

TRUST BOARD

New Velindre Cancer Centre (nVCC) Project

DATE OF MEETING	07/02/2024
PUBLIC OR PRIVATE REPORT	Public
IF PRIVATE PLEASE INDICATE REASON	NOT APPLICABLE - PUBLIC REPORT
REPORT PURPOSE	APPROVAL
IS THIS REPORT GOING TO THE MEETING BY EXCEPTION?	NO
PREPARED BY	David Powell, Project Director nVCC
PRESENTED BY	David Powell, Project Director nVCC
APPROVED BY	Carl James, Acting CEO
EXECUTIVE SUMMARY	<p>The Trust has been progressing the new Velindre Cancer Centre Project for a number of years. The Final Business Case sets out the case for investment in the project. If the FBC is approved by the Trust Board and by Welsh Ministers it will allow the Trust to enter into a contract with the Acorn Consortium to construct and run the new Velindre Cancer Centre.</p> <p>The Strategic Case is for the meeting held in public. The remaining four cases will be received at this stage in private, given the procurement process continues to be live and commercially sensitive up until Financial Close.</p> <p>Following Financial Close, all cases will be published on the Trust website.</p>

RECOMMENDATION / ACTIONS	<p>The Trust Board is asked to:</p> <ul style="list-style-type: none"> • Approve the nVCC FBC Strategic Case.
GLOSSARY	<ul style="list-style-type: none"> • New Velindre Cancer Centre Project: nVCC • Outline Business Case: OBC • Full Business Case: FBC • Project Agreement: PA • Local Health Board: LHB • Conditions Precedent: CPs • Welsh Government: WG • Mutual Investment Model Policy Office: MIMPO

GOVERNANCE ROUTE	
List the Name(s) of Committee / Group who have previously received and considered this report:	Date
Executive Management Board	01/02/2024
TSC Scrutiny Sub-Committee	01/02/2024
SUMMARY AND OUTCOME OF PREVIOUS GOVERNANCE DISCUSSIONS	
<p>The TCS Scrutiny Sub-Committee ENDORSED the Strategic Case of the new Velindre Cancer Centre Full Business Case for Trust Board approval.</p> <p>This was subject to some clarifications (as outlined in section 2.5) and some suggested non-material wording changes, which have been reflected in the version for Trust Board.</p>	

APPENDICES	
A	FBC: Strategic Case

1. SITUATION

- 1.1 The nVCC Project is a high value and complex procurement that will provide the Trust with a new, fit-for-purpose cancer centre to support the continued delivery of high quality, safe services across South East Wales.
- 1.2 The nVCC Project has progressed through a number of stages including design; procurement; planning; commercial negotiation, various assurance processes

(Gateway reviews/Commercial Approval Points) and approvals (e.g., OBC approval; LHB approval of funding) to the point of FBC completion, approval and Financial Close. This work has progressed in parallel with the Enabling Works Project that is preparing the Site for nVCC Project construction commencement.

- 1.3 The nVCC Project continues to work with the ACORN Consortium to deliver Financial Close, with the support of the Welsh Government, Local Health Board partners and wider stakeholders, in March 2024. A key requirement in achieving Financial Close is the approval of the FBC by the Trust Board and Welsh Ministers as these approvals allow the Trust and Acorn to action financial close and enter into the agreed contract (the Project Agreement (PA)) for the construction and operation of the nVCC over the concession period.
- 1.4 A significant amount of progress has been made over recent months in agreeing final matters to allow the FBC to be finalised. This includes:
 - Delivering the requirements Conditions Precedent (CPs)
 - Concluding key design and technical matters to provide a final Capital Cost and associated Construction Programme.
 - Concluding all outstanding commercial matters with ACORN.
 - Confirmation from ACORN that the agreed funding arrangements are still in place and that Funders have agreed to hold the price offered for Financial Close in December 2023 for the planned March Financial Close date.
- 1.5 This report presents the Strategic Case of the nVCC FBC for approval by the Trust Board for submission to the Welsh Government to commence their scrutiny. The Trust Board has received earlier drafts and briefings on the nVCC FBC throughout the development process.
- 1.6 The nVCC FBC is structured in accordance with the Treasury Green book guidance.
- 1.7 The purpose of the Strategic Case is to make the case for change and to demonstrate how it provides strategic fit.
- 1.8 The nVCC Project has robust management arrangements in place to support the effective delivery of the required outputs of the Project including the nVCC Project Board and the Strategic Capital Board. These both report to the Executive Management Board, and the nVCC Project Director reports directly to the Chief Executive Officer (who is the Senior Responsible Officer (SRO)).
- 1.9 The TCS Committee and Trust Board have governed the scrutiny, assurance and decision-making relating to the nVCC Project throughout the nVCC life of the

project through the TCS Sub-Committee which provides assurance to the Trust Board on all nVCC project related matters.

