

The ROYAL MARSDEN

NHS Foundation Trust

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Dear Daniel,

I am writing on behalf of the Royal Marsden Hospital (RMH) to confirm our involvement in and support for the potential synergies that could be realised by Epsom and St. Helier (ESTH) through a new build co-located with the RMH Sutton site. Your team have estimated these savings as contributing at least £91m to the NPV of the business case. Through our engagement with your team we understand that these savings can be broken down into three areas.

- Estates, facilities management and clinical support services
- Clinical service synergies; and
- Potential savings (as yet unquantified) including a cancer hub for South West London (SWL).

Each of these areas is expanded on below. It should be noted that numbers have currently been calculated and estimated in terms of savings for ESTH, although there is a strong possibility of further savings for RMH in most of these areas.

1. Hard & soft facilities management (FM) and clinical support services

Our respective teams originally engaged on the potential for savings through shared services in September 2018. They reviewed soft and hard FM as well as a few areas of clinical support. The areas agreed at that time as likely to deliver savings through collaboration were cleaning, inpatient catering, and laundry in FM and patient transfers, theatre consumables and shared clinical support services (e.g. Cardiology, Endocrinology, etc.). In addition to the areas of collaboration ESTH identified estates and maintenance savings from a more efficient new build (e.g. utilities and waste).

In total the ESTH team estimated these areas as adding £55m of savings over the course of the business case (£3.6m in year 1, 2025/26). RMH is supportive of the principles behind these savings including areas where joint working is required. Further work will be needed at later stages to firm up detailed plans and the specific savings potential.



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2. Additional Clinical synergies

In May and June 2019 the ESTH team have further engaged RMH on areas where it is expected the sharing of core clinical facilities and services will realise further savings. This identified savings realised by ESTH through improved economies of scale or collaborative procurement approaches. In total this has been estimated to provide a further £36m of savings to the ESTH business case (£2.4m in year 1). RMH can confirm its support for collaborating on the areas identified and the principles behind the savings calculations. As with section 1 above, the precise efficiency available (including the value of benefits for RMH) requires further detailed work alongside the future development of the business case.

3. Integrated Cancer Model – SWL Cancer Hub

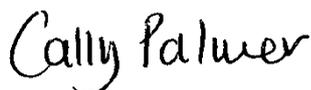
There is a clear commitment from ESTH, St George's and RMH to work more closely together. The development of the Sutton site presents an exceptional opportunity to develop a more integrated cancer service model, drawing on the complementary strengths of each organisation and supported by the world leading research already undertaken at Sutton. RMH and the Institute of Cancer Research (ICR) have made significant investments in the Sutton site over the last decade including developments in radiotherapy, paediatrics, diagnostics services and laboratory and research facilities. The institutions are also opening a £70m Centre for Cancer Drug Discovery (ICR) and a £90m Oak Cancer Centre for ambulatory care and research (RMH) over the next 3 years which will be central to the development of the London Cancer Hub vision for the Sutton site, led by the London Borough of Sutton. This investment is entirely consistent with the further development of the Sutton site for NHS services.

A key opportunity may be the consolidation of cancer surgery in a joint dedicated facility at Sutton to provide sufficient modern capacity for South West London in a similar fashion to that of the SWL Elective Orthopaedic Centre model. RMH would work with SWL partners to explore how services such as our large haemato oncology unit and cancer surgical service could form part of a joint facility and would welcome the opportunity to examine this in more detail.

4. Commercial income opportunities to support the delivery of NHS care.

RMH has a well-established and successful private patient service with all funds generated from private care used to reinvest in NHS patient and research services. RMH forecasts continual private patient growth for the Sutton site and anticipates opportunities for non-cancer private patient work should ESTH develop a major acute hospital. This integrated NHS and private care model could be replicated for Epsom & St Helier at Sutton, drawing on the experience and capability of the RMH model and generating significant income for ESTH facilities and environment.

Yours sincerely,



Cally Palmer CBE
Chief Executive