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

# **Modernisation of Passenger Lifts at the University Hospital of Wales (UHW)**

## **Business Justification Case**

January 2023 – Draft v4.1



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# Purpose

## **1.0 INTRODUCTION**

### **1.1 Overview and Introduction**

This business case seeks the approval for a capital investment of £9.302m to enable the modernisation of nineteen passenger lifts located throughout the University Hospital of Wales (UHW) site.

### **1.2 Structure and Content of the Document**

This document describes the Business Justification Case (BJC) for this investment. It has been developed to reflect the guidance set out in HM Treasury's Green Book (a Guide to Investment Appraisal in the Public Sector) and the Infrastructure Investment Guidance for the NHS in Wales.

This business justification case comprises the following sections:

- Strategic context (Section 2) which provides an overview of the context (both national and local) in which the investment will be made;
- Case for change (Section 3) which sets out the existing situation, the problems with the status quo, the key investment objectives and the benefits and risks of the planned investment;
- Available options (Section 4) which summarises the options that have been considered and how these have been appraised;
- Preferred option (Section 5) which describes in greater detail the option that is proposed and how this option optimises value for money;
- Procurement route (Section 6) which explains how the investment will be procured;
- Funding and affordability (Section 7) which sets out the effect of the investment on the local health community;
- Management arrangements (Section 8) which explains how the implementation of the investment will be managed.

# Strategic Context

## **2.0 STRATEGIC CONTEXT**

### **2.1 Introduction**

This section provides an overview of the context within which the investment will be made. It sets out:

- An overview of the organisation – the size and role of Cardiff and Vale University Health Board and the scale and nature of the demand in the area that it serves;
- The national, regional and local strategies that underpin this investment.

### **2.2 Organisational Overview**

#### **2.2.1 Profile of Cardiff and Vale University Health Board**

Cardiff and Vale University Health Board (UHB) was established in October 2009 as part of a restructuring of NHS Wales and is one of the largest NHS organisations in the UK. It brings together the former Cardiff and Vale NHS Trust and two former Local Health Boards – Cardiff and the Vale of Glamorgan – with the core purpose of improving health and delivering integrated health services.

Since its establishment, Cardiff and Vale UHB's priority has been to provide safe, high quality and sustainable services that compare well with the best in the world, with a focus on developing centres of excellence that support the actions needed to progress and deliver the strategic mission 'Caring for People, Keeping People Well' with a vision that a person's chance of leading a healthy life is the same wherever they live and whoever they are.

Cardiff and Vale University Health Board is responsible for planning and delivering health services for people in Cardiff and the Vale of Glamorgan, a population of around 502,000 and is the main provider of specialist services for the people of South Wales – and for some services, the whole of Wales and the wider UK. This includes health promotion and public health functions as well as the provision of local primary care services (GP practices, dentists, optometrists and community pharmacies) and the running of hospitals, health centres, community health teams and mental health services. The Health Board employs approximately 15,000 staff and has an annual budget of £1.6 billion.

As a major teaching and research organisation, there are very close links to Cardiff University playing a significant role in the Welsh economy. This is alongside other academic links with Cardiff Metropolitan University and the University of South Wales. Training the next generation of clinical and non-clinical professionals, in order to develop expertise and improve clinical outcomes, is a key priority for the Health Board.



Figure 1: Map showing area covered by Cardiff and Vale UHB

The Health Board's hospital based services are currently provided from 6 hospital sites:

- University Hospital of Wales, which incorporates:
  - University Dental Hospital;
  - Noah's Ark Children's Hospital for Wales.
- University Hospital Llandough;
- Barry Hospital;
- Cardiff Royal Infirmary;
- Lansdowne Hospital;
- St. David's Hospital.

### 2.2.1.1 The Area Served and its Needs

The population served by the Health Board is:

- Growing rapidly in size, with the latest Welsh Government projections estimating an increase from 502,000 in 2021 to 521,000 in 2031, around 4%. In contrast to the previous projections published 4 years ago, the rate of growth in the Vale is predicted to exceed that of Cardiff, with growth in the Vale of 5.3% over 10 years compared with 3.4% in Cardiff. Actual population growth, particularly in Cardiff, will be highly dependent on progress with large housing developments;
- Relatively young in Cardiff compared with the rest of Wales. The proportion of infants (0-4 yrs) and the young working age population (20-39 yrs) is higher than the Wales average; this reflects in part, a significant number of students who study in Cardiff;
- Ageing – The average age of people in both Cardiff and the Vale is increasing steadily, with a projected increase in people aged 85 and over in the Vale of 33% over the next 10 years, and 9% in Cardiff; and

- Ethnically very diverse, particularly compared with much of the rest of Wales, with a wide range of cultural backgrounds and languages spoken. Arabic, Polish, Chinese and Bengali are the four most common languages spoken after English and Welsh. Cardiff is an initial accommodation and dispersal centre for asylum seekers.

#### 2.2.1.2 *Health Equity and Inequalities*

There is considerable variation in healthy behaviours and health outcomes in the area, with variation in smoking rates, physical activity, diet and rates of overweight and obesity. Uptake of childhood vaccinations is also lower in more disadvantaged areas, and people are more likely to experience poor air quality. Life expectancy is around ten years lower in the most deprived areas compared with the least deprived, and for healthy life expectancy the gap is more than double this.

Deprivation is higher in neighbourhoods in South Cardiff, and in Central Vale.

The COVID-19 pandemic exposed these deep-seated inequalities, with impacts seen more heavily in the more deprived areas, and amongst Black, Asian and minority ethnic communities.

There are also an increasing number of people across Health Board's catchment area with diabetes, as well as more people with dementia as the population ages. The number of people with more than one long-term illness is increasing.

The Health Board don't yet know the long-term health impact of the COVID-19 pandemic on the population's health but expect there to be adverse impacts on mental well-being which could last for many years; and impacts from "long COVID-19". The Health Board also anticipate significant negative impacts on the wider determinants of health, for example levels employment and educational attainment; however, there may also be positive changes seen, for example in community cohesion and levels of walking and cycling.

With all these factors in mind, Cardiff and Vale University Health Board has further developed a number of clinical and wellbeing strategies with the ambition to progress the integrated health and social care programme to achieve joined up care based on home first, avoiding harm, waste and variation, empowering people and delivering outcomes that matter to them.

## 2.3 Business Strategies

This section summarises the business strategies for the Cardiff and Vale University Health Board and related national, regional or local strategies.

### 2.3.1 National Strategies

Some of the key Welsh Government policies that have shaped this BJC are:

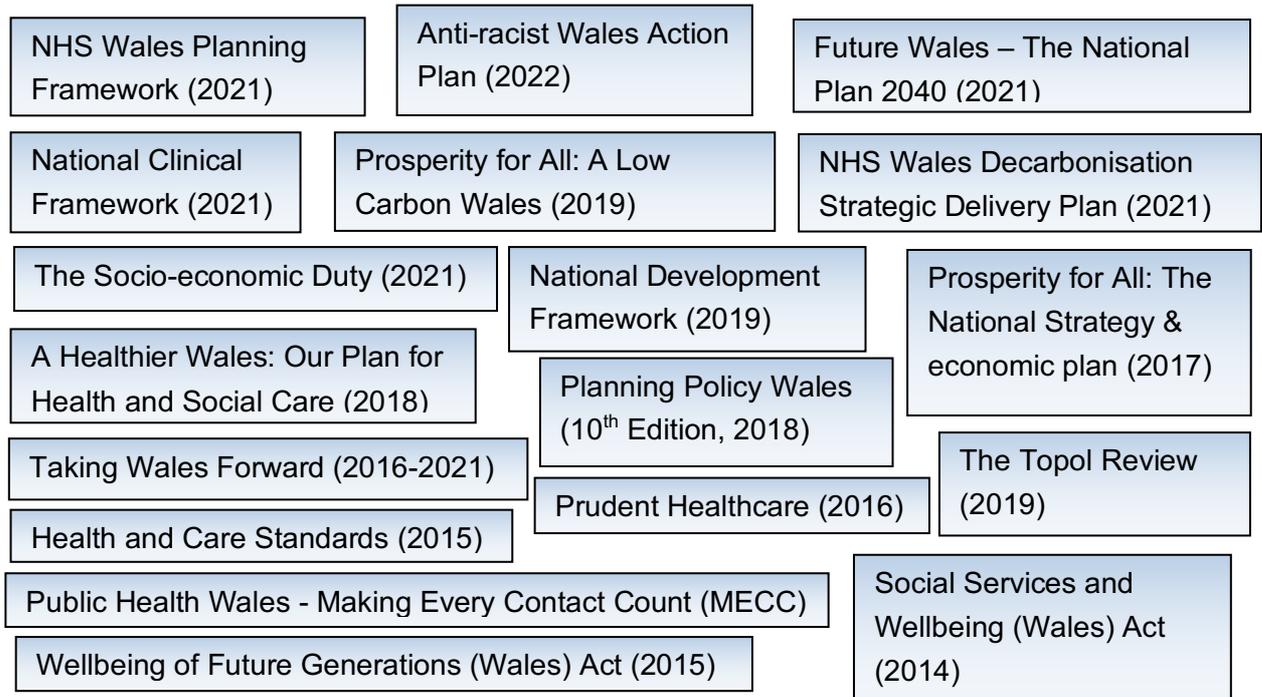


Figure 2: Overarching National Policies considered within this BJC

#### 2.3.1.1 Anti-racist Wales Action Plan (June 2022)

The Anti-racist Wales Action Plan builds on previous Welsh Government initiatives on race equality and has been developed in collaboration with a wide range of communities and organisations across all parts of Wales. It is a real opportunity to make a difference as a catalyst to improving life chances and tackling poverty across all protected groups.

The Plan builds on the findings of the Welsh Government Socio economic Subgroup report on coronavirus (COVID 19) and people from the ethnic minority backgrounds in Wales, and is built on the values of anti racism. This means that a common theme that runs across all the chapters is the desire to strive for a nation in which there is zero tolerance for racism in all its guises. In this regard, the Plan is comprehensive and touches every institution over which the Welsh Government has influence.

