The Royal Marsden NHS
NHS Foundation Trust

Strategic Plan Document for 2013-14

THE ROYAL MARSDEN NHS Foundation Trust

Strategic Plan for y/e 31 March 2014 (and 2015, 2016)

This document completed by (and Monitor queries to be directed to):

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Date	**31st May 2013**

The attached Strategic Plan is intended to reflect the Trust's business plan over the next three years. Information included herein should accurately reflect the strategic and operational plans agreed by the Trust Board.

In signing below, the Trust is confirming that:

- **The Strategic Plan is an accurate reflection of the current shared vision and strategy of the Trust Board having had regard to the views of the Council of Governors;**
- **The Strategic Plan has been subject to at least the same level of Trust Board scrutiny as any of the Trust's other internal business and strategy plans;**
- **The Strategic Plan is consistent with the Trust's internal operational plans and provides a comprehensive overview of all key factors relevant to the delivery of these plans;**
- **All plans discussed and any numbers quoted in the Strategic Plan directly relate to the Trust's financial template submission.**

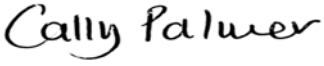
Approved on behalf of the Board of Directors by:

Name *(Chair)*	Mr R. Ian Molson

Signature 

Approved on behalf of the Board of Directors by:

Name*(Chief Executive)*	Cally Palmer CBE

Signature 

Approved on behalf of the Board of Directors by:

Name *(Finance Director)*	Alan Goldsman

Signature 

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2) Strategic context and direction

The Royal Marsden NHS Foundation Trust is a world-leading cancer centre specialising in cancer diagnosis, treatment, research and education. Our academic partnership with The Institute of Cancer Research (ICR) makes the Trust the largest comprehensive cancer centre in Europe with a combined staff of 4,300. Through this partnership, we undertake ground-breaking research into new cancer drug therapies and treatments.

325,000 people were diagnosed with cancer in 2010 around 890 people every day. Cancer can develop at any age but it is most common in older people with more than three out of five cancers being diagnosed in people aged 65 years and over. Cancer incidence rates in the UK have continued to rise due to the people living longer and particularly in those cancers strongly linked to lifestyle choices.

The overarching ambition continues to be provision of the best cancer treatment available anywhere in the world, supported by the highest quality research to improve outcomes for people with cancer everywhere. The Royal Marsden has a crucial role in championing change and improvement in cancer care through research and innovation, education, and leading edge practice. This has been the Hospital's essential mission throughout its 160 year history, and the themes and objectives in the Business Strategy are based on these principles.

The Trust Strategy over the next three years is set out below.

2.1) Leadership of the concept of personalised medicine to improve diagnosis and treatment using the latest techniques and discoveries

The population expect, demand and deserve excellence in healthcare for them and their family throughout their lives and The Royal Marsden and the ICR are at the forefront of the biomedical and technological developments that can achieve this. Increasingly The Royal Marsden is now able to personalise the delivery of therapeutics by being able to identify which tumours can respond to specific drugs and other modalities of treatment.

The Trust continues to work on personalised medicine, tailoring treatment plans to individual needs. This is a core focus of The Royal Marsden's bench-to-bedside principle, ensuring that patients receive the treatment and care which is most appropriate to them and maximising the clinical translation of the Trust's research.

The opening of the Centre for Molecular Pathology (CMP) a world-class research facility at Sutton in October 2012 will revolutionise how cancers are diagnosed and treated. The CMP is bringing together clinicians, geneticists, pathologists and scientists under one roof for the first time to advance cancer research and treatment. Working side by side, experts will be able to better understand each patient's individual tumour type and develop personalised treatment plans faster than ever before, making the Trust's vision of personalised medicine a reality and dramatically speeding up the research and treatment development process. Personalised medicine means not only identifying specific therapies for individual patients but also the reduction of toxicities. This aim will be achieved by further developments in molecular imaging that allow early predictive signals of therapeutic benefit to be obtained in patients who have only been on a particular treatment for a short time.

