Belfast Health and Social Care Trust
caring supporting improving together

Northern Ireland Cancer Centre's Managed Equipment Service and plans beyond 2030

1.0 Background

In March 2003, Belfast City Hospital Health and Social Services Trust entered into a Project Agreement (PFI contract) with the consortium, Partners in Healthcare Technology Limited (PHT), for the financing, design and construction of a Cancer Centre and provision of equipment and associated services in relation to the equipment.

The Northern Ireland Cancer Centre (NICC) opened at Belfast City Hospital site in March 2006. The building was constructed under the Project Agreement and following a balloon payment was transferred to Trust ownership in 2006.

The Project Agreement includes a Managed Equipment Service (MES) which runs for 25 years, between 1st January 2006 and 31st December 2030.

The MES includes the installation, maintenance, repair and replacement of radiotherapy and radiology equipment within the NICC for which an annual unitary payment (AUP) of approx. £8.7m is made by the Trust.

Trust Board are asked to note three inter-related pieces of work associated with the MES: Current MES and preparation for expiry, MES expansion and MES 2030+ and the project structures which will take this work forward.

2.0 Current MES and preparation for expiry

At the start of the MES contract there were 8 linear accelerators (used for radiotherapy treatment) each of which had one funded replacement included. The expected lifetime of a linear accelerator is 10 years and it was always acknowledged that there would need to be a second round of replacements during the lifetime of the MES which didn't have funding associated with them.

In 2011, revenue funding was secured to add 2 additional linear accelerators into the MES scheme (Linear accelerator 8 and Linear accelerator 9), both of which had had one replacement associated with them, bringing the total number of linear accelerators within the MES up to 10.

Currently 7 linear accelerators will need to be replaced before the end of the MES in 2030. Only 1 (Linear accelerator 8) has funding available through the MES and is predicted to be replaced in 2025/26.

Departmental capital funding has recently been secured for Linear accelerator 7 and 10 replacements in 2023/24 and 2024/25 respectively.

All other future replacements are included in the Trust's 10 year capital plan meaning that the Department has provided a ring-fenced allocation for each of them. Maintenance will still be via the MES agreement (£400K per machine) with no AUP uplift requirement, unless additional technology is included. In addition, it is likely that additional modest capital monies to facilitate enabling works will also be required in respect of each replacement.

Department of Legal Services (DLS) advice was recently sought in relation to a number of queries pertaining to the Project Agreement, including one relating to the purchase of additional equipment, such as, replacement Linear Accelerators unfunded via the MES, as well as equipment that had the potential to affect/fault/interfere with existing equipment.

The DLS advice informed that the Trust was under no commitment to purchase additional equipment from PHT however should it choose to do to, it may be able to rely on the provisions of Regulation 72 (1) (b) of PCR 2015 (which allows the modification of contracts during their term), to obtain additional equipment via Schedule 22 (Variation Agreement) of the Project Agreement. In order to rely on this provision, the Trust would have to show that an alternative supplier could not provide the additional equipment due to technical or economic reasons and significant inconvenience or substantial duplication of costs for the Trust caused by an alternative provider supplying the equipment.

This judgement could be informed by a combination of in-house technical expertise, pre-market supplier research, and engagement with PHT and would need to be repeated at the time of each procurement exercise.

The Trust anticipates that the next unfunded Linear Accelerator replacement, will be Linear Accelerator 6, due in 2027. The Trust will however, want to start to consider whether it needs to maintain a capacity of 10 linear accelerators within the current MES (and whether 7 replacements are actually required) and beyond 2030. Changes in technological advances, such as reduction in treatment fractionations are already impacting on service demands/delivery suggesting that modelling work informed by horizon scanning and benchmarking should be updated.

As part of its preparation for the MES expiry in 2030 and transition to future services provision, the Trust will also want to ensure it is familiar with its legal position in relation to the MES equipment and access to information held by PHT. As such, legal advice will be sought to support planning for expiry.

3.0 MES extension

The Trust is currently giving consideration as to what will replace the current MES when it expires in 2030.

Guidance received from the project manager of the RVH PFI suggested that as a first step, the Trust should seek provision to extend the length of the Project Agreement beyond 2030, as a contingency arrangement, in case of unexpected events/delays.

The initial DLS advice received apprised that it would only be permissible to rely on Regulation 72 (1) (b) (ground two) of the Public Contract Regulations (PCR) 2015, where, for technical and economic reasons the incumbent supplier was the only supplier of the required solution, in which case the correct approach for the Trust to take would be to enter into a new contract with the supplier under Regulation 32 of the PCR 2015. To be sure this was a genuine sole supplier situation, the Trust should at least conduct some form of market investigation or pre-market engagement to ensure this is the case.

To give advice regarding the permissibility of using ground 5 (that is, whether any of the 4 sub-categories applied), DLS advised that further clarification was needed on the length of the extended extension and the most likely increase spend during the extension.

DLS further advised that as the Project Agreement was a PFI, any extension to its term may need specialist commercial and financial input from PFI experts which was outside their expertise.

Following an initial NICC MES meeting in March 2024, involving a number of key stakeholder (including senior colleagues within Corporate Finance, Cancer & Specialist Services (C&SS), DLS and PaLS) the Director of C&SS gave approval for an approach to be made, at this time, to specialists with PFI expertise for commercial and financial input.

4.0 MES 2030+

As part of initial planning for the replacement of the MES 2030+, consideration has been given towards the merit in completing a retrospective Post Project Evaluation (PPE) of the NICC and equipment Business Case (2002). The original business case's objectives were heavily weighted toward the new build (rather than equipment) and this, together with the passage of time, would suggest that completion of a traditional PPE would have limited value.

Instead, at the initial key stakeholders meeting in March 2024, the Director of C&SS gave approval that learning be drawn from other related PPEs (including the RVH PFIs) to be supplemented by a survey of key stakeholders involved at the time of the original business case and/or currently in the implementation of the MES.

The sequencing of subsequent key documentation is expected to entail completion of a Project Brief, initial drafting (and ongoing evolution) of a Project Initiation Document (PID) to include a project plan, risk log and equality screening, followed by the Strategic Outline Case (SOC) and Outline Business Case (OBC), procurement documentation, Full Business Case (FBC) and PPE. The anticipated time-frame for this activity is circa 5 years.

In order to ensure that the Trust's proposed next steps are correct (and that this work is on their agenda), contact will be made with appropriate colleagues within the DoH.

5.0 Project Structures

In order to progress the 3 strands of work, the Director of C&SS will establish a Project Team with representatives from Corporate Finance, Procurement, C&SS, Medical Physics, DLS and PaLs (among others) to be co-chaired by the Directors of C&SS and Finance.

It is anticipated that the group's first meeting will take place in Autumn 2024 supported by a Terms of Reference, MS Team (with an inventory of key documentation) and Project Manager.

Additional expert advice requirements and options will be explored.