The guiding principle of this Plan is that the rhetoric on racial equality should be translated into meaningful action, with organisations and institutions made accountable for turning this into reality as is common with other important policy areas.

### 2.3.1.2 *NHS Wales Planning Framework 2022 – 2025 (2021)*

This Framework looks ahead to the next three years to deliver sustainable services for patients in Wales as we learn to live with Covid. The requirement is for organisations to produce a three year Integrated Medium Term Plan (IMTP) covering the period 2022-2025.

A Healthier Wales remains the overarching policy context for health and social care and drives the commitments to deliver seamless care. Integrated plans must focus on improving population health as the mechanism to deliver health equity, learning from the pandemic and address the impact of issues such as obesity and smoking on people's outcomes.

While the Covid response necessarily remains integral to NHS planning, the next three years will need a renewed focus on recovery. This must be a whole system approach and build on the learning and experiences across health and care. Digital technology and innovation has been instrumental in maintaining and evolving care and services during the pandemic. The changes must be accelerated and embedded wherever possible to revolutionise delivery of appropriate aspects of services.

In order to optimise the capacity, efficiency and effectiveness across health care settings, prudent health care principles and value based healthcare will be the basis on which services are planned and delivered. This must be supported by rigorous infection and protection control measures in hospitals and the community which keep staff and patients safe and maintain capacity.

### 2.3.1.3 *Future Wales – The National Plan 2040 (2021)*

Future Wales – the National Plan 2040 is the national development framework, setting the direction for development in Wales to 2040. It is a development plan with a strategy for addressing key national priorities through the planning system, including sustaining and developing a vibrant economy, achieving decarbonisation and climate-resilience, developing strong ecosystems and improving the health and well-being of communities.

Future Wales is a plan promoting development that enhances wellbeing and quality of life. It is a framework to focus on achieving big ambitions when developing and regenerating cities, towns and villages. Future Wales empowers plans at the regional and local scales to identify schemes and projects that benefit communities and help to achieve national ambitions.

### 2.3.1.4 *NHS Wales Decarbonisation Strategic Delivery Plan (2021)*

This plan demonstrates how NHS Wales can play its part in the COVID-19 recovery, its commitment to the *Wellbeing of Future Generations (Wales) Act 2015* and builds further upon the 2019 decarbonisation strategy, *Prosperity for All: A Low Carbon Wales* further stating the ambition for the public sector to be net zero by 2030, and the specific policy to reduce emissions in the health sector.

Sustainability is key to ensuring the Health Board can continue delivering healthcare outcomes that matter today and, in the future, and in support of this, the Health Board have adopted their own strategic sustainability objectives with the agenda including:

- Biodiversity;
- Energy consumption and exploration of low-energy alternatives;
- Waste reduction and recycling measures;
- Water usage reduction initiatives;
- Sustainable buildings and infrastructure;
- A commitment to Active Travel.

#### 2.3.1.5 *National Clinical Framework: a learning health and care system (2021)*

The National Clinical Framework sets out a coherent vision for the strategic and local development of NHS clinical services. It is grounded in the life course approach to service delivery and aligned to the burden of disease facing the population. Its intent is to improve patient outcomes and support the planning and delivery of resilient clinical services. It builds upon the findings of the Parliamentary Review and the direction set in *A Healthier Wales* and has benefited from looking at international experience and engagement with NHS colleagues. The Framework will sit at the centre of the system of planning.

The National Clinical Framework sets out a new model of planning and delivery for clinical services. It sets out how the NHS Executive will emerge as the central guiding hand called for by the Organisation for Economic Co-operation and Development (OECD) and Parliamentary Review. Over time the Executive will incorporate the existing national networks, programmes and support units. It will use these components to direct, support and enable the NHS in Wales to transform clinical services in line with national priorities. It will have a significant focus on ensuring that nationally agreed service innovations and holistic pathways of care that have been developed through the collaboration of NHS bodies are then implemented. The National Clinical Framework links the Executive to other NHS bodies through its national programmes and networks. The Framework confirms the introduction of a new suite of documents to guide the development of clinical services called 'quality statements'.

#### 2.3.1.6 *A More Equal Wales – The Socio-economic Duty (2021)*

The Socio-Economic Duty builds upon the principles of the Equality Act 2010 and the Future Generations of Wales Act 2015 however the Duty which came into force in March 2021 will be a key mechanism in planning Wales's recovery from the impact of Covid-19, making sure that the most vulnerable people in communities are supported. This enables a move towards the reconstruction of a fairer and more prosperous Wales.

### 2.3.1.7 *National Development Framework (NDF) (October 2019)*

NB: This became Future Wales – The National Plan 2040 (2021)

In summary, the main features of the draft NDF include:

- Significant employment and housing growth will mainly take place in three 'National Growth Areas':
  - Cardiff, Newport and the Valleys;
  - Swansea Bay and Llanelli; and
  - Wrexham and Deeside.
- A secondary role for 'Regional Growth Areas' located around Wales;
- Urban growth to be supported by public transport and active travel (walking and cycling) networks;
- 114,000 new homes needed by 2038, 47% of these to be affordable homes during the first five years;
- Three regions, each with its own Strategic Development Plan, to enable bespoke approaches in different parts of Wales;
- Each region has its own allocation for new homes by 2038:
  - North Wales, 19,400;
  - Mid and South West Wales, 23,400; and
  - South East Wales, 71,200.
- Improved transport links within Wales and cross-border with England, with support for the North Wales, Swansea Bay and South Wales Metros;
- 'Wind and Solar Energy Priority Areas' where there is a presumption in favour of development and an acceptance of landscape change;
- Mobile Action Zones to improve mobile coverage;
- More electric vehicle charging infrastructure;
- Support for District Heat Networks;
- A national forest and frameworks for enhancing biodiversity and ecosystem resilience;
- Greenbelts in North East and South East Wales;
- A Valleys Regional Park;
- Policies for specific areas – Cardiff, Swansea, Newport and the Heads of the Valleys; and
- Policies for strategic infrastructure – Port of Holyhead, Cardiff Airport, North West Wales Energy and the Haven Waterway in South Pembrokeshire.

### 2.3.1.8 *Prosperity for All: A Low Carbon Wales (September 2019)*

Climate change is the globally defining challenge of our time and is a matter which transcends political and social boundaries, it is also often the most vulnerable in communities who are impacted the most. Decarbonisation offers enormous opportunities to create a vibrant and socially-just economy helping create a society in Wales that ensures well-being and tackles inequality.

*The Prosperity for All: A Low Carbon Wales Plan* sets out the Welsh Government's approach to cut emissions and increase efficiency in a way that maximises wider benefits for Wales, ensuring a fairer and healthier society. It sets out 100 policies and proposals that directly

reduce emissions and support the growth of the low carbon economy. Delivering these ambitious decarbonisation targets will require significant leadership, collaboration with partners and the involvement of society as a whole and over the coming years WG will continue to refine the policies and raise ambition to accelerate action in line with the pathway towards a low carbon Wales.

#### 2.3.1.9 *The Topol Review - Preparing the healthcare workforce to deliver the digital future (February 2019)*

As people live longer, but also with more long-term conditions, there is an inexorable increase in the demand for healthcare. The workforce is also changing, there are new expectations and most people seek a good work-life balance through flexible careers. The *NHS Long Term Plan* identifies the need for more healthcare workers to respond to this increasing demand. Digital healthcare technologies, defined here as genomics, digital medicine, artificial intelligence (AI) and robotics, should not just be seen as increasing costs, but rather as a new means of addressing the big healthcare challenges of the 21<sup>st</sup> century. It is estimated that within 20 years, 90% of all jobs in the NHS will require some element of digital skills. Staff will need to be able to navigate a data-rich healthcare environment and all staff will need digital and genomics literacy.

*The Topol Review* proposes three principles to support the deployment of digital healthcare technologies throughout the NHS:

1. Patients need to be included as partners and informed about health technologies, with a particular focus on vulnerable/marginalised groups to ensure equitable access.
2. The healthcare workforce needs expertise and guidance to evaluate new technologies, using processes grounded in real-world evidence.
3. The gift of time: wherever possible the adoption of new technologies should enable staff to gain more time to care, promoting deeper interaction with patients.

Genomics, digital medicine and AI will have a major impact on patient care in the future. A number of emerging technologies, including low-cost sequencing technology, telemedicine, smartphone apps, biosensors for remote diagnosis and monitoring, speech recognition and automated image interpretation, will be particularly important for the healthcare workforce. In the future, many aspects of care will shift closer to the patient's home, while more specialised care is centralised into national or regional centres. The NHS has been working towards a less paternalistic relationship between patients and staff for some time, and digital healthcare technologies have the potential to speed up that process, to empower individuals to be more informed about their care, and to allow them to work together with healthcare staff to make treatment decisions.

### 2.3.1.10 *Planning Policy Wales 10th edition (December 2018)*

*Planning Policy Wales* (PPW) aims to deliver the vision of the Wales that was set out in the Well-being of Future Generations Act: a more prosperous Wales, a resilient Wales, which supports healthy, functioning ecosystems and recognises the limits of the global environment, a healthier Wales, a more equal Wales, a Wales of more cohesive communities, a Wales of vibrant culture and a globally responsible Wales.

PPW plays a significant contribution to the improvement of well-being in all its aspects as defined by the statutory well-being goals and aims to ensure that the planning decisions taken in Wales, no matter how big, or how small, are going to improve the lives of both the current and future generations. It will support changing the way people live and work, and the buildings and environment of Wales, today, building a better environment to accommodate current and future needs.

### 2.3.1.11 *A Healthier Wales: Our Plan for Health and Social Care (2018)*

The aims of this plan are to provide health and social care services in the future that:

- Support people to stay well, not just treat them when they become ill;
- When people need help, work with them and their loved ones to find out what is best for them and agree how to make those things happen - 'person- centred approach';
- Will provide most services outside of hospitals, closer to home, or at home, and people will only go to hospital for treatment that cannot be provided safely elsewhere;
- Will be a 'community-based approach' to help take pressure of hospitals, reduce the time people have to wait to be treated, and the time they spend in hospital;
- Will use the latest technology and medicines to help people get better, or to live the best life possible if they aren't able to get better.