In addition, a number of new technologies allow the reduction of toxicities from radiotherapy and the Trust has been in the forefront of such research in the past and continues to be a world leader in techniques such as IMRT (Intensity Modulated Radiotherapy). The aim continues to be to increase the effectiveness of therapy whilst achieving a reduction in damage to surrounding normal tissues.

The Royal Marsden as one of the first NHS Trusts in the country to acquire Cyber Knife technology is contributing to improved treatment for patients and to research in this technology worldwide with the leadership of a new study on the benefits of Cyber Knife treatment enabling clinicians and patients to make informed decisions about their treatment based on the highest level of clinical evidence.

Developments in surgery have a similar aim for instance, the Trust's robotic programme has been very successful demonstrating benefits for patients with prostate cancer with a shortening of hospital stay and a reduction in long term toxicities. The Trust is expanding its robotic surgery programme into new areas and indications with a new robotics programme for endometrial cancer patients.

In addition a new clinical research facility is under construction at the Sutton site. The project will provide dedicated space and a central facility for the treatment of patients in clinical trials, in particular increasing the opportunities for translating early phase studies conducted within the Drug Development Unit into later phase research. It will enable the transition of early research findings into large scales trials, which is integral to the National Institute for Health Research (NIHR) Biomedical Research Centre's strategy. The facility due to open by the end of 2013 will improve efficiency and further increase the amount of research at The Royal Marsden.

2.2) Development of research and service partnerships to enhance innovation and extend The Royal Marsden's service to more people

The Royal Marsden is the largest provider of cancer services in London and the South East by a significant margin, and the aim is to ensure that its scale and expertise in service and research can be used and accessed more widely. The cancer service delivery and research environment over the next three years is one of increasing collaboration across the capital with the Trust driving forward this agenda which was initiated by winning the bid for and implementing an academic and research partnership with Mount Vernon Cancer Centre.

The Royal Marsden has continued to form new partnerships and build on existing ones in order to benefit patient care and maximise efficiency across the cancer pathway. In summer 2012 in response to the recommendations of the London Cancer Review commissioned by NHS London and the PCTs in London the Royal Marsden became a founding member of the London Cancer Alliance (LCA), along with 16 other NHS Trusts across west and south London. The Royal Marsden Chief Executive led the LCA design and formation of management structure handing over to two independent chairs at the end of 2012. The LCA aims to develop more integrated pathways of care for patients, set the direction for improvements in patient experience and outcomes and develop common data sets to assess both the performance of providers and the wider health economy. It aims to deliver cancer treatment and care in a new way, improve access to screening and diagnostics and increase

the number of patients enrolled in clinical trials to improve cancer care across London and our local health communities.

In order to achieve close collaboration across a wider spectrum The Royal Marsden is exploring the development of the partnership between the Hospital and the ICR with the aim of improving translational and clinical research across both institutions. Both organisations are jointly committed to enhancing the scale and impact of research and discovery to ensure that more patients are cured and quality of life is improved for those living with cancer. The guiding principles are comprehensive provision of the highest quality service linked with a world class research programme to advance the understanding of the causes of cancer and ways in which we can treat cancer more effectively.

The recent introduction by the Department of Health of Academic Health Science Networks (AHSNs) has brought together local NHS providers, higher education institutions and industry to improve the adoption and spread of innovation. The Royal Marsden has become a full member of both the Imperial College Health Partners AHSN and South London AHSN which reflects the location of the Trust sites but also ensures that the two AHSNs are coterminous with the coverage of the LCA.

Both the South West and North West London sectors are reviewing and making recommendations for the services that will provided at each of the acute hospital sites with the aim of delivering services that are both clinically and financially sustainable. Although both reconfiguration proposals support the continuation of the specialist hospital model of care, changes in service provision from the existing district general hospital sites have the potential to significantly change the range of services provided for cancer patients and referral flows of cancer patients from those sites. The Royal Marsden is contributing to these programmes of change with the aim of impacting on the patient journey where it can offer the most appropriate level of support as an expert cancer centre and developing effective networking and pathways of care with other providers and primary care.

2.3) Development of more efficient clinical models and pathways

The reduction in NHS spending, and the impact of a tariff and pricing mechanism which currently disadvantages organisations providing the most specialist and complex services, means that The Royal Marsden must achieve significant savings. It is vital that The Royal Marsden improves productivity in delivering services in the current economic climate to protect quality and to ensure it is sustainable as a comprehensive cancer centre long term. An important element of the Business Strategy is therefore to introduce new service models which enhance quality and efficiency, and improve clinical pathways and processes. The impact of the financial downturn should be invisible to patients, but will require the Trust to introduce different ways of working, with the advice and support of staff. To ensure a consistent balance between quality maintenance and economic efficiency all plans are risk rated, achieve clinical approval and reviewed to ensure that they are both realistic and deliverable.

The key themes of this aspect of the Business Strategy include the following:-

2.3.1) Increasing Private Care income

The new Private Care strategy looks to double Private Care income to around £100m over the next 5-7 years whilst delivering a continually high performing level of

profitable margin and focuses on delivering growth in London and Surrey and the overseas market.

2.3.2) Increasing research income

This scheme increases income in line with new technological functionality available on both of the Trust sites (e.g. PET CT, Drug Discovery ward capacity)

2.3.3) Expenditure reduction

All expenditure reduction schemes are achieved through improvements in control and process redesign and are focussed on key areas such as pharmacy, collaborations in pathology and a redesign of some clinical and non-clinical functions. Work is underway to ensure that The Royal Marsden only affects the patient's pathway when it can add significant value as a specialist cancer centre. A team is now developing links with two proposed pilot provider sites (one in South West London and one in North West London) working alongside the successful Acute Oncology Service (AOS) model to support Royal Marsden patients more expertly in provider bases near to patients' homes, or where greater expert supportive care can be provided. A review is being undertaken to determine the future role of surgery across The Royal Marsden, including investment and appropriate disinvestment in workforce and capital equipment.

The Trust continues to develop partnerships that will improve efficiency and sustainability long term, so that quality is maintained and more patients have access to high quality services without the requirement of major capital investment. The successful agreement between providers local to the Chelsea site over a shared soft facilities' management contract (Chelsea and Westminster, The Royal Brompton & Harefield, and The Royal Marsden) is regarded as a successful model producing savings levels of almost £40m over 7 years for the collaborative. This works alongside a combined Procurement team which has been established since the end of 2012 focused on generating real savings in the purchasing of all capital and medical equipment and consumables. The Chelsea and Westminster and Royal Marsden are developing a service model and business case for a shared service for IT services. Further opportunities are now being explored to look at collaborative working to drive down cost and maintain, if not increase, the quality of service provision.

2.4) Completion of the extensive capital programme

The Royal Marsden has an extensive Capital Programme to complete the rebuild and modernisation of the Chelsea site and to develop Sutton further as a Health and Science Campus, shared with the Institute of Cancer Research. It is essential for the Trust to continue to invest in leading edge facilities, to maintain its position at the forefront of Cancer Centres internationally, and to maintain a high quality patient environment. To this end a 10 year capital strategy has been developed which includes an appropriate overview of medical equipment replacement, IT needs and the overall support of the buildings infrastructure and design. A detailed scheme of equipment replacement is underway including the replacement and expansion of major diagnostic (e.g. MRI and CT) and treatment (e.g. radiotherapy linacs) equipment on both sites to help support the NHS, Research and commercial strategy of the Trust. The Trust has also enhanced its scanning

capability on the Sutton site, with two new PET CT scanners installed in a new facility. There are now three MRI, two CT and three PET/CT machines on the Sutton site. This is part of a wider project increasing scanning capacity across the whole Trust. Work is currently underway on a redeveloped imaging centre on the Chelsea site, expected to be completed in 2014.

The Centre for Personalised Care will cost around £55m and focuses on implementing new international best practice models of care to some of our ambulatory areas. These include an OPD (incorporating RDAC), MDU/CAU, Research and Private Patients. Such changes in dedicated departments and facilities is designed to enhance and support the development of the models of care to improve the patient pathways, enhance the patient experience and provide an environment that meets the needs of a world class cancer centre.

The Royal Marsden is committed to developing a personalised patient-centred approach through the adoption of a more 'survivorship-guided model of care. This approach would be the basis of the facility developed to support this model of care by the reduction of routine follow up appointments, with patients self-managing a return to hospital. This is done using individualised education and training for patients to recognise the signs of recurrence and improved rapid aces to diagnostic outpatient facilities (via an expanded RDAC)

The proposed new facility would allow for the anticipated growth in activity and also expand this model across new range of tumour types and services. In addition to the expansion of RDAC services and consolidation of 'traditional' outpatient follow up, the personalised pathway would include a new CAU assessment unit modelled on the current Chelsea Unit .

3) Approach taken to quality

In 2013 the Trust has had an excellent record for quality achieving National Health Service Litigation Authority Level 3 accreditation on the first attempt and an excellent CQC unannounced inspection; resulting in no concerns. The Trust also achieved its Health Care Associated Infection target by reducing its Clostridium Difficile infections to 15 throughout the year and therefore remained below the target of 16. There were no Methicillin Resistant Staphylococcus Aureus (MRSA) blood stream infections in 2013. In 2013 the Sutton and Merton Community Services had an inspection of their only bedded area a 5 bedded respite care home for children (Cedar Lodge) this was a good inspection although there was one concern raised to do with the personal care of a particular child at night. An action plan was developed in conjunction with the mother of the child and this has been supplied to the CQC and enacted in practice immediately. The Trust also during 2013 retained its ISO 9001 accreditation for chemotherapy and radiotherapy and its Customer Service Excellence award.
The Royal Marsden NHS Foundation Trust is however never complacent about quality and plans and invests for continuous quality improvement.

3.1) Quality Strategy

The quality strategy for the next three years is:

To consistently uphold and improve on all clinical quality performance areas across the Trust.

This strategy requires comprehensive regular monitoring throughout the organisation from the bedside to the board and integrated across all co-dependent areas. Following the publication of The Francis Inquiry a comprehensive Trust wide action plan was led by the CEO in collaboration with Executive Directors. In many areas the Trust is compliant with the recommendations. Where there is a gap or a new recommendation the Trust has actions in place to deliver against the recommendation. The Trust wide action plan is being monitored through the Board level Quality, Assurance and Risk (QAR) sub-committee; and the Council of Governors.
The Quality Strategy is multi-faceted and includes everything from NHSLA level 3 compliant policies, to safe staffing levels, to Board level committee monitoring, to the look and feel of the experience of care; these are all important quality dimensions.

3.2) Quality Framework

The quality framework employs key national or international metrics to assess and monitor patient safety and the effectiveness of patient care these include the following (although this should not be regarded as an exclusive list):

<u>Patient Safety</u>

- The use of the WHO Surgical Safety Checklist to ensure the safety of patients and staff in theatre.
- The use of the Patient Safety First initiatives for high risk drugs, patient vital signs monitoring and leadership for safety.

- Procurement and maintenance of medical equipment throughout the Trust that is coordinated and maintained centrally and through medical device passports in each clinical area.

- ISO 9001 for chemotherapy and radiotherapy

- The use of the National Early Warning Score throughout all clinical areas to ensure that any clinical deterioration is monitored and acted upon rapidly.

- Modern and well maintained resuscitation equipment in all areas of the Trust including non-ward areas.

- A comprehensive and well designed mandatory training programme for all clinical staff on patient safety. The Royal Marsden leads an excellent simulation programme for multi-professional teams in the acute or emergency scenario in patient care. This facilitates clinical staff to be experienced at working together in a time critical emergency setting.

Effectiveness of care

In cancer care the key issues that are essential are:

- Early and effective access to definitive treatment: The Royal Marsden has strategies in place to ensure that all referrals are managed effectively through the system in a timely and effective way. One of the most difficult issues for a tertiary cancer centre is when referrals arrive late from another Trust this is being proactively addressed at CEO level locally and centrally.

- The right treatment given by the right person in the right place: The Royal Marsden meets all the essential Peer Review components of the core members of the MDT. The cancer patient experience survey (CPES) also revealed that patients thought there were the right number and skill mix of nurses on duty. The 2013 CQC unannounced inspection also assessed staffing levels and skill mix and found no concerns.

- Reducing length of stay whilst ensuring that there are no avoidable readmissions: The RM has been actively working on reducing length of stay and has an active Enhanced Recovery Programme (ERP) and 23 hour Breast surgery programme. There is however more work to do around a small group of patients who have a prolonged length of stay. Various initiatives are currently being designed and will be instituted and evaluated this year. These initiatives include reducing non elective admissions by ensuring Consultant evaluation prior to admission, developing the out of hospital transitions into the community, ensuring that all inpatients are evaluated daily and have active care plans.

- Therapeutic cancer care that is evidence based and continuously evaluated: The Royal Marsden is a research rich organisation and at ay one time is leading 500 clinical trials. This means that the patient has access to key cancer therapeutics. The Royal Marsden also has an excellent Health Services Research structure which ensures that all clinical professionals are enabled to be involved in research that examines systems and care as well as therapeutics.

- Cancer Education and Training: The Royal Marsden has the only dedicated training School for Cancer Nursing and Allied Health professionals and provides most of the

postgraduate cancer training for nurses in England. In 2012 and 2013 the School was awarded the highest quality indicator in London by the Strategic Health Authority.

- Clinical Audit: The RM completes all mandatory national cancer audits and then has a comprehensive programme of clinical audit responsive to patient and strategic requirements.

Patient Experience

The patient experience is monitored through using Picker hand held devices in all clinical areas in and outpatients to gain the individual patient experience, with these results fed directly back to Ward Sisters, Matrons and up through the Executive Directors to the Board. From 1st May 2013 all inpatient wards (except children's) also had the Friends and Family Test applied. The Royal Marsden is an early implementer site and has therefore had three months experience of collecting this data. The majority of comments have been extremely positive but where there have been suggestions for improvement these have been systematically fed back to clinical areas for action.

All the national patient surveys are also conducted and where there is anything other than an excellent score an action plan with key deliverables is agreed. One of the important deliverables going forward is to ensure that the patient / and or their family are not overburdened with questionnaires. The Royal Marsden is a research rich environment which means that many of our patients are on clinical trials and therefore undertake associated quality of life questionnaire or patient diaries. It is essential therefore to monitor the volume of questionnaires that patients are subjected to and this will be closely monitored with the Patient Experience group in 2014 onwards.

All Matrons, through to Directors read complaints and praise letters and themes for learning and improvement from these are fed into improvement plans across the Trust. At the Board Quality Assurance and Risk (QAR) committee the Chairman and Non-Executive Directors all see complaints and discuss the response and any remedial actions with the Executive Directors.

Many members of the senior Medical, nursing and AHP teams are on national and international advisory boards for cancer or their profession and this knowledge is also therefore available to the Trust.

3.3) Board Assurance of Quality

The Board is assured of the Quality of patient family and staff care at the RM in the following ways:

- QAR Annual Plan which details prospectively an annual cycle of quality reporting timetabled across the year. This allows triangulation of many national and international quality assurance and accreditation programmes to be assessed by the Board.

- QAR review of complaints both quantitative and qualitative and any resultant action plans.

- QAR receipt of quarterly reports on adult and children's safeguarding.

- QAR quarterly visit from frontline staff including Matrons and Sisters, Dieticians who can comment on their real time experience of patient care.

- QAR quarterly review of the risk register and Board Assurance Framework.

- Quarterly QAR receipt of the Integrated Risk and Clinical Governance Report

The Board also receive reports form all the accreditation visits, patient and staff surveys and any resultant action plans as do the Council of Governors, below are an example of these:

- Deloitte audit of Annual Quality Account
- Patient Experience questionnaires
- Real Time patient feedback comments and progress against stretch targets
- CQC unannounced visits
- Peer Review
- CPA Accreditation
- ISO Chemotherapy and Radiotherapy accreditation
- Customer Service Excellence Standard.
- NHSLA Level 3
- JACIE accreditation for Blood and Marrow transplantation.

3.4) Quality priorities and targets for 2013-14

Safe Care

1. Reduction in Healthcare Associated Infections (MRSA bacteraemia and Clostridium Difficile infections) Applies to Acute beds @ RM and patients of Sutton and Merton Community Services (SMCS)Less than 1 MRSA bacteraemia

   Less than 11 C Difficile infections
   (Report in Quality Account the number of C. Difficile infections per 100,000 bed days)
2. Rate of patient safety incidents and percentage resulting in severe harm or death

   (In 2012-13 the number of deaths from serious incidents per 100 admissions was 0; the number of severe harms from incidents per 100 admissions was 0.012)
   Acute beds and SMCS
   Reduction in the rate of patient safety incidents per 100 admissions and the proportion that have resulted in severe harm or death
3. Percentage of admitted patients risk assessed for Venous Thrombo-embolism. Maintain above 95% the number of patients who have a completed VTE risk assessment

Effective Care

4. Reduction in community acquired grade 3 and 4 pressure ulcers: SMCS Reduce the incidence of severe community acquired pressure ulcers (Grade 3 & 4)

5. Increase the number of patients that die in their preferred place of death (The National Primary Care Snapshot Audit in End of Life Care (2009) found that the number of patients achieving their preferred place of death is 42 %.) Acute and SMCS achieve more than 42% of patients dying in their preferred place of death.

6. Increase the numbers of patients who have an Holistic Needs Assessment. Increase in the number of designated patients will be offered a Holistic Needs Assessment by the end of 2013-14

7. Emergency re-admissions to hospital within 28 days of discharge. Reduction in the number of avoidable re-admissions to hospital within 28 days of discharge

Patient Experience

8. Reduction in chemotherapy waiting times and improvement in patient experience related to waiting timesReduction in chemotherapy waiting times at Sutton and Chelsea and improvement in the patient experience related to waiting times.

9. Ensure that we are responding to in-patients' personal needs improvement in responses to 5 questions (in the CQC national survey described above) as monitored through the Inpatient Frequent Feedback Surveys

10. Percentage of staff who would recommend The Royal Marsden to friends or family needing care.

    Introduce a Patient Experience survey for SMCSTo maintain or increase the staff survey result to this specific question in the survey. To achieve a baseline measurement and if possible benchmark with other community services.

11. Improve communication, particularly when patients arrive for first appointments. Increase or maintain the high percentage of positive comments in dedicated patient feedback.

12. Reduce the length of time a patient waits for medicines or equipment at the point of dischargeIncrease or maintain the high percentage of positive comments in dedicated patient feedback.

Children's services

13. The uptake of immunisation working in partnership with primary care. Increase the percentage of children receiving pre-school immunisations in partnership with GPs.

