

**Cyfarwyddwr Cyffredinol Grŵp Iechyd, Gofal Cymdeithasol a'r
Blynyddoedd Cynnar / Prif Weithredwr GIG Cymru**

**Director General Health, Social Care & Early Years Group / NHS
Wales Chief Executive**



**Llywodraeth Cymru
Welsh Government**

Mark Isherwood MS
Public Accounts and Public Administration Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

30 May 2024

Dear Mr Isherwood

NHS Finances and Governance

I am writing in response to the Committee's request for further information following the Welsh Government's recent attendance at the Senedd's Public Accounts and Public Administration Committee on 8 May 2024.

The committee requested further information in relation to the costs incurred by Welsh Government to provide support to Betsi Cadwaladr University Health Board as part of the special measures intervention. In addition, I undertook an action to write to you to update you on the progress of the legal cases concerning two of the companies involved in the Acorn Consortium, who are the build partner for the new Velindre Cancer Centre.

BCU Special Measures – costs incurred by Welsh Government

As part of the special measures intervention, a small number of independent advisors were contracted to provide support to the Board in relation to finance, board governance, planning, quality and safety, engagement and communications, and mental health. In the course of their role, some of these advisors completed reviews relating to patient safety; vascular services; workforce; planning; and communication and engagement. In addition, a small number of further reviews have been completed by other providers.

The combined direct cost total including support provided by the independent advisors between March 2023 and April 2024, and for completion of the external reviews, was £163,683.42.

The reviews commissioned by Welsh Government were:

- Independent review of concerns raised around BCUHB affiliated to patient safety

- Independent safety review of BCUHB mental health and learning disabilities inpatient services
- Follow up safety review of BCUHB mental health and learning disabilities inpatient services - undertaken in March 2024
- Independent review of interim appointments to executive posts at BCUHB
- Assessment of key areas of workforce agenda ('HR experts review')
- Independent review of the office of the Board Secretary
- Vascular services assurance assessment review
- Review of vascular pathways between August 2022 and August 2023
- Independent review of executive team portfolios
- Independent assessment of integrated planning approach and processes
- Royal College of Psychiatrists review of mental health reviews
- Listening to citizens, patients, staff and partners

In our evidence session on the 8th of May, the committee also asked questions on the financial assistance package to Betsi Cadwaladr University Health Board of £297m. As set out in response, this amounted to a further £82m per year over three and a half years to support the health board as it entered a new phase under targeted intervention, with £51m being the part year value of the same in the first financial year.

Of this £82m, £40m relates to non-recurrent funding support of the financial deficit of the organisation at the point of de-escalation to Targeted Intervention. This funding has been confirmed on a non-recurrent basis for the 2024/25 financial year. The other £42m investment per annum was allocated to support transformation in priority areas for the Health Board. This investment has been committed to a number of areas including Cancer services, Mental Health, supporting transformation, urgent & emergency care, planned care, digital priorities, and organisational development.

In addition to the resource outlined above, the Health Board receives support from the NHS Executive in a number of priority areas as part of the escalation framework.

Velindre Cancer Centre

As was stated at the session, both companies are still engaged in their respective legal cases. Mr Price stated (Para 164 of the session transcript) that the Kajima case had reached sentencing in March 2023 and that the case had ended.

Having checked further, we can confirm that this is not the case as proceedings were escalated to the Supreme Court in Japan and as of Monday 13th May 2024, a hearing date has still not been set.

Similarly, the Sacyr Case is still in appeal and a suspension on all sanctions is still in place. As stated in the Committee, both organisations have undertaken to inform the Velindre NHS University Trust (the Trust) of any changes in these legal cases.

We have followed up with the Trust and the legal advisors and no notification of change in standing for either case has been received.

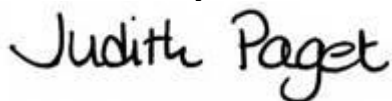
In answer to the barring or exclusion of companies from the contract, there are two grounds within Regulation 57 of the Procurement Regulations to bar or exclude companies at the Pre-Qualification Questionnaire (PQQ) stage, A) Part 2.1, the 'Criminal Ground' and B) Question 2.3.4 'the Competition Exclusion Ground'. Legal advice sought by the Trust from their legal advisers has confirmed that it was appropriate for both Kajima and Sacyr to answer 'No' to both these questions on the basis that the cases against them had not (and are still not) finalised.

Following this legal advice, even though not required within Procurement Regulation, the Trust asked both organisations to provide the evidence of actions taken - equivalent so far as possible to the self-cleaning requirements set out in the Regulations. That is to say, that even if these cases were to go against Sacyr and Kajima they would have an opportunity to undertake self-cleaning exercises as the next step – therefore this was an exercise to go to that next step voluntarily by the Trust and Acorn for assurance purposes.

Self-cleaning includes actions such as: paying necessary compensation; and taking concrete technical (e.g. technical controls, delegation limits), organisational (e.g. policy, procedures, control frameworks, reporting, governance) and personnel (e.g. training and specific team/individuals actions) measures that are appropriate to prevent further criminal offences or misconduct.

I trust this answers the questions that were raised at the Committee, I will endeavour to keep the Committee informed of any changes to the legal status of the cases when they transpire.

Yours sincerely

A handwritten signature in black ink that reads "Judith Paget". The signature is written in a cursive, flowing style.

Judith Paget CBE