

Delegated Decisions report



17 January 2023

TARIFF INVESTMENT IN MILTON KEYNES UNIVERSITY HOSPITAL RADIOTHERAPY UNIT

Name of Cabinet Member	Councillor Pete Marland (Leader of the Council)
Report sponsor	Sarah Gonsalves Director - Customer and Community Services
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Exempt / confidential / not for publication	No
Council Plan reference	Not in Council Plan
Wards affected	Woughton & Fishermead / All Wards

Executive Summary

The City Council has been working closely with the Milton Keynes University Hospital Trust for a number of years, to assist the Trust in the delivery of their aspirations for the development of facilities and health services on the hospital campus at Eaglestone.

The Council raises funding from new expansion area residential development for Acute Healthcare provision through the mechanism of the Milton Keynes Tariff.

In recent years the Council has provided £5m of funding support from the Tariff to the new Maple Centre (extension to A&E) which opened in late 2022 and prior to that invested a similar sum to help finance the project to deliver the new Cancer Centre which opened in early 2020.

The Cancer Centre provides a bespoke facility within the Hospital campus for the delivery of oncology, clinical haematology and cancer related chemotherapy and the Trust now plan to deliver a connected unit to provide radiotherapy locally. The Council supports this initiative and is in a position to offer further funding support from the Tariff to help bring delivery forward by 2024.

1. Decisions to be Made

- 1.1 That the Council approve a Tariff funded contribution of £5.7m to the Hospital Trust for the delivery of the Radiotherapy Unit.
- 1.2 That authority be delegated to the Director - Customer and Community Services to finalise the arrangements for:
 - (a) the Funding Agreement with the Hospital Trust to cover the terms and conditions for the provision of this funding; and
 - (b) the payment of the funding to the Hospital Trust during 2023/24 in line with the terms of the Funding Agreement.

2. Why is the Decision Needed?

- 2.1 There is currently no NHS radiotherapy service in Milton Keynes (MK) and therefore most MK patients have to travel to the Churchill Hospital in Oxford for treatment.
- 2.2 The national standards for radiotherapy recommend a travel time to a radiotherapy centre of less than 45 minutes. Travel times for MK patients to the Churchill Hospital are approximately 1hr 15 mins but can be substantially longer at certain times of the day. This has been shown to lead to a reduction in uptake for radiotherapy treatment impacting patient outcomes.
- 2.3 The strategy for the development of the Hospital campus set aside an area adjacent to the Cancer Centre for the addition of a Radiotherapy unit when circumstances and finances allowed. This was to allow for the ultimate repatriation of most standard cancer treatment services to MK.
- 2.4 Radiotherapy services for MK Hospital Trust patients are currently provided at the Churchill under a contractual arrangement with Oxford University Hospitals NHS Foundation Trust (OUH). OUH would continue to provide services from the new Radiotherapy Unit at the Hospital for at least the next 10 years providing continuity.
- 2.5 The proposals are for a new unit containing two bunkers although only the provision of one medical linear accelerator (LINAC) at this time. A LINAC is the device most commonly used for external beam radiation treatments for patients with cancer. National radiotherapy leads are supportive of a one LINAC / two bunker approach even if the second bunker functioned solely to facilitate LINAC renewal some years down the line without significant interruption to service, but the option to add a second LINAC would exist in the event of a significant increase in demand for treatment.
- 2.6 Thanks to a generous individual donation the delivery of the Radiotherapy Unit at this time has become achievable, with the support of the funding available through the Tariff Programme. The Hospital Trust Board have therefore been able to approve the Full Business Case for investment of £14.8m to deliver the scheme at this time. The costs include an inflation allowance agreed with the proposed contractor Morgan Sindall allowing costs to be largely fixed at this time.

3. Implications of the Decision

Financial	Y	Human rights, equalities, diversity	
Legal	Y	Policies or Council Plan	Y
Communication		Procurement	
Energy Efficiency		Workforce	

(a) Financial Implications

The Milton Keynes Tariff collects funding from all new development within the city's expansion areas for the purposes of providing investment into a range of portfolios investing in new infrastructure designed to meet the needs of growth.

The basic Tariff contribution to the Acute Healthcare portfolio was set at £16.23m. Much of this funding has already been invested, including in the original Cancer Centre and more recently in the Maple Centre, as described earlier.

There remains just over £500k of original base Acute Healthcare funding in the Tariff Programme. Contributions to the Tariff however are indexed to take account of inflation and build costs, and the impact of indexation to date has been to add a further £3.1m to Acute Healthcare funding.

Officer forecasts suggest that at least a further £2.1m will be added through indexation before the end of the original Tariff Programme in March 2031 and therefore the contribution to the Radiotherapy Unit can be funded entirely from current and future Tariff receipts.

(b) Legal Implications

The Council does not have a duty to provide health facilities. However, under section 1 of the Localism Act 2011 it can do anything that individuals generally may do, including things for a commercial purpose and for the benefit of the authority, its areas or persons resident in the area.

Under the terms of the Framework Agreement through which the Tariff is generated, the Council has a both a best and reasonable endeavours obligation to secure for the city the infrastructure necessary to cater for growth. Although this does not require the provision of any specific piece of infrastructure it anticipates that the Council will work with a range of delivery partners, including the Hospital Trust, and invest the Tariff funding in securing new infrastructure such as the Radiotherapy Unit for the benefit of existing and new residents of the city.

Tariff funding is being provided as capital investment only and as such, the Council will not be responsible for the costs of running and maintaining the Unit once built. The proposed funding agreement will reflect this and will also include clawback provisions should delivery of the funded scheme not be successfully achieved within an agreed timeframe.

(c) Other Implications

Although this project is not specifically referenced in the Council Plan it does align with the themes of 'well planned growth and renewal' and 'improve health and wellbeing' which are key components of the 2022/23 Delivery Plan.

Maintaining the delivery of capacity expanding infrastructure in key areas such as Acute Healthcare is essential in allowing the city to continue to grow. The provision of a Radiotherapy capability within the Hospital campus will mean that MK residents will have improved access to treatment and without the negative impacts of extended travel outside of the city area.

4. Alternatives

- 4.1 The alternative decision would be to not invest in this scheme at this time and to delay any further investment of Tariff funding in the Acute Healthcare portfolio.
- 4.2 The implication of this would be one of missed opportunity. Through this investment we can help provide an additional capability on the Hospital campus site, which is both complementary to previously approved investment and which was envisaged in the Hospital development strategy at that time.
- 4.3 The opportunity to secure the optimal benefits of delivering that strategy and having a wide range of standard cancer treatment available within the Hospital campus itself for the first time, has arisen at this time largely due to the generosity of an individual donor.
- 4.4 Without the capability of securing that donation at this time then there would exist a risk that putting together a complete funding package, for a rising cost, may not be possible at a future date. Investing Tariff funding now provides the best guarantee of securing delivery for the city of a vital additional healthcare capability.

5. Timetable for Implementation

- 5.1 The Hospital Trust has recently appointed a contractor, Morgan Sindall, to start on preparatory works. Assuming the Tariff funding is agreed then construction works can continue until the anticipated completion of the new Radiotherapy Unit in Spring 2024.
- 5.2 Assuming approval of the recommendations of this paper then Officers would seek to conclude a Funding Agreement with the Hospital Trust by March 2023 enabling funding to be made available as required during 2023/24.

List of Annexes

Annex	MKUHT Radiotherapy Centre: Full Business Case
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