

Date: 17<sup>th</sup> February 2026  
Ref: CORP 25/26 - 182

Dear xxx

**Freedom of Information request: nVCC Procurement and Contract (CORP 25/26 - 182)**

Thank you for your request for information which the Trust received on 20<sup>th</sup> November 2026.

Your Request:

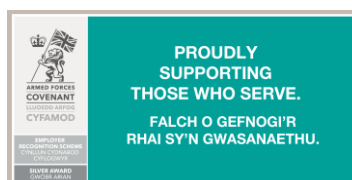
- 1. What was the cause of the delay to financial close between the anticipate finalise close of March 2023 and actual financial close in April 2024?*
- 2. Have there been any amendments with respect to the requirements prescribed to the bidders for the purposes of submitting a final bid. In particular:*
  - a. Amendments/adjustments to the CAPEX;*
  - b. Amendments/adjustments to the technical scope;*
  - c. Amendments/adjustments to the availability payment;*
  - d. Amendments/adjustments to the OPEX;*
  - e. Amendments/adjustments to the price escalation provisions in relation to the construction phase and in relation to the operation phase;*
  - f. Amendments/adjustments to the KPIs of the community benefits;*
  - g. Amendments/adjustments to the contractual risk allocation*
  - h. Any other relevant amendments/adjustments to the Project Agreement that may have had an impact on the evaluation of the final bid.*

*Please provide details of the amendments and/or adjustments as applicable.*

- 3. Considering that the financial binding terms from financial institutions had a specific validity period (unlikely to absorb the actual delay in achieving financial close), which party assumed the benefit/loss derived from this delay?*
- 4. Considering the delayed start of construction works with respect to bid assumptions, which party assumed the loss derived from additional inflation during such longer period?*
- 5. Given the length of the delay to financial close, did the authority consider whether it was obliged to retender or reengage with the alternative bidder?*
- 6. What were the reasons for not retendering or reengaging with the alternative bidder?*

This letter follows an Internal Review and constitutes a final decision as set out in Section 5 of the Freedom of Information Code of Practice (issued 4th July 2018).

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## Response to Request

### 1. What was the cause of the delay to financial close between the anticipated financial close of March 2023 and actual financial close in April 2024?

There were a number of factors that contributed to the delay in Financial Close. The key ones include:

- the review of the Estates Annex to the Full Business Case of the Welsh Government Shared Services technical review process. This included reviewing the design and its alignment to MIM Policy;
- securing a European Protected Species Licence (EPSL) from Natural Resources Wales, which was secured in the last quarter of 2023, and related habitat creation activities; and
- resolving of all the requirements on the Conditions Precedent for the Project Agreement, e.g. the Public Rights of Way.

### 2. Have there been any amendments with respect to the requirements prescribed to the bidders for the purposes of submitting a final bid.

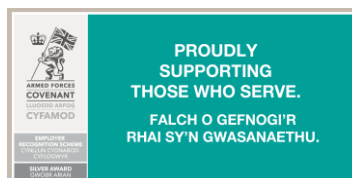
Section 3.2.3 of Part A of Volume One of the Invitation to Submit Final Tenders (ITSFT) (which Future Health received as a bidder on the procurement of the new Velindre Cancer Centre project) stated that following submission of Final Tenders, the Trust may, in accordance with regulation 30(2) of the Public Contracts Regulations 2015 (PCR) (the applicable legislative framework at the time) request a Participant to clarify, specify or optimise a Final Tender, provided that such clarification, specification or optimisation did not (i) involve changes to the essential features of the Final Tender or the public procurement (including the needs and requirements set out in the Contract Notice and Descriptive Document); or (ii) risk distorting competition or causing discrimination.

Amendments were made to the Final Tender with a view to finalising the document for execution at Financial Close, but the amendments made were in accordance with the ITSFT and PCR. Disclosure of details of the amendments is exempt by Section 41(1) and Section 43(2) of the FOIA.

Section 41(1) is an Absolute Exemption which protects information provided in confidence by the Successful Participant to the Trust where disclosure would constitute an actionable breach of confidence. *A N Coco vs Clark (1968)* states that for there to be an actionable duty of confidence the following three limbs must apply:

- *Whether the information has the necessary quality of confidence*
- *Whether it has been imparted in circumstances imparting an obligation of confidence*

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- *Whether an unauthorised use of the information would result in detriment to the confidence of the information*

The Trust assesses that the three limbs of the test apply in this case, therefore it is applying Section 41(1) of FOIA 2000.

