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Shared Services
Partnership
Specialist Estates Services

Specialist Estates Services Notification 24/18

17th December 2024

For action by:

Directors of Finance, NHS Health Boards and Trusts

For information only:

Directors of Estates and Facilities, NHS Health Boards and Trusts
Chief Executives, NHS Health Boards and Trusts
Directors of Planning, NHS Health Boards, Trusts
DHCW, PHW, HEIW, and NWSSP

Copy to: Department of Health and Social Care, Welsh Government

Dear Colleague

WELSH GOVERNMENT (CAPITAL, ESTATES & FACILITIES) TARGETED ESTATES FUND

Introduction

Welsh Government has asked NWSSP Specialist Estates Services to coordinate delivery of the above programme, for which funding has been allocated for the financial years 2025/26 - 2026/27 and comprising the following project categories:

- Infrastructure (inc. Emergency Department facilities improvements for patients, general building and engineering upgrades and rationalisation)
- Fire Safety
- Mental Health
- Decarbonisation
- Infection Prevention Control
- Decontamination

These are schemes that would traditionally be funded through discretionary capital allocations, where capital availability allows. Welsh Government is making available an additional £80M over two financial years and Health Boards/Trusts will be asked to contribute 30% of the total cost of each project, i.e., generating a total investment of circa £114M.

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The allocation for each national programme category is as follows:

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
	Total	40	40

Governance – Key points

1. The programme will be managed by NWSSP SES and the Welsh Government.
2. All bids must be authorised by the Health Board/Trust Director of Finance and counter-signed by the Director of Estates.

Timeline – Key dates

1. Bids are to be submitted by **1700 On Friday 31st January 2025**. No bid received after this date and time will be considered.
2. The recommendations will be submitted to Welsh Government on 28th February 2025.
3. It is anticipated that successful bids will be confirmed in writing by Welsh Government no later than 14th March 2025 so that Health Boards/Trusts may firm up project costs and implementation programmes between March and April 2025.

Funding allocations – Key points

1. Funding will be managed as a capital allocation.
2. Funding may be managed across the two financial years. However, a contribution from Health Boards/Trusts amounting to 30% of the overall project cost must be included in the cashflow spend profile within each FY.
3. Under/overspends across a health organisation's TEF projects may be managed within category.
4. Underspends will be re-allocated by Welsh Government.
5. Inflation risks will be managed through approved allocations, i.e., there will be no central contingency fund.
6. Bids may include costs related to works, fees, equipment, and VAT.
7. The funding conditions require full expenditure of awarded amounts to be achieved during 2025/26 and 2026/27 as prescribed by the award.
8. Ultimate responsibility for delivery of approved schemes and the expenditure of funds within the prescribed period rests with Health organisations.

Bid process

1. Bids should be submitted using the proformas contained within the attached guidance. **Please refer to Annex 1.**

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2. All bids must include a forecast cashflow forecast for planning and monitoring purposes.

Exclusions

The Targeted Estates fund is not aimed at capital projects that fall within the remit of the normal business case process with scrutiny provided through the Welsh Government's NHS Infrastructure Investment Board.

Organisations **must not** divert existing business cases or funding applications (e.g., Refit / WGES etc.) to this application route.

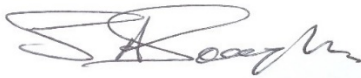
Next Steps

Please refer to the attached guidance, which includes the bid proformas and reporting template (Annex 1).

Action

Should you require any further information please contact Mike Travers, Head of Estate Development on MS Teams or email Mike.travers@wales.nhs.uk

Yours sincerely,



Stuart Douglas BSc (Hons), PGDip, MRICS, MAPM

Director Specialist Estates Services

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ANNEX 1

Welsh Government (Capital, Estates & Facilities) Targeted Estates Fund for NHS Wales 2025-2027



Target Estates
Funding 2025 Guidan

Guidance Note, including Bid Proformas and Report Template: