

**PWYLLGOR CRONFA ELUSENNOL
CHARITABLE FUNDS COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	12 March 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Approval of Revised Plans to Deliver a Newly Refurbished Chemotherapy Day Unit at Bronglais Hospital
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Andrew Carruthers, Director of Operations
SWYDDOG ADRODD: REPORTING OFFICER:	Peter Skitt, County Director Ceredigion Rachel Stuart, Capital Planning Project Manager

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

This paper presents a revised plan to deliver a newly refurbished Chemotherapy Day Unit (CDU) at Bronglais Hospital (BGH).

The original proposal was presented and agreed at a Hywel Dda University Health Board (HDdUHB) Board Meeting held on 26 September 2019 to house a new CDU within Y Banwy Ward, this included approval of funding from HDdUHB's Discretionary Capital Programme (DCP) providing a contribution of 20% of the project cost. However, at the beginning of the COVID-19 pandemic, Y Banwy was successfully used as an 18-bed area for COVID-19 patients and the evidence suggested that keeping this facility would be a considerable advantage for any future pandemics.

Therefore, an alternative option was explored for the CDU to remain within a refurbished Leri Day Building footprint using the income from a capital fundraising appeal, as well as additional contributions from HDdUHB charitable funds and the pre-committed DCP funds. This was approved by the Executive Team (ET) on 24 March 2021, Charitable Funds Committee (CFC) on the 30 June 2021 and HDdUHB Board meeting on 29 July 2021.

In December 2023 a tender return was received indicating a shortfall of £1,105,084.85. The Project Group has carried out an assessment of various available options to enable them to continue to deliver the project. The ET is fully apprised of this position.

This paper seeks that the Charitable Funds Committee:

- notes the Executive Team's approval to proceed with the Preferred Option – a revised floor plan that fulfils the project brief and has been clinically approved.
- endorses and recommends for approval by the Corporate Trustee the contribution of additional charitable funds to bridge the preferred options shortfall of £389,468.91 from the Support for Life Responses Fund (T600).

Following the Charitable Funds Committee's consideration and approval in principle of an additional funding contribution to progress the preferred option, this paper will be presented In Committee Board for consideration and approval on 28 March 2024.

Cefndir / Background

It has long been recognised that the physical environment of the current CDU at BGH, currently located within part of the Leri Ward on the ground floor of the hospital, is not fit for purpose. Whilst the excellent clinical teams involved deliver the very best care possible, the current environment is in need of modernising to allow the very best of care to be given. As a result, an internal project group has been formed to explore the options to develop a new CDU within BGH to ensure that a safe, local and fit for the future solution is implemented for the delivery of chemotherapy and associated medicines for our patients.

The case for change remains as follows:

- An Oncology Services Review undertaken by HDdUHB in 2015 highlighted that the physical environment of the BGH CDU was unsatisfactory for both patients and staff in the unit.
- A Haemato-Oncology and Lung Cancer Peer Review 2016 highlighted that the CDU area was functionally unsuitable and there had been documented issues around patient confidentiality, dignity, privacy and safety.

The BGH CDU Project Group was established in 2017 to ensure a safe, local and fit for the future solution for the delivery of chemotherapy (and associated medicines) for Ceredigion patients.

At the CFC meeting held on 20 September 2019, Members approved and agreed the development of a fundraising appeal under the umbrella of Hywel Dda Health Charities for a new CDU at BGH, subject to confirmation of the availability of the proposed location for the development, following the pilot of the shared care model with Y Banwy and Enlli Ward.

The HDdUHB Public Board meeting held on 26 September 2019 agreed the proposal and business case for the Y Banwy Option. The Business Case proposed that a fundraising appeal be developed under the umbrella of Hywel Dda Health Charities to meet the shortfall in funds required for the CDU development.

Since March 2020, Y Banwy Ward at BGH has been used successfully for COVID-19 patients, with evidence suggesting that retaining this facility would be of considerable benefit for any future service flexibility. Alternative plans have, therefore, been developed for the CDU to remain at its current location.

At the CFC meeting held on 15 September 2020, a verbal update was provided by the Director of Nursing, Quality and Patient Experience, reminding members that the fundraising appeal had been approved at a CFC meeting on 20 September 2019, subject to the availability of a suitable location. The appeal was due to be launched in April 2020; however, was subsequently put on hold until a suitable location for the unit was identified following the pandemic, with an update to be provided when further plans are in place.

At the BGH CDU Project Group Meeting held on 24 September 2020, plans were presented to retain the CDU on an extensively refurbished Leri Day Unit, with the form former Renal Unit being used as a decant facility.

