

# Public TCS Programme Scrutiny Sub-Committee

Thu 25 January 2024, 15:30 - 16:00

Via Microsoft Teams

## Agenda

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15:30 - 15:35  
5 min

### 1. STANDARD BUSINESS

#### 1.1. Welcome & Introductions

Led by Stephen Harries, Chair and Independent Member

#### 1.2. Apologies for Absence

Led by Stephen Harries, Chair and Independent Member

#### 1.3. Declarations of Interest

Led by Stephen Harries, Chair and Independent Member

#### 1.4. Minutes of the Sub-Committee Meeting held on 23.11.2023

Led by Stephen Harries, Chair and Independent Member

To Approve

 1.4 Public TCS Scrutiny Minutes 23.11.2023-LF-SH.pdf (5 pages)

#### 1.5. Action Log

Led by Stephen Harries, Chair and Independent Member

To Approve

 1.5 Action Log.pdf (4 pages)

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15:35 - 15:45  
10 min

### 2. PROGRAMME GOVERNANCE

#### 2.1. Communications & Engagement

Led by Non Gwilym, Assitant Director of Communications

To Note


 2.1 January 2024 comms and engagement paper - FINAL V2.pdf (10 pages)

#### 2.2. TCS Programme Finance Report

Led by Mark Ash, Assistant Project Director

To Note

 2.2 TCS Programme Board Finance Report (December 2023) - Cover Paper.pdf (6 pages)

 2.2 TCS Programme Board Finance Report (December 2023) - Main Report.pdf (16 pages)

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**15:45 - 15:55** **3. PROGRAMME DELIVERY**  
10 min

**3.1. Programme Director's Report**




**\*\*PAPER WITHDRAWN\*\***

**15:55 - 16:00** **4. PROJECT DELIVERY**  
5 min

**4.1. nVCC Planning and Commercial Audits**

Led by Mark Ash, Assistant Project Director

To Note

-  4.1 nVCC Final Audit Reports - Planning Final Report v0.1.pdf (7 pages)
-  4.1 Appendix A VEL SSU 2223 04 Planning Final Report 041223.pdf (13 pages)
-  4.1 Appendix B VEL SSU 2223 01 nVCC Commercial Approval Points Final Report 041223.pdf (16 pages)

**16:00 - 16:00** **5. ANY OTHER BUSINESS**  
0 min

Led by Stephen Harries, Chair and Independent Member

Prior Agreement by the Chair Required

**16:00 - 16:00** **6. REVIEW OF THE MEETING**  
0 min

**16:00 - 16:00** **7. DATE & TIME OF NEXT MEETING**  
0 min

Thursday 22nd February 2024 at 13.30 – 15.00

Meeting Room, Velindre Headquarters

**16:00 - 16:00** **8. CLOSE**  
0 min

The Board is asked to adopt the following resolution:

That representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest in accordance with Section 1(2) Public Bodies (Admission to Meetings) Act 1960 (c.67).

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**TCS Programme Scrutiny Committee**  
**Public Session**

**MINUTES OF THE MEETING HELD**

**23<sup>rd</sup> November 2023 at 13.30 – 14.30**

**Meeting Room, Trust Headquarters, Nantgarw  
(via Teams)**

**Members Present:**

Stephen Harries (SH)	Independent Member (Chair)
Hilary Jones (HJ)	Independent Member
Gareth Jones (GJ)	Independent Member

**In attendance:**

Steve Ham (SHam)	Trust Chief Executive
Carl James (CJ)	Executive Director of Strategic Transformation, Planning & Digital
Matthew Bunce (MB)	Executive Director of Finance
Lauren Fear (LF)	Director of Corporate Governance and Chief of Staff
Nicola Williams (NW)	Executive Director of Nursing, AHP's & Medical Scientists
Rachel Hennessy	Interim Director, Velindre Cancer Centre
Mark Ash (MA)	Assistant Project Director, TCS
Non Gwilym (NG)	Communications and Engagement Director
Carys Jones (CJones)	Senior Programme Delivery & Assurance Manager
Cory Davies (CD)	TCS Project and Programme Co-ordinator
Jessica Corrigan (JC)	Secretariat / Business Support Officer

**Apologies:**

Professor Donna Mead (DM)	Trust Chair
Dr Jacinta Abraham (JA)	Executive Medical Director
Sarah Morley (SM)	Executive Director of OD & Workforce
Gavin Bryce (GB)	Associate Director of Programmes
Cath O'Brien (COB)	Chief Operating Officer
David Powell (DP)	nVCC Project Director

1.0	STANDARD BUSINESS	ACTION
1.1	<b>Welcome &amp; Introductions</b> <i>Led by Stephen Harries, Chair and Independent Member</i>  SH welcomed attendees to the meeting.	
1.2	<b>Apologies for Absence</b> <i>Led by Stephen Harries, Chair and Independent Member</i>  Apologies were noted as above.	



1.3	<b>Declarations of Interest</b> <i>Led by Stephen Harries, Chair and Independent Member</i>  No declarations of interest were received.	
1.4	<b>Minutes of the Sub-Committee Meeting held on 26<sup>th</sup> October 2023</b> <i>Led by Stephen Harries, Chair and Independent Member</i>  The minutes of the meeting held on 26 <sup>th</sup> October 2023 within section 2.3 Nuffield Update were updated to also include:  <i>GJ raised concerns regarding whether the interfacing with the Regional Cancer Programme Board would lead to further delays. As a region we all need to demonstrate progress is being made.</i>  <i>CJ confirmed a CEO has been identified to lead on the Regional Cancer Programme Board. A Programme Manager is also in place. The Regional Cancer Programme Board is hoped to be stood up from December 2023 onwards.</i>  The TCS Programme Scrutiny Sub-Committee <b>APPROVED</b> the minutes held on the 26 <sup>th</sup> October 2023 as an accurate record.	
1.5	<b>Action Log</b> <i>Led by Stephen Harries, Chair and Independent Member</i>  It was agreed to close action 147.  An update will be provided regarding action 121 when Cath O'Brien has returned back to work.  The TCS Programme Scrutiny Sub-Committee <b>approved</b> the action log.	
2.0	<b>PROGRAMME GOVERNANCE</b>	
2.1	<b>Communications &amp; Engagement</b> <i>Led by Non Gwilym, Assistant Director of Communications</i>  The communications and engagement paper now contains a table to demonstrate the number of correspondence open at the time of the meeting, number of correspondences received during the reporting period and number of correspondences closed since last meeting.	



	<p>GJ queried if the communications and engagement paper need to be received at each meeting. NG suggested it is important to understand how the projects are impacting audiences and the how that links to the activities the Trust is developing. Further discussions will be held outside of the TCS Programme Scrutiny Sub-Committee.</p> <p>The TCS Programme Scrutiny Sub-Committee <b>NOTED</b> the Communications and Engagement Paper.</p>	
2.2	<p><b>TCS Programme Finance Report</b> <i>Led by Mark Ash, Assistant Project Director</i></p> <p>The TCS Finance Report outlines the spend against budget as at 31<sup>st</sup> October 2023 and the current year-end forecast.</p> <p>The year-to-date spend for the TCS Programme is £11.576m Capital and £0.460m Revenue, with a forecast expenditure for the current financial year of £17.928m Capital and £0.785m Revenue against budgets of £14.778m and £0.744m respectively.</p> <p>It was confirmed the funding for the Full Business Case phase of the nVCC Project for £3.140m has been set aside by Welsh Government. The funding letter will be received soon. It is anticipated the finance report for the December TCS Programme Scrutiny Sub-Committee will show a break even position because the funding has been received.</p> <p>The following additional Capital Projects commenced in October 2023:</p> <ul style="list-style-type: none"><li>• Advanced Design Development Agreement – Capital funding of £3.882m approved in October 2023</li><li>• Whitchurch Hospital Site – Capital funding to be secured from Welsh Government as part of the Enabling Works Full Business Case addendum</li></ul> <p>It was confirmed a table is missing from section 4.4, this will be reviewed and uploaded following the meeting.</p> <p>The TCS Programme Scrutiny Sub-Committee <b>NOTED</b> the financial position for the TCS Programme and Associated Projects for 2023-24 as at 31<sup>st</sup> October 2023.</p>	
3.0	<b>PROGRAMME DELIVERY</b>	
3.1	<p><b>Programme Director's Report</b> <i>Led by Carl James, Executive Director of Strategic Transformation, Planning and Digital</i></p>	



	<p>The TCS Programme Director and TCS Associate Director of Programmes reviewed TCS Programme's current performance for the reporting period 5<sup>th</sup> October – 9<sup>th</sup> November 2023 and concluded an <b>Amber status</b>.</p> <p>The following key milestones / achievements have been achieved within this reporting period:</p> <ul style="list-style-type: none"> <li>- Completion of Northern access bridge</li> <li>- Dwr Cymru Welsh Water main diversion works</li> <li>- Joint reporting of Integrated Radiotherapy Solution (IRS) phase 1 and Radiotherapy Satellite Centre (RSC) (IRS phase 2)</li> <li>- CT SIM Procurement award</li> </ul> <p>The Regional Cancer Programme have identified a Chief Executive and a Programme Manager. A Regional workshop is planned for 11<sup>th</sup> December for all partners to attend.</p> <p>The 'high' rated issues for the Satellite Radiotherapy Unit are outlined within the paper. During the latest Aneurin Bevan University Health Board and Velindre University NHS Trust Partnership Board it was understood all the issues are being worked through. There is currently 10-12week delay on the original programme because of the ground issues experienced with the Satellite Radiotherapy Unit.</p> <p>Going forward where possible the Programme Director's Report will include the target dates for each project.</p> <p>From January onwards every quarter the TCS Programme Scrutiny Sub-Committee will receive the risk register.</p> <p>Risk 439 has been closed due to water main works being completed week commencing 16<sup>th</sup> October. It was emphasized a new risk should be generated from this closed risk as the funding hasn't been confirmed yet.</p> <p>The TCS Programme Scrutiny Sub-Committee <b>NOTED</b> the Programme Director's Report.</p>	<p><b>CJ</b></p> <p><b>CJ</b></p> <p><b>MA</b></p>
<b>4.0</b>	<b>ANY OTHER BUSINESS</b>	
	There were no additional items of business brought for discussion.	
<b>5.0</b>	<b>REVIEW OF THE MEETING</b>	
	There were no additional comments or questions.	



6.0	DATE & TIME OF NEXT MEETING	
	<p>The next meeting of the TCS Programme Scrutiny Sub-Committee will be held on 21<sup>st</sup> December at 1.30pm in the Meeting Room, Velindre Headquarters.</p>	
7.0	CLOSE	
	<p>The Board is asked to adopt the following resolution:</p> <p>That representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest in accordance with Section 1(2) Public Bodies (Admission to Meetings) Act 1960 (c.67).</p>	

DRAFT

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## TCS Programme Scrutiny Sub-Committee

January 2024

### Action Summary – PUBLIC

No.	Action	Owner	Date Raised	Target Date	Progress to date	Status (Open / Closed)
120	<p><b>Multiple actions linked to work on Programme Tranche Report – in Appendix below</b></p> <p>120 121 122 130</p>	Cath O'Brien / Sarah Morley / Steve Ham	22/03/2022	Following completion of nVCC business case	<ul style="list-style-type: none"> <li>Following the completion of the nVCC Business Case process, the Programme Tranche Report needs to be refreshed and presented to the Committee for discussion in order to frame the future scope and structure of the TCS work.</li> </ul>	<b>OPEN</b> <i>(To be addressed in line with Programme Tranche Report)</i>
121	<p><b>TCS Programme Risk Register</b></p> <p>COB agreed to incorporate into the report addressing the common themes that are currently scattered throughout the risk register to give assurance on the totality of the workforce issues that are being faced and what is being done to address these. COB agreed to ensure this is broken down to manage the programme of work and delivering the service and the thread that comes through it. COB will work with BL and SM to articulate that and to show what is being done to address this issue.</p>	Cath O'Brien / Sarah Morley	22/03/2022	Following completion of nVCC business case	Same work as to refresh the Programme Tranche Report.	<b>OPEN</b> <i>(To be addressed in line with Programme Tranche Report)</i>

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No.	Action	Owner	Date Raised	Target Date	Progress to date	Status (Open / Closed)
122	SHam acknowledged the need for clarification on the strategic approach to recruitment and noted that this would be discussed at EMB with an update brought to the July meeting of this committee, following a discussion in the June Board Development meeting	<b>Steve Ham / Sarah Morley</b>	22/03/2022	Following completion of nVCC business case	<i>Same work as to refresh the Programme Tranche Report.</i>	<b>OPEN (To be addressed in line with Programme Tranche Report)</b>
130	Noted that work is underway to undertake targeted recruitment of key posts which are proving difficult to fill work with a Recruitment Marketing Agency in order to support us in doing this. Agreed to add to the agenda as a separate item at an upcoming meeting with accompanying paper detailing current needs vs baseline, etc.	<b>Sarah Morley</b>	22/03/2022	Following completion of nVCC business case	<i>Same work as to refresh the Programme Tranche Report.</i>	<b>OPEN (To be addressed in line with Programme Tranche Report)</b>
143	SA queried whether a list of all current TCS schemes, along with a timeline of completion, was available as this would be a useful reference document to provide information and assurance to the public. GB agreed to look at providing a one-page, bullet point update summary.	<b>Gavin Bryce</b>	20/04/23	Following completion of nVCC business case	<i>Same work as to refresh the Programme Tranche Report.</i>	<b>OPEN (To be addressed in line with Programme Tranche Report)</b>
146	CJ confirmed outside of the meeting he will come up with a clear scope demonstrating what projects or pieces of work are sat where and who's accountable for them. The governance for each of these pieces of work ensuring there are no gaps. This is to provide clarification to the Sub-Committee and will feed up into Trust Board for information and assurance.	<b>Carl James</b>	19/06/23	Following completion of nVCC business case	<i>Same work as to refresh the Programme Tranche Report.</i>	<b>OPEN (To be addressed in line with Programme Tranche Report)</b>

No.	Action	Owner	Date Raised	Target Date	Progress to date	Status (Open / Closed)
147	<b>Project 3a Integrated Radiotherapy Solution (IRS) and Project 4: Radiotherapy Satellite Centre</b> A more detailed update will be provided on Radiotherapy during the November TCS Programme Scrutiny Sub-Committee.	<b>Cath Obrien</b>	26/10/2023	23/11/2023	<i>IRS and RSU have moved from strategic planning to implementation phase (Feb 2023, Oct 2022) and are now report through Velindre Futures (via a formal Project Board) into EMB.</i>  <i>Added to the February TCS Programme Scrutiny Sub-Committee agenda.</i>	<b>CLOSED</b>
148	<b>Project 3a Integrated Radiotherapy Solution (IRS) and Project 4: Radiotherapy Satellite Centre</b> HJ requested to see the progress of the build programme as we are approaching winter we are at risk at falling further behind with the programme of work. HJ requested for this to be sent via email.	<b>Cath Obrien</b>	26/10/2023	23/11/2023	<i>Cath Obrien provided Hilary Jones with an update on the build via email. Construction phase programme plan is on schedule confirmed at joint VCC/ABUHB project board January 2024</i>	<b>CLOSED</b>
149	<b>Programme Directors Report</b> Going forward where possible the Programme Directors Report will include the target dates for each project.	<b>Carl James</b>	23/11/2023	21/12/2023	<i>Dates added within the report where feasible.</i>	<b>CLOSED</b>
150	<b>Programme Directors Report</b> From January onwards every quarter the TCS Programme Scrutiny Sub-Committee will receive the risk register.	<b>Carl James</b>	23/11/2023	23/01/2024	<i>Following a discussion with the Director of Governance it was agreed that as per the Risk Policy, Scrutiny Sub-Committee will receive all risks 15 and above. Project Board and Strategic Capital Board</i>	<b>CLOSED</b>



No.	Action	Owner	Date Raised	Target Date	Progress to date	Status (Open / Closed)
					<i>shall receive risks below 15 and above and provide assurance to the Committee.</i>	
<b>151</b>	<b>Programme Directors Report</b> Risk 439 has been closed due to water main works being completed week commencing 16 <sup>th</sup> October. It was emphasized a new risk should be generated from this closed risk as the funding hasn't been confirmed yet.	<b>Mark Ash</b>	23/11/2023	21/12/2023	<i>No update received.</i>	<b>OPEN</b>

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**GIG**  
CYMRU  
**NHS**  
WALES

Ymddiriedolaeth GIG  
Prifysgol Felindre  
Velindre University  
NHS Trust

## TRANSFORMING CANCER SERVICES PROGRAMME SCRUTINY SUB COMMITTEE

### Communications and Engagement Update

**DATE OF MEETING**

25/01/2024

**PUBLIC OR PRIVATE REPORT**

Public

**IF PRIVATE PLEASE INDICATE REASON**

NOT APPLICABLE - PUBLIC REPORT

**REPORT PURPOSE**

INFORMATION / NOTING

**IS THIS REPORT GOING TO THE MEETING BY EXCEPTION?**

NO

**PREPARED BY**

Thomas Deacon, Senior Communications Manager

**PRESENTED BY**

Thomas Deacon, Senior Communications Manager

**APPROVED BY**

Lauren Fear, Director of Corporate Governance & Chief of Staff

**EXECUTIVE SUMMARY**

A summary of activity by the communications and engagement team to promote the work of the nVCC project during the reporting period.

**RECOMMENDATION / ACTIONS**

The TCS Programme Scrutiny Sub-Committee is asked to note the paper.

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GOVERNANCE ROUTE	
List the Name(s) of Committee / Group who have previously received and considered this report:	Date
Strategic Capital Board	18/01/2024
<b>SUMMARY AND OUTCOME OF PREVIOUS GOVERNANCE DISCUSSIONS</b>	
N/A	

7 LEVELS OF ASSURANCE	
<b>ASSURANCE RATING ASSESSED BY BOARD DIRECTOR/SPONSOR</b>	Level 7 - Improvements sustained over time - BAU

APPENDICES	

## 1. SITUATION

This report outlines the activities and achievements of the nVCC communications and engagement team since the previous meeting.

## 2. BACKGROUND

The report details the work to promote the nVCC project, detail the reactive communications issued and highlight the engagement activities carried out.

## 3. ASSESSMENT

### 1. Communications

#### 1.1 Proactive digital communications

nVCC project blog

We have continued to post regularly on our internal nVCC project blog. The blog remains displayed prominently on the intranet landing page providing easy access for staff across the Trust to follow and stay informed. More than **29** articles have now been published. In total the posts in the current reporting period have had more than 200 views from staff members. The posts published during this reporting period from November to today include:

#### **Lady Cory Field reopens maps –143 views**

We shared news that Lady Cory Field reopened following our enabling works. We detailed the improvements made, acknowledged that the community has been without the space for several months and included images of the area.

#### **Off-site habitat works – 63 views**

A comms pack was distributed after the off-site habitat works started the week commencing January 8. Messaging was shared on our social media channels, with all local stakeholders via email and letters were sent to all Clos Coed Hir residents. The majority of responses have been positive. We also commissioned CGI images of how part of the habitat will look in 20 years to help residents better understand the work.



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#### **Staff drop-in design session – 71 views**

We shared details on a staff drop-in session where members of the team were on hand to share updated design plans for the nVCC.

#### **Lady Cory Field – 174 views**

We shared information on our ongoing work at Lady Cory Field. This included the improvements made, details on the planning process and a map of the new layout. This was also shared across our social media channels and with key stakeholders via email.

#### **Office accommodation study – 61 views**

We shared details of a two-week study looking at the ways we use our offices and admin areas as part of the planning and design of future workspaces at the nVCC.

#### **Spooky Jambori – 140 views**

We promoted the Spooky Jambori that was held at the VCC. Following the event, we also shared images of some of the parents and children that attended. Both posts were also shared across our social media channels and we shared details of the event with our key stakeholders via email.

#### **Latest bridge images – 245 views**

We also shared several of the latest images of the bridge at Asda Coryton with information on when the bridge will be fully complete.

#### **Aerial maps – 159 views**

We shared aerial images of the nVCC site overlaid with info included an approximate outline of the main site area and surrounding landmarks.

We also shared the same content on our Velindre Matters social media channels. The post received positive feedback.



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## **nVCC update – 409 views**

We shared an internal update on the progress of the nVCC project with staff in a joint statement from David Powell and Steve Ham.

### **Footpath works**

We shared a post on our Velindre Matters social media channels highlighting the work to improve the pathways near Lady Cory Field. The post included a video walkthrough of the area that highlighted positive aspects of the works. The post was again received positively.

### **Other proactive comms issued**

#### **Power supply works**

Communications to Clos Coed hir residents notifying them that work to start on supplying power to the nVCC site. Local councillors, MS/MP and other key stakeholders have also be notified of the works. An offer to meet with residents on-site with key members of the team is also included in our comms.

#### **Arts in Health**

We welcomed our new Arts in Health Coordinator Sally Thelwell who will be working closely with the team on nVCC design as well as Hefyd initiatives. Comms were shared on our social media channels and with staff.

## **1.2 Media queries**

During the reporting period we received two media queries, both in November.

### **Site clearance**

Nation Cymru requested a comment after the main site clearance works started. We issued the following comment:

*"We are in the process of further preparation works on the site of the new Velindre Cancer Centre after receiving the European Protected Species Licence as approved by Natural Resources Wales.*

*"The activity on site aligns with the ecological window. Ecologists are on site overseeing the work which includes the safe movement of wildlife to surrounding habitat. Throughout, security reviews are being maintained to ensure public and contractor safety and confidence."*

### **Permissions and site clearance**

We received another query regarding the site clearance works and how this relates to financial close, and under what permissions the work is allowed. We issued the following comment:

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*"As stated previously, the clearance work on site is one of many activities underway to prepare for the development of the new Velindre Cancer Centre, which is critical in safeguarding the provision of crucial treatment and care for the 1.5 million people of south Wales over the coming decades.*

*"The works are not reliant on the Welsh Government's approval of the business case and are being delivered by Acorn on the basis of the planning permission granted by Cardiff Council in 2023 (Reserved Matters application) and the European Protected Species License issued by Natural Resources Wales.*

*"The activity is key to enable the development of the new centre, must be carried out during the appropriate ecological window and is being conducted under the supervision of ecologists."*

### 1.3 Correspondence

Number of correspondence open at time of meeting	Number of correspondence received during reporting period	Number of correspondence closed since last meeting
3	4	14

The level of correspondence has decreased compared to previous months. Emails received covered a variety of topics including:

- Lady Cory Field
- Fencing on main site
- Clearance works on the main site
- EPSL approval
- Asda works

### 1.4 Engagement

#### Resident drop-in events

We held our regular resident drop-in event at Whitchurch Library on November 30. No residents attended. The event was advertised as usual. A number of Trust staff and representatives from Walters and Sacyr were on-site to answer any resident queries.

No resident drop-in event was held in December due to the Christmas break. This was shared across our social media channels to inform residents. Our regular resident meetings will resume from the last Thursday of January at Whitchurch Library.

#### Julie Morgan's Christmas event

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Our team took part in a special Christmas event in December to support families in need of support. Organised by Julie Morgan MS, we provided Christmas lanterns that children (could paint all as part of our community benefits programme Hefyd.

### Young people design workshop

We held an event in December at Whitchurch Rugby Club about designing spaces that are safe and engaging for young people at the nVCC.

### School workshops

We also held workshops at Bryntirion Comprehensive school and Ysgol Cwm Gwyddon to gain feedback on designing spaces in the nVCC for young people.

### LATCH visit

Our team visited the children's cancer charity LATCH that supports children receiving treatment for cancer to discuss the nVCC project and gain stakeholder insight.

## 2. Next month

- Continued communications support for the enabling works project
- Series of videos to be shared, including interviews with Tom Morris from Walters discussing aspects of enabling works
- Velindre bridge completion comms event to be finalised and issued

## 3. SUMMARY OF MATTERS FOR CONSIDERATION

N/A

## 4. IMPACT ASSESSMENT

TRUST STRATEGIC GOAL(S)
Please indicate whether any of the matters outlined in this report impact the Trust's strategic goals: <b>Choose an item</b>
If yes - please select all relevant goals:
<ul style="list-style-type: none"> <li>• Outstanding for quality, safety and experience <input type="checkbox"/></li> <li>• An internationally renowned provider of exceptional clinical services <input checked="" type="checkbox"/></li> </ul> <p>that always meet, and routinely exceed expectations</p>



<ul style="list-style-type: none"><li>• A beacon for research, development and innovation in our stated areas of priority <input type="checkbox"/></li><li>• An established 'University' Trust which provides highly valued knowledge for learning for all. <input type="checkbox"/></li><li>• A sustainable organisation that plays its part in creating a better future for people across the globe <input checked="" type="checkbox"/></li></ul>	
<b>RELATED STRATEGIC RISK - TRUST ASSURANCE FRAMEWORK (TAF)</b> <i>For more information: <a href="#">STRATEGIC RISK DESCRIPTIONS</a></i>	02 - Partnerhips Working / Stakeholder Engagement
<b>QUALITY AND SAFETY IMPLICATIONS / IMPACT</b>	Select all relevant domains below
	<div>Safe <input type="checkbox"/></div> <div>Timely <input type="checkbox"/></div> <div>Effective <input type="checkbox"/></div> <div>Equitable <input type="checkbox"/></div> <div>Efficient <input type="checkbox"/></div> <div>Patient Centred <input type="checkbox"/></div>
	<p>The Key Quality &amp; Safety related issues being impacted by the matters outlined in the report and how they are being monitored, reviewed and acted upon should be clearly summarised here and aligned with the Six Domains of Quality as defined within Welsh Government's Quality and Safety Framework: Learning and Improving (2021).</p> <p>Click or tap here to enter text</p>
<b>SOCIO ECONOMIC DUTY ASSESSMENT COMPLETED:</b> <i>For more information: <a href="https://www.gov.wales/socio-economic-duty-overview">https://www.gov.wales/socio-economic-duty-overview</a></i>	<div>Not required</div> <div><i>[In this section, explain in no more than 3 succinct points why an assessment is not considered applicable or has not been completed].</i></div> <p>Click or tap here to enter text</p>

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**ADDITIONAL IMPLICATIONS**



	Click or tap here to enter text

## 5. RISKS

ARE THERE RELATED RISK(S) FOR THIS MATTER	No
WHAT IS THE RISK?	
WHAT IS THE CURRENT RISK SCORE	Insert Datix current risk score
HOW DO THE RECOMMENDED ACTIONS IN THIS PAPER IMPACT THIS RISK?	
BY WHEN IS IT EXPECTED THE TARGET RISK LEVEL WILL BE REACHED?	Insert Date
ARE THERE ANY BARRIERS TO IMPLEMENTATION?	Choose an item
All risks must be evidenced and consistent with those recorded in Datix	

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**TRANSFORMING CANCER SERVICES PROGRAMME SCRUTINY SUB COMMITTEE**

**TCS Programme Finance Report 2023-24  
December 2023**

<b>DATE OF MEETING</b>	25 <sup>th</sup> January 2023
<b>PUBLIC OR PRIVATE REPORT</b>	Public
<b>IF PRIVATE PLEASE INDICATE REASON</b>	NOT APPLICABLE - PUBLIC REPORT
<b>REPORT PURPOSE</b>	INFORMATION / NOTING
<b>IS THIS REPORT GOING TO THE MEETING BY EXCEPTION?</b>	NO
<b>PREPARED BY</b>	Mark Ash, Assistant Project Director, nVCC and Enabling Works Projects
<b>PRESENTED BY</b>	Matthew Bunce, Executive Director of Finance
<b>APPROVED BY</b>	Matthew Bunce, Executive Director of Finance
<b>EXECUTIVE SUMMARY</b>	<p>The purpose of this report is to provide a financial update for the Transforming Cancer Services (TCS) Programme for the financial year 2023-24, outlining spend against budget as at 31<sup>st</sup> December 2023 and the current year-end forecast.</p> <p>The year-to-date spend for the TCS Programme is £15.412m Capital and £0.566m Revenue, with a forecast expenditure for the current financial year of £18.834m Capital and £0.785m Revenue against budgets of £16.462m and £0.785m respectively.</p>

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## RECOMMENDATION / ACTIONS

The TCS Programme Scrutiny Sub-Committee is asked to **NOTE** the financial position for the TCS Programme and Associated Projects for 2023-24 as at 31<sup>st</sup> December 2023.

## GOVERNANCE ROUTE

**List the Name(s) of Committee / Group who have previously received and considered this report:**

**Date**

Executive Management Board – Shape

22/01/2024

## SUMMARY AND OUTCOME OF PREVIOUS GOVERNANCE DISCUSSIONS

N/A

## 7 LEVELS OF ASSURANCE

The purpose of the report to provide assurance on the financial position of the EW and nVCC Project.

