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Bwrdd Iechyd Prifysgol
Caerdydd a'r Fro
Cardiff and Vale
University Health Board

Annual report of Our Future Hospitals Committee 2021/22

1. Introduction

In accordance with best practice and good governance, our Future Hospitals Committee produces an Annual Report to the Board setting out how the Committee has met its Terms of Reference during the financial year.

2. Membership

The Committee membership is a minimum of three Independent Members comprising of the Independent Member for Capital and Estates, the Independent Member of Finance and a minimum of one other Independent Member of the Board. In addition to the Membership, the meetings are also attended by the Chief Executive, Executive Director of Strategic Planning, Executive Medical Director, Executive Director of Finance, Programme Director for Our Future Hospitals Programme, Director of Corporate Governance. Other Executive Directors will attend as required by the Committee Chair. At the invitation of the Committee Chair any Independent Member who is not a member of the Committee is entitled to attend Committee meetings.

3. Meetings & Attendance

The Committee met four times during the period 1st April 2021 to 31st March 2022 2022.

This is in line with its Terms of Reference. The quorum for meetings is 2 members, including either the Chair or the Vice Chair and 2 Executive Directors to include either the Chief Executive or Deputy Chief Executive.

The Future Hospitals Committee achieved an attendance rate of 87.5% which is considered to be an acceptable attendance rate during the period 1st April 2021 to 31st March 2022 as set out below:

| | 21/07/2021 | 13/10/2021 | 12/01/2022 | 09/03/2022 | Attendance |
|-------------------------|------------|------------|------------|------------|------------|
| Dr Rhian Thomas (Chair) | ✓ | ✓ | ✓ | ✓ | 100% |
| John Union (Vice Chair) | X | ✓ | ✓ | ✓ | 75% |
| David Edwards | ✓ | ✓ | ✓ | X | 75% |
| Gary Baxter | ✓ | ✓ | ✓ | ✓ | 100% |
| Total | 75% | 100% | 100% | 75% | 87.5% |

4. Terms of Reference

The Terms of Reference have been reviewed and approved by the Committee on the 12th January 2022 and will be approved by the Board on 31st March 2022.

5. Work Undertaken

As Set out in the Committee Terms of Reference the purpose of the Committee is to: Provide assurance to the Board that;

- Our Future Hospitals Programme has a clear and consistent strategic direction of travel, which is aligned to Shaping our Future Wellbeing and Wellbeing of Future Generations act; strong and effective leadership; transparent lines of accountability and responsibility; and effective and timely reporting to key internal and external decision-makers.
- Consider and approve the overall scope of Our Future Hospitals Programme and its delegated authority to make decisions.
- Scrutinise and recommend approval to the Board relevant Our Future Hospitals Programme decisions in particular those decisions which are outside the delegated authority limits (decisions over £500k) of the Programme Board.
- Scrutinise Our Future Hospitals Programme to ensure the direction of the programme remains within the scope set by the UHB Board and is consistent with wider system plans and political environment.
- Review and approve the stakeholder management strategy and specific plans to ensure buy-in from key internal and external stakeholders.
- Review and approve, where necessary business cases for Our Future Hospitals programme and provide assurance to the UHB Board that they will be delivered within the time, cost and to required quality, as specified by the UHB Board and the Welsh Government, and in line with the Health Board's capital governance arrangements.
- Recommend approval to the Board and monitor the ongoing progress of:
 - (a) The overall programme plan, including objectives, key milestones, resource plan and performance monitoring for key deliverables
 - (b) Appointment of all external project advisors and contractors where the value exceeds the delegated limit of the Programme Board
 - (c) All procurement decisions where the value exceeds the delegated limit of the Programme Board
 - (d) It will seek explanations and remedies for any deviation from the timelines and report any concerns to the UHB Board as and when necessary.
- Ensure that an effective risk management system is in place and regularly scrutinise key Programme risks.
- Scrutinise and assure that the Board that Programme expenditure against the budget allocated is appropriate and managed effectively.