- 1.10 The TCS Committee and Trust Board have received regular reports regarding the nVCC Project, supported by a range of Board briefings and development sessions over the life of the nVCC project. This has ensured that the Trust Board is fully engaged and informed on all key matters relating to the successful delivery of the nVCC Project. The Trust Board are aware of the challenges that have presented to the Project throughout 2023. The successful achievement of the European Protected Species Licence (EPSL) and the progress made on the Enabling Works have provided the foundation for the finalisation of Technical and Commercial Matters with Acorn in early 2024.
- 1.11 The nVCC Project Director is responsible for the development of the FBC, supported by the Executive Management Team. Given the complexity involved within the nVCC Project, the Trust has engaged a range of professional advisors to support the overall nVCC project and the completion of the FBC.

2. ASSESSMENT

Assurance of the FBC

- 2.1 The FBC is a complex document and has been developed through an iterative process (i.e. Programme Business Case; Strategic Outline Case; Outline Business Case). The FBC is the final case which seeks approval from the Investment Decision Maker (Welsh Government) for the investment.
- 2.2 The nVCC Project Director has been supported by the Executive Team and a range of professional advisors in producing the FBC for Trust Board approval. Each of the lead Executives have provided professional assurance of each case. This is supported by the assurance from the professional advisor(s); where appropriate.
- 2.3 The assurance provided by Executive Officers and professional advisors is done so on the basis of their knowledge of the nVCC project at its current stage (i.e. RIBA Stage 3 design). It is also provided on the basis that the remaining matters will be appropriately dealt with in line with the Trusts' requirements through the remaining phases of the design (Reviewable Design Data; RIBA stage 4); construction; commissioning and operation.

Confirmation that the overall FBC is compliant with the Treasury Green Book.

- 2.4 The Trust has used Archus as its professional advisor on the FBC. Archus have provided professional assurance on the compliance against the Treasury Green Book.

TCS Scrutiny Sub-Committee on final review for endorsement 1st February 2024

- 2.5 Whilst there were no material changes fundamental to the purpose of the Case following the 1 February 2024 meeting, the Board has now received an updated version of the case. In response to matters raised by the Sub-Committee:
- Para 2.1 - It has been confirmed by Trust Officers that the planning assumptions for cancer incidence are appropriate given the range of evidence available.
 - Para 3.31 – Confirmed that the backlog maintenance position remained extant. There will be further assurance provided to the Board from the responsible Trust Officer.
 - Para 4.6 – It was requested that further context of the baseline position for PSO 4, regarding education, research, technology, and innovation, would be provided. This will be updated.

Summary

- 2.6 For all cases, the nVCC Project Director has reviewed the FBC and confirmed that it represents the Technical, Commercial and Financial arrangements of the Project as agreed with Acorn. The nVCC Project Director also assures that the Project offers Value for Money to the Public Sector based the advice provided by advisors.
- 2.7 The TCS Programme Director (Executive Director of Strategic Transformation, Planning & Digital) has confirmed that the nVCC project is strategically aligned to the TCS programme; and within the project scope i.e. the provision of a new Velindre Cancer Centre.
- 2.8 The Director Corporate Governance & Chief of Staff, along with the Executive Director of Strategic Transformation, Planning & Digital have provided Executive lead oversight for the Strategic Case.

2 SUMMARY OF MATTERS FOR CONSIDERATION

- 3.1 The Trust has developed a compliant Strategic Case of the nVCC FBC which seek Ministerial approval to move to financial close with the ACORN Consortium.

3 IMPACT ASSESSMENT

TRUST STRATEGIC GOAL(S)	
Please indicate whether any of the matters outlined in this report impact the Trust's strategic goals: Choose an item	
If yes - please select all relevant goals:	
<ul style="list-style-type: none"> • Outstanding for quality, safety and experience <input checked="" type="checkbox"/> • An internationally renowned provider of exceptional clinical services that always meet, and routinely exceed expectations <input checked="" type="checkbox"/> • A beacon for research, development and innovation in our stated areas of priority <input checked="" type="checkbox"/> • An established 'University' Trust which provides highly valued knowledge for learning for all. <input checked="" type="checkbox"/> • A sustainable organisation that plays its part in creating a better future for people across the globe <input checked="" type="checkbox"/> 	
RELATED STRATEGIC RISK - TRUST ASSURANCE FRAMEWORK (TAF) <i>For more information: <u>STRATEGIC RISK DESCRIPTIONS</u></i>	06 - Quality and Safety The delivery of the nVCC project will support the Trust in delivering safe and high quality care.
QUALITY AND SAFETY IMPLICATIONS / IMPACT	Select all relevant domains below
	<ul style="list-style-type: none"> Safe <input checked="" type="checkbox"/> Timely <input type="checkbox"/> Effective <input checked="" type="checkbox"/> Equitable <input checked="" type="checkbox"/> Efficient <input checked="" type="checkbox"/> Patient Centred <input checked="" type="checkbox"/>

	<p>The Key Quality & 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>Safe The development of the new Velindre Cancer Centre will support the Trust in delivering safe cancer services across South East Wales for future decades</p> <p>Effective The development of the new Velindre Cancer Centre will support the Trust in delivering effective cancer services across South East Wales for future decades</p> <p>Patient Centred The development of the new Velindre Cancer Centre will support the Trust in delivering a high quality patient experience for patients, families and carers</p> <p>Efficient The development of the new Velindre Cancer Centre will support the Trust in improving levels of efficiency and productivity.</p> <p>Equitable The development of the new Velindre Cancer Centre will support the Trust in delivering equitable services for patients across South East Wales.</p> <p>The delivery of the benefits of the nVCC project will be monitored through the benefits realisation plan and the Trusts' Performance Management Framework.</p>
SOCIO ECONOMIC DUTY ASSESSMENT COMPLETED:	Not required

For more information:
<https://www.gov.wales/socio-economic-duty-overview>

The delivery of the nVCC project will support the socio-economic duty. The nVCC is a mile away from the current Velindre Cancer Centre with the transport routes improved; thus no material difference on current arrangements.

Click or tap here to enter text

TRUST WELL-BEING GOAL IMPLICATIONS / IMPACT	<p>Choose an item</p> <p>If more than one Well-being Goal applies please list below:</p> <ol style="list-style-type: none"> 1. Reduce health inequalities, make it easier to access the best possible healthcare when it is needed and help prevent ill health by collaborating with the people of Wales in novel ways 2. Create new, highly skilled jobs and attract investment by increasing our focus on research, innovation and new models of delivery 3. Deliver bold solutions to the environmental challenges posed by our activities 4. Strengthen the international reputation of the Trust as a centre of excellence for teaching, research and technical innovation whilst also making a lasting contribution to global well-being <p>The delivery of the nVCC project will support the Trust in progressing these Well-Being Objectives.</p>
	<p>The Trust Well-being goals being impacted by the matters outlined in this report should be clearly indicated</p>
	<p>If more than one wellbeing goal applies please list below:</p>
	<p>Click or tap here to enter text</p>
	FINANCIAL IMPLICATIONS / IMPACT
<p><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></p>	
<p>Narrative in this section should be clear on the following:</p> <p>The FBC sets down the financial implications of the Project which are predominately discharged through</p>	

	<p>the Annual Service Payment (ASP) to Project Co, associated revenue costs that are the responsibility of the Trust under the project agreement (PA), the acquisition of Trust capital equipment and capital and revenue expenditure on commissioning and transition costs.</p> <p>Source of Funding: Commissioners</p> <p>Please explain if 'other' source of funding selected: Charitable Funds, Commissioners and Trust Resources</p> <p>Type of Funding: Revenue and Capital Funding</p> <p>Scale of Change Please detail the value of revenue and/or capital impact: Click or tap here to enter text</p> <p>Type of Change Major Programme Please explain if 'other' source of funding selected: Click or tap here to enter text</p>
<p>EQUALITY IMPACT ASSESSMENT <i>For more information:</i> https://nhswales365.sharepoint.com/sites/VEL_Intranet/SitePages/E.aspx</p>	<p>Yes - please outline what, if any, actions were taken as a result</p>
<p>ADDITIONAL LEGAL IMPLICATIONS / IMPACT</p>	<p>Extant Programme EQIA</p>
	<p>Yes (Include further detail below)</p> <p>Click or tap here to enter text</p> <p>The Strategic Case complies with all relevant legislation (for instance socio-economic duty, as outlined above)</p>

<p>ARE THERE RELATED RISK(S) FOR THIS MATTER</p>	<p>Yes - please complete sections below</p>
<p>WHAT IS THE RISK?</p>	<p>As per risk register governed by the TCS Committee</p>
<p>WHAT IS THE CURRENT RISK SCORE</p>	

HOW DO THE RECOMMENDED ACTIONS IN THIS PAPER IMPACT THIS RISK?	
BY WHEN IS IT EXPECTED THE TARGET RISK LEVEL WILL BE REACHED?	
ARE THERE ANY BARRIERS TO IMPLEMENTATION?	
All risks must be evidenced and consistent with those recorded in Datix	