Section 43(2) protects information where disclosure would be likely to prejudice the commercial interests of the Trust and/or any third parties including the Successful Participant. This relevant information includes commercially sensitive pricing, financial models, methodology, bid strategy, or risk allocation, disclosure of which would prejudice the Successful Participant.

### In particular:

#### a. *Amendments/adjustments to the CAPEX;*

As set out in paragraph 4.2.4.3 of the ITSFT, capex on the Project was to be indexed in accordance with Welsh Government's approach to construction cost inflation whereby all estimated capital costs were to be inflated to the mid-point of construction by applying the BCIS All-In TPI Index.

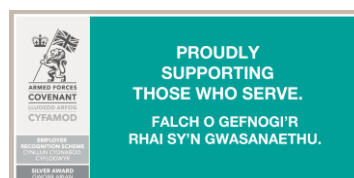
Furthermore, paragraph 7.8.5 of the ITSFT, stated that the estimated capital costs included in the Participant's Financial Model would be adjusted by the application of the movement in the published BCIS All-In TPI Index in respect of the period between 17 June 2022 and the anticipated date of Financial Close. In addition, this paragraph made clear that in the event Financial Close occurred after the anticipated Financial Close date, the estimated capital costs included in the Participant's Financial Model would be subject to a further adjustment by the application of the movement in the published BCIS All-In TPI Index in respect of the period between the anticipated date of Financial Close and the actual date of Financial Close, insofar as the delay had a reasonable and justifiable impact on the anticipated timing of the capital costs being incurred.

The Capex was adjusted as follows:

- in accordance with the inflation adjustment mechanism set out in the ITSFT;
- to reflect finalisation of the Final Tender in accordance with the ITSFT and PCR, and as set out in the Successful Participant Letter.

Disclosure of details of the amendments is exempt by Section 41(1) and Section 43(2) of the FOIA.

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However, the final contract value was published in a Contract Award Notice dated 4 June 2024, as GBP 884,790,000.

*b. Amendments/adjustments to the technical scope;*

Amendments were made to the Final Tender with a view to finalising the document for execution, but the amendments made were in accordance with the ITSFT and PCR. Disclosure of details of the amendments is exempt by section 41(1) and section 43(2) of the FOIA.

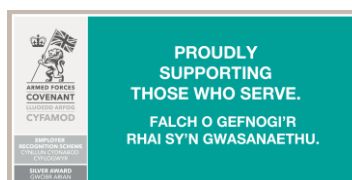
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*c. Amendments/adjustments to the availability payment;*

Amendments were made to the Final Tender with a view to finalising the document for execution, but the amendments made were in accordance with the ITSFT and PCR. Disclosure of details of the amendments is exempt by section 41(1) and section 43(2) of the FOIA.

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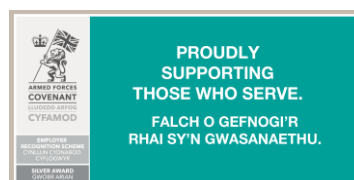
*d. Amendments/adjustments to the OPEX;*

Amendments were made to the Final Tender with a view to finalising the document for execution, but all amendments made were in accordance with the ITSFT and PCR. Disclosure of details of the amendments is exempt by section 41(1) and section 43(2) of the FOIA.

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*e. Amendments/adjustments to the price escalation provisions in relation to the construction phase and in relation to the operation phase;*

No amendments were made to the price escalation provisions in the Project Agreement in relation to the construction phase and in relation to the operation phase from the date of Final Tenders.

*f. Amendments/adjustments to the KPIs of the community benefits;*

Amendments were made to the Final Tender with a view to finalising the document for execution, but all amendments made were in accordance with the ITSFT and PCR. Disclosure of details of the amendments is exempt by section 41(1) and section 43(2) of the FOIA.