During the financial year 2021/22, Our Future Hospitals Committee reviewed the following key items at its meetings:

Our Future Hospitals Committee

July and October 2021, and March 2022

Papers presented to the private session of Our Future Hospitals Committee were as follows:

- Stakeholder Engagement Updates
- Welsh Government Meeting Outcomes

- JLL Report
- Gateway Zero Report
- Programme Overview
- Risk Register
- Business case review
- Infrastructure report
- Update – Programme Business Case Endorsement.

Our Future Hospitals Committee – set agenda items

21st July 2021

- **Stakeholder Engagement Updates**

The future hospitals stakeholder engagement was discussed at the July and October 2021 committee meetings. The committee was advised that the programme business case had been completed in record time and had been delivered in the timeframe that was required. Cardiff University had shown a strong support and intent to invest £200m - £300m in Heath Park West. The Executives had met with partnership organisations to increase the level of advocacy for the programme amongst stakeholders.

13th October 2021

- **Stakeholder Engagement Updates**

The Committee was advised that all main stakeholders were sent a letter signed by Stuart Walker and Len Richards to explain the programme business case. Conversations had taken place with Welsh Government and the Director of Climate Change.

- **Welsh Government meeting outcomes**

Following a meeting held with Welsh Government on the 27th August 2021, it was noted that the definitive way forward in relation to the programme business case was discussed. The Welsh Government suggested reference to some of the economical appraisal and the capital figure £2 billion were removed from the outline business case. A resubmission date for the 1st October was agreed.

- **Business case review**

The business case review was discussed at the October 2021 meeting. It was noted that since the submission of the business case, the shaping our future hospital engagement had taken place which had identified a strong mandate from the public. A mutual investment model could be considered to resource the project, and that could consider phasing in order to make the scheme more affordable.

12th January 2022

- **Feedback on the Infrastructure Investment Board**

The Committee was advised that officers from the Health Board had given a presentation to the Welsh Government panel which receives business cases. The presentation had highlighted the current issues with UHW also the need for a new Hospital. The Committee were informed that a report was due to be presented to the Welsh Government Cabinet and that the Health Board currently awaited a response to the same.

- **Lifesciences Commercial Opportunity**

The Committee were advised that proposals were being considered to have a research hospital for the future, but had not yet been endorsed by WG. Grant Thornton had been engaged to provide support the work being undertaken in this regard.

- **Update on scoping of the SOC and the work of Grant Thornton**

The Committee were updated in relation to the work relating to the scoping of the Strategic Outline Case (SOC)

Operational Lead Update

The Committee was advised that work was being undertaken in order to gather intelligence on hospitals which have been built over the last 5 years and plan to open in the next 5 years.

- **Committee Terms of Reference and Committee Work Plan for 2022/23**

The Committee received and considered the proposed (i) Terms of Reference and (ii) Work Plan for 2022/2023 prior to the same being presented to full Board for formal approval.

9th March 2022

- **Review of Hospitals Programme Update**

The Committee was advised that the Programme Business Case (PBC) had gone to Welsh Government. It was anticipated that the PBC would be considered by Cabinet in January 2022. The most likely best option would be to rebuild the University Hospital of Wales (UHW) which could be completed in a phased way. Until the Strategic Outline Case (SOC) was completed and options were set out then sites could not be discussed. It was noted that Grant Thornton were helping with the scoping of the SOC. The SOC needed to be completed by June 2022 because the Cabinet would be bringing back another paper.

- **Review of Programme Risk Register**

The Committee received the Programme Risk Register. It was noted that there were actions around the Spring work that were taking place and the Committee should have answers next month. One of the risks was delay to the programme and what the Health Board were doing about it. The Committee were also advised that another risk was linked to staff wellbeing.

6. Reporting Responsibilities

The Committee has been reporting to the Board.

7. Opinion

The Committee is of the opinion that the draft Our Future Hospital Committee Report 2021/2022 is consistent with its role as set out within the Terms of Reference and that there are no matters that the Committee is aware of at this time that have not been disclosed appropriately.

Dr Rhian Thomas

Committee Chair