

Date: 26 May 2004

Venue: Committee Room 3, National Assembly for Wales

Title: Report on Capital Programme (including the State of the NHS Wales Estate)

Purpose

1. The purpose of this paper is to appraise the Health and Social Services Committee of the current All Wales Major Capital Programme and key issues arising from the Estate Condition and Performance Report 2002-03 published by Welsh Health Estates in November 2003.

Summary

2. This paper which reports on the current All Wales Major Capital Programme and the state of the current NHS Wales Estate is being presented following an undertaking by the Minister at Committee on 3 March to provide a paper for the HSSC to note.

3. The paper highlights widespread modernisation activity and investment currently being undertaken across the country whilst also noting the progress that can be made given the current level of resources.

Background

4. The NHS Major Capital Programme details schemes which have received Full Business Case approval (in line with the Capital Investment Manual) together with schemes which have been determined by Ministers as being a priority but which have not yet completed the business case process.

5. In December 2003, the Capital Investment Board re-examined the capital programme to take into account the indicative baselines, latest forecasted cash flows, increased inflationary factors taking into

account progress with business case approvals.

6. The revision of the programme also reflected the findings of the November 2003 Welsh Health Estates report "The Estate Condition and Performance Report 2002-03". This was the second such report based on Estates and Facilities Performance Management System (EFPMS) returns submitted by 13 NHS Trusts and Powys Local Health Board.

7. The report, which is intended to be a driver in the process of improving the performance and efficiency of the health estate, provides the Welsh Assembly Government and individual NHS Trusts with key information on the condition and performance of the estate. This in turn enables the monitoring of performance trends, informs the strategic planning process and assists in the identification of priorities and the allocation of resources.

Capital Programme Assumptions

8. The decisions taken at December's Capital Investment Board were based on the assumption of the following baseline funding (£m): -

2004-05	2005-06	2006-07	2007-08
£124.800	£111.600	£111.600	£111.600

Effect

9. The programme agreed in Dec 03 allows for the progress of the following schemes that have received full business case (FBC) approval:-

- Caswell Clinic - Medium Secure Unit for Mentally Disordered Offenders
- Implementation of Dyfed Powys Mental Health Strategy, Carmarthen & SW Wales
- Graduate Entry Scheme at Swansea (excluding the Cardiff element)
- Reprovision of Services currently provided by Tenby Cottage Hospital
- Improvement of A & E Department at Morrison Hospital
- Reprovision of Hospital Rehabilitation Services for the Elderly, North East Wales
- Expansion of Medical Education in North Wales (N Wales Clinical School)
- Rhondda Mental Health (Acute Adult Mental Health Services)
- Cardiff & Vale - new Mental Health Inpatient Services at Llandough Hospital
- Decant Ward PCH, Merthyr Tydfil (Asbestos & Fire)
- Reprovision of Conwy Hospital at site of Llandudno General Hospital
- Pembs & Derwen - Dyfed Powys Mental Health (5 EMI units across SW Wales)
- Second Rhondda Community Hospital
- S Wales Cancer Centre (LinAccs & Oncology), Singleton Hospital, Swansea

10. In addition the programme accommodates the following schemes that had received outline approval but had not progressed at that time to FBC approval:-

- Community Hospital at North Merionydd and East Dwyfor
- Children's Hospital, Phase 1 (b)
- Provision of Linear Accelerators at Conwy and Denbighshire and Velindre
- Provision of catheter laboratories at Swansea*, Bro Morgannwg*, Conwy and Denbigh, Gwent*, Pontypridd and Rhondda*, and Cardiff and the Vale
- Expansion of Orthopaedic services at Gwent and Cardiff and Vale Trusts
- Coronary Care Unit at Bronglais Hospital
- Community Hospital, Cynon Valley
- Health and Safety Works at Prince Charles Hospital
- Upgrading of theatres at Carmarthen*
- Development of integrated services in South Pembrokeshire.
- Gwent Clinical School
- Residential Accommodation at Neath/Port Talbot
- DXA – North Wales
- Reprovision of Learning Disabilities Services from Hensol Hospital

*Denotes schemes which have received FBC approval since Dec 03.

11. The start dates of the following schemes has been rescheduled to reflect the state of preparedness of their business cases but remained within the original planning period:-

- Merthyr Neighbourhood Hospital
- Ebbw Vale Community Hospital (Blaenau Gwent)
- Carmarthen Accident & Emergency upgrade
- Holywell Community Hospital
- Royal Gwent Obstetrics
- Ysbyty Gwynedd (replacement of copper piping)
- Completion of works, Prince Charles Hospital

Modernisation and Performance of the current NHS Wales estate

12. The profile of the estate remains largely unchanged with more than half of it being over 25 years old and approximately a third over 50 years old. The modernisation of the estate continues to be a priority issue. Key to the modernisation process is the development of estate strategies that support service plans, leading to the requirement for modern and flexible accommodation and the disposal of the non-essential estate.

13. The overall performance of the estate assessed against National Performance Indicators dealing with

physical condition, statutory and safety compliance, functional suitability, space utilisation and energy performance, gives rise to some concerns. These are being addressed with the individual Trusts. The report however highlights some good performance by Trusts in the management and maintenance of their estate.

Backlog maintenance

14. The estimated maintenance cost inherent in the estate in Wales has increased. However the report points to the scope for major reductions through the disposal of the non-essential estate, though in many cases this is linked with the requirement for capital investment in new facilities. Other concerns which require addressing are primary energy consumption and improved environmental performance.

Financial implications

15. Outturn figures for 2003-04 shows that all existing commitments have been met within existing resources. The forecast outturn for 2004-05 and beyond indicates that there continue to be financial pressures against available capital resources.

16. Any new schemes will need to be the subject of a bid to the spending review.

Action for Subject Committee

17. The Committee is asked to note the contents of this report.

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