**ASSURANCE RATING ASSESSED BY BOARD DIRECTOR/SPONSOR**

Select Current Level of Assurance

## APPENDICES

01

Main TCS Programme Finance Report December 2023

## 1. SITUATION

The purpose of the accompanying report is to provide a financial update to the TCS Programme Delivery Board for the financial year 2023-24, outlining spend to date against budget as at December 2023 and the current full year forecast.

The TCS Programme financial position is continually monitored and updated, with an update provided to the TCS Programme Delivery Board and Trust Board monthly.

## 2. SUMMARY OF MATTERS FOR CONSIDERATION

The summary financial position for the TCS Programme for the year 2023-24 as at 31<sup>st</sup> December 2023 is provided below.

Expenditure Type	Year to Date Spend	2023-24 Full Year		
		Budget	Forecast	Variance
Capital	£15.412m	£15.677m	£18.834m	-£3.157m
Revenue	£0.566m	£0.785m	£0.785m	£0
<b>Total</b>	<b>£15.978m</b>	<b>£16.462m</b>	<b>£19.619m</b>	<b>-£3.157m</b>

The overall forecast outturn for the Programme is an overspend of £3.157m for the financial year 2023-24 against a budget of £16.4622m.

Capital funding has not been allocated for the FBC phase of the nVCC Project for this financial year. The funding request for c£2.800m made to WG will be increased to c£3.140m.

Capital funding of £0.898m (inc VAT) for the Advanced Works Agreement for the nVCC Project was allocated by WG on 9th January 2024.

Revenue funding has been allocated for Project Delivery and Judicial Review elements of the nVCC project for this financial year from the interest incurred by the Escrow account. This supersedes the proposed funding request of £0.041m which was to be made to the Trust.

## 3. IMPACT ASSESSMENT

TRUST STRATEGIC GOAL(S)
Please indicate whether any of the matters outlined in this report impact the Trust's strategic goals: <b>Choose an item</b>
<p>If yes - please select all relevant goals:</p> <ul style="list-style-type: none"> <li>• Outstanding for quality, safety and experience <input type="checkbox"/></li> <li>• An internationally renowned provider of exceptional clinical services that always meet, and routinely exceed expectations <input type="checkbox"/></li> <li>• A beacon for research, development and innovation in our stated areas of priority <input type="checkbox"/></li> <li>• An established 'University' Trust which provides highly valued knowledge for learning for all. <input type="checkbox"/></li> </ul>





<ul style="list-style-type: none"><li>A sustainable organisation that plays its part in creating a better future for people across the globe <input type="checkbox"/></li></ul>	
<b>RELATED STRATEGIC RISK - TRUST ASSURANCE FRAMEWORK (TAF)</b> <i>For more information: <a href="#">STRATEGIC RISK DESCRIPTIONS</a></i>	<b>Choose an item</b>
<b>QUALITY AND SAFETY IMPLICATIONS / IMPACT</b>	<b>Select all relevant domains below</b>
	Safe <input type="checkbox"/> Timely <input type="checkbox"/> Effective <input type="checkbox"/> Equitable <input type="checkbox"/> Efficient <input type="checkbox"/> Patient Centred <input type="checkbox"/>
	<p>The Key Quality &amp; Safety related issues being impacted by the matters outlined in the report and how they are being monitored, reviewed and acted upon should be clearly summarised here and aligned with the Six Domains of Quality as defined within Welsh Government's Quality and Safety Framework: Learning and Improving (2021).</p> <p><b>Click or tap here to enter text</b></p>
<b>SOCIO ECONOMIC DUTY ASSESSMENT COMPLETED:</b> <i>For more information: <a href="https://www.gov.wales/socio-economic-duty-overview">https://www.gov.wales/socio-economic-duty-overview</a></i>	Not required
	<p><b>Click or tap here to enter text</b></p>

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Velindre University  
NHS Trust

<b>TRUST WELL-BEING GOAL IMPLICATIONS / IMPACT</b>	<b>Choose an item</b>
	If more than one Well-being Goal applies please list below:
	If more than one wellbeing goal applies please list below:
	<b>Click or tap here to enter text</b>
<b>FINANCIAL IMPLICATIONS / IMPACT</b>	Yes - please Include further detail below, including funding stream
	<i>This section should outline the financial resource requirements in terms of revenue and/or capital implications that will result from the Matters for Consideration and any associated Business Case.</i>
	Narrative in this section should be clear on the following:
	<b>Source of Funding:</b> Other (please explain)
	Please explain if 'other' source of funding selected: Capital funding from WG; Revenue funding from VUNHST, WG and Commissioners
	<b>Type of Funding:</b> <b>Revenue and Capital Funding</b>
	<b>Scale of Change</b> Please detail the value of revenue and/or capital impact: Capital: £19.619m; Revenue £0.785m
	<b>Type of Change</b> <b>Major Programme</b> Please explain if 'other' source of funding selected: <b>Click or tap here to enter text</b>

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<b>EQUALITY IMPACT ASSESSMENT</b> <i>For more information:</i> <a href="https://nhswales365.sharepoint.com/sites/VEL/ntranet/SitePages/E.aspx">https://nhswales365.sharepoint.com/sites/VEL/ntranet/SitePages/E.aspx</a>	Not required - please outline why this is not required
	Click or tap here to enter text.
<b>ADDITIONAL LEGAL IMPLICATIONS / IMPACT</b>	There are no specific legal implications related to the activity outlined in this report.
	Click or tap here to enter text

#### 4. RISKS

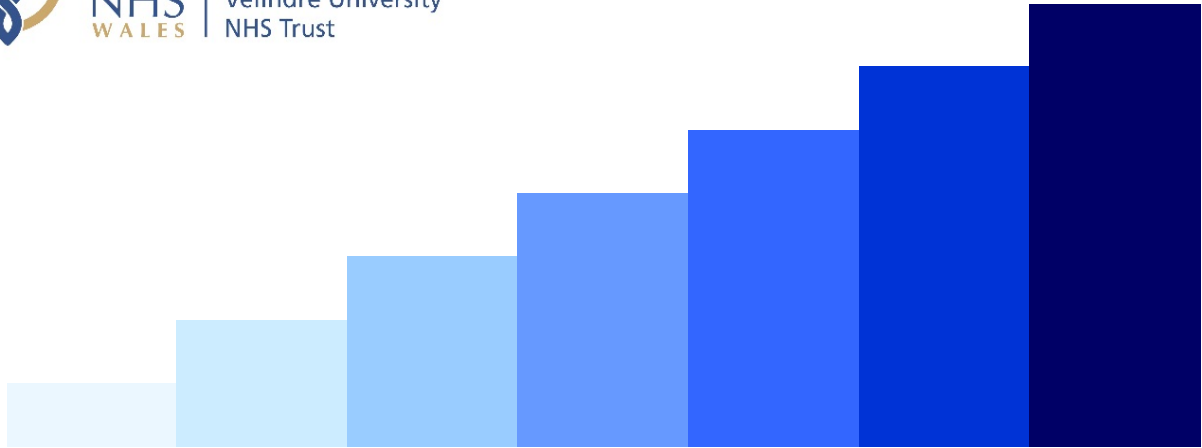
<b>ARE THERE RELATED RISK(S) FOR THIS MATTER</b>	Yes - please complete sections below
<b>WHAT IS THE RISK?</b>	<ul style="list-style-type: none"><li>• Funding not allocated for nVCC Project</li><li>• Additional funding required for Enabling Works Project</li><li>• Funding not allocated for the Whitchurch Hospital Site Project</li></ul>
<b>WHAT IS THE CURRENT RISK SCORE</b>	
<b>HOW DO THE RECOMMENDED ACTIONS IN THIS PAPER IMPACT THIS RISK?</b>	Mitigate the risks by seeking to secure funding from Welsh Government
<b>BY WHEN IS IT EXPECTED THE TARGET RISK LEVEL WILL BE REACHED?</b>	
<b>ARE THERE ANY BARRIERS TO IMPLEMENTATION?</b>	No
<b>All risks must be evidenced and consistent with those recorded in Datix</b>	

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# TCS PROGRAMME FINANCE REPORT 2023-24

**Period Ending 31<sup>st</sup> December 2023**

**Presented to TCS Programme Scrutiny Sub-  
Committee on  
25<sup>th</sup> January 2024**

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## 1. INTRODUCTION

- 1.1 The purpose of this report is to provide a financial update for the Transforming Cancer Services (TCS) Programme for the financial year 2023-24, outlining spend against budget as at 31<sup>st</sup> December 2023 and the current year-end forecast.
- 1.2 The TCS Programme financial position is continually monitored and updated, with an update provided regularly to both the TCS Programme Delivery Board and Trust Board.

## 2. EXECUTIVE SUMMARY

- 2.1 The summary financial position for the TCS Programme for the year 2023-24 as at 31st December 2023 is provided below. A detailed table of budget, spend and variance for the capital and revenue expenditure is provided in Appendix 1.

Expenditure Type	Year to Date Spend	2023-24 Full Year		
		Budget	Forecast	Variance
Capital	£15.412m	£15.677m	£18.834m	-£3.157m
Revenue	£0.566m	£0.785m	£0.785m	£0
<b>Total</b>	<b>£15.978m</b>	<b>£16.462m</b>	<b>£19.619m</b>	<b>-£3.157m</b>

- 2.2 The overall forecast outturn for the Programme is an overspend of £3.157m for the financial year 2023-24 against a budget of £16.462m.
- 2.3 Capital funding has not been allocated for the FBC phase of the nVCC Project for this financial year. The funding request for £2.800m made to WG will be increased to c£3.140m.
- 2.4 Capital funding of £0.898m (inc VAT) for the Advanced Works Agreement for the nVCC Project was allocated by WG on 9<sup>th</sup> January 2024.
- 2.5 Revenue funding has been allocated for Project Delivery and Judicial Review elements of the nVCC project for this financial year from the interest incurred by the Escrow account. This supersedes the proposed funding request of £0.041m which was to be made to the Trust.
- 2.6 The current financial risks associated with the TCS Programme are:
- The Enabling Works Project may be required to provide financial support to the nVCC Project due the current lack of funding for 2023-24 for the latter. This risk is being mitigated as previously noted.
  - There are three new elements to the Enabling Works Project that require additional funding as previously noted, totalling £2.300m. Ministerial approval will be sought for this additional funding.
  - The current risk to the nVCC Project is the lack of funding, with a current overspend as costs are still being incurred due to the delay of Financial Close. This risk is being mitigated by a request to WG for funding for the Project of c£3.140m.

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- There is a risk of a lack of funding for the Whitchurch Hospital Site, which is being mitigated by securing additional funding from WG as part of the Enabling Works FBC Addendum.

### 3. BACKGROUND

- 3.1 In January 2015 the Minister for Health and Social Services approved the initial version of the Strategic Outline Programme 'Transforming Cancer Services in South East Wales'. Following completion of the Key Stage Review in June/July 2015, approval was received from the Minister to proceed to the next stage of the Programme.
- 3.2 By 31<sup>st</sup> March 2023, the Welsh Government (WG) had provided a total of £42.377m funding (£40.084m capital, £2.293m revenue) to support the TCS Programme. In addition, the Trust provided £0.264m from its discretionary capital allocation and £0.380m non-recurrent revenue funding.
- 3.3 NHS Commissioners agreed in December 2018 to provide annual revenue funding to the Trust to support TCS Programme, with £0.400m provided in 2018-19, increased to £0.420m thereafter.
- 3.4 The current funding provided to support the TCS Programme in 2023-24 is £10.896m capital and £0.785m revenue, as outlined in Appendix 2. The sources of funding are summarised below.

#### Sources of Capital Funding

##### *Initial Allocation (as at 1<sup>st</sup> April 2023)*

Project	WG Capital	Total Funding
Enabling Works Project	£10.896m	£10.896m
nVCC Project	£0	£0
ADDA	£0	£0
Whitchurch Hospital Site	£0	£0
<b>Total</b>	<b>£10.896m</b>	<b>£10.896m</b>

##### *Overall Change to Allocation*

Project	WG Capital	Total Funding
Enabling Works Project	£0	£0
nVCC Project	£0	£0
ADDA	£4.780m	£4.780m
Whitchurch Hospital Site	£0	£0
<b>Total</b>	<b>£4.780m</b>	<b>£4.780m</b>

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#### **Current Allocation (as at 31<sup>st</sup> December 2023)**

Project	WG Capital	Total Funding
Enabling Works Project	£10.896m	£10.896m
nVCC Project	£0	£0
ADDA	£4.780m	£4.780m
Whitchurch Hospital Site	£0	£0
<b>Total</b>	<b>£15.677m</b>	<b>£15.677m</b>

#### **Sources of Revenue Funding**

##### **Initial Allocation (as at 1<sup>st</sup> April 2023)**

Project	LHB Commissioners	Trust Reserves	WG Pay Award	Escrow Interest	Total Funding
PMO	£0.240m	£0.060m	£0	£0	£0.300m
nVCC	£0	£0	£0	£0	£0
SDT	£0.180m	£0.131m	£0	£0	£0.311m
<b>Total</b>	<b>£0.420m</b>	<b>£0.191m</b>	<b>£0</b>	<b>£0</b>	<b>£0.611m</b>

##### **Overall Change to Allocation**

Project	LHB Commissioners	Trust Reserves	WG Pay Award	Escrow Interest	Total Funding
PMO	£0	£0	£0.028m	£0	£0.028m
nVCC	£0	£0	£0.096m	£0.041m	£0.137m
SDT	£0	£0	£0.009m	£0	£0.009m
<b>Total</b>	<b>£0</b>	<b>£0</b>	<b>£0.133m</b>	<b>£0.041m</b>	<b>£0.174m</b>

##### **Current Allocation (as at 31<sup>st</sup> December 2023)**

Project	LHB Commissioners	Trust Reserves	WG Pay Award	Escrow Interest	Total Funding
PMO	£0.240m	£0.060m	£0.028m	£0	£0.328m
nVCC	£0	£0	£0.096m	£0.041m	£0.137m
SDT	£0.180m	£0.131m	£0.009m	£0	£0.320m
<b>Total</b>	<b>£0.420m</b>	<b>£0.191m</b>	<b>£0.133m</b>	<b>£0.041m</b>	<b>£0.785m</b>

## **4. CAPITAL POSITION**

### **4.1**

The current capital funding for 2023-24 is outlined below:



• Enabling Works Project	£10.896m
• nVCC Project	£0
• ADDA	£4.780m
• Whitchurch Hospital Site	£0
<b>Total</b>	<b>£15.677m</b>

- 4.2 The capital position as at 31<sup>st</sup> December 2023 is outlined below, with a forecast overspend of £19.619m for 2023-24 against a budget of £16.462m. This is due to the lack of capital funding being allocated to the nVCC Project for this financial year.