### 2.3.1.12 *Prosperity for All: The National Strategy (2017)*

*Prosperity for All: The National Strategy* recognises that how we deliver can be just as important as what we deliver, and in order to make a real difference to people's lives, we need to do things differently and to do different things. The strategy appreciates the contribution that the healthy and active agenda, in combination with other objectives that form the strategy, can make towards raising prosperity. The objectives make specific reference to promoting good health and wellbeing, building healthier communities and better environments and the need for greater collaboration and integration across health and social care.

*Prosperity for All: Economic Action Plan*: The purpose of the Economic Action Plan is to support delivery of Prosperity for All – the national strategy for Wales. The Plan drives the twin goals of growing the economy and reducing inequality. It sets out a number of ambitious proposals which commit the Government to a major shift in policy direction in a range of key areas mobilised around a common purpose to work with business and others to build resilience and future proof the Welsh economy.

The Economic Contract will require organisations seeking investment to demonstrate the following as a minimum requirement:

- Growth potential (measured for example, by contribution to employment, productivity, or multiplier effects through the supply chain);
- Fair Work (as defined by the Fair Work Board);
- Promotion of health, including a special emphasis on mental health, skills, and learning in the workplace;
- Progress in reducing carbon footprint.

#### 2.3.1.13 *Taking Wales Forward 2016-2021*

This plan sets out the government's five year programme to drive improvement in the Welsh economy and public services, delivering a Wales which is prosperous and secure, healthy and active, ambitious and learning, united and connected. In terms of the healthy and active agenda, the ambition is to embed healthy living throughout Welsh Government programmes and to place a focus on health at the heart of everything that we do. Key actions are to:

- Promote healthy lifestyles and choices:
  - Helping children and young people to develop healthy behaviours;
  - Supporting older people to stay well into later life and reduce loneliness and isolation;
  - Prioritising mental health treatment including a pilot social prescription scheme and increase access to talking therapies.
- Improve links between health and social services and strengthen community provision, including investment in a new generation of integrated health and social services centres;
- Introduce a new Wales Wellbeing Bond aimed at improving mental and physical health and to reduce sedentary lifestyles; and
- Better organise general hospital and specialised services, including moving more care and services from hospitals into communities.

#### 2.3.1.14 *Public Health Wales - Making Every Contact Count (MECC)*

*Making Every Contact Count* (MECC) is an approach to behaviour change that utilises the millions of day to day interactions that organisations and individuals have with other people to support them in making positive changes to their physical and mental health and wellbeing.

MECC enables the opportunistic delivery of consistent and concise healthy lifestyle information and enables individuals to engage in conversations about their health at scale across organisations and populations. *Making Every Contact Count* can lead to improvements in people's health and well-being, reduce avoidable premature mortality linked to poor lifestyle choices, reduce health inequalities and help people better manage long term conditions.

The fundamental idea underpinning the MECC approach is simple. It recognises that staff across health, local authority and voluntary sectors, have thousands of contacts every day with individuals and are ideally placed to promote health and healthy lifestyles.

- For organisations, MECC means providing their staff with the leadership, environment, training and information that they need to deliver the MECC approach;
- For staff, MECC means having the competence and confidence to deliver healthy lifestyle messages, to help encourage people to change their behaviour and to direct them to local services that can support them;
- For individuals, MECC means seeking support and taking action to improve their own lifestyle by eating well, maintaining a healthy weight, drinking alcohol sensibly, exercising regularly, not smoking and looking after their wellbeing and mental health.

#### 2.3.1.15 *Prudent Healthcare (2016)*

The proposed new service models are based on the principles of prudent healthcare:

- Achieve health and well-being with the public, patients and professionals as equal partners through co-production;
- Care for those with the greatest health need first, making the most effective use of all skills and resources;
- Do only what is needed, no more, no less; and do no harm;
- Reduce inappropriate variation using evidence based practices consistently and transparently.

The debate around prudent healthcare has identified three priority areas for action:

- APPROPRIATE tests, treatment and medications;
- Changing the model of OUTPATIENTS;
- Public services WORKING TOGETHER to improve healthcare.

#### 2.3.1.16 *Health and Care Standards (April 2015)*

The *NHS Outcomes and Delivery Framework* identifies key population changes and indicators grouped under seven themes. The *Health and Care Standards* have been designed to fit with these and so that they can be implemented in all health care settings and locations.

They establish a basis for improving the quality and safety of healthcare services by providing a framework, which can be used in identifying strengths and highlighting areas for improvement.

#### 2.3.1.17 *Digital First (2015)*

The Welsh Government's vision for *Digital First* is to enable responsive, consistent and excellent public services through transformed digital delivery. This is a vision that can only be achieved by addressing the fundamental barriers currently holding back the public sector, and through joined up working across all of its constituent parts.

Every part of the public sector in Wales has a responsibility to ensure that the services it delivers, and the ways, in which it offers those services, responds to this societal evolution and remains relevant. Making the fullest possible use of the opportunities that technology offers will help to deliver the services that users want to engage with. It also has the potential to make the delivery of those services more efficient and cost effective.

The *Digital First strategy* sets out the intention to provide leadership and action in all aspects of digital service development and design and outlines the first steps that the Welsh Government will take to create the environment necessary to enable and empower the public sector to provide excellent online services to the people and businesses of Wales.

#### 2.3.1.18 *Well-being of Future Generations (Wales) Act 2015*

*The Wellbeing of Future Generations (Wales) Act 2015* acknowledges the contribution that everyone can make to the shared goals for Wales and gives a basis for creating a different kind of public service in Wales.

### 2.3.2 **Regional Strategies**

#### 2.3.2.1 *NHS Wales Health Collaborative*

The Health Board continues to work with the NHS Wales Health Collaborative and other Health Board and Trust partners to collaboratively plan and implement changes to improve the sustainability and delivery of a range of mainly hospital services in the region. The South Central Region covers Cardiff and Cwm Taf Hospitals as well as Princess of Wales. The South East Region covers Cardiff, Cwm Taf and Aneurin Bevan Hospitals. Through these governing arrangements, the Health Board continues to work towards implementing the recommendations of the South Wales Programme.

### 2.3.3 **Local Strategies**

#### 2.3.3.1 *2022 – 2023 Integrated Plan (June 2022)*

This three-year plan describes:

- Key deliverables in ongoing readiness and response to the challenges of COVID-19 whilst turning focus to service recovery and redesign to respond to the ongoing and backlog of demand for Planned and Urgent and Emergency Care services;
- The strategic context and priorities which frame the Health Board's partnership approach to longer term system transformation and how this aligns with the immediate readiness, recovery and redesign plans;
- The enabling programmes that describe how recovery, redesign and transformation efforts will seamlessly align.

The financial recovery programme sets clear guiding principles to inform the cost reduction programme that:

1. Ensures our emphasis is driving quality and value and the plans must
  - Preserve or improve patient safety or quality
  - Preserve or improve access times to healthcare for patients waiting for services
  - Preserve or improve staff wellbeing
2. Invests in services with clear benefits realisation plans which more than cover the investment
3. Ensures a balanced focus on tertiary services for the wider population we serve, and the Cardiff and Vale population
4. Balances baseline operational cost reduction appropriately with Covid-19 cost reduction
5. Commits to eliminate our underlying deficit as a Health Board without expectation of increased resources from Welsh Government

The following diagram shows the integrated plan on a page:

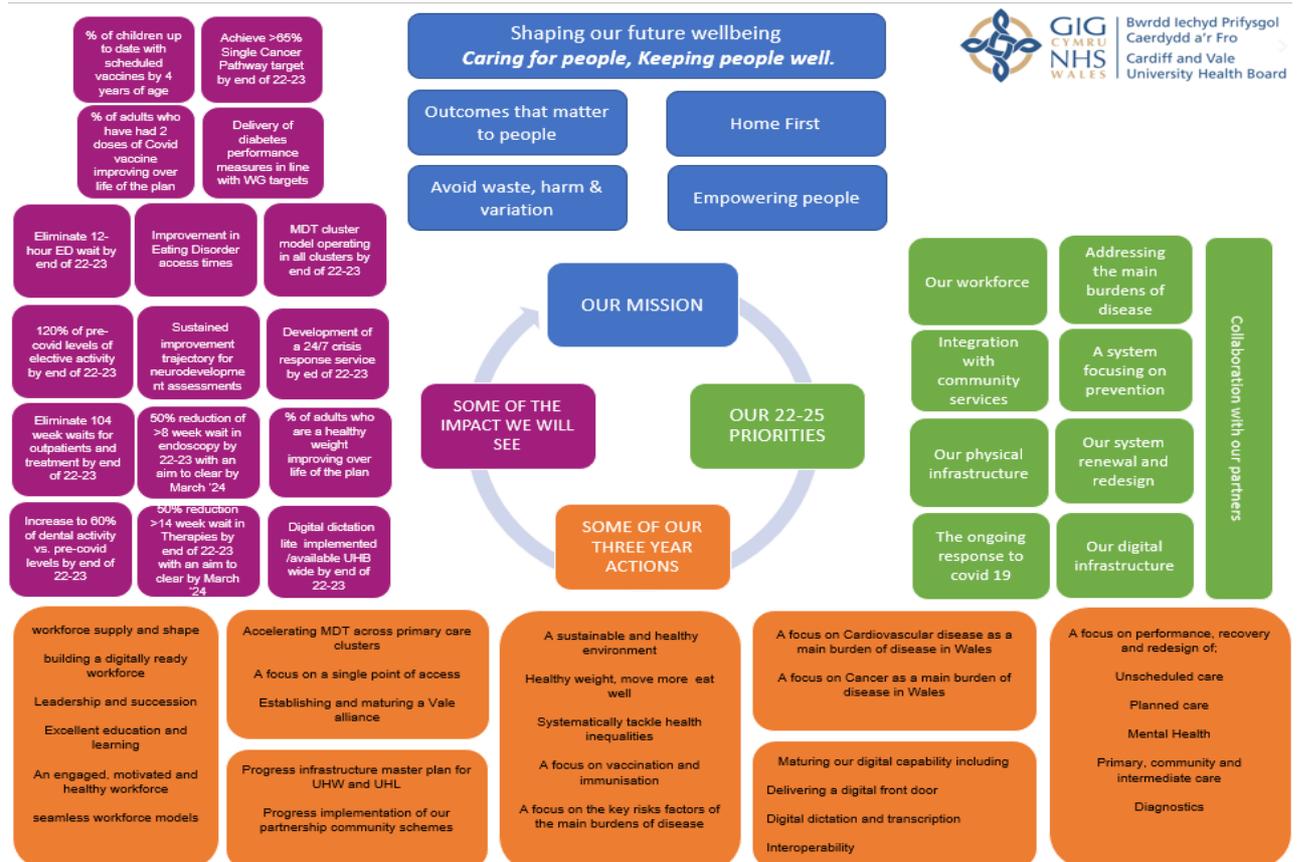


Figure 3: Integrated Plan on a page

### 2.3.3.2 *Shaping Our Future Wellbeing – Future Hospitals Programme Business Case (September 2021)*

This Programme Business Case (PBC) sets out the principles and component parts of the transformational change in the way the Health Board delivers its clinical services to the local and national population, and the associated infrastructure and service changes that need to take place to support the implementation of the clinical strategy and vision.