At the HDdUHB ET meeting on 24 March 2021, an update report on the revised re-location plans, funding assumptions and timelines were presented. The outcome of that meeting was to hold a formal charitable funds and Discretionary Capital Programme (DCP) discussion around funding the current projected shortfall.

At the CFC meeting held on 30 June 2021, the Committee approved the development of a fundraising appeal for a new CDU at BGH to meet a confirmed £0.5m shortfall with the remainder of funds in place based on the current Development Approval Cost form (DAF) projection, subject to the development being approved at the July 2021 HDdUHB Public Board meeting. The CFC also endorsed and recommended for approval by the Corporate Trustee, an additional contribution of £671,301.09 from HDdUHB charitable funds for development.

On 29 July 2021 HDdUHB Public Board gave approval to proceed in developing the revised option. On the 28 November 2023 the CFC endorsed the contribution of £912,989.00 from the Bronglais Chemo Appeal fund (T392) to the capital scheme for the new CDU as well as any future donations to the appeal fund.

Asesiad / Assessment

Project Objective

The objective of the newly refurbished CDU at BGH is to ensure that the population of Ceredigion and the neighbouring counties of Powys and Gwynedd are treated in a modern and welcoming environment to match the outstanding care they receive from staff. The project's expected benefit outcomes are:

- A significantly improved environment for patients, offering comfort in more modern surroundings;
- Additional facilities such as counselling rooms and private spaces to ensure the ability to deliver privacy and dignity to patients and their families;
- A fit-for-the-future environment to deliver chemotherapy and haematological services, resulting in greater clinical efficiency and effectiveness for clinical staff.

Leri Unit Pre-Tender Project Delivery Plan

The construction stage was scheduled to commence on 8 January 2024. In preparation the CDU service has already decanted out of the Leri Unit into the Tenovus mobile treatment unit on the BGH site where they currently remain, which is provided under the terms of a hire agreement from Tenovus Cancer Care. The service has also utilised, as part of their decant, other clinical and non-clinical space on the BGH site as well as additional non-clinical space at other Health Board locations in Ceredigion and Powys.

A breakdown of the project's planned milestones to refurbish the Leri Unit that the Project Group were working towards delivering are shown below:

Leri Pre-Tender Project Milestones	
Key phases	Timescales
Stage 0 - Project Planning BC/DCP	March 2021 to June 2022
Stage 1 - Estate Preparation and Brief	April 2022 to July 2022
Stage 2 - Concept Design	August 2022 to April 2023
Stage 3 - Technical Design / Tender	April 2023 to December 2023

CDU decant period	November 2023 to December 2024
Stage 4 - Construction & Commissioning	January 2023 to December 2024
'Go live' date	December 2024

Project Issues:

In December 2023 following the scrutiny of the tender return the project was projecting a shortfall of £1,105,084.85. A breakdown of the project's Development Approval Form (DAF) financial out-turn cost reporting journey for the Leri Option is shown below:

DAF Versions	Date Issued	Forecast Project Out-turn Cost £inc VAT	Committee Reported to	Date of Meeting
DAF (Provisional Cost Est.)	5/10/18	1,945,380	ET	24/03/21
DAF (Provisional Cost Est.)	20/02/19	2,197,717	CFC Board	30/06/21 29/07/21
DAF (Budget Cost)	01/05/22	2,454,274.72		
DAF (Budget Cost)	01/02/23	2,540,363.60		
DAF (Budget Cost)	14/2/23	2,540,363.60		
DAF (Budget Cost)	31/05/23	2,532,925.58		
DAF (Budget Cost)	16/11/23	2,532,925.58	CFC	28/11/23
DAF (Pre-Tender Estimate)	17/11/23	3,709,821.63		
DAF (Tender Return)	14/12/23	4,052,091.27		
DAF (Tender following Bill of Reductions)	16/01/24	3,638,010.43		

Following DAF v.10 a tender analysis was carried out which highlighted the following factors as the rationale behind the increase in the project's out-turn costs:

- National building indices used for the project in DAF v.9 were £1888.42 square metre (excluding VAT), the tender return following scrutiny showed an increase to £4,096.17 square /metre (excluding VAT (mainly seen in material costs).
- Due to the way in which the project outturn cost is built up the increase in project estimate and subsequent tender also increased non-works costs and VAT liability due to the rates being based on a percentage of the construction cost.
- To assess the tender costs contact was made with Shared Services who advised that current benchmark figures for the fourth quarter 2024 are in the range of £2800.00 - £4800.00 per square metre and new build figures are now circa £10,000 square metre (excluding VAT).
- There are further increases outside of the construction cost that has also affected the project outturn cost and include expenditure on the Tenovus unit temporary accommodation has increased from £20,000.00 to £50,000.00 (includes issues with water testing, installation of instantaneous heaters and additional air handing plant) and increases in the I.T. costs confirmed on the 16 January 2024 which including infrastructure costs are above the estimated figures at circa £200,000.00.