Capital Expenditure	Year to Date Spend	2023-24 Full Year		
		Budget	Forecast	Variance
Enabling Works Project	£9.213m	£10.896m	£10.896m	£0
nVCC Project	£2.562m	£0	£3.144m	-£3.144m
ADDA	£3.624m	£4.780m	£4.780m	£0
Whitchurch Hospital Site	£0.014m	£0	£0.014m	-£0.014m
<b>Total</b>	<b>£15.412m</b>	<b>£15.677m</b>	<b>£18.834m</b>	<b>-£3.157m</b>

- 4.3 A funding request has been made to WG for c£2.800m for the nVCC Project, which will be amended to reflect the increased overspend of £3.140m.
- 4.4 There are three new elements that require additional funding from WG, which were not known at the time of establishing the Enabling Works FBC, totalling £2.300m. This additional capital funding will require Ministerial approval.

## 5. REVENUE POSITION

- 5.1 The revenue funding for 2023-24 is outlined below:

• PMO	£0.328m
• nVCC Project	£0.137m
• SDT Project	£0.320m
<b>Total</b>	<b>£0.785m</b>

- 5.2 The revenue position as at 31<sup>st</sup> December 2023 is outlined below, with a forecast break even position for the financial year for 2023-24 against a budget of £0.785m.

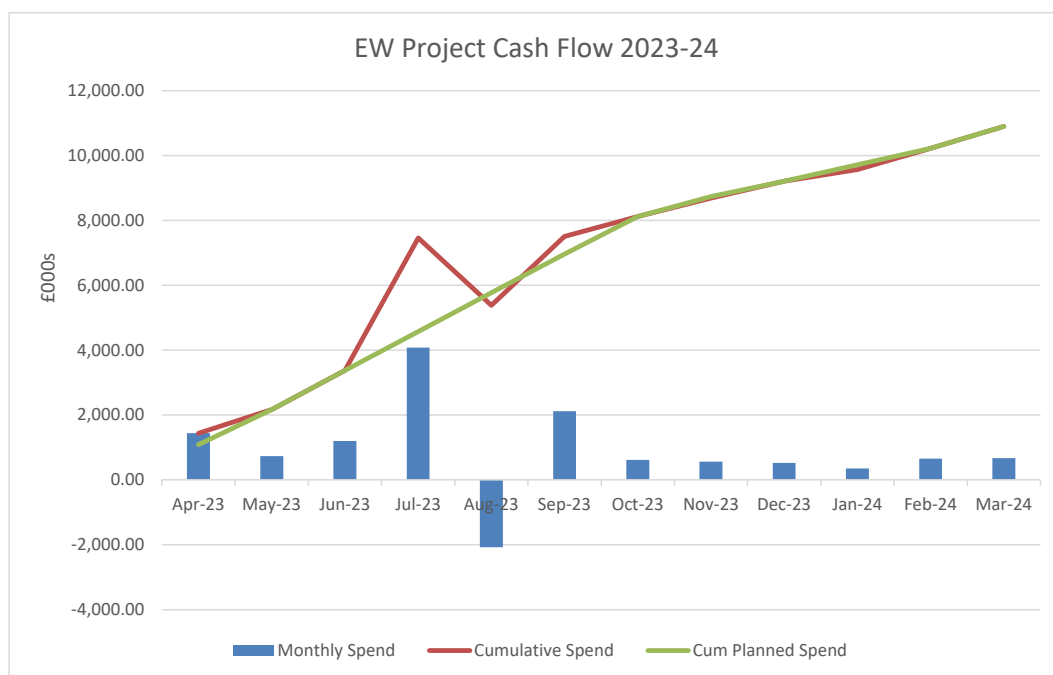
Revenue Expenditure	Year to Date Spend	2023-24 Full Year		
		Budget	Forecast	Variance
PMO	£0.239m	£0.328m	£0.328m	£0
nVCC Project	£0.109m	£0.137m	£0.137m	£0
SDT Project	£0.218m	£0.320m	£0.320m	£0
<b>Total</b>	<b>£0.566m</b>	<b>£0.785m</b>	<b>£0.785m</b>	<b>£0</b>

- 5.3 Revenue funding of £0.041m will be provided to the nVCC Project for Project Delivery and Judicial Review cost from interest incurred from the Escrow Account.

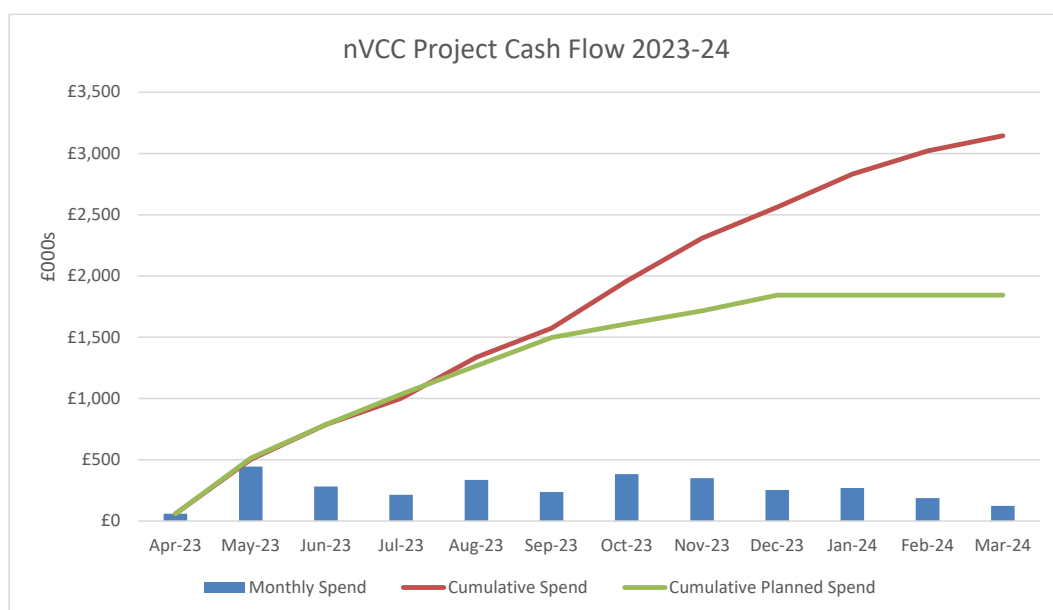
- 5.4 The 2022-23 one-off pay recovery payment was paid out in June 2023, with funding provided by WG in June 2023 via the Trust. Funding has also been provided by WG to cover the recurrent pay award for 2023-24 paid out in August 2023.

## 6. CASH FLOW

- 6.1 The capital cash flow for the **Enabling Works Project** is outlined below. The run rate indicates that the majority of costs will have been incurred within the first half of the financial year.



- 6.2 The capital cash flow for the **nVCC Project** is outlined below. Actual spend is higher than planned spend due to the increased costs associated with the delay in financial close.



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- 6.3 The capital cash flow for the ADDA Project will be provided in the next report. The cash flow for the remainder of the Programme is not reported as it is not of a material nature.

## 7. PROJECT FINANCE UPDATES

- 7.1 A detailed table of budget, spend and variance is provided in Appendix 1.

### Programme Management Office

- 7.2 The current revenue funding for the PMO for 2023-24 is £0.328m. £0.240m of this has been provide from NHS Commissioners' funding, £0.060m from the Trust Reserves, and £0.028m from WG 2022-23 for pay awards.
- 7.3 There has been no capital funding requirement for the PMO in 2023-24.
- 7.4 The revenue position for the PMO as at 31<sup>st</sup> December 2023 is shown below, showing a forecast breakeven positon for the year against a budget of £0.328m.

PMO Expenditure	Year to Date Spend	2023-24 Full Year		
		Budget	Forecast	Variance
Pay	£0.235m	£0.316m	£0.316m	£0
Non-Pay	£0.003m	£0.013m	£0.013m	£0
<b>Total</b>	<b>£0.239m</b>	<b>£0.328m</b>	<b>£0.328m</b>	<b>£0</b>

- 7.5 There are currently no financial risks associated with the PMO for 2023-24.

### Enabling Works Project

- 7.6 In February 2022, the Minister for Health and Social Services approved the Enabling Works FBC. This has provided capital funding of £28.089m in total, with £10.896m provided in 2023-24.
- 7.7 The Project's financial position for 31<sup>st</sup> December 2023 is shown below. The forecast position reflects a break even position for his financial year against a budget of £10.896m.

Enabling Works Capital Expenditure	Year to Date Spend	2023-24 Full Year		
		Budget	Forecast	Variance
Pay	£0.239m	£0.230m	£0.295m	-£0.065m
Non-Pay	£8.974m	£10.667m	£10.601m	£0.065m
<b>Total</b>	<b>£9.213m</b>	<b>£10.896m</b>	<b>£10.896m</b>	<b>£0.000m</b>

- 7.8 There are three new elements that require additional funding from WG, which were not known at the time of establishing the Enabling Works FBC, totalling £2.300m. This additional capital funding will require Ministerial approval. The elements are:

- Water Main Diversion £0.850m inc VAT
- S278 Works – Longwood Drive £1.200m inc VAT
- Off Site Habitat Creation £0.250m inc VAT
- Total £2.300m inc VAT**

7.9 The Project spend relates to the following activities:

Enabling Works FBC Project Capital Budget & Spend Summary 2023-24						
Description	Year to Date			Financial Year		
	Budget Dec-24 £	Spend Dec-24 £	Variance Dec-24 £	Annual Budget £	Annual Forecast £	Annual Variance £
<b>PAY</b>						
Project 1b - Enabling Works FBC	185,881	238,534	-52,654	229,841	295,016	-65,175
<b>Pay Capital Total</b>	<b>185,881</b>	<b>238,534</b>	<b>-52,654</b>	<b>229,841</b>	<b>295,016</b>	<b>-65,175</b>
<b>NON-PAY</b>						
EF02 Utility Costs	2,287,245	1,691,385	595,860	2,873,927	2,491,385	382,542
EF03 Supply Chain Fees	262,500	335,415	-72,915	375,000	421,915	-46,915
EF04 Non Works Costs	234,379	89,723	144,656	312,505	174,623	137,882
EF05 ASDA Works	3,201,946	2,498,371	703,575	3,813,893	2,600,433	1,213,460
EF06 Walters D&B	3,033,982	4,359,304	-1,325,322	3,033,982	4,459,304	-1,425,322
EF07 Other (Decant Works, Surveys & Investigations, IM&T etc.)	0	0	0	0	0	0
EF08 Section 278	0	0	0	0	500,000	-500,000
EFQR Quantified Risk	6,247	512	5,735	257,245	512	256,733
EFQS QRA - SCP	0	0	0	0	0	0
EFRS Enabling Works FBC Reserves	0	-549	549	0	-47,049	47,049
<b>Enabling Works FBC Project Capital Total</b>	<b>9,026,299</b>	<b>8,974,162</b>	<b>52,137</b>	<b>10,666,552</b>	<b>10,601,123</b>	<b>65,428</b>
<b>TOTAL ENABLING WORKS FBC CAPITAL EXPENDITURE</b>	<b>9,212,180</b>	<b>9,212,696</b>	<b>-516</b>	<b>10,896,393</b>	<b>10,896,140</b>	<b>253</b>

7.10 There are currently two financial risks associated with the Enabling Works Project:

- The Enabling Works Project may be required to provide financial support to the nVCC Project due the current lack of funding for 2023-24 for the latter. This risk is being mitigated as previously noted.
- The three new elements to the Enabling Works Project require additional funding as previously noted, totalling £2.300m. Ministerial approval will be sought for this additional funding.

### New Velindre Cancer Centre Project Capital

7.11 The nVCC Project has not been allocated capital funding for this financial year. A funding request has been made to WG for c£2.800m, which will be updated to £3.140m.

7.12 The capital financial position for the nVCC Project for 31st December 2023 is shown below, with a forecast overspend of £3.144m. This is due to the delay of the nVCC Financial Close into 2023-24 with no funding for the Project at this stage.

nVCC Capital Expenditure	Year to Date Spend	2023-24 Full Year		
		Budget	Forecast	Variance
Pay	£0.859m	£0	£1.174m	-£1.174m
Non-Pay	£1.703m	£0	£1.970m	-£1.970m
<b>Total</b>	<b>£2.562m</b>	<b>£0</b>	<b>£3.144m</b>	<b>-£3.144m</b>

7.13 The spend relates to the following activities:

nVCC OBC Project Capital Budget & Spend Summary 2023-24						
Description	Year to Date			Financial Year		
	Budget Dec-24 £	Spend Dec-24 £	Variance Dec-24 £	Annual Budget £	Annual Forecast £	Annual Variance £
<b>PAY</b>						
Project Leadership nVCC OBC	0	160,784	-160,784	0	215,952	-215,952
Project 2a - New Velindre Cancer Centre OBC	0	698,476	-698,476	0	958,084	-958,084
<b>Pay Capital Total</b>	<b>0</b>	<b>859,260</b>	<b>-859,260</b>	<b>0</b>	<b>1,174,036</b>	<b>-1,174,036</b>
<b>NON-PAY</b>						
<b>nVCC OBC Project Delivery</b>	<b>0</b>	<b>36,788</b>	<b>-36,788</b>	<b>0</b>	<b>63,000</b>	<b>-63,000</b>
<b>Work Packages</b>						
VC08 Competitive Dialogue - Dialogue & SP to FC	0	1,446,475	-1,446,475	0	1,686,975	-1,686,975
VC10 Legal Advice	0	9,398	-9,398	0	9,398	-9,398
VC11 S73 Planning	0	14,437	-14,437	0	14,437	-14,437
VC12 nVCC FBC	0	175,124	-175,124	0	175,124	-175,124
VCRS nVCC OBC Reserves	0	20,945	-20,945	0	20,945	-20,945
<b>nVCC Project Capital Total</b>	<b>0</b>	<b>1,666,379</b>	<b>-1,666,379</b>	<b>0</b>	<b>1,906,879</b>	<b>-1,906,879</b>
<b>TOTAL nVCC OBC CAPITAL EXPENDITURE</b>	<b>0</b>	<b>2,562,427</b>	<b>-2,562,427</b>	<b>0</b>	<b>3,143,914</b>	<b>-3,143,914</b>

7.14 The current risk to the Project is the lack of funding, with a current overspend as costs are still being incurred due to the delay of Financial Close. This risk is being mitigated by a request to WG for funding for the Project of c£3.140m.