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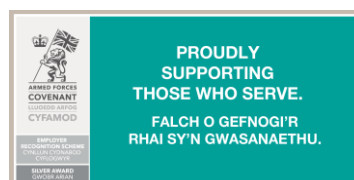
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*g. Amendments/adjustments to the contractual risk allocation*

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- h. *Any other relevant amendments/adjustments to the Project Agreement that may have had an impact on the evaluation of the final bid.*

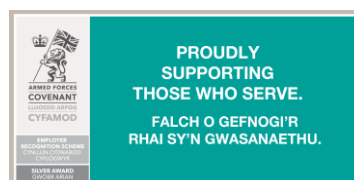
Amendments were made to the Final Tender with a view to finalising the document for execution, but all amendments made were in accordance with the ITSFT and PCR. As such, the amendments would not have had any impact on the evaluation of the Final Tenders. Disclosure of details of the amendments is exempt by section 41(1) and section 43(2) of the FOIA.

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**3. Considering that the financial binding terms from financial institutions had a specific validity period (unlikely to absorb the actual delay in achieving financial close), which party assumed the benefit/loss derived from this delay?**

Lenders held the funding terms set out in the Successful Participant's Final Tender to Financial Close, thereby absorbing the actual delay in achieving Financial Close.

**4. Considering the delayed start of construction works with respect to bid assumptions, which party assumed the loss derived from additional inflation during such longer period?**

Please see response to request 2a above.

**5. Given the length of the delay to financial close, did the authority consider whether it was obliged to retender or reengage with the alternative bidder?**

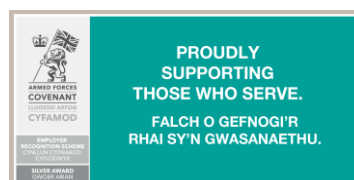
Throughout the period between the submission of Final Tenders and Financial Close, the Trust maintained continuous oversight of compliance with procurement law and its duties of equal treatment of bidders and transparency. It ensured that all decisions were taken through a robust and defensible governance process – seeking legal advice where appropriate – and that a comprehensive audit trail was created to evidence its analysis, reasoning and compliance with applicable legal obligations and best practice.

In this context, the Trust concluded that it was not obliged to retender or reengage with the alternative bidder.

**6. What were the reasons for not retendering or reengaging with the alternative bidder?**

The Trust concluded that the amendments made to finalise the Successful Participant's Final Tender in readiness for Financial Close were permitted by the ITSFT and PCR as fine-tuning and clarification of the Final Tender, and had not distorted competition or risked discrimination. In addition, the Trust concluded that the evaluation process had robustly identified the Most Economically Advantageous Tender, including by reference to the permitted amendments made to finalise the Final Tender, and there was no legal or procedural basis to revisit the outcome.

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## Public Interest Test

For the qualified exemption listed above (i.e. section 43), we have considered the balance of public interest.

### *Factors in favour of disclosure:*

In favour of disclosure, the Trust recognises the strong public interest in promoting transparency and accountability in public procurement and use of public funds. Disclosure can also assist public understanding of major projects, supporting informed scrutiny of how significant public investments are planned and delivered.

### *Factors against disclosure:*

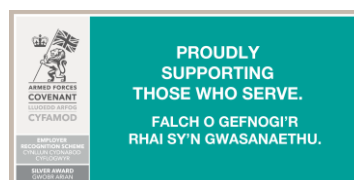
Against disclosure, the Trust considers that releasing the withheld information would be likely to harm its ability to secure best value in future procurements and would prejudice the commercial interests of both the Trust and the Successful Participant. Disclosure at this stage would also undermine the integrity of ongoing or future contractual negotiations. Moreover, there is a real risk that making sensitive material publicly available could deter market participants from engaging in future public tenders, particularly where they may be concerned that competitively sensitive information could later be disclosed under FOIA.

On balance, the public interest lies in maintaining the exemptions. I appreciate that this is not the decision you had hoped for, but I must consider the wider position under the Freedom of Information Act 2000 which I feel necessitates the need to refuse the part of your request under this legislation.

The Internal Review is now complete. Your statutory right remains to make a complaint to the Regulator at any time. Therefore, should you wish, you can contact the:

Information Commissioner's Office - Wales  
2nd Floor,  
Churchill House,  
Churchill Way,  
Cardiff,  
CF10 2HH  
Telephone: 0330 414 6421  
email: [wales@ico.org.uk](mailto:wales@ico.org.uk)

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Yours sincerely



**Ian Bevan**  
**Head of Information Governance and Data Protection Officer**  
Velindre University NHS Trust  
2 Charnwood Court  
Heol Billingsley  
Parc Nantgarw  
Cardiff  
CF15 7QZ

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