Revised Project Delivery Plan – Preferred Option

The Project Group have carried out an assessment of varying options to enable them to continue to deliver the projects objectives, following the post-tender reported shortfall of £1,105,084.85. The Project Group's assessment of the varying options has culminated in a solution being found that will enable the team to continue to deliver what it set out to deliver back in 2017 and what

the charitable fundraising appeal set out to achieve in 2021. The table below shows the assessment of the 'preferred option' against the 'do nothing' option.

Option 1 – Do Nothing	
Description	Following on from the background detailed in this report showing the 'Case for Change' for the BGH CDU to 'do nothing' would continue to affect patient safety, quality and experience, whilst impacting negatively on staff morale as they continue to work in an inadequate environment to provide care.
Net Costs	Nil
Advantages	Re-allocation of pre-committed 2024/25 DCP £364,461.
Disadvantages	<p>The projects objectives and expected benefits outcomes would not be realised with the addition of:</p> <ul style="list-style-type: none"> • A continued unsatisfactory physical environment for both patients and staff; • Continued unsuitable functionality around patient confidentiality, dignity, privacy and safety; • Reneging on Executive Team, CFC and Board approvals in 2021; • Not meeting the standards expected as part of any peer reviews in future; • Reputational damage due to public awareness and Board commitments already made; • Significant reduction in morale of the CDU staff. • Significant reputational impact to the Health Board and the Hywel Dda Health Charity as a result of the funds donated via the fundraising appeal and overall value of funds donated to this cause; • Over £2.2m of donated funds held in Ceredigion Cancer Services with no expenditure plan and donated funds not being used for the purpose they were donated. Supporters could request the return of their donations if the scheme does not progress and we would be obliged to honour their wishes.
Conclusion	This option is discounted as the projects spending objectives and expected benefit outcomes would not be met in addition to the significant disadvantages outlined above.

Option 2 – Revised Floor Plan – Preferred Option	
Description	Following a value engineering exercise and a review of the non-treatment area a revised floor plan has been produced which is aligned to the current agreed schedule of accommodation by re-modelling part of the existing floor area and repurposing the existing accommodation to ensure it meets the needs of the service brief in delivering the expected benefit outcomes.
Net Costs	<p>A revised tender sum has been received for this option: £3,073,861.00 <i>Note: These costs are held until 11 April 2024 by the contractor. (See this options full financial position table below)</i></p>

Advantages	<p>With the uninterrupted delivery of the project the following would be considered as benefits:</p> <ul style="list-style-type: none"> • Project continues to deliver its objectives and expected benefit outcomes; • Positive messaging to supporters that have fundraised and made donations to cancer services at BGH over many years in anticipation of the development being approved; • Mitigate inflationary increases in tender pricing and any subsequent bill of reductions held until 5th April 2024; • Mitigate possible delays in appointing a contractor until funding confirmed as shown in other options; • Mitigate the prolonged use of temporary CDU accommodation and subsequent additional costs / availability; • Improve significantly the morale of CDU staff.
Disadvantages	<p>The use of the existing floor plan may lead to compromises which could impact on:</p> <ul style="list-style-type: none"> • Reputational: loss of public trust and confidence in the charity and health board if the public do not feel that we are delivering what we set out to deliver and provide a significantly improved patient experience; • Credibility: public opinion on the health board's ability to manage capital projects of this nature if the scheme is seen to be a refurbishment rather than the new unit promised. <p>These disadvantages have been mitigated through the Project Group's approval of the revised design and agreement to present this as their preferred option.</p>
Conclusion	<p>This option is the preferred option as the projects spending objectives and expected benefit outcomes continue to be delivered fulfilling the project brief, which has been clinically approved providing significant advantages, with all disadvantages mitigated against as shown above.</p>

Financial Position 2: Preferred Option – Revised Floor Plan

Below shows the current financial position for Option 2 – The preferred option. Please note other funds considered, are also shown below with the rationale for discounting.

1. Capital development	Total £inc VAT recovery	Status
1.1 Revised Development Approval Form v.12	3,073,861.00	27 February 2024 – V12 (inclusive of the decant and Arts in Health)
Total	3,073,861.00	inc VAT
2. Confirmed charitable funds		
2.1 Ceredigion Cancer Services T865	287,496.00	CFC approval September 2019. Held in UHB charitable funds.

2.2 B.A. Jenkins Legacy Fund T322	259,977.00	CFC approval September 2019. Held in HDdUHB charitable funds. Future interest growth also approved.
2.3 BGH Chemotherapy Day Unit Appeal Fund T392	97,364.29	CFC approval June 2021. Donation from the former trustees of the Mid Wales Scanner Appeal (Nov 2019). Restricted for the CDU development. Held in HDdUHB charitable funds.
2.4 Ceredigion Cancer Services T865	173,936.80	CFC approval June 2021. 80% of fund balance as of 31 March 2021.
2.5 Bronglais Hospital General Fund T330	400,000.00	CFC approval June 2021. Supported by the BGH Hospital Services Committee June 2021.
Confirmed charitable funds sub-total	1,218,774.09	
2.6 BGH Chemotherapy Day Unit Appeal Fund T392	991,157.00	28 November 2023 The CFC endorsed the contribution of £912,989.00 from the Bronglais Chemo Appeal fund (T392) to the capital scheme for the new CDU as well as any future donations to the appeal fund.
Charitable Funds Total	2,209,931.09	
3. Funding pending from other sources		
3.1 Mid Wales Colo-Rectal Cancer Fund	110,000.00	Receipt of funds pending. Verbal commitment of funds provided in October 2020 and recently in October 2023.
Total	110,000.00	
4. Confirmed funding from other sources		
4.1 UHB discretionary capital funding	364,461.00	Approved as a pre-commitment from the HDdUHB's 2024/25 discretionary capital programme.
Total	364,461.00	
5. Total funds available / pending	2,684,392.09	
6. Funding balance	-389,468.91	Proposal to be funded through: -HDdUHB General Charitable Funds -BGH General Charitable Funds See other funds considered to meet the shortfall broken down below.

Note: VAT recovery percentage is being reviewed for the project - awaiting response.

Other Funds Considered Rational for Discounting

DCP	Pre-commitment of DCP remains in place. Currently there is limited capital with pressures on the availability and allocation which will provide HDdUHB with significant challenges and risks in trying to address historical backlog in medical and non-medical equipment; informatics and digital infrastructure, equipment and estates, statutory and infrastructure. Which is highlighted in Corporate Risk 1196 which states “There is a risk the Health Board is not able to provide safe, sustainable, accessible and kind services. This is caused by insufficient investment to ensure we have appropriate facilities, medical equipment and digital infrastructure of an appropriate standard. This could lead to an impact/effect on our ability to deliver our strategic objectives, service improvement / development, statutory compliance and delivery of day-to-day patient care”
WG Capital	<p>A Business Justification Case will be required to be submitted to WG for approval of capital which will impact significantly on the projects timeline with the following potential risks which would need to be considered:</p> <ul style="list-style-type: none"> • Significant shortfall in WG capital which is widely known. • Increases in tender pricing and any subsequent bill of reductions held until 11th April 2024; • Potential delays in appointing contractor until funding is approved. • Prolonged use of temporary CDU accommodation and subsequent additional costs / availability; • Continued unsatisfactory physical environment for both patients and staff; • Continued unsuitable functionality around patient confidentiality, dignity, privacy and safety; • Significantly reduction in moral of the CDU staff.

Timeline: Preferred Option 2 – Revised Floor Plan

Cancer Day Unit.	Timescale
Site Set Up Commencement	6 th May 2024
Construction	May 24 to February 2025
Commission – Go Live	February to March 2025

Key Associated Risks: Preferred Option 2 – Revised Floor Plan

Risk	Mitigation
Reputational risk should the development be delayed or not approved by Board as significant levels of charitable funds donated for the development of a CDU will not be used for their intended purpose.	Original development approved by Board in September 2019. Revised re-location plan approved by Board in July 2021. Revised delivery plan following tender return being presented for approval to

	Executive Team (ET), CFC/Corporate Trustees and Board.
Failure to gain approval for the release of additional charitable funds to bridge the preferred options shortfall of £369,468.91 from HDdUHB General Charitable Funds and BGH General Charitable Funds.	Revised delivery plan following tender return being presented for approval to ET, CFC/Corporate Trustees and Board.
Approved contract sum increases during the site process due to issues found when working in existing buildings and external factors. Duration of project increases due to delays in works caused by external factors such as weather, material delays etc.	Management of works and contract management to follow HDdUHB standard procedures, duration and costs to monitored through monthly progress meetings and project team advised as applicable.
Failure to drawdown funds committed by the external charity Mid Wales Colo-Rectal Cancer Fund (£110,000).	Receipt of funds pending. Verbal commitment of funds provided in October 2020 and recently in October 2023.
Permanent Staff Re-location (therapies/ office staff) would cause delays the revised option.	Solution being worked through with HDdUHB. Cost of BGH decant circa £100k per annum (Local Authority lease) needs to be worked through, without this staff will not be located by the required May 2024.