The proposed programme is comprised of the following constituent projects:

1. Project 1: Clinical service transformation in line with a new clinical model and vision, which underpin the physical elements of the programme. It will deliver world-leading services, while investing in creating much more co-ordinated and effective population health management;
2. Project 2: Potential redevelopment of hospital infrastructure at University Hospital Wales and University Hospital Llandough sites, enabling net zero carbon and including associated improvements to IT and digital infrastructure and medical equipment. This work will consider the options that present themselves based upon the Health Board's strategy and a comprehensive assessment of those options to determine a recommended preferred way forward;
3. Project 3: Development of an Academic Health Sciences Hub and a Life Sciences Ecosystem to allow the Health Board, Cardiff University and industry players to collaborate and support innovation, research, and development.

The purpose of the PBC is to:

- Articulate an ambitious vision for the Board as a whole and the future of CVUHB as an anchor institution for the wider region;
- Articulate the case for change for the overall programme, going beyond just noting the poor quality of the existing estate;
- Articulate the clinical services strategy and the IT and digital strategies which underpin this, developed in line with emerging science and best practice from elsewhere, both for the local population and within the wider NHS;
- Set out an indicative longlist of options that would enable delivery of a set of critical success factors including the clinical services strategy, focusing on service change that needs to take place;
- Present the range of unquantified benefits the programme could be expected to deliver and the methodology for quantifying these in later stages;
- Set out possible commercialisation opportunities within the programme to assist with revenue affordability, such as the Academic Health Sciences Hub and potential private hospital;
- Set out the programme governance arrangements and outline the next steps in moving from the PBC to individual project business cases.

### 2.3.3.3 *Cardiff and Vale People and Culture Plan 2022 – 2025*

The impact of COVID-19 on the health and care system in Cardiff and the Vale of Glamorgan has been immense: services, processes and, vitally, people have all been changed in some way as a result of the pandemic.

While many people were able to adapt, innovate and face the challenges presented to them, the physical and emotional strain of doing so, as well as the toll of simply doing their jobs in such unprecedented conditions cannot be overstated.

*The People and Culture Plan* sets out the actions the Health Board will take over the next three years, with a clear focus on improving the wellbeing, inclusion, capability and engagement of the workforce and is the Health Board's opportunity to improve the experience of staff, to ensure the improvements that have been made over recent years continue, and to confront the challenges which have arisen as a result of the pandemic and subsequent recovery period.

The Plan is built around 7 themes which are based on the themes set out in the *Workforce Strategy for Health and Social Care*, with an added emphasis on retention in theme 3 to recognise the importance of retaining the workforce as well as recruiting new people:

- Seamless workforce models - to support multi-professional and multi-agency working through integration of Health and Social Care services and the development of alternative workforce models to deliver a seamless, co-ordinated approach with partners based on outcomes that matter to the person
- Engaged, motivated and healthy workforce - to have a workforce that feels valued and supported wherever they work
- Attract, recruit and retain - to recruit and retain the right people with the right skills
- Building a digitally ready workforce - to have a workforce that is digitally ready, with both the technology available and the skills to utilise this effectively
- Excellent education and learning - to invest in education and learning to deliver the skills and capabilities needed to meet the future needs of the people we care for and support our people to progress their careers
- Leadership and succession - to have leaders in the health care system who embody inclusive, collective and compassionate leadership
- Workforce supply and shape - to have a sustainable workforce in sufficient numbers to meet the health and social care needs of the population.

### 2.3.3.4 *Shaping our Future Clinical Services*

In 2018 the Health Board identified the need to set out in more detail how clinical services need to develop over the next decade and into the mid-21st century to realise the vision set out in the strategy and to respond to the many drivers of change the Health Board is facing.

Shaping Our Future Clinical Services is the Health Board's proposed approach to developing more detailed clinical plans which is a clinically led process, and in relation to services delivered in the community, is being developed with public service partners. The Health

Board has conducted an initial public engagement exercise over the winter of 2020-21 on Shaping Our Future Clinical Services to seek feedback from the public and partners on the proposed approach to the transformation and configuration of future clinical services. Shaping Our Future Clinical Services will continue to evolve as new treatments and approaches are developed and feedback and input from the public and partners shapes thinking and planning. With this in mind, Shaping Our Future Clinical Services does not describe all of services in detail. It signals how the Health Board will develop services overall, clarifying the role that each of the Health Board facilities will provide and what needs to change.

In relation to how the Health Board see its clinical services developing over the next decade, there are a series of overarching planning principles which guide this work:

- The Health Board will work collaboratively with neighbouring UHBs, Local Authority and other public and third sector partners to provide care through a connected health and social care system to improve health and wellbeing;
- Citizens should receive care at home or as close to home as possible – hospitals should only provide assessment or care that cannot be provided in the community;
- Patients requiring hospital admission should receive high quality, high value, and evidence-driven, safe and compassionate care;
- Hospital care should provide the appropriate package of specialist care co-ordinated to meet the needs of the patient and focussed on improving outcomes;
- Innovative workforce models, new technologies and a flexible digital platform across clinical and wider care providers will support new models of care;
- Redesigned clinical pathways and services driven by the Health Board's Transformation programme will deliver improved outcomes and value-based healthcare;
- Research & Development activities will enable patients to have access to a wider range of treatment options by participating in research and clinical trials;
- Creating a climate, with the necessary facilities, which facilitates and promotes clinical innovation and health inventions to benefit patient care through better outcomes and contributing to economic growth in the region.

The following figure is the draft shaping our future clinical services overview:



Figure 4: Shaping our Future Clinical Services overview

The delivery of the clinical services plan will be phased over 10 years, in line with evolving service provision, shaped by wide stakeholder engagement and enabled by continuing development of digital and infrastructure solutions.

The Health Board's long term, prudent and appropriate infrastructure plan aims to ensure that it is able to deliver services in environments which aid healing and recovery, and are fit for purpose, whilst being as adaptable as possible for further future change.

The long term vision for the current UHW site is to replace the current hospital to enable the re-provision of University Hospital of Wales (UHW2) within a health park and life sciences quarter in collaboration with Cardiff University and regional partners. The Health Board's vision is that the new hospital will be for: (i) patients from Cardiff and the Vale of Glamorgan needing emergency, high acuity or high intensity care (ii) patients from other Health Boards in the SE and wider South Wales Regions in the Health Board's role as the hub for some regional and supra-regional service provision and (iii) patients from across Wales, in the Health Board's role as the largest provider of tertiary services in the country, requiring highly specialised regional services. It will be built with and have the latest design and technology for the full spectrum of specialities available 24/7 for local, regional, supra-regional and national services.

The clinical approach for UHW is:

- Site for acutely ill and complex medical/surgical patients;
- Regional, supra-regional and national tertiary services;
- Acute services dependant on co-location with 24/7 specialist services e.g. Critical Care (L3) and specialised radiology;
- Referral and repatriation pathways agreed with regional Health Board partners. People supported back to the appropriate care location when no longer requiring high intensity/ specialist care.

However, this vision is currently in the initial stages of planning and will take a minimum of 10 years to deliver and the Health Board will need to meet demand for these services in the meantime. The condition and functional suitability of some key infrastructure and essential clinical accommodation means that there will need to be some significant interim capital investment to maintain essential, safe service provision until this vision can be realised.

### 2.3.3.5 *Shaping Our Future Wellbeing Strategy 2015 – 2025*

Shaping Our Future Wellbeing (SOFW) is the 10-year strategy for transformation and improvement at Cardiff and Vale University Health Board and underpins a strategic portfolio of programmes, which will provide a co-ordinated approach to transforming services into the future:



Figure 5: Health Board Strategic Portfolio of Programmes underpinned by SOFW

The SOFW strategy set out a vision for ensuring that everyone in Cardiff and the Vale of Glamorgan, whoever they are and wherever they live, has the same opportunity to live a healthy life. This vision was driven by the very stark differences in life expectancy and healthy years lived between the more affluent communities in the local population and those living in more deprived communities. The strategy is underpinned by four key principles:

- Home first;
- Empower the person;
- Outcomes that matter;
- Avoiding harm waste and variation.

In co-producing the *Shaping Our Future Wellbeing* strategy, the Health Board worked alongside over 400 people and by engaging with the public, staff and partners, a set of prudent principles and priorities was agreed by which the Health Board can deliver high quality, sustainable, person-centred health care.

### 2.3.3.6 *Integrated Medium Term Plan 2022 – 2025*

The Integrated Medium Term Plan (IMTP) is designed to capture the Health Board's core intentions, give clarity on priorities, be clear on the anticipated improvement and, importantly, help staff understand how their work contributes to the delivery of the Shaping Our Future Wellbeing strategy and whilst many of the objectives underpinning the strategy continue to have relevance for this plan, the Health Board recognise that, at the end of this IMTP period, it will be coming to the end of the strategy's timeframe. The Health Board will use the next 3 years to engage with all stakeholders to review the delivery against the strategy and develop a programme of engagement and co-production to develop a strategy for 2025-35.

