments including AWCP schemes (spend & income), City Deal and NPT PFI contract £1.4m.
- **Section D.** Refresh allocations for the existing fixed asset base include risk assessed bids provided by the services units and corporate departments with oversight provided by the Capital Prioritisation Group. Also refresh programmes for major programmes (digital services infrastructure & devices and estates backlog maintenance). Potential adjustments £6m include £3.7m medical equipment risk scored at 16.
- **Section E.** IMTP choices.

- Overall draft position without any adjustments **£8.129m over allocated resources.**
- Potential adjustments for risk score 15s and 16s and other funding sources could reduce over commitment to £2.078m.
- **Applying a temporary hold of £2.078m would produce a balance position** but with significant risk of the plan moving to an unbalanced position during the year without additional WG funding. Leaves a small programme contingency of £353k.

CAPITAL PLAN – 2025/26 DISCRETIONARY (DETAILED HEADINGS 'A/B')

	Opening Position	Less Funding Provided 2024/25	Less Service Change Choice	Less Approved National Funding	Less Charitable Funds Available	Less Potential National Funding	Updated Plan	Option 1	Option 2	Option 3	Final Draft Proposed Plan	Indicative Years 2 & 3		
								Less Potential Adjustments (Risk Score 16 & below)	Less Revenue Funding Option available via lease (IFRS 16) / Short-Term Lease	Less Temporary On-Hold		Indicative Year 2 Plan 2026/27	Indicative Year 3 Plan 2027/28	
£000													£000	
Allocation														
		-11,168					-11,168						-11,168	-11,168
		-2,707					-2,707						-2,707	-2,707
A	Discretionary Allocation	-13,875	0	0	0	0	-13,875	0	0	0	-13,875	-13,875	-13,875	-13,875
Income Adjustments														
		-300					-300							
		175					175							
		0				-609	-609							
		0					0							
B	Sub Total	-125	0	0	0	-609	-734	0	0	0	-734	0	0	
	Total -Under / Over Commitment	-14,000	0	0	0	-609	-14,609	0	0	0	-14,609	-13,875	-13,875	

Section A National funding allocation (£13.875m).

- Discretionary allocation uplifted by £2.77m/24% to £13.875. This is the first uplift to discretionary capital baseline allocations since 2010 to recognise age and risks across the NHS Wales estate.
- Overall national uplift 19.3%.
- SBU uplift in recognition of significant PFI fixed contractual commitments.

Section B. Income Adjustments (£0.734m)

- Potential disposal income £300k, for Board approved part disposal of Garngoch hospital.
- No account taken for recovery of expended business case fees from the AWCP, expect for those cases which have received WG approval to proceed for business case development (Hybrid Vascular Theatre, Morriston & Urology OR1 Theatres, NPT)

CAPITAL PLAN – 2025/26 DISCRETIONARY (DETAILED HEADINGS 'C')

	Opening Position	Less Funding Provided 2024/25	Less Service Change Choice	Less Approved National Funding	Less Charitable Funds Available	Less Potential National Funding	Updated Plan	Option 1	Option 2	Option 3	Final Draft Proposed Plan	Indicative Years 2 & 3	
								Less Potential Adjustments (Risk Score 16 & below)	Less Revenue Funding Option available via lease (IFRS 16) / Short-Term Lease	Less Temporary On-Hold		Indicative Year 2 Plan 2026/27	Indicative Year 3 Plan 2027/28
£000												£000	
Commitments													
All Wales Capital Programme (AWCP)													
All Wales Capital Programme (AWCP) Repayments & Contractual Commitments (inc EFAB 2)	15,966			-15,169			797						
City Deal (Campuses Business Case)													
Morrison Access Route / City Deal - Design	200						200						
MEMS move to Health Records, Morrison	500						500						
Other Commitments													
PFI Lifecycle Contractual Commitment	1,389						1,389					1,261	1,486
Project Managers Capital Planning	150						150					150	150
Project Managers Digital	1,300						1,300					1,300	1,300
Digital - WG Funded Schemes	0						0						
Other 24/25 Slippage	200						200					200	200
C Sub Total	19,705	0	0	-15,169	0	0	4,536	0	0	0	4,536	2,911	3,136
Total -Under / Over Commitment	5,705	0	0	-15,169	0	-609	-10,073	0	0	0	-10,073	-10,964	-10,739

Section C Commitments £4. 536m

- AWCP repayments include 2024/25 slippage which need to be repaid from discretionary £0.797m.
- Majority of AWCP income and commitments are for the recently approved permanent PET-CT, West Wales Cancer Centre.
- City Deal, includes completion of Hybrid Planning Application for the Morrison Access Route, Management Centre and MEMS move to the vacated Health Records building.
- NPT PFI fixed contractual element for lifecycle replacement £1.389m [note: commencement of gradual reduction in contractual commitment for lifecycle which ends in 2027/28 in advance of hand back in May 2030].

CAPITAL PLAN – 2025/26 DISCRETIONARY (DETAILED HEADINGS 'D')

	Opening Position	Less Funding Provided 2024/25	Less Service Change Choice	Less Approved National Funding	Less Charitable Funds Available	Less Potential National Funding	Updated Plan	Option 1	Option 2	Option 3	Final Draft Proposed Plan	Indicative Years 2 & 3	
								Less Potential Adjustments (Risk Score 16 & below)	Less Revenue Funding Option available via leases	Less Temporary On-Hold		Indicative Year 2 Plan 2026/27	Indicative Year 3 Plan 2027/28
£000												£000	
Refresh & Other Allocations													
Digital Services													
Data Centre & Systems	1,070						1,070	-50			1,020	3,000	3,000
Network & Telecomms	1,900					-1,800	100	-50			50		
End User Devices	3,150						3,150	-1,487		-138	1,525		
Estates													
Estates Infrastructure (High & Significant Risks) - TEF	7,500					-5,250	2,250				2,250	2,500	3,000
Estates Infrastructure (Business Continuity)	500						500				500	500	500
Clinical Area Works - CPG Risks													
Clinical Area Works - Risk 25	0						0				0		
Clinical Area Works - Risk 20	0					0	0				0		
Clinical Area Works - Risk 16	257					-166	91	-91			0		
Clinical Area Works - Risk 9 to 15	1,358					-1,358	0	0			0		
Medical Equipment Replacement - CPG Risks													
Medical Equipment Replacement - Risk 25	1,200						1,200			-600	600	2,000	3,000
Medical Equipment Replacement - Risk 20	1,054					-175	880				880		
Medical Equipment Replacement - Risk 16	2,900						2,900	-2,900			0		
Medical Equipment Replacement - Risk 9 to 15	873						873	-873			0		
Others													
Anaesthetic Machine Replacement Programme - Phase 1	800						800				800	939	
Cardiology MacLab System Upgrade	540						540				540		
OR1 MES Renewal	300						300				300		
SIFT Equipment	100						100				100	100	100
Contingency	353						353				353	585	1,139
D Sub Total	23,855	0	0	0	0	-8,748	15,106	-5,451	0	-738	8,917	9,624	10,739
Total -Under / Over Commitment	29,560	0	0	-15,169	0	-9,357	5,034	-5,451	0	-738	-1,155	-1,340	-0

Section D. Refresh Allocations, £8.917m

- Refresh programme for digital services infrastructure & devices. A new national £10m equipment replacement programme to be launched by WG 2025/26.
- Estates Infrastructure for high and significant risks assumes a £5.250m allocation from the national (TEF) Targeted Estates Fund - £40m funding in each of 2025/26 and 2026/27 requires a 30% contribution from discretionary (like EFAB). Bid process to launch in Q4 with allocations for a) Infrastructure £18m, b) Fire Safety £5m, c) Mental Health £5m d) Decarbonisation £6m e) Infection Prevention Control £3m & f) Decontamination £3m.
- Refresh allocations for the existing fixed asset base for equipment & minor estates work include risk assessed bids provided by the services units and corporate departments with oversight provided by the Capital Prioritisation Group (CPG).
- Medical Equipment risk score 25 (under review) £1.2m replace oldest Omnicell (Automated Medicine Cabinets). Assumes a 2-year programme with £600k in 2025/26 & 2026/27.
- Phase 1 £800k for a 3 phased programme to replace Anaesthetic Machines in Morriston (Risk 16). Phases 2 and 3 would need to take place by 2026/27
- As in previous years, options to adjusting for risk score 16 and 15 **reduces requirement from £15.106m to £8.917m, which contributes to an overall balanced plan.**

CAPITAL PLAN – INITIAL 2025/26 DISCRETIONARY (DETAILED HEADINGS 'E')

	Opening Position	Less Funding Provided 2024/25	Less Service Change Choice	Less Approved National Funding	Less Charitable Funds Available	Less Potential National Funding	Updated Plan	Option 1	Option 2	Option 3	Final Draft Proposed Plan	Indicative Years 2 & 3	
								Less Potential Adjustments (Risk Score 16 & below)	Less Revenue Funding Option available via leases	Less Temporary On-Hold		Indicative Year 2 Plan 2026/27	Indicative Year 3 Plan 2027/28
£000												£000	
IMTP Choices													
<i>Digital Services</i>													
							0				0		
							0				0		
IMTP Choices													
Contact RT - New Service 2024/25 IMTP	1,340						1,340			-1,340	0	1,340	
Ty Garth Newydd (3 annex model)	600						600	-600			0		
							0				0		
							0				0		
TO BE REVIEWED							0				0		
Service Group Delivery Actions - Morriston							0				0		
Service Group Delivery Actions - Singleton & NPT							0				0		
Service Group Delivery Actions - MH&LD							0				0		
Service Group Delivery Actions - PC&CS							0				0		
Waste Regulations							0				0		
Design Fees													
Cefn Coed Masterplan	100						100				100		
Tonna Roof	200						200				200		
Morriston Server Room	55						55				55		
Ring Main/VIE, Morriston	50						50				50		
Waste Yard	100						100				100		
Model Ward	150						150				150		
Electrical Infrastructure, Central Ward Block, Singleton	200						200				200		
Electrical Infrastructure, Sub Station Capacity, Morriston (Feasibility + Design)	200						200				200		
Contact RT	100						100				100		
E Sub Total	3,095	0		0	0	0	3,095	-600	0	-1,340	1,155	1,340	0
Total -Under / Over Commitment	32,655	0	0	-15,169	0	-9,357	8,129	-6,051	0	-2,078	-0	-0	-0

Section E. GMO Choices £1.155m

- Contact RT was included in 2024/25 IMTP but now likely to require £1.3m capital for building infrastructure work and equipment. Suggest a £100k design fee allocation in 2025-26 subject to the service business case being approved from a revenue/JCC perspective.
- Includes choices on design fees linked to building infrastructure priorities. Unclear at this stage if national funding will be available in 2025-26. There may be an opportunity to recover fees in 2026-27 through the TEF allocation.

Further work required to assess,

- Service Group priorities following January Executive review.
- Implementation of new national waste regulations from April 2026.