### Revenue

7.15 The current revenue funding for the nVCC Project for 2023-24 is £0.137m, provided from WG for pay awards and interest incurred from the Escrow account. The latter has superseded the proposed request for revenue funding of £0.030m for nVCC Project Delivery and £0.011m for the Judicial Review.

7.16 The revenue financial position for the nVCC Project for 31<sup>st</sup> December 2023 is shown below, reflecting a forecast break even position for the year against budget of £0.137m.

nVCC Revenue Expenditure	Year to Date Spend	2022-23 Full Year		
		Budget	Forecast	Variance
Pay	£0.077m	£0.096m	£0.096m	£0
Project Delivery	£0.021m	£0.030m	£0.030m	£0
Judicial Review	£0.011m	£0.011m	£0.011m	£0
<b>Total</b>	<b>£0.109m</b>	<b>£0.137m</b>	<b>£0.137m</b>	<b>£0</b>

7.17 The Judicial Review matter is now closed, with the final costs being submitted in July 2023. The final cost in 2023-24 is £0.011m, with a total cost for this matter of £0.138m.

7.18 There are no revenue financial risk associated with the nVCC Project at present.

### Advanced Design Delivery Agreement (ADDA)

7.19 The ADDA Project reflects the commercial agreement between the Trust and SACYR for advance design services that covers RIBA stage 4 design / design not falling under the nVCC MIM Project bid deliverables and including masterplan amendments. In addition, it covers design costs associated with the Value Engineering exercise. The RIBA Stage 4 direct costs have been incurred, (including management team) up to a value of £3.882m (excl. VAT).

7.20 The Project includes the Advanced Works Agreement, which received funding of £0.898m from WG in early January 2024.

7.21 The capital financial position for this Project for 31<sup>st</sup> December 2023 is shown below, with a forecast spend of £4.780m against a current budget of the same for the year.

ADDA Expenditure	Year to Date Spend	2023-24 Full Year		
		Budget	Forecast	Variance
Non-Pay	£3.624m	£4.780m	£4.780m	£0
<b>Total</b>	<b>£3.624m</b>	<b>£4.780m</b>	<b>£4.780m</b>	<b>£0</b>

7.22 The spend relates to the following activities:

ADDA Capital Budget & Spend Summary 2023-24						
Description	Year to Date			Financial Year		
	Budget Dec-24 £	Spend Dec-24 £	Variance Dec-24 £	Annual Budget £	Annual Forecast £	Annual Variance £
<b>PAY</b>						
Project 2b - Advanced Design Development Agreement	0	0	0	0	0	0
<b>Pay Capital Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NON-PAY</b>						
<b>Work Packages</b>						
AD01 Advanced Design Development Agreement	2,874,818	2,874,817	1	3,881,995	3,881,994	1
AD02 Advanced Works Agreement	748,715	748,715	0	898,457	898,458	-1
<b>nVCC Project Capital Total</b>	<b>3,623,533</b>	<b>3,623,532</b>	<b>1</b>	<b>4,780,452</b>	<b>4,780,452</b>	<b>0</b>
<b>TOTAL nVCC OBC CAPITAL EXPENDITURE</b>	<b>3,623,533</b>	<b>3,623,532</b>	<b>1</b>	<b>4,780,452</b>	<b>4,780,452</b>	<b>0</b>

7.23 There are currently no financial risks for this project.

### Whitchurch Hospital Site

7.24 The achievement of the EPSL from NRW required the granting of a habitat Licence on elements of the residual Whitchurch Hospital estate by Cardiff and Vale University Health Board. In order for the Trust to receive the habitat Licence from Cardiff and Vale University Health Board (C&VUHB), it agreed in principle to accept the formal transfer of the residual estate. The Trust is currently undertaking the required legal and technical diligence. With regards technical diligence, asbestos and condition surveys are being commissioned by the Trust to meet its obligations. The cost of the surveys is funded by securing additional funding from WG as part of the Enabling Works FBC Addendum.

7.25 The capital financial position for the nVCC Project for 31<sup>st</sup> December 2023 is shown below, with a forecast overspend of £0.014m.

Whitchurch Hospital Site Expenditure	Year to Date Spend	2023-24 Full Year		
		Budget	Forecast	Variance
Non-Pay	£0.014m	£0	£0.014m	-£0.014m
<b>Total</b>	<b>£0.014m</b>	<b>£0</b>	<b>£0.014m</b>	<b>-£0.014m</b>

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7.26 The spend relates to the following activities:

Whitchurch Hospital Site Capital Budget & Spend Summary 2023-24						
Description	Year to Date			Financial Year		
	Budget Dec-24 £	Spend Dec-24 £	Variance Dec-24 £	Annual Budget £	Annual Forecast £	Annual Variance £
<b>PAY</b>						
Project 2c - Whitchurch Hospital Site	0	0	0	0	0	0
<b>Pay Capital Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NON-PAY</b>						
<b>Work Packages</b>						
WS01 Advisory Services	0	7,040	-7,040	0	7,040	-7,040
WS02 Preliminary Works	0	6,495	-6,495	0	6,495	-6,495
WSRS Whitchurch Hospital Site Reserves	0	0	0	0	0	0
<b>nVCC Project Capital Total</b>	<b>0</b>	<b>13,535</b>	<b>-13,535</b>	<b>0</b>	<b>13,535</b>	<b>-13,535</b>
<b>TOTAL nVCC OBC CAPITAL EXPENDITURE</b>	<b>0</b>	<b>13,535</b>	<b>-13,535</b>	<b>0</b>	<b>13,535</b>	<b>-13,535</b>

7.27 There is a risk of a lack of funding for these costs, which is being mitigated by securing additional funding from WG as part of the Enabling Works FBC Addendum.

### Service Delivery and Transformation Project

7.28 The revenue funding for the Project for 2022-23 is £0.180m from NHS Commissioners' funding, £0.131 from Trust reserves, and £0.009m from the WG 2022-23 one-off recovery payment funding. The resulting budget is £0.320m for this financial year.

7.29 There is no capital funding requirement for the Project in 2023-24.

7.30 The SDT Project revenue position for 31<sup>st</sup> December 2023-24 is shown below, showing a forecast breakeven position for the year against a budget of £0.320m.

SDT Expenditure	Year to Date Spend	2022-23 Full Year		
		Budget	Forecast	Variance
Pay	£0.211m	£0.281m	£0.281m	£0
Non-Pay	£0.008m	£0.038m	£0.038m	£0
<b>Total</b>	<b>£0.218m</b>	<b>£0.320m</b>	<b>£0.320m</b>	<b>£0</b>

7.31 There are currently no financial risks associated with the Project for 2023-24.

## 8. KEY RISKS AND MITIGATING ACTIONS

8.1 The current three financial risks associated with the TCS Programme are outlined below:

- The Enabling Works Project may be required to provide financial support to the nVCC Project due the current lack of funding for 2023-24 for the latter. This risk is being mitigated as previously noted.
- There are three new elements to the Enabling Works Project that require additional funding as previously noted, totalling £2.300m. Ministerial approval will be sought for this additional funding.

- The current risk to the nVCC Project is the lack of funding, with a current overspend as costs are still being incurred due to the delay of Financial Close. This risk is being mitigated by a request to WG for funding for the Project of c£3.140m.
- There is a risk of a lack of funding for the Whitchurch Hospital Site, which is being mitigated by securing additional funding from WG as part of the Enabling Works FBC Addendum.

## 9. TCS SPEND REPORT SUMMARY

9.1 At the end of 2019, a financial model was developed by the TCS Finance Team to provide a spend profile for the TCS Programme. The model allocates reported spend by year to defined deliverables and outputs within each project within the Programme. It also allocates spend to the various resources need to deliver the Programme, such as pay, advisors, suppliers, etc. The output for the model itself is an in-year report providing spend details on a quarterly basis. A cumulative report is also produced for the Programme for its inception to the end of the latest quarter.

9.2 Appendix 3 provides cumulative report to 31<sup>st</sup> March 2022. The report for the financial year 2022-23 is currently being produced.

9.3 The cumulative report shows a total spend for the TCS Programme of £30.352m (£26.481m Capital, £3.871m Revenue). The total pay costs for this period were £11.303m.

9.4 The spend to 31<sup>st</sup> March 2022 for each Project within the Programme is summarised below.

Programme Management Office .....	£1.656m
Project 1 Enabling Works .....	£10.559m
Project 2 nVCC .....	£13.234m
Project 3a Integrated Radiotherapy Solution .....	£0.1.049m
Project 3b Digital Strategy .....	£0.200m
Project 4 Radiotherapy Satellite .....	£0.385m
Project 5 SACT and Outreach .....	£0.002m
Project 6 Service Delivery and Transformation .....	£3.266m
Project 7 Decommissioning .....	£0m

9.5 The five deliverables with the highest spend during this period are:

Project Control .....	£4.390m
Feasibility Studies .....	£2.734m
Planning and Design .....	£2.669m
Outline Business Case (inc revision and approval) .....	£2.456m
Project Agreement .....	£1.838m

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## APPENDIX 1: TCS Programme Budget and Spend as at 31<sup>st</sup> October 2023

TCS Programme Budget & Spend 2023-24						
CAPITAL	Budget	Year to Date		Financial Year		
	Dec-24	Spend	Variance	Annual	Annual	Annual
	£	£	£	Budget	Forecast	Variance
				£	£	£
<b>PAY</b>						
Project Leadership nVCC OBC	0	160,784	-160,784	0	215,952	-215,952
Project 1b - Enabling Works FBC	185,881	238,534	-52,654	229,841	295,016	-65,175
Project 2a - New Velindre Cancer Centre OBC	0	698,476	-698,476	0	958,084	-958,084
<b>Capital Pay Total</b>	<b>185,881</b>	<b>1,097,795</b>	<b>-911,914</b>	<b>229,841</b>	<b>1,469,052</b>	<b>-1,239,211</b>
<b>NON-PAY</b>						
nVCC OBC Project Delivery	0	36,788	-36,788	0	63,000	-63,000
Project 1b - Enabling Works FBC	9,026,299	8,974,162	52,137	10,666,552	10,601,123	65,428
Project 2a - New Velindre Cancer Centre OBC	0	1,666,379	-1,666,379	0	1,906,879	-1,906,879
Project 2b - Advanced Design Development Agreement	3,623,533	3,623,532	1	4,780,452	4,780,452	0
Project 2c - Whitchurch Hospital Site	0	13,535	-13,535	0	13,535	-13,535
<b>Capital Non-Pay Total</b>	<b>12,649,832</b>	<b>14,314,395</b>	<b>-1,664,564</b>	<b>15,447,003</b>	<b>17,364,989</b>	<b>-1,917,986</b>
<b>CAPITAL TOTAL</b>	<b>12,835,713</b>	<b>15,412,190</b>	<b>-2,576,477</b>	<b>15,676,844</b>	<b>18,834,041</b>	<b>-3,157,196</b>

REVENUE	Budget	Year to Date		Financial Year		
	Dec-24	Spend	Variance	Annual	Annual	Annual
	£	£	£	Budget	Forecast	Variance
				£	£	£
<b>PAY</b>						
nVCC Pay Award	76,916	76,916	0	96,408	96,408	0
Programme Management Office	235,471	235,471	0	315,656	315,656	0
Project 6 - Service Change Team	210,658	210,658	0	281,219	281,219	0
<b>Revenue Pay Total</b>	<b>523,045</b>	<b>523,045</b>	<b>0</b>	<b>693,283</b>	<b>693,283</b>	<b>0</b>
<b>NON-PAY</b>						
nVCC OBC Project Delivery	22,162	21,468	694	30,000	30,000	0
nVCC OBC Judicial Review	11,000	11,000	0	11,000	11,000	0
Programme Management Office	3,174	3,174	0	12,644	12,644	0
Project 6 - Service Change Team	7,542	7,542	0	38,411	38,411	0
<b>Revenue Non-Pay Total</b>	<b>43,878</b>	<b>43,184</b>	<b>694</b>	<b>92,055</b>	<b>92,055</b>	<b>0</b>
<b>REVENUE TOTAL</b>	<b>566,923</b>	<b>566,230</b>	<b>694</b>	<b>785,339</b>	<b>785,339</b>	<b>0</b>

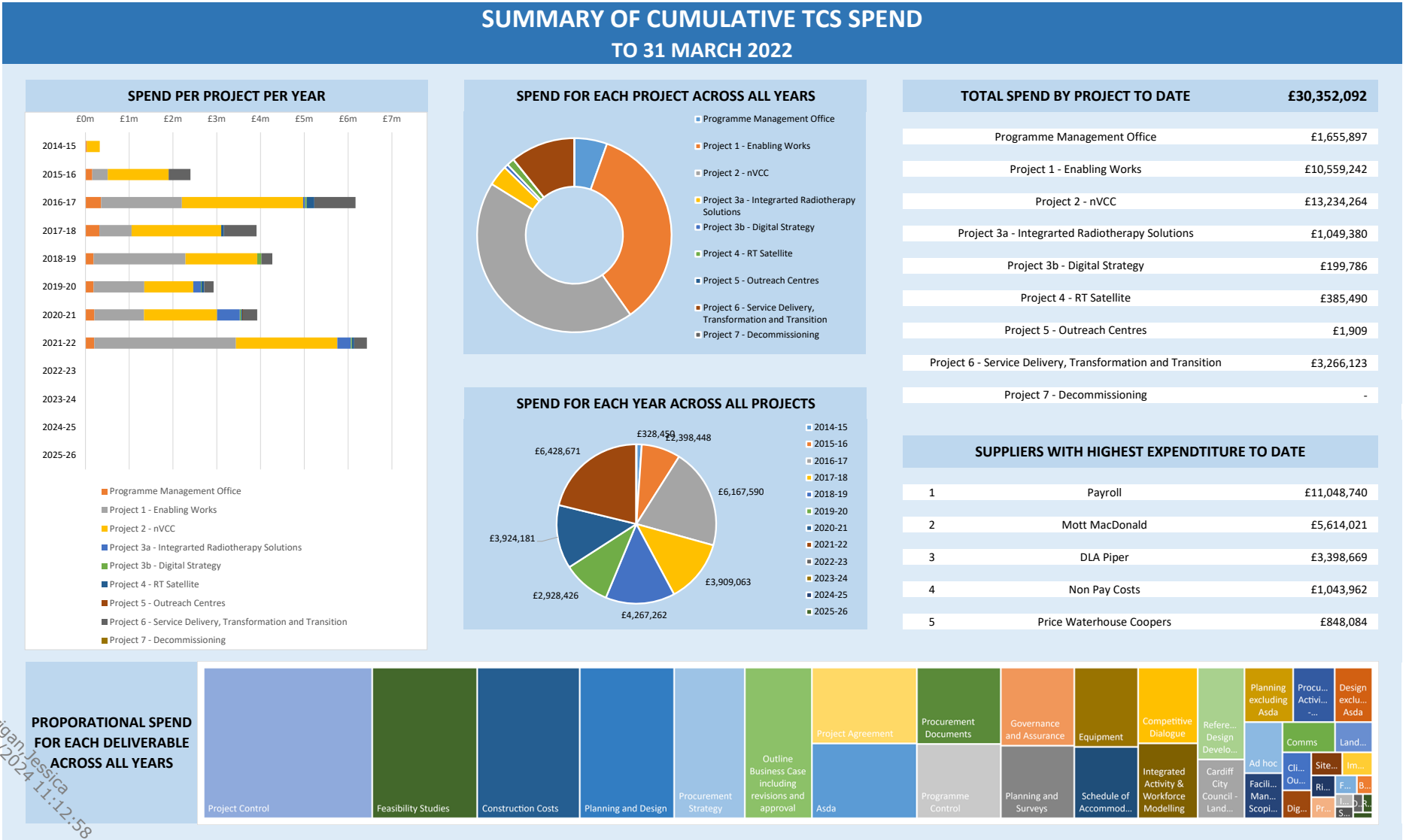
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## APPENDIX 2: TCS Programme Funding for 2022-23