Over the last two years, the Health Board have dramatically adapted the way it delivers services in response to the global Covid-19 pandemic and will continue to develop and encourage a culture of continuous learning and structured approach to improvement to reduce harm to patients and deliver better outcomes. This IMTP sets out how the Health Board will continue to remain responsive to the ongoing uncertainties, whilst also accelerating the pace of delivery of the SOFW strategy, reflecting on both the challenges and opportunities created by the pandemic and the way it was responded to.

This three-year plan describes:

- The key deliverables in ongoing readiness and response to the challenges of the evolving COVID-19 pandemic whilst balancing service recovery and redesign to respond to the ongoing and backlog of demand for Planned and Urgent and Emergency Care services;
- The strategic context and priorities which frame the Health Board's partnership approach to longer term system transformation and how this aligns with the immediate readiness, recovery and redesign plans;
- The enabling programmes that describe how the recovery, redesign and transformation efforts will seamlessly align.

On the back of a pandemic, how the Health Board plan and deliver services in the coming period will define the health and wellbeing for a generation. As part of moving back to a three-year approach to planning, and as the final phase of SOFW is entered the Health Board have taken the opportunity to fully reconsider within this plan what the specific focus and priorities need to be over the next three years:



Figure 6: IMTP Focus and Priorities

The IMTP is also supported by the development of the Health Board's *Strategic Clinical Services Plan*. This identifies the critical service redesign proposals and infrastructure developments required to enable a sustainable and high value service model that will support the future model of care.

The IMTP is also underpinned by the significant contribution that the Health Board can make to the *Foundational Economy in Health and Social Services 2021-22 programme*.

The Foundational Economy programme in health and social services focuses on:

- The direct goods or services bought (e.g. food for hospitals);
- The workforce directly employed;
- How the location and co-location of health and social care services affects communities and how they can access services.

### 2.3.3.1 Partnership Strategies and Priorities

#### Regional Partnership Board/ Integrated Health & Social Care Partnership

The Integrated Health & Social Care Partnership has been established under the direction of a Regional Partnership Board (RPB) as part of the requirements of the Social Services and Wellbeing (Wales) Act 2014. The purpose is to manage and develop services to secure better joint working between local health boards, local authorities and the third sector; and to ensure effective services, care and support that best meet the needs of the population.

From 1 April 2016, the Wellbeing of Future Generations (Wales) Act 2015 introduced statutory Public Services Boards (PSB) in each local authority area in Wales to improve economic, social, environmental and cultural wellbeing through stronger partnership working. In line with the Act, each PSB has assessed the state of wellbeing across the area as a whole and within its communities to inform the development of a Wellbeing Plan and set out a series of wellbeing objectives to contribute to achieving seven national wellbeing goals as set out by the Act.

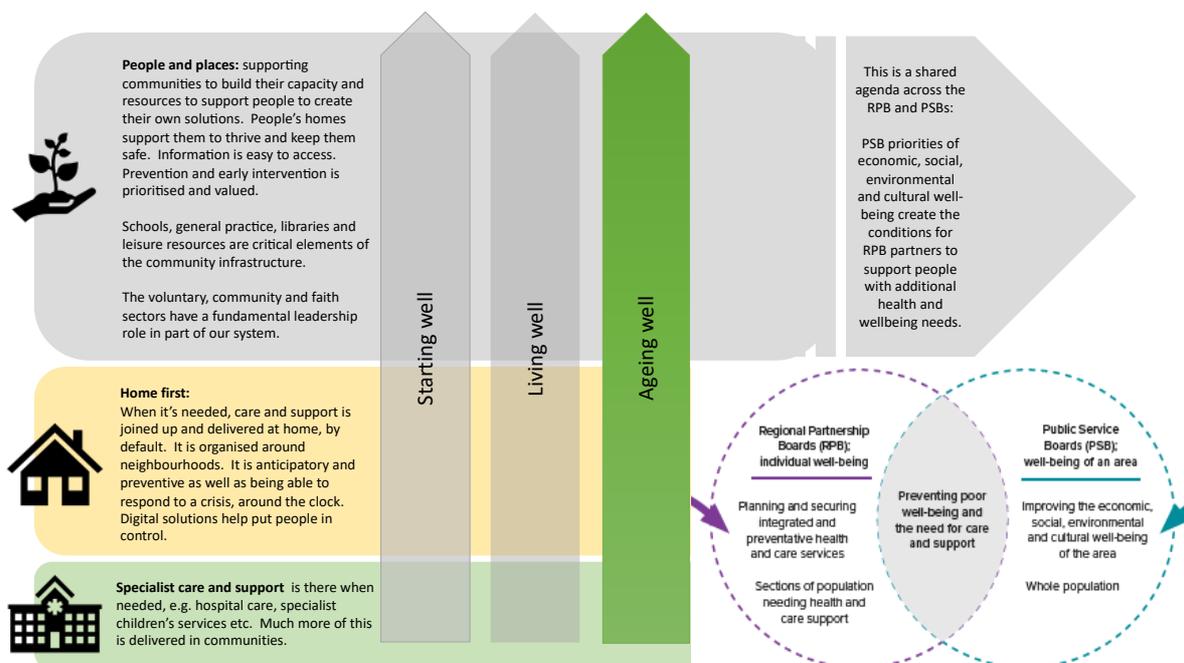


Figure 7: RPB and PSB shared agenda

#### Cardiff Wellbeing Assessment 2018 – 2023

Cardiff's Public Services Board (Cardiff PSB) brings together the city's public service leadership and decision-makers, including those from the Local Authority, Health Board, Natural Resources Wales, Welsh Government, the Third Sector and the Fire, Police and Probation services. The Wellbeing Plan sets out the Cardiff PSB's priorities for action over the next 5 years, and beyond. The plan focusses on the areas of public service delivery which fundamentally require partnership working between the city's public and community services, and with the citizens of Cardiff.

The plan contains the following Wellbeing Objectives:

- A Capital City that Works for Wales;
- Cardiff grows in a resilient way;
- Safe, Confident and Empowered Communities;
- Cardiff is a great place to grow up;
- Supporting people out of poverty;
- Cardiff is a great place to grow older;
- Modernising and Integrating Our Public Services.

### 2.3.3.2 Cardiff and Vale UHB Estates Strategy

In 2018, the Health Board developed an estates strategy describing the current state of the estate and setting out a ten year programme for delivering the infrastructure needed in order to realise the vision and aims of the Health Board’s strategy and to enable full implementation of the clinical services plan.

The plan identified that much of the current infrastructure is no longer suitable for current and future use and is not conducive to the best patient outcomes and experience, nor staff wellbeing.

The estates strategy sets out the case for change for major investment in the infrastructure, outlining the developments needed at key sites over the next decade. It provides a specific focus on the need to re-provide the majority of facilities currently at UHW and sets out a compelling vision to develop a new hospital as part of health science campus with university, government and industry partners.

The document remains a working document which is regularly updated to reflect progress and changes that are needed. Below is a summary of the objectives of the estates strategy:



Figure 8: Estates Strategy Objectives

These objectives are key to the achievement of the aspiration for carbon neutrality by 2030.

A parallel piece of work has also been undertaken to assess current location accessibility and the future potential to support the implementation of SOFW: In Our Community. This takes account of deprivation, access/travel times, condition and location of current facilities and opportunity to join up services with the local authority. The outcome suggests there is potential to streamline capacity and facilities, and the remodelling of the estate to reflect the strategic direction of rebalancing services to primary and community settings wherever possible.

### 2.3.3.3 *Cardiff and Vale UHB Delivering Digital: a Five Year Strategy – Building a learning health and care system (July 2020)*

This digital strategy has been produced to provide a clear roadmap for how digital technology will enable the transformation of clinical services described by the Cardiff & Vale University Health Board overarching strategy, 'Shaping Our Future Well-being'.

The objective of the NHS in Wales was set out in the Welsh Government document: A Healthier Wales, declaring the ambition for an integrated health and social care system which enables seamless care and the ability to promote health and well-being as close to home as possible. The document very clearly sets out the need for a modern digital infrastructure to enable this transformational change.

The Health Board's digital strategy has been written after engagement with staff across the organisation, taking particular note of the attendees of the clinical information management and technology group, the clinical boards, the executive board and information available from patient feedback. The strategy sets out a significant step change in the approach that the Health Board will take towards a digital future for healthcare services.

Digital services are a key enabler to transforming the way health and care services are delivered in Wales, and in enabling patients to have greater involvement in managing their health and well-being. The following diagram summarises the aims of the Health Board's digital strategy over the next five years:

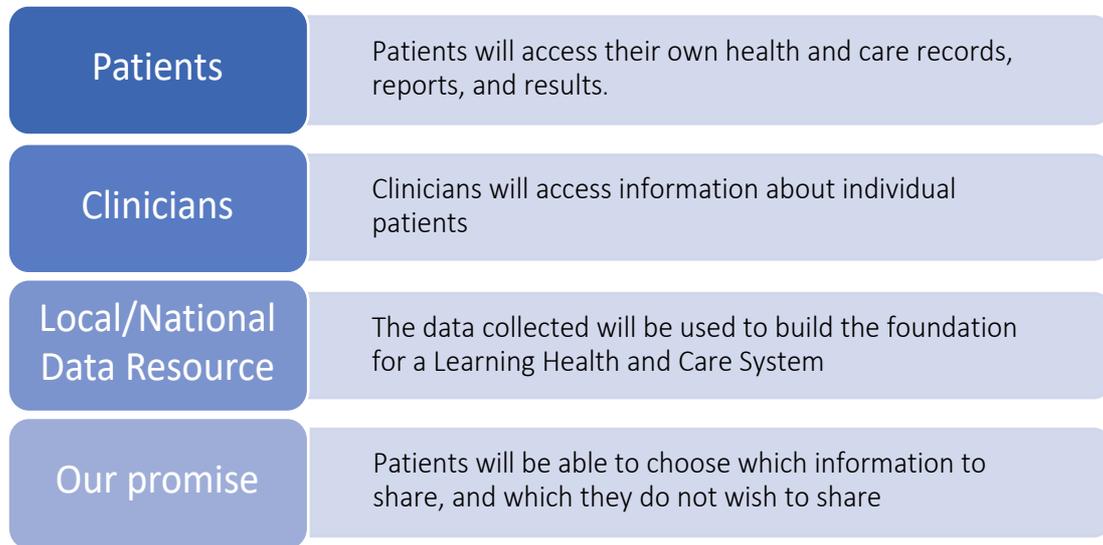


Figure 9: Overview of the five year aims of the Health Board's Digital Strategy

# Case For Change

### 3.0 CASE FOR CHANGE

This section sets out the case for change whilst setting out the investment objectives; the drivers for change and the current issues impacting on the estate at UHW. It also highlights the benefits and risks associated with this project.