Preferred Option 2 – Revised Floor Plan - Summary

This option is aligned to the needs of the services brief in delivering the expected benefit outcomes, whilst providing a significant number of advantages highlighted in the assessment above. At an Extraordinary Project Group meeting held on the 20 February 2024 the group approved this option as their preferred option which mitigated any potential disadvantages.

The financial table above has shown that there is a funding shortfall of £389,468.91 which the project group are seeking approval to bridge that gap through the drawdown of other charitable funds from HDdUHB General Charitable Funds and BGH General Charitable Funds.

The timelines associated with gaining approvals to proceed with the preferred option are key to allow the financial position detailed above in the option appraisal to be secured by the 11 April 2024.

Argymhelliad / Recommendation

The Charitable Funds Committee is recommended to:

- **NOTE** the Executive Team's approval to proceed with the Preferred Option – a revised floor plan that fulfils the project brief and has been clinically approved.
- **ENDORSES** and **RECOMMENDS** for approval by the Corporate Trustee the contribution of additional charitable funds to bridge the preferred options shortfall of £389,468.91 from the Support for Life Responses Fund (T600).

Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	<p>6.1 Within the budget, priorities and spending criteria determined by the UHB as trustee, and consistent with the requirements of the Charities Act 2011 (or any modification of these acts), to apply the charitable funds in accordance with its respective governing documents.</p> <p>6.3 To ensure that the UHB policies and procedures for charitable funds investments are followed.</p> <p>6.19 Expenditure in excess of £50,000 will require the approval of the Charitable Funds Committee. Expenditure over £100,000 will require the approval of the Corporate Trustee.</p>
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	A project risk register is in place and is managed by the Project Group. Risks are summarised under the assessment section of this SBAR.
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	<ol style="list-style-type: none"> 1. Safe 2. Timely 3. Effective 4. Efficient
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	<ol style="list-style-type: none"> 1. Leadership
Amcanion Strategol y BIP: UHB Strategic Objectives:	4. The best health and wellbeing for our individuals, families and communities
Amcanion Cynllunio Planning Objectives	4a Planned Care and Cancer Recovery
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	4. Improve Population Health through prevention and early intervention, supporting people to live happy and healthy lives

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Hywel Dda University Health Board Oncology Needs Assessment 2015. Haemato-Oncology and Lung Cancer Peer Review reports (2016). Included in the body of the report
Rhestr Termiau: Glossary of Terms:	Included in the body of the report

Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cronfa Elusennol: Parties / Committees consulted prior to Charitable Funds Committee:	BGH CDU Project Group BGH Management Team Committee Mid-Wales Colorectal Group Mid-Wales Joint Committee
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Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Included in the body of the report.
Ansawdd / Gofal Claf: Quality / Patient Care:	The refurbishment and upgrade of facilities is intended to improve patient facilities.
Gweithlu: Workforce:	No additional workforce costs are anticipated as a result of this development.
Risg: Risk:	Included within the body of this report.
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	There is a reputational risk to the Health Board should the project be delayed or not be approved. This risk is highlighted and managed via the projects Risk Register under development by the Project Group.
Gyfrinachedd: Privacy:	PIA screening has indicated that a PIA will be beneficial. This will be undertaken and managed by the Project Group.
Cydraddoldeb: Equality:	<p>Equality Impact Assessment screening has been undertaken and, at this stage, does not indicate adverse impacts for protected groups. Engagement with service users on the proposals to date will commence shortly. The needs of protected groups will be considered at all stages and there will be continuing engagement with key stakeholders to inform developments.</p> <p>This development will assist the Health Board in meeting the duties of the Equality Act 2010 to eliminate discrimination and advance equality of opportunity in giving the Health Board an opportunity to tailor the Ward environment and service delivery to meet the needs of service users.</p> <p>The proposals will align with the Health Board's Transforming Clinical Service's vision and provide an accessible environment that promotes dignity and respect for all.</p>

The refurbishment of the CDU area will provide an opportunity to address the problems identified in relation to overcrowding, lack of privacy and compromise to dignity.

Continuing engagement with staff and other key stakeholders will provide opportunities for feedback from all protected groups at all stages from planning and development through to delivery of services.