Description	Funding Type	
	Capital	Revenue
<b>Programme Management Office</b>	<b>£0</b>	<b>£0.328m</b>
Commissioner's Funding		£0.240m
Trust Revenue Funding		£0.060m
WG One Off Pay Award 2022/23 Funding		£0.006m
WG Recurrent Pay Award Funding		£0.022m
<b>Enabling Works FBC</b>	<b>£10.896m</b>	<b>£0</b>
2023-24 CEL from Welsh Government funding for Enabling Works FBC approved in February 2022	£10.896m	
<b>New Velindre Cancer Centre OBC</b>	<b>£0</b>	<b>£0.137m</b>
WG One Off Pay Award 2022/23 Funding		£0.019m
WG Recurrent Pay Award Funding		£0.077m
Escrow Interest		£0.041m
<b>Advanced Design Development Agreement</b>	<b>£4.780m</b>	<b>£0</b>
2023-24 CEL from Welsh Government funding for ADDA approved October 2023	£3.882m	
2023-24 CEL from Welsh Government funding for AWA approved January 2024	£0.898m	
<b>Whitchurch Hospital Site</b>	<b>£0</b>	<b>£0</b>
Funding for Whitchurch Hospital Site to be provided by WG	£0	
<b>Radiotherapy Satellite Centre</b>	<b>£0</b>	<b>£0</b>
No funding requested or provided for this project to date		
<b>SACT and Outreach</b>	<b>£0</b>	<b>£0</b>
No funding requested or provided for this project to date		
<b>Service Delivery, Transformation and Transition</b>	<b>£0</b>	<b>£0.320m</b>
Commissioner's Funding		£0.180m
Trust Revenue Funding		£0.131m
WG One Off Pay Award 2022/23 Funding		£0.002m
WG Recurrent Pay Award Funding		£0.007m
<b>VCC Decommissioning</b>	<b>£0</b>	<b>£0</b>
No funding requested or provided for this project to date		
<b>Total</b>	<b>£15.677m</b>	<b>£0.785m</b>

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APPENDIX 3: TCS Cumulative Spend Report to 31<sup>st</sup> March 2022



## TCS Programme Scrutiny Sub-Committee

### UPDATE: FINAL AUDIT REPORTS – DEC 2023 PLANNING AND COMMERCIAL APPROVAL POINTS

DATE OF MEETING	25 <sup>th</sup> January 2024
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PUBLIC OR PRIVATE REPORT	Public
--------------------------	--------

IF PRIVATE PLEASE INDICATE REASON	Not Applicable - Public Report
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PREPARED BY	Hannah Moscrop, Project Manager
PRESENTED BY	Hannah Moscrop, on behalf of Mark Ash, Assistant Project Director (Finance & Commercials)
EXECUTIVE SPONSOR APPROVED	Matthew Bunce, Executive Director of Finance

REPORT PURPOSE	FOR NOTING
----------------	------------

COMMITTEE/GROUP WHO HAVE RECEIVED OR CONSIDERED THIS PAPER PRIOR TO THIS MEETING		
COMMITTEE OR GROUP	DATE	OUTCOME
nVCC Project Board	13/12/2023	ENDORSED FOR APPROVAL
Strategic Capital Board	18/01/2024	ENDORSED FOR APPROVAL

ACRONYMS	

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## 1. BACKGROUND

- 1.1 The purpose of the report is to outline the Final Audit Reports on Planning and Commercial Approval Points, published December 2023 in relation to the nVCC Project.

## 2. SUMMARY OF MATTERS FOR CONSIDERATION

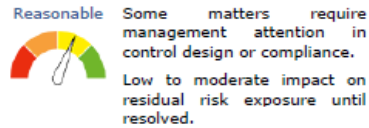
- 2.1 These audits undertaken formed a part of the approved new Velindre Cancer Centre (nVCC) Integrated Audit Plan (previously reported through the nVCC governance structure).

### *Internal Audit Review Findings – Planning*

- 2.2 This Audit sought to evaluate the progression and delivery of the planning permissions required from Cardiff Council as part of the wider development of the project, to assess the adequacy of the systems and controls in place to support their successful acquisition.
- 2.3 The audit considered the period from 2018 to 2023, with sampling focused on the period Dec 2022 - July 2023.
- 2.4 Assurance is sought with regards to Planning Matters as all outstanding planning consents must be obtained by Financial Close to conform with the NHS Wales Infrastructure Investment Guidance and to ensure that the work can commence without delay.
- 2.5 The Report Classification is confirmed as: **Reasonable**:

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## Report Classification



## Assurance Summary <sup>1</sup>

Assurance objectives	Assurance
1 Planning Approvals	Substantial
2 Monitoring	Reasonable
3 Communication	Substantial
4 Reporting	Reasonable

<sup>1</sup> The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the audit opinion

2.6 The Project Team has received the **final** report, which identifies four Assurance Objectives as follows:

- **Planning Approvals:** That appropriate planning approvals had been sought reflective of the current stage of the project. **Substantial**
- **Monitoring:** To obtain assurance that a strategy was in place to monitor and progress any known planning conditions. **Reasonable**
- **Communication:** That an appropriate communications and stakeholder engagement strategy had been appropriately applied at the project; and that management had fully consulted stakeholders and obtained full details of any objections. **Substantial**
- **Reporting:** Reporting processes were operating effectively within the governance structure to ensure risks / issues are highlighted in a timely manner. **Reasonable**

2.7 The key matters arising of the report are noted as:

- More cohesive monitoring of planning applications – **Medium**
  - **Recommendation:** *A comprehensive list of all applications made to Cardiff Council, Natural Resources Wales, and other organisations should be maintained using portal reference numbers/ descriptions, noting approval status (including conditions and Discharge of Conditions) and expiry dates of consent. The report mentioned in 2.29 above would be an appropriate report to be obtained from the external planning consultants on a monthly basis.*

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- Enhanced reporting & scrutiny at Project Board – **Medium**
  - **Recommendation:** *The full aforementioned list should be published as an appendix to the Project Board papers or otherwise distributed to the Project Board, on a monthly basis, to facilitate discussion and raise awareness of planning, licencing and land transfer issues, and possible impacts.*

2.8 The final report is attached as Appendix 1, which include the management actions, noted in Appendix A of the report.

### **Internal Audit Review Findings – Commercial Approval Points**

2.9 This limited scope Audit sought to determine whether appropriate arrangements were in place, and operating effectively, in the progression through Commercial Approval Points (CAPs) 3 (mid-Dialogue) and 4 (at end dialogue) at the new Velindre Cancer Centre (nVCC) project.

2.10 Assurance is sought with regards to CAPs as they are mandatory for Mutual Investment Model (MIM) schemes which are to receive funding from the Welsh Government. They involve the focused scrutiny of a potential deal to provide Welsh Government with assurance on the commercial elements of the project as it develops through key points of the procurement phase. They consider the impact of project-specific commercial factors in relation to:

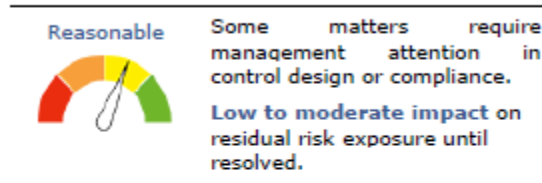
- affordability;
- value for money;
- deliverability; and the
- commercial and compliance aspects of a project.

2.11 The Report Classification is confirmed as: **Reasonable:**

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## Report Classification



## Assurance summary<sup>1</sup>

Assurance objectives	Assurance
1 Governance Arrangements	Substantial
2 Response to Recommendations	Reasonable

<sup>1</sup>The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

2.12 The Project Team has received the **final** report, which identifies two Assurance Objectives as follows:

- **Objective 1:** To obtain assurance that appropriate governance arrangements were in place to progress through the CAPs falling within the competitive dialogue procurement stage, i.e. CAP 3: Mid-Competitive Dialogue and CAP 4: End of Dialogue. **Substantial**
- **Objective 2:** To assess the Trust's arrangements to respond timely to any recommendations or conditions raised by Welsh Government during the CAP process, and assurance that improved processes have been embedded into future procurement stages, where applicable. **Reasonable**

2.13 The key matters arising of the report are noted as:

- More frequent progress reporting to Project Board on CAP actions – **Medium**
  - **Recommendation:** *The Project Board should receive more frequent updates on progress towards implementation of outstanding CAP recommendations, including the risk impact of failing to address recommendations within the stated timeframes.*
- Appropriate timelines should be internally allocated to recommendations and routinely monitored – **Medium**

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- **Recommendation:** *Appropriate timelines should be internally allocated to recommendations, and monitored routinely, to ensure recommendations are closed out as soon as possible.*
  - More accurate recording of progress made towards outstanding recommendations – **Medium**
    - **Recommendation:** *Where partial actions have been taken, but not of a sufficient nature to close a recommendation, the Review Grid Action Plan and associated progress reports should clearly document what actions remain outstanding to enable the recommendation to be closed, and what the associated risks / impacts are of the outstanding elements of work.*
  - The disparity between the September 2023 Project Board CAP4 report and the associated minutes should be reviewed – **Medium**
    - **Recommendation:** *The disparity between the September 2023 Project Board CAP4 report and associated minutes should be reviewed and corrected if necessary.*
- 2.14 The final report is attached as Appendix 2, which include the management actions, noted in Appendix A of the report.
- 2.15 An update on progress against management actions identified in both Audit reports will be made by the Project at a future Board meeting.

### 3. IMPACT ASSESSMENT

<b>QUALITY AND SAFETY IMPLICATIONS/IMPACT</b>	There are no specific quality and safety implications related to the activity outlined in this report.
<b>RELATED HEALTHCARE STANDARD</b>	Governance, Leadership and Accountability
	If more than one Healthcare Standard applies please list below:

<b>EQUALITY IMPACT ASSESSMENT COMPLETED</b>	Not required
<b>LEGAL IMPLICATIONS / IMPACT</b>	There are no specific legal implications related to the activity outlined in this report.
<b>FINANCIAL IMPLICATIONS / IMPACT</b>	Yes (Include further detail below)
	The Audit Fees have been agreed for these reviews.

#### 4. RECOMMENDATION

- 4.1 The TCS Programme Scrutiny Sub-Committee are requested to **NOTE** the contents of the report.

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# New Velindre Cancer Centre Final Internal Audit Report

December 2023

Velindre University NHS Trust



GIG  
CYMRU  
NHS  
WALES

Partneriaeth  
Cydwasaethau  
Gwasanaethau Archwilio a Sicrwydd  
Shared Services  
Partnership  
Audit and Assurance Services



GIG  
CYMRU  
NHS  
WALES

Ymddiriedolaeth GIG  
Prifysgol Felindre  
Velindre University  
NHS Trust



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Review reference:	VEL SSU 2223 01
Report status:	Final
Fieldwork commencement:	20 July 2023
Fieldwork completion:	31 July 2023
Draft report issued:	8 September 2023
Draft report meeting:	11 September 2023
Management response received:	1 December 2023
Final report issued:	4 December 2023
Auditors:	NWSSP Audit & Assurance – Specialist Services Unit (SSu)
Executive sign-off:	Steve Ham, Chief Executive Officer/ Senior Responsible Officer
Distribution:	Matthew Bunce, Executive Director of Finance Huw Llewellyn, Director of Commercial & Strategic Partnerships David Powell, Project Director, TCS Mark Ash, Assistant Project Director (Commercials & Finance)
Committee:	Audit Committee



Audit and Assurance Services conform with all Public Sector Internal Audit Standards as validated through the external quality assessment undertaken by the Chartered Institute of Public Finance & Accountancy in April 2023

Acknowledgement

NHS Wales Audit and Assurance Services would like to acknowledge the time and co-operation given by management and staff during the course of this review.

Disclaimer notice - please note:

This audit report has been prepared for internal use only. Audit and Assurance Services reports are prepared, in accordance with the agreed audit brief, and the Audit Charter as approved by the Audit Committee.

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# Executive Summary

## Purpose

This limited scope audit formed a part of the approved Integrated Audit Plan for the new Velindre Cancer Centre (nVCC) project and sought solely to evaluate the progression and delivery of the planning permissions required from Cardiff Council as part of the wider development of the project.

## Overall Audit Opinion and Overview

The audit was undertaken ahead of a planned financial close in the final quarter of 2023; with an associated requirement for full planning consent to be in place.

The Trust had appointed an external planning consultant to oversee the planning approval process. Reliance was placed on the consultant to maintain their own record to accord with that held on the Cardiff Council Online Planning Portal. Internal recording of planning progression is less formal and focuses on key conditions and discussions pursuant to the same.

Testing demonstrated weaknesses in the various records maintained which made reconciliation with the Cardiff Council Online Planning Portal particularly difficult e.g., common reference numbers, details of the various conditions etc.

Progress reporting in this regard was largely limited to updates provided within Board papers and highlight reports. However, it has been recommended that reporting is reviewed to ensure that sufficient information is provided to effectively manage the risk.

The project team regularly met with the external consultants and the Communication Coordination Group provided adequate interaction with wider stakeholders including members of the public and the Welsh Government.


The intrinsic reliance placed on the external planning consultant, was mitigated by independent meetings held to review progression between the project team and Cardiff Council (without external consultant representation).

Minutes were not available from the meetings with the external planning consultant or Cardiff Council.

Recognising the primary objective of the area reviewed was to obtain consent for activities pursuant to the wider project objectives, based on the progress observed to date, there is a **Reasonable assurance** that all approvals will be obtained in sufficient time. However, there is a risk that if recommendations at this report are left unaddressed, there may be potential for a negative impact on the programme and achievement of financial close.

## Report Classification

Reasonable



Some matters require management attention in control design or compliance.

Low to moderate impact on residual risk exposure until resolved.

## Assurance Summary <sup>1</sup>

Assurance objectives	Assurance
1 Planning Approvals	Substantial
2 Monitoring	Reasonable
3 Communication	Substantial
4 Reporting	Reasonable

<sup>1</sup> The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the audit opinion

Key Matters Arising		Assurance Objective	Control Design or Operation	Recommendation Priority
1	More cohesive monitoring of planning applications.	2	Design & Operation	Medium
2	Enhanced reporting & scrutiny at Project Board.	2 & 4	Design & Operation	Medium

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## 1. Introduction

- 1.1 This audit formed a part of the approved new Velindre Cancer Centre (nVCC) Integrated Audit Plan and has sought to evaluate the progression and delivery of the planning permissions required from Cardiff Council as part of the wider development of the project, to assess the adequacy of the systems and controls in place to support their successful acquisition.
- 1.2 The audit considered the period from 2018 to 2023, with sampling focused on the period Dec 2022 - July 2023.
- 1.3 The nVCC project had been targeting June 2023 for financial close but this has been postponed to Q3 2023 due to anticipated delays e.g. in obtaining an EPS licence by Natural Resources Wales (NRW).
- 1.4 All outstanding planning consents must be obtained by Financial Close to conform with the NHS Wales Infrastructure Investment Guidance and to ensure that the work can commence without delay.
- 1.5 The potential risks considered at this review included:
  - Unsuccessful applications or delayed consent because of missing information or weakly implemented planning strategy impacting the preparedness of the site and incurring additional costs.
  - The impact of delays in planning resulting in an ability to meet the pre-requisites for achieving financial close.
  - The impact of poor communication on engagement with a wide range of stakeholders
  - Reporting failing to give the Project Board oversight of the planning status, limiting ability to manage the process and any issues in a timely manner.

## 2 Detailed Audit Findings

Our detailed audit findings are set out below. All matters arising and the related recommendations and management actions are detailed in Appendix A.

**Planning Approvals:** That appropriate planning approvals had been sought reflective of the current stage of the project.

- 2.1 Outline planning for the new Velindre Cancer Centre was approved with a 5-year expiry date (from which date Full planning permission and commencement must complete) in 2017.
- 2.2 The Health Board was then required to subsequently apply for non-material amendments via a Section 96 and are invited by the Council to then apply for 'Reserved Matters' which included details informed by appointed contractors to obtain 'Full' planning permission. The deadline for applying for Reserved Matters was September 2022. Within a complex site and project, the impact of COVID on available tendering process time, left a tight timeframe for submitting Reserved Matters.

- 2.3 In July 2022 an extension request was applied for via a Section 73 Application (Section 73 of the 1990 Act provides for applications for planning permission to develop land without complying with previously imposed planning conditions).
- 2.4 Reserved matters, however, were successfully applied for by the deadline and the approval process was completed, with Full planning approval granted on 16 March 2023, effectively re-starting the expiry which, not stated, is legislatively 2 years to commence construction, 16 March 2025.
- 2.5 The Health Board have advised that the 'contingent' Section 73, in the act of obtaining full planning permission, was effectively rendered void. The Project Finance Director has verbally stated that he is not able to identify or foresee any current risks to the expected construction timeline to affect the 2-year expiry date being met.
- 2.6 In addition to the planning applications required to fulfil the position to be attained ahead of financial close, land was also to be transferred from Cardiff and Vale University Health Board. The land transfer was complete pending a letter of comfort from the Welsh Government – at the time of reporting this was expected to be completed imminently. **(MA 3)**
- 2.7 Some delay to the targeted financial close date had occurred due to a number of factors, including planning and license requirements.
- 2.8 A significant number of planning approvals which were subject to conditions have received 'Discharge of Condition' certification, whilst the remainder were largely outstanding as they relate to a build material or process that will not be fulfilled until the build has completed and been assessed by the Council.
- 2.9 Subsequent to the audit, the European Protected Species Licence (EPSL) was secured from Natural Resources Wales (NRW). In view of this, and recognising progress post audit fieldwork, **substantial** assurance has been determined.

**Monitoring:** *To obtain assurance that a strategy was in place to monitor and progress any known planning conditions.*

- 2.10 The Town and County Planning Report [issued May 2019] set out the formal planning strategy for the Enabling Works, as advised by an externally appointed planning consultant.
- 2.11 The externally appointed planning consultant has been responsible for all planning applications and for working with the project team and Cardiff Council to obtain 'Discharge of Planning Condition Notices' ahead of the Financial Close deadline.
- 2.12 Cardiff Council maintained the planning portal where all planning documentation can be viewed. The planning consultants separately maintained their own records within a 'nVCC Planning Sheet', which was regularly provided to the Velindre project team. The nVCC Planning Sheet format reflects that of a risk register or issues log and does not fully reconcile with the planning portal, it also included 'simplified' references and descriptions. The project planning team have explained



that this was because many of the planning applications approved will have several attached conditions, which will subsequently have their own documents related to their discharge, so only the highest level of planning application was recorded and can be drilled down within the Cardiff Council portal.

- 2.13 There was no comprehensive internal document that shows all planning applications and all conditions and associated discharge statuses which reflects these electronic filings. **(MA 1)**
- 2.14 The planning consultant met with the project team on a two weekly basis to discuss outstanding applications and discuss the progress on applications.
- 2.15 The project team met with the Cardiff Council Planning Department on a two-weekly basis without attendance from the planning consultant and this is noted to act as a control; providing them with independent status verification where they can assess the progress made.
- 2.16 In respect of the above, the Senior Project Manager verbally confirmed that they believe that the information provided by the planning consultant had been proactive and efficient and had allowed them to facilitate discussions with both the contractors and Cardiff Council, limiting their requirement to duplicate effort or performing detailed tracking activity internally on each planning application.
- 2.17 A further document provided by the planning consultant to the project team entitled 'All Subs' and which included 10 applications with Cardiff Council Planning Portal references was provided during the audit (July 2023). We were advised that this was the most recent version of the document, despite it being dated January 2023, however upon sampling the 10 applications which were stated to be awaiting approval, 9 had been approved, in March 2023; the Health Board advised they were awaiting an updated version. **(MA 1)**
- 2.18 Progress had been made in acquiring planning consent, however it is unclear as to how 'hands on' the project team have been, or whether the Project Board have had the capacity to hold the external planning consultants to account, due to the lack of clear reporting. **(MA 1)**
- 2.19 The project team appear to be conversant and up to date with the current planning activities and have maintained strong communication with the external planning consultants. However, there is concern regarding the level of key-person responsibilities and risk related to retention of knowledge by an external party related to planning. The auditable trails was limited by the lack of correlation between reporting available to the project team and the Cardiff Council Planning Portal references. **(MA 2)**
- 2.20 Recognising the positive working relationship between the project team and external planning consultants, **reasonable** assurance has been determined at this time.

**Communication:** *That an appropriate communications and stakeholder engagement strategy had been appropriately applied at the project; and that management had fully consulted stakeholders and obtained full details of any objections.*

- 2.21 A Communications and Stakeholder Engagement Strategy, supporting the planning applications by the Trust for access to the nVCC, was approved by the Trust Board in December 2019.
- 2.22 The intention of the strategy was to maximise *"communications and engagement opportunities by being proactive and 'going the extra mile' where possible"*.
- 2.23 A *'Communications and Engagements update'* section of the Project Board papers and Highlight report recognised ongoing engagement with internal staff, local residents, general public and Ward Councillors. Publicly published Project Board papers note that public engagement meetings have been held in Whitchurch library on various dates with limited to no attendance by members of the public, despite being advertised on social media.
- 2.24 Social media activity is evident with members of the public encouraged to join the 'Velindre Voices Community Panel'; the Health Board stating they will *"provide an inclusive and safe space where those with an active interest in new Velindre Cancer Centre can have their say, feedback on plans, make suggestions and have a voice in decision making"* [www.facebook.com/velindrecc](https://www.facebook.com/velindrecc) 7 July 2023.
- 2.25 There is evidence of Board commitment to openly discussing communication strategies and their value to all stakeholders. Activity is evidenced on a variety of levels. As a result of this a **substantial** assurance rating has been concluded in this area.

**Reporting:** Reporting processes were operating effectively within the governance structure to ensure risks / issues are highlighted in a timely manner.

- 2.26 The Project Board received regular updates on planning issues via the Highlight Report, there was also evidence of specific issues being raised under 'Any Other Business'. This was a high-level update and there was evidence that this information was not consistently updated and included contradictions (e.g., the July 2023 highlight report included a risk for a layby approval submitted in April 2022 but also noted the status as Green with planning consent received 30<sup>th</sup> June 2023).
- 2.27 Below the Project Board, internal reporting related to planning was limited to informal notes from meetings with the external planning consultants or Cardiff Council. Most information provided to the Project Board was derived from reporting generated by the external planning consultants. This was a sheet set out in the format of an issues register and by its nature was useful in highlighting areas of concern, however it tended to be thematic and neither the reference nor description of the items correlated with the Cardiff Council Planning Portal.

- 2.28 Due to the lack of complete oversight over the planning applications, and in the absence of a definitive list showing all applications (including e.g., Cardiff Council Planning Portal reference, approval status) there is concern that the project team and the Project Board could not easily hold the external consultant to account, were it required.
- 2.29 For note, a report was provided by the Assistant Project Director before the audit report had been finalised: '230816 VCC FBC Planning', which was produced by the external planning consultants and offered a form of rounded and contextual planning status reporting. (**MA 1**)
- 2.30 The Board has actively challenged lack of reporting of some planning and licensing items; in 'Items for Note' in the June 2023 Transforming Cancer Services New Velindre Cancer Centre Board Meeting, the minutes state "*It was discussed that the risk of EPSL and Land Transfer are not being captured within this highlight report or risk paper*"; the delay in obtaining an EPSL from NRW resulting in a postponed Financial Close (expected October 2023, originally planned for June 2023).
- 2.31 Due to the apparent reliance on external monitoring and tracking of the planning applications, a **reasonable** assurance rating has been concluded for this element.

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# Appendix A: Management Action Plan

Matter Arising 1: More cohesive monitoring of planning applications (Design & Operation)		Impact
<p>Planning applications associated with the nVCC site were available to view, with all associated documents, on the Cardiff Council Planning Portal using either a reference number or description to search for them.</p> <p>It stands to reason that an internally maintained listing showing correlating information would allow for all potential users of the information to easily identify all applications that have been made and access the portal to see their status. The use of an external planning consultant lessened the physical need to manage the process, however the ability should still exist to scrutinise the activities undertaken by the external consultant, to reduce key dependencies.</p> <p>During the audit it was noted that reporting provided by the external planning consultant to the project team largely did not include comprehensive listings of all planning applications, licences, and/or conditions in a single document – and did not include planning portal references. Whilst the project team were conversant with current planning activities, there was no single, comprehensive, point of reference for the status of planning approvals, which could be referred to by Project Board.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"><li>• Unsuccessful applications or delayed consent because of missing information or weakly implemented planning strategy impacting the achievement of financial close.</li><li>• Reporting failing to give the Project Board comprehensive oversight of the planning status, limiting ability to manage the process and any issues in a timely manner.</li></ul>
Recommendations		Priority
<p>1.1 A comprehensive list of all applications made to Cardiff Council, Natural Resources Wales, and other organisations should be maintained using portal reference numbers/ descriptions, noting approval status (including conditions and Discharge of Conditions) and expiry dates of consent.</p>		Medium

	The report mentioned in 2.29 above would be an appropriate report to be obtained from the external planning consultants on a monthly basis.		
1.2	The full aforementioned list should be published as an appendix to the Project Board papers or otherwise distributed to the Project Board, on a monthly basis, to facilitate discussion and raise awareness of planning, licencing and land transfer issues, and possible impacts	Medium	
Agreed Management Action		Target Date	Responsible Officer
1.1	A database for all statutory approvals (planning permissions; EPSL approvals) relating to the nVCC will be developed that aligns to the Cardiff County Council and NRW reference numbers.  The database will outline any statutory approvals awaiting approvals such as discharging planning conditions.	March 2024	Assistant Project Director
1.2	Monthly Statutory approvals report to be developed for Project Board.	March 2024	Assistant Project Director

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# Appendix B: Assurance opinion and action plan risk rating

## Audit Assurance Ratings

We define the following levels of assurance that the project achieves its key delivery objectives and that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	<b>Substantial assurance</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
	<b>Reasonable assurance</b>	Some matters require management attention in control design or compliance. <b>Low to moderate impact</b> on residual risk exposure until resolved.
	<b>Limited assurance</b>	More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.
	<b>No assurance</b>	Action is required to address the whole control framework in this area. <b>High impact</b> on residual risk exposure until resolved.
	<b>Assurance not applicable</b>	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

## Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

\* Unless a more appropriate timescale is identified/agreed at the assignment.



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# MIM Commercial Approval Points Final Internal Audit Report December 2023

Velindre University NHS Trust



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Ymddiriedolaeth GIG  
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NHS Trust





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Review reference:	SSU VEL 2223 01
Report status:	Final
Fieldwork commencement:	19 July 2023
Fieldwork completion:	18 August 2023
Draft report issued:	8 September 2023, 17 November 2023, 27 November 2023
Management response received:	1 December 2023
Final report issued:	4 December 2023
Auditors:	NWSSP: Audit & Assurance - Specialist Services Unit (SSu)
Executive sign-off:	Steve Ham, Chief Executive Officer / Senior Responsible Officer
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Committee:	Audit Committee



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Acknowledgement

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# Executive Summary

## Purpose

This audit sought to determine whether appropriate arrangements were in place, and operating effectively, in the progression through Commercial Approval Points (CAPs) 3 and 4 (mid-competitive dialogue and end of dialogue) at the new Velindre Cancer Centre (nVCC) project. This was a limited-scope review and the opinion provided is not reflective of the wider performance at the project.

## Overview

We have determined reasonable assurance on this area.

The Trust successfully passed through CAPs 3 and 4 with no associated delays to the procurement timeline.


Timely reporting to Trust Board and Health Strategic Board was evidenced, with the majority of recommendations actioned in a timely manner.

The matters requiring management attention will be for application during the CAP5 process, being the final CAP stage, and include:

- More frequent progress reporting of outstanding actions to Project Board; and
- Improved timeliness in closing out some recommendations.

Recognising also that the audit has not been able to evidence Welsh Government’s satisfaction that all prior CAP recommendations have been resolved (noting the WG process only provides this at CAP5), it is important the Project Board receives this assurance on completion of the CAP5 review and prior to Financial Close.

## Report Classification

Reasonable	Some matters require management attention in control design or compliance.
	<b>Low to moderate impact</b> on residual risk exposure until resolved.

## Assurance summary <sup>1</sup>

Assurance objectives	Assurance
1 Governance Arrangements	Substantial
2 Response to Recommendations	Reasonable

<sup>1</sup>The objectives and associated assurance ratings are not necessarily given equal weighting when formulating the overall audit opinion.

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Matters Arising		Assurance Objective	Control Design or Operation	Recommendation Priority
1	More frequent progress reporting to Project Board on CAP actions.	2	Operation	Medium
2.1	Appropriate timelines should be internally allocated to recommendations and routinely monitored.	2	Operation	Medium
2.2	More accurate recording of progress made towards outstanding recommendations.	2	Operation	Medium
2.3	The disparity between the September 2023 Project Board CAP4 report and the associated minutes should be reviewed.	2	Operation	Medium

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## 1. Introduction

- 1.1 This limited scope audit formed part of the approved new Velindre Cancer Centre (nVCC) approved Integrated Audit Plan and has sought to determine whether appropriate arrangements were in place, and operating effectively, in the progression through Commercial Approval Points (CAPs) 3 and 4 at the new Velindre Cancer Centre (nVCC) project.
- 1.2 Commercial Approval Points (CAPs) are mandatory for Mutual Investment Model (MIM) schemes which are to receive funding from the Welsh Government. They involve the focused scrutiny of a potential deal to provide Welsh Government with assurance on the commercial elements of the project as it develops through key points of the procurement phase. They consider the impact of project-specific commercial factors in relation to:
- affordability;
  - value for money;
  - deliverability; and the
  - commercial and compliance aspects of a project.
- 1.3 The CAPs take place as follows:

No.	Purpose	Timing
<b>CAP 1</b>	<b>Pre-OJEU:</b> Ensures that all pre-procurement requirements have been completed and that there are sufficient resources in place.	This CAP must be satisfactorily completed before proceeding to procurement. CAP1 took place in March 2021.
<b>CAP 2</b>	<b>Pre-Competitive Dialogue:</b> Ensures that the selection of bidders shortlisted to proceed has been completed in a compliant manner and has been appropriately documented.	Undertaken once shortlisting of bidders is completed, but prior to the bidders receiving ITPD notification. CAP2 took place in August 2021.
<b>CAP 3</b>	<b>Mid Dialogue:</b> Assesses the progress of competitive dialogue and ensures negotiations remain on track to deliver an acceptable solution.	Following submission of Initial Solutions. CAP3 took place in February 2022.
<b>CAP 4</b>	<b>End dialogue:</b> Ensures that all work required to move to the Final Bid/Tender stage is completed. Takes a 'bootcamp' format and includes significant input from bidders. Will confirm the content of the bidders' proposals; their agreement to the standard form documents, their ability to deliver the project to time and budget and check that there are no issues still unresolved. Ultimately, this CAP will ensure that the project is ready to close dialogue.	Following submission of Detailed Solutions and prior to drafting of Final Tenders. CAP4 took place in May 2022.

<b>CAP 5</b>	<b>Pre Financial Close:</b> The purpose of this CAP is to check that the most advantageous deal has been achieved before it is signed and to check that the content of the deal has not altered.  As such, Ministerial Approval to proceed is required following the completion of CAP 5.	4-6 weeks prior to contract signature. Relevant consents must be in place (planning, statutory, etc.) and promissory notes to cover the revenue profile should be ready.CAP5 is currently scheduled for October 2023.
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- 1.4 The key risks considered within this review included:
- Failure to achieve the end-of-competitive dialogue deadline; and
  - Value for money has not been demonstrated.
- 1.5 The scope of this review was limited to consideration of the CAP processes only and did not assess any wider approval processes operated within the Trust.

2. Detailed Audit Findings

2.1 Our detailed audit findings are set out below. All matters arising and the related recommendations and management actions are detailed in **Appendix A**.

**Objective 1:** *To obtain assurance that appropriate governance arrangements were in place to progress through the CAPs falling within the competitive dialogue procurement stage, i.e. CAP 3: Mid-Competitive Dialogue and CAP 4: End of Dialogue.*

- 2.2 The Welsh Government document ‘Commercial Approval Points – A Guide’ (2016) was utilised by the Trust as the central reference point for the CAP process.
- 2.3 The CAP requirements and associated Trust governance processes were defined within key internal documents including the Delegations Framework and Procurement Strategy.
- 2.4 Internal governance arrangements to manage and report progress towards closure of CAP recommendations included:
- Maintenance of the ‘Review Grid Action Plan’ (with support from external advisers), in which all recommendations made and actions taken (with associated evidence) were captured within a central reference document which could be readily shared with internal governance forums and Welsh Government;
  - Inclusion of the closure of outstanding CAP recommendations on the Programme to Financial Close, routinely monitored by the project team;
  - Inclusion of a risk on the project risk register in relation to the ability to respond to CAP recommendations in a timely manner, which may delay elements of the procurement process (risk score of 4 at the time of review); and

- Reporting of Welsh Government CAP reports and progress towards closing recommendations to the Project Board, Programme Board and Trust Board (however, see findings below re timeliness of this reporting in some cases).

2.5 Recognising the above, **substantial assurance** has been determined in respect of the CAP governance arrangements applied to date.

**Objective 2:** *To assess the Trust's arrangements to respond timely to any recommendations or conditions raised by Welsh Government during the CAP process, and assurance that improved processes have been embedded into future procurement stages, where applicable.*

2.6 The timeline for the CAP3 and CAP4 reviews was as follows:

- CAP3: Review undertaken 14<sup>th</sup>-18th February 2022; and
- CAP4: Review undertaken 16<sup>th</sup>-20th May 2022.

2.7 The resulting reports were shared with the Chief Executive and Trust Board on receipt, together with the Review Grid Action Plan to demonstrate progress.

2.8 The Review Grid Action Plan was also shared with the Welsh Government's Health Strategic Board. Whilst management advised that verbal feedback was provided by the Board to confirm the Trust could progress through the CAP, the WG process did not include the provision of written confirmation that recommendations had been satisfactorily addressed, for the CAPs reviewed. It is recognised that the CAP5 guidance incorporates the requirement for formal approval from WG and it is important the Project Board receives this assurance prior to Financial Close.

2.9 It was noted that, whilst the Trust's internal reporting of CAP3 deemed all CAP3 recommendations to be closed, the WG CAP4 report considered one recommendation (21) to remain outstanding. This was confirmed closed at the July 2022 Project Board progress update. This was the only instance noted of varying opinion between the Trust and WG as to the closure of recommendations, and the short timescale between the above reports is recognised.

2.10 Whilst five recommendations remained outstanding at the time of the July 2022 Project Board update, no further progress updates have been identified at the time of this review. Management advised that a paper was scheduled for the September 2023 Project Board, confirming all recommendations have now been closed. More timely reporting of assurance on the actioning of recommendations would be beneficial to aid the Project Board in its scrutiny and oversight function (**MA1**).

2.11 Whilst recognising the Trust ultimately has until Financial Close to satisfactorily address all CAP recommendations, the closing of the final two recommendations outstanding from CAPs to date exceeded the timeframe for action presented within the WG's suggested timeframe for action. Whilst management have provided

assurances that this did not present any undue risks, timely action would represent good practice (**MA2**).

- 2.12 Whilst some areas for improvement have been identified, it is recognised that the Trust passed through CAPs 3 and 4 without any directly associated delays to the procurement timeline. **Reasonable assurance** has therefore been determined in this area.

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## Appendix A: Management Action Plan

Matter Arising 1: Progress Reporting (Operation)		Impact
<p>The WG CAP4 review report and Review Grid Action Plan were reported to the Trust Board and Health Strategic Board in May 2022, with approval granted to close dialogue. The documents were subsequently reported to Project Board and Programme Delivery Board in June 2022 noting the timing of meetings. A further progress update was provided to these forums in July 2022.</p> <p>As at July 2022, three recommendations were reported as outstanding from the CAP4 review, with two remaining outstanding from earlier CAPs.</p> <p>Whilst a further progress update was prepared for the November 2022 Project Board meeting, the paper was not included in the agenda pack. At the time of review, management advised that the next update was scheduled for September 2023, at which it will be reported that all recommendations have now been closed.</p> <p>In line with the Trust's prior process of routine progress reporting, it is recommended this be reinstated.</p>		<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>The Project Board is not appropriately sighted on outstanding risks associated with unactioned CAP recommendations;</li> <li>Insufficient actions cannot be scrutinised and challenged.</li> </ul>
Recommendations		Priority
1.1	The Project Board should receive more frequent updates on progress towards implementation of outstanding CAP recommendations, including the risk impact of failing to address recommendations within the stated timeframes.	<b>Medium</b>
Agreed Management Action		Responsible Officer
1.1	The Project will complete a review of all CAP requirements for the next CAP – CAP 5. We will report on the CAP 5 requirements and all outstanding CAP recommendations that need to be actioned.	Assistant Project Director

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Matter Arising 2: Timeliness of closure of recommendations (Operation)	Impact
<p>At the time of this review, management advised that the closure of the final two outstanding CAP recommendations (5 and 33) had been achieved and was scheduled to be reported to the September 2023 Project Board.</p> <p>Noting the length of time since the CAP4 report was received by the Trust (May 2022), the timeliness of closing these recommendations was considered, with the following noted:</p> <ul style="list-style-type: none"> <li>Recommendation 33 (from the CAP4 review, in relation to procurement of non-IRS key clinical equipment)): To be actioned <i>"as soon as possible after Successful Participant Appointment."</i> Noting this took place in May 2022, a 15-month timeframe for action is not considered particularly timely. Management acknowledge that this action was not considered a priority but remained 'on the radar' via inclusion on the Programme to Financial Close.</li> <li>Recommendation 5 (from the CAP1 review, in relation to potential unnecessary levels of retained risks / financial exposure for the MIM contract resulting from the options considered for the IRS contract): To be actioned <i>"as soon as possible before close of dialogue on the IRS contract."</i> Noting the IRS contract was in place in November 2022, it was queried why the recommendation was only now being reported as closed, and whether there were any risks / implications of missing the recommended deadline. The Trust has provided assurance that legal advice was received and appropriate actions taken to achieve the best protection from the IRS commercial negotiations in line with the CAP recommendation. Whilst recognising that no progress reporting has taken place since July 2022 (as per <b>MA1</b>), the drafted (but not reported) November 2022 update presented this action as outstanding at that time (i.e. after the close of IRS dialogue), despite the key points having been addressed.</li> </ul> <p>It is also noted that, whilst the CAP report presented to the September 2023 Project Board confirmed closure of all CAP recommendations, the minutes recorded:</p>	<p>Potential risk of:</p> <ul style="list-style-type: none"> <li>Identified areas for improvement are not addressed in a timely manner. Risks / control weaknesses remain.</li> </ul>

<p><i>"It was discussed that there are 2 remaining recommendations (33 &amp; 6) from CAP1 and these need to be reviewed. MA confirmed this is relating to the IRS and the PA contract. It was confirmed that these need to be ready for CAP5."</i></p> <p>This disparity should be reviewed and it should be ensured that Project Board reports accord with the discussions held and minutes captured.</p>			
Recommendations			Priority
2.1	Appropriate timelines should be internally allocated to recommendations, and monitored routinely, to ensure recommendations are closed out as soon as possible.		Medium
2.2	Where partial actions have been taken, but not of a sufficient nature to close a recommendation, the Review Grid Action Plan and associated progress reports should clearly document what actions remain outstanding to enable the recommendation to be closed, and what the associated risks / impacts are of the outstanding elements of work.		Medium
2.3	The disparity between the September 2023 Project Board CAP4 report and associated minutes should be reviewed and corrected if necessary.		Medium
Agreed Management Action		Target Date	Responsible Officer
2.1	<p>Programme to FC includes all timelines for CAP 5 process.</p> <p>The Project will complete a review of all CAP requirements for the next CAP – CAP 5. We will report on the CAP 5 requirements and all outstanding CAP recommendations that need to be</p>	Pre CAP5 process	Assistant Project Director

2.2	The Project will complete a review of all CAP requirements for the next CAP – CAP 5. We will report on the CAP 5 requirements and all outstanding CAP recommendations that need to be actioned.	Pre CAP5 process	Assistant Project Director
2.3	The Project Board minutes will be reviewed and, if need be, amended at the next Project Board.	December 2023	Assistant Project Director

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# Appendix B: Assurance opinion and action plan risk rating

## Audit Assurance Ratings

We define the following levels of assurance that governance, risk management and internal control within the area under review are suitable designed and applied effectively:

	<b>Substantial assurance</b>	Few matters require attention and are compliance or advisory in nature. <b>Low impact</b> on residual risk exposure.
	<b>Reasonable assurance</b>	Some matters require management attention in control design or compliance. <b>Low to moderate impact</b> on residual risk exposure until resolved.
	<b>Limited assurance</b>	More significant matters require management attention. <b>Moderate impact</b> on residual risk exposure until resolved.
	<b>Unsatisfactory assurance</b>	Action is required to address the whole control framework in this area. <b>High impact</b> on residual risk exposure until resolved.
	<b>Assurance not applicable</b>	Given to reviews and support provided to management which form part of the internal audit plan, to which the assurance definitions are not appropriate. These reviews are still relevant to the evidence base upon which the overall opinion is formed.

## Prioritisation of Recommendations

We categorise our recommendations according to their level of priority as follows:

Priority level	Explanation	Management action
High	Poor system design OR widespread non-compliance. Significant risk to achievement of a system objective OR evidence present of material loss, error or misstatement.	Immediate*
Medium	Minor weakness in system design OR limited non-compliance. Some risk to achievement of a system objective.	Within one month*
Low	Potential to enhance system design to improve efficiency or effectiveness of controls. Generally issues of good practice for management consideration.	Within three months*

\* Unless a more appropriate timescale is identified/agreed at the assignment.



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