#### 3.1 Investment Objectives

The project's spending objectives will typically address one or more of the following five generic drivers for intervention and spend. These are:

- To improve the quality of public services in terms of the delivery of agreed outcomes (effectiveness). For example, by meeting new policy changes and operational targets.
- To improve the delivery of public services in terms of outputs (efficiency). For example, by improving the throughput of services whilst reducing unit costs.
- To reduce the cost of public services in terms of the required inputs (economy). For example, through 'invest to save' schemes and spend on innovative technologies.
- To meet statutory, regulatory or organisational requirements and accepted best practice (compliance). For example, new health and safety legislation or building standards.
- To re-procure services in order to avert service failure (replacement). For example, at the end of a service contract or when an enabling asset is no longer fit for purpose.

The specific investment objectives for this business case are:

<b>Investment Objective 1: Quality and Safety of Lift Services</b>	
<b>Specific</b>	Services that deliver to appropriate quality and safety standards
<b>Measurable</b>	Evidenced by: <ul style="list-style-type: none"> <li>▪ Lift services meeting all applicable regulatory requirements</li> </ul>
<b>Achievable</b>	Providing functionally suitable lifts to appropriate quality and safety standards
<b>Relevant</b>	This objective ensures the service will: <ul style="list-style-type: none"> <li>▪ Provide compliance with legislation, regulations and accreditation standards / performance;</li> <li>▪ Support rapid adoption of best practice.</li> </ul>
<b>Time-bound</b>	Service remains open throughout the development of the new facility and meets regulatory requirements upon commissioning
<b>Investment Objective 2: Provide Sufficient Capacity to Meet Demand</b>	
<b>Specific</b>	To ensure that the changing needs at UHW are met
<b>Measurable</b>	Evidenced by: <ul style="list-style-type: none"> <li>▪ Facility meeting current demand;</li> <li>▪ Providing increased capacity to ensure growth in demand is met;</li> <li>▪ Providing resilience to provide short term capacity when required</li> </ul>
<b>Achievable</b>	Providing functionally suitable equipment with sufficient capacity to meet the demands both now and in the future.

Relevant	This objectives will ensure access to services is optimised with: <ul style="list-style-type: none"> <li>Service capacity that will meet demand in a timely way;</li> <li>Services delivered in an appropriate manner.</li> </ul>
Time-bound	Upon commissioning of the new equipment
<b>Investment Objective 3: Effective Use of Resources</b>	
Specific	To maximise the use of available resource and provide equipment that delivers improved service efficiency
Measurable	Evidenced by: <ul style="list-style-type: none"> <li>Meeting capacity</li> </ul>
Achievable	By providing sufficient lift capacity through the installation of modern equipment
Relevant	This objective will promote improved service efficiency through improved resilience
Time-bound	Upon commissioning of the new equipment
<b>Investment Objective 4: Sustainability</b>	
Specific	To provide a solution that will ensure the reputation of the Health Board and will support the delivery of safe and sustainable services both in the short and medium term
Measurable	Evidenced by: <ul style="list-style-type: none"> <li>Utilising new / modern lifts that are energy efficient</li> </ul>
Achievable	By providing new equipment specified to modern standards and in line with best practice in regard to the green agenda and move towards zero carbonisation
Relevant	This objective will ensure built-in resilience to adapt to changing needs
Time-bound	One year after commissioning the new equipment

Table 1: Investment Objectives

In agreeing the objectives for this project, the team has also identified measurable benefits which are detailed in section 3.5.

### 3.2 Current Arrangements

The majority of the lifts located on the UHW site are over forty years old and have not been updated or upgraded since they were first installed. Due to the age of the equipment the lifts are prone to breakdowns and provide a very poor level of service and ride quality for staff, patients and visitors. Replacement parts are not readily available and difficult to source within a reasonable time frame resulting in lifts being out of service for extended periods of time awaiting repairs. There are increased costs associated with purchasing replacement parts as they have to be specifically manufactured for the lifts due to the age of the equipment.

### 3.3 Business Need

The Health Board has embarked on its own refurbishment programme however due to the quantity of lifts onsite within the main central core of the Hospital it has been realised that substantial investment is required to meet the need of clinical services to improve the quality of the lifts.

Refurbishment of the existing lifts will reduce the number of breakdowns currently being encountered, help reduce costs associated with purchasing of obsolete parts, increase the response times which in turn will increase clinical services transfer times moving patients between wards, out-patients departments and Theatres blocks. It will increase the speed at which facilities and portering teams are able to respond to calls and will provide a better ride quality and service for staff, patients and visitors.

### 3.4 Proposed Scope

This section describes the potential scope for the project in relation to the investment objectives and business needs.

The usual process is to comply with Welsh Government guidance is to assess the scope against a continuum of need ranging from:

- A minimum – essential or core requirements/outcomes;
- An intermediate – essential and desirable requirements/outcomes;
- A maximum – essential, desirable and optional requirements/outcomes.

However, with regards to this business case there is only one scope that is possible and that is to refurbish nineteen of the existing lifts located through the main Ward and Tower Block areas of the UHW site.

### 3.5 Main Benefits

This section describes the main outcomes and benefits associated with the implementation of the investment of the identified scope in relation to the identified business needs.

Benefits criteria are expressed in relation to the developed appraisal criteria that were derived from the investment objectives as follows:

Investment Objective	Stakeholder Group	Main Benefits
Investment Objective 1: Quality and Safety of Lift Services	Service Users and wider Health Board	Non QB - High quality, safe and timely services to patients, visitors and staff QB - Facilities that meet all applicable regulatory requirements, Lift Regulations 2016
Investment Objective 2: Provide Sufficient Capacity to Meet Demand	Service Users and wider Health Board	QB - Provision of sufficient capacity to meet the demands both now and in the future at UHW QB – Reducing pressures on other facilities and provide resilience in the short term

Investment Objective	Stakeholder Group	Main Benefits
Investment Objective 3: Effective Use of Resources	Service Users and wider Health Board	QB – Improved efficiency
Investment Objective 4: Sustainability	Service Users, Health Board and wider societal economy	QB – Provides a reduction in emissions, promotes best practice in regard to the green agenda and move towards zero carbonisation

Table 2: Main Benefits

### 3.6 Main Risks

The table below provides a summary of the key risks that might affect the delivery of the project along with counter measures:

Risk Description	Counter Measure
Costs and delays to delivery of equipment due to current world events and effects on world economy	Review of market place throughout scheme
Risk of interruption to hospital operational services during construction stage	Ongoing engagement with Users during design and construction
Interaction of site constraints upon construction	Review of restrictions between the Health Board and Contractor on a live hospital site
Interruption to existing services (utilities) during construction	Review current capacity of infrastructure and assess demand
Delays to access to work sites (lift shafts)	Site access and location of welfare and storage to be considered by the Contractor

Table 3: Main Risks

The Health Board's approach to the management of risk for the preferred option, are described later within this document along with details regarding the project risk register.

### 3.7 Constraints

The project is subject to the following constraints:

- Availability of space on the UHW site to enable the location of the required lift equipment;
- Ability to maintain operation of services during the improvement. Physical works will need to be delivered in order to have the least possible impact on current provision.

### 3.8 Dependencies

The project is subject to the following dependencies that will be carefully monitored and managed throughout the lifespan of the scheme:

- Approval from Welsh Government and release of capital from the All Wales Capital Programme.

# Available Options

## 4.0 AVAILABLE OPTIONS

Due to the specific nature of this business case, there is only one viable option, that is to:

- Refurbish nineteen of the existing lifts located through the main Ward and Tower Block areas of the UHW site. The Health Board has already invested in the refurbishment of seven of the existing lifts over the last five years and wants to continue with this refurbishment to further improve services in these areas.

Therefore no option appraisal has been undertaken.

# Preferred Option

## **5.0        PREFERRED OPTION**

### **5.1        Description of the Preferred Option**

The scope of works includes refurbishing nineteen of the existing lifts located through the main Ward and Tower Block areas of the UHW site.

Further information is within the Estates Annex that accompanies this business justification case.

# Procurement Route

## 6.0 PROCUREMENT ROUTE

This section details the proposed procurement method in relation to the preferred option, it considers the procurement options available for the project, the advantages and disadvantages of each and describes the chosen procurement route.

### 6.1 Scope

The scope of works is to refurbish nineteen of the existing lifts located through the main Ward and Tower Block areas of the UHW site. The proposed construction period is thirty months. See Appendix 1 for a detailed programme.

### 6.2 Available Procurement Routes

The procurement options considered by the Health Board included:

- Traditional tender process
- Single tender action to an individual contractor
- Utilising the Scape Built Environment Consultancy Services (“BECS”) Framework
- Using the Design for Life procurement framework

In deciding on the most appropriate procurement route, consideration has been made of the following factors:

- The size and complexity of the works
- A cost effective procurement route
- Procurement which complies with EU Law (OJEU)
- The timescales and target date for delivery as programmed
- The level of pre-works engagement with the contractor required under each procurement route
- The current status of the project with regard to design

Due to the specialist nature of the scheme, the procurement route to be utilised was an open market tendering process in conjunction with NWSSP Procurement department to identify a suitable SCP. As a result of this process Otis have been appointed as the main contractor as they specialise in this area of works.

The procurement strategies are in line with the procedures and practices as laid down in the varying frameworks. The construction elements of the proposed scheme were formally competitively tendered as part of the production and agreement of the target price. An open book approach to prices was adopted in line with the Framework and all costs were closely scrutinised to ensure that the Health Board is getting the best value for money.

### 6.3 Community Benefits and Procurement

The Welsh Government actively seeks to derive benefits for the local community from procurement activity through the application of the Community Benefits policy approach.

This approach ensures delivery of social, economic and environmental benefits through effective application of the policy and is integral to any consideration in procurement.

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# Funding and Affordability

## 7.0 FUNDING AND AFFORDABILITY

This section of the business case considers the financial implications of the preferred option on the financial position of the Health Board.

### 7.1 Capital Costs

This Business Case seeks approval to invest £9.374m from the All Wales Capital Programme, a breakdown of the capital costs is summarised in the table below:

	£000
Works Costs	7,634
Fees	487
Non-works Costs	235
Equipment Costs	0
Risk Allowance	360
Allowance for Inflationary Pressures	668
<b>Total (pre VAT Recovery)</b>	<b>9,384</b>
Recoverable VAT	(81)
<b>Forecase Project Out-turn Cost</b>	<b>9,302</b>

Table 4: Capital Costs for the Preferred Option

The full BJC forms are included within Appendix 2.

### 7.2 Capital Charges and Depreciation

A summary of the capital and depreciation for the project is as follows:

	£000
Impairment	xxx
Depreciation - Building/Engineering	xxx
Depreciation – Equipment	xxx
Accelerated Depreciation	xxx
<b>Total Capital Charges/Depreciation</b>	<b>xxx</b>

Table 5: Capital Charges and Depreciation

Impairment is calculated based on advice from the District Valuer. The asset value post impairment has been depreciated over the estimated useful economic life provided by the District Valuer. The entire NHS Wales estate is undergoing a Quinquennial Revaluation as at 1/4/22, however this report has not yet been finalised and input to the asset register. Therefore, the figures have been calculated based on existing asset register values.

The following is a summary of the total impact of impairment by year:

	2023/24	2024/25	2025/26
	£m	£m	£m
DEL Impairment	xxx	xxx	xxx
AME Impairment	xxx	xxx	xxx
<b>Total Impairment</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>
Depreciation – Build	xxx	xxx	xxx
Depreciation - Equipment	xxx	xxx	xxx
<b>Total Depreciation</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>

Table 6: Impairment for the Preferred Option

This BJC assumes all capital charges and depreciation will be funded by Welsh Government in each of the years as per the above.

### 7.3 Revenue Costs

It is not anticipated that there will be any additional revenue costs. In fact, there may be the opportunity to make small savings due to:

- More energy efficient plant
- Less breakdowns
- Lower maintenance repairs

### 7.4 Impact On The Income And Expenditure Account

The anticipated capital spend, capital charges and depreciation profile for the extent of the project is as follows:

	2021/22	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000
Capital (Ex VAT)	xxx	xxx	xxx	xxx	xxx
Accelerated Depreciation	xxx	xxx	xxx	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>

Table 7: Impact on Income and Expenditure Account

All assets will be shown on the Health Board's balance sheet. The asset will be valued on completion and recorded on the balance sheet at that value. Subsequently it will be treated as per the Health Board's capital accounting policy.

## 7.5 Overall Affordability

The project requests capital investment of £9.302m (including VAT and excl Optimism Bias) to be allocated by the WGov.

The Health Board requests AME Impairment funding of £xxm in 20xx/xx and funding to support recurrent depreciation costs of £xx from 20xx/xx.

## 7.6 Project Bank Account

The Health Board can confirm that a Project Bank Account will be prepared at the appropriate stage as the project exceeds the Welsh Government value threshold for the mandatory use of Project Bank Accounts.

# Management Arrangements

## 8.0 MANAGEMENT ARRANGEMENTS

### 8.1 Introduction

This section of the BJC addresses the “achievability” of the scheme and identifies how the project will be managed from its initiation to completion. Its purpose, is to describe the arrangements that will be required to effectively govern and successfully manage the project and deliver it in accordance with best practice.

This section has been drafted based upon the lessons learnt from previous projects, incorporating proven arrangements, structures and processes to ensure the successful delivery of the project.

### 8.2 Project Management Arrangements

Robust project management arrangements are vital to ensure the implementation of the overall project and that effective control is maintained over the capital scheme.

For the Health Board to successfully deliver this project, it is vital that the following overall approach is taken for the organisation and management of the project:

- The Health Board will adopt the general principles of PRINCE 2 methodology in managing the activities and outputs of the project and will meet the requirements of the WHC (2015): 012; Infrastructure Investment Guidance; and subsequent guidance which may be issued during the projects’ lifespan;
- The project will use NHS Wales standard documentation and products where these are available, and will seek to benefit from experience and best practice from other NHS Wales projects;
- Specialist professional and technical advisers will be employed for those activities where the necessary skills and experience are not otherwise available to the project team. The transfer of skills and knowledge from specialist advisers to the project team will be achieved wherever possible and appropriate.

In managing the project the Health Board aims to:

- Deliver the project on time and to budget;
- Ensure effective and proactive lines of accountability and responsibility for the project deliverables; and
- Establish user involvement at all stages of the project.

## 8.2.1 Project Reporting Structure

The reporting organisation and the reporting structure for the whole of the project is shown as follows:

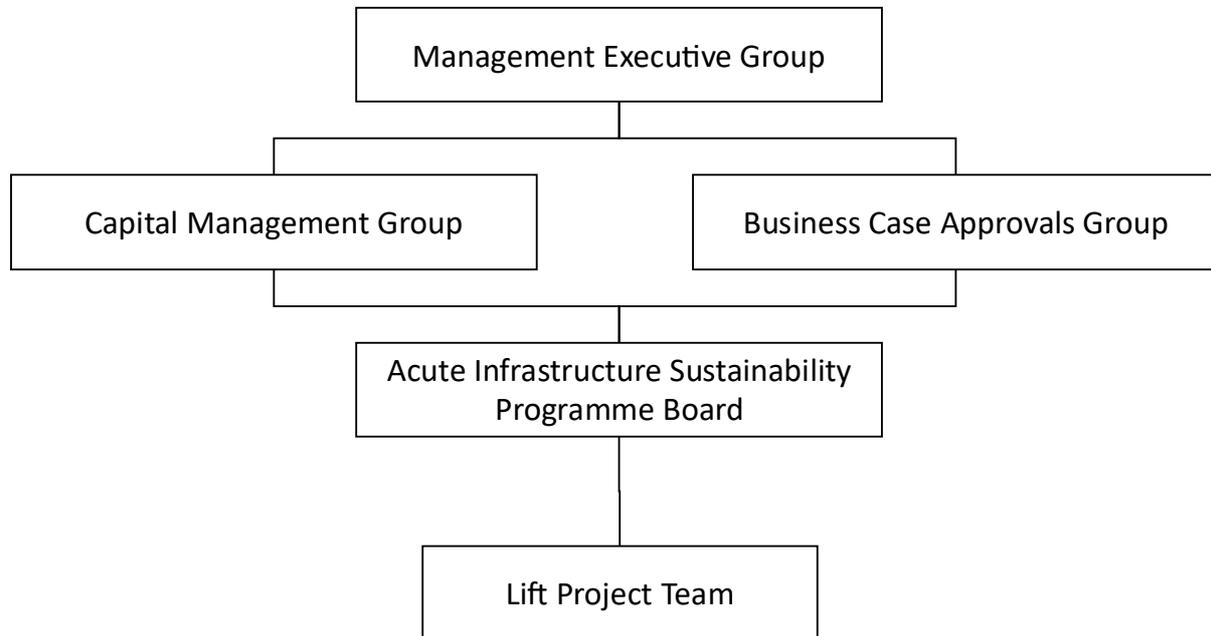


Figure 10: Project Reporting Structure

The purpose of the Project Team is to manage and co-ordinate, within the parameters set by the Project Board. The Project Team is responsible for the preparation of the business case for the project, which sets out the case for the proposed service and the capital implications, providing supporting justification in the form of the relevant strategic, economic, commercial, financial and management information required to produce the BJC.

## 8.2.2 Project Roles and Responsibilities

The project roles and responsibilities are as follows:

### 8.2.2.1 Investment Decision Maker

In line with the NHS Wales Infrastructure Investment Guidance, it is recognised that there must be clarity on decision making authority and management arrangements.

The Investment Decision Maker is the Cardiff and Vale UHB Board. Their role is to:

- Ensure a viable and affordable business case exists and remains valid during the planning process;
- Ensures that the appropriate level of business case is developed for submission to Welsh Government;
- Maintain commitment to the project;
- Authorise allocation of funds to the project;
- Oversee project performance;
- Ensure resolution of issues.

#### 8.2.2.2 Senior Responsible Owner

The Senior Responsible Owner (SRO) of this project is the Executive Director of Strategy and Planning, Abigail Harris. The SRO will monitor the development and progress of the project at Executive Board level and will exercise executive responsibility for the capital aspects of the scheme including compliance with Financial Instructions and Standing Orders; will be responsible for responding to internal and external audit scrutiny and ensuring the appropriate interim reports are made to the Capital and Estates Division of Welsh Government in line with existing directives.

#### 8.2.2.3 Project Director

The Director of Capital, Estates and Facilities, Geoff Walsh, will fulfil the role of Project Director for the project. The Project Director will have ultimate responsibility for the project and will ensure the project is focused, throughout its lifecycle on achieving the objectives and delivering the projected benefits. The Project Director will ensure that the project provides value for money and will act as the point of contact in all dealings with contractors, consultants and outside organisations involved in the construction process.

#### 8.2.2.4 Project Board

The UHW Infrastructure and Sustainability Programme Board will act as the Project Board for this project. The Terms of Reference are included within Appendix 3.

The Project Board will support the delivery of the project through:

- Ensuring that the project scope remains consistent with the strategic programme;
- Providing formal approval at key stages to the project both in terms of business case development and formal submission to Welsh Government;
- Providing the formal authority for committing resources to the project;
- Ensuring that the scheme delivers appropriate value for money;
- To provide regular reports on Programme Performance to Capital Management Group.

The table below shows the membership of the UHW Infrastructure and Sustainability Programme Board (Project Board):

Name	Position	Role
Abigail Harris	Director of Strategy & Planning	Chair
Geoff Walsh	Director of Capital Estates and Facilities	Vice Chair
Marie Davies	Deputy Director of Planning, Strategic and Service Planning	Member
Mike Bond	Director of Operations, Surgery Clinical Board	Member
Matthew Tenby	Director of Operations, CD&T	Member
Geraldine Johnstone	Director of Operations, Medicine Clinical Board	Member
Cath Wood	Director of Operations, Specialist Clinical Board	Member

Name	Position	Role
Jason Roberts	Deputy Director of Nursing	Member
Meriel Jenney	Clinical Board Director, CD&T	Member
Guy Blackshaw	Clinical Board Director, Specialist Clinical Board	Member
Adam Wright	General Manager, Perioperative Care	Member
Lee Davies	Director of Operational Planning	Member
Steve Hill	Head of Finance, Surgery Clinical Board	Member
Hywel Pullen	Head of Finance, Specialist Clinical Board	Member
David Thomas	Director of Digital & Health Intelligence	Member

Table 8: Project Board Membership

#### 8.2.2.5 Project Team

The Terms of Reference for the Project Team are included within Appendix 4.

The Project Team will support the delivery of the project through:

- Taking actions to ensure all stages of the project are achieved within the identified timescales, reviewing progress on a regular basis;
- Ensuring plans being developed fit within both the Capital Programme of the Health Board and the wider strategic service planning framework;
- Developing and regularly reviewing the Project Risks Register and ensuring appropriate mitigation plans are developed;
- Developing, agreeing and monitoring budgeting arrangements for project delivery;
- Identifying and developing appropriate capital and revenue financing arrangements for the project ensuring both affordability and sustainability;
- Every team member will have equal responsibility for identifying, at the earliest opportunity any major factors, risks or variances arising during the course of the project that may impact upon project delivery.

The table below shows the membership of the Project Team:

Name	Position	Organisation	Role
Geoff Walsh	Director Capital, Estates and Facilities	CVUHB	Chair
Tony Ward	Head of Discretionary Capital & Compliance	CVUHB	Member
Gavin Evans	Project Engineer	CVUHB	Member
Ian Fitsall	Head of Estates	CVUHB	Member
Jane McMahon	Healthcare Planner	Adcuris	Member

Table 9: Project Team Membership

### 8.2.2.6 Other Roles

The development of the this project will be supported by a range of corporate departments from within the Health Board including:

- Capital Planning;
- Finance;
- Strategic Clinical Engagement;
- Workforce;
- IM&T.

### 8.2.3 Project Plan

The dates detailed below highlight the proposed key milestones of the project:

Milestone Activity	Date
BJC submission to WG	January 2023
Start of Works	March 2023
Works completion	August 2025

Table 10: Project Plan

A full project plan is included within the Estates Annexe.

### 8.3 Use of Special Advisors

Specialist advisors have been used in a timely and cost-effective manner in accordance with the Treasury Guidance: Use of Special Advisors:

Specialist Area	Adviser
Project Manager	Gleeds
Contractor	Otis
Supervisor	TUV SUD Dunbar Boardman
Business Case Development	Adcuris Consulting Ltd
Cost Advisor	Gleeds

Table 11: Specialist Advisors

### 8.4 Communication and Engagement Plan

Effective communications, consultation and engagement is central and critical to the successful delivery of the project. The Health Board has a duty to involve people in the planning and delivery of health services and significant service developments.

The Health Board's philosophy around communication is simplicity, quality and consistency. All messages should be clear and easy to understand – tailored for their specific audiences; compliant with corporate guidelines; and in keeping with the Health Board's strategic aims.

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The objectives of the Health Board's communication strategy are:

- Effectively communicate the rationale for the redevelopment through a range of tested channels to inform internal and external stakeholders, keep them up to date with progress and gain their views;
- Foster ongoing good relationships with the local communities around the hospital and with the media, promoting positive media coverage;
- Manage all publicity regarding the redevelopment project and ensure that accurate information is consistently available;
- Engage staff positively in the changes so that new ways of working are endorsed and staff understand and support the redevelopment;
- Evaluate the effectiveness of internal and external communications and engagement to ensure messages are understood and acted upon and engagement is positive.

The Project Team is to be used as the mechanism to communicate project progress to stakeholders, including patients and other stakeholders and interested parties.

- Project records will be maintained at the Health Board's central project office, in accordance with a defined records management system;
- Project records will be maintained in line with good audit practice and the filing structure determined and communicated via the Project Team;
- Notes will be taken at all meetings, to ensure the task focus of the project, prior to closure of meetings an action list will be agreed and then circulated.

#### **8.4.1 Internal**

- All members of the project groups will have individual responsibilities for cascading project information through their respective service functions;
- The Project Director will be responsible for producing ad hoc reports to the UHB Board.

#### **8.4.2 External**

- The Project Director will be responsible for providing the key link with major stakeholders not represented on the Project Board to report progress;
- Media Management will be in accordance with the Health Board's related policies and procedures;
- The Project Board may consider the production of regular briefings for internal and external communication purposes;
- All members of the project groups will have responsibility for cascading information through their respective organisations as well as their specific areas of responsibilities.

## 8.5 Arrangements for Change Management

This project does not encompass the development of core Health Board services it is, therefore, assumed that there will be no significant change management or reconfiguration matters to be implemented.

However the Health Board will plan and manage the implementation of the project to ensure that the timing of the planned changes are consistent with the smooth continuation of other services on the University Hospital Wales site.

## 8.6 Benefits Realisation Monitoring

Benefits are anticipated when a change is conceived and there are measurable improvements that result from the outcome which is perceived as an advantage by the organisation and/or stakeholders. Benefit management and realisation therefore aims to identify, define, track, realise and optimise benefits within and beyond the project. A framework has been established and is overseen by the Project Board. This is in order that a meaningful assessment can be made of the benefits yielded by the project and to benchmark the assessment criteria themselves so that lessons learned can be fed back into future projects. It ensures that the project is designed and managed in the right way to deliver quality and value benefits to patients, staff and visitors to the site.

## 8.7 Risk Management

### 8.7.1 Risk Register

A structured risk management process will be adopted. It has four main stages:

- Identification - to determine what could go wrong in order to identify the risks;
- Classification - to determine the likelihood of occurrence of the risk and impact on the project;
- Assessment - to understand and possibly quantify the impact on the project;
- Action - to identify countermeasures for dealing with unacceptable risk levels and institute monitoring and control mechanisms, identifying means of avoiding, containing, reducing and transferring risk.

The risk management strategy has been integrated into the project management procedures, with responsibility for implementation of the strategy resting with the Project Director. A project risk register has also been established and is subject to review and update on a regular basis. The current risk register for the preferred option is included within the Esates Annex.

## 8.7.2 Gateway Review Arrangements

Gateway Reviews undertaken across the health service have identified a range of common deficiencies within projects. These key areas have been reviewed under this project to ensure they were being managed as follows:

- Risk – A clearly structured risk management process has been put in place with regular review of the project risk register;
- Roles and Responsibilities – A clear project structure exists for the management of this project with the Senior Responsible Officer and Project Director identified;
- Skills and Resource – The Health Board is experienced and well-resourced and is supported by legal, financial and technical specialists;
- Business Case - The need for a robust Business Case was identified at an early stage and has in part driven the project development;
- Planning – A programme was developed early in the scheme development and has been a strong management tool in moving the project forward;
- Stakeholder Issues – Stakeholder management has been a key focus in the projects development as it integrates various organisations;
- Benefits – A clear benefits realisation plan has been developed and is embedded in the project processes;
- Financial Issues – Finances have been robustly managed as the project has developed to ensure the project is affordable and value for money.

The impact of the overall project has been scored against the risk potential assessment (RPA) model. Gate 0 (strategic fit) and Gate 1 (business justification) appraisals have been completed, in conjunction with the submission of the BJC. A copy of the RPA form is attached as Appendix 5.

## 8.8 Post Project Evaluation

The Health Board is committed to ensuring that a thorough and robust post-project evaluation (PPE) is undertaken at key stages in the process to ensure that positive lessons can be learnt from the project. The lessons learnt will be of benefit to:

- Cardiff and Vale University Health Board – in using this knowledge for future projects including capital schemes;
- Other key local stakeholders – to inform their approaches to future major projects;
- The NHS more widely – to test whether the policies and procedures which have been used in this procurement are effective.

Post Project Evaluation (PPE) is a part of the total quality process and the Health Board acknowledges its contribution towards a successful outcome in terms of:

- Greater assurance of total performance in terms of cost, time and quality;
- Clearer definitions of responsibilities;
- Reduced exposure to risk; and
- Improved value for money.

The Health Board has identified a robust plan for undertaking PPE in line with current guidance, which is fully embedded in the project management arrangements of the project. All processes will be managed by the project team and endorsed by the appropriate boards.

The outline arrangements for post implementation review and project evaluation review have been established in accordance with best practice and are as follows:

#### **8.8.1 Post Implementation Review (PIR)**

An evaluation covering a wider range of project evaluation criteria and benefits will be undertaken after a suitable bedding - in period after the construction phase has been completed. It is anticipated that this will take place circa 6 to 12 months following completion of construction works.

#### **8.8.2 Project Evaluation Reviews (PERs)**

Further post project evaluations will take place at a later stage, to assess the longer-term outcomes of the project, when the full effects have arisen.

#### **8.9 Recommendation**

Cardiff and Vale UHB patients, staff and visitors would benefit substantially from the approval and financial support for this project. The proposed programme of refurbishment prioritises those lifts that are, high usage, impact on the delivery of clinical services, provide access for patients to wards, clinics etc. and support the delivery of supplies to the wards and departments. The timescale for the completion of the works will be dependent on agreement with the operational team on the number and location of the lifts that can be withdrawn from service but is expected to be circa 3 years.

The UHB would therefore, recommend that WG give due consideration to the request for funding and approve the BJC enabling the scheme to progress to the construction stage.