4) Clinical Strategy

4.1) Planned care

As well as work to ensure that inpatient services are provided as effectively and efficiently as possible a strong drive this year has been identified in improving ambulatory care and support services. Consistent improvement has been delivered during 2012/13 in areas such as the planning and delivery of chemotherapy across all three Royal Marsden sites. This has not only improved patient and staff satisfaction but has the added benefit of ensuring a more cost effective and pre' planned supply chain for aseptic provision reducing waste and abandoned expenditure. This Annual Plan identifies benefits in this field as pre' planning and scheduled chemotherapy care becomes fully rolled out across the Sutton site (the process is already live in Chelsea) and therefore all Royal Marsden Medical Day Units (MDUs) through Q1 of 2013/14.

4.2) Patient pathway management

Patient Pathway Management describes the way patients are supported through their cancer journey both electively and non-electively, as inpatients and in an ambulatory setting. Work is now underway to better ensure that The Royal Marsden only affects the patient's pathway when it can add significant value as a specialist cancer centre. A review of all 'patient level costing' and the portfolio analysis of work undertaken by the Trust shows that refinement of this strategy, along with the continued drive to improve length of stay, will be highly beneficial to the overall efficient running of the organisation.

A team is now developing links with two proposed pilot provider sites (one in South West London and one in North West London) working alongside the successful Acute Oncology Service (AOS) model to support Royal Marsden patients more expertly in provider bases near to patients' homes, or where greater expert supportive care can be provided.

This work will be led by the Chief Operating Officer with a combination of clinical and non-clinical leaders in a structure of governance reporting to the Trust Management Executive (chaired by the Chief Executive Officer). As well as improving the patient experience and utilising The Royal Marsden's expert resource appropriately this plan will aim to address a continual rise in a small number of very high cost patient episodes which have driven significant loss in The Royal Marsden operating mode; a loss which is simply not sustainable.

4.3) A new Surgical Strategy

During early 2013/14 a new surgical strategy will be brought forward for support by the Trust Board. This strategy will be based on the need to more formally assess the surgical priorities for investment on site whilst at the same time better understanding the connections between surgical planning and the emerging development of clinical cancer networks such as the London Cancer Alliance (LCA). This work will closely align with the pressures being placed on providers through the national service specifications; these are likely to require better collaboration and specialist groupings of major cancer surgical provision by providers. At the same time, it is critical that The Royal Marsden continues to provide a safe, sustainable and growing surgical base.

This strategy will be very closely developed to compliment the Research and Private Care strategies. The major aim of the work is to help ensure that the direction of surgical service provision is clearly planned for the next 5-10 years; that workforce planning is closely aligned to support that strategy, and that like high cost resources such as surgery are most appropriately focused where they can add the greatest value.

Both of these works streams are focused on significant improvement of the patient pathway, internally and externally. Both work streams are focused on improving operational efficiency whilst at the same time looking to remove or reduce fixed operating costs where possible. If success with the two strategies can be achieved quickly it is envisaged that through Quarter 4 of 2013/14 opportunities for further inpatient bed reduction will be achieved through transformation to more day case/23hr support initially on the Chelsea site.

Work is also underway through these strategies to better understand the opportunities to utilise existing new facilities better. A good example of this is the Clinical Assessment Unit at Chelsea which is now developing a more pre' booked elective operational role as well as remaining a critically important facility to support patients requiring immediate assessment and reducing the need for unnecessary inpatient admission.

5) Productivity and efficiency

The 2013/14 Business Planning process began following a similar and consistent theme to previous years at The Royal Marsden. The process started in the autumn of 2012 with a 'Town Hall' event, which included a wide stakeholder group of clinical and non-clinical leaders. The focus of the event, and the subsequent planning process, was designed to ensure that the financial strategy of investment reserve development was achieved whilst maintaining and exceeding the quality standards required. This event was chaired jointly by the Chief Operating Officer and Finance Director. The subsequent process of planning was led directly by the Chief Operating Officer and a cohort of Divisional leaders including Divisional Directors, Medical Directors and Divisional Nurse Directors.

To ensure a consistent balance between quality maintenance and economic efficiency a new template was used this year for Divisional financial plan generation. This focused on the need to ensure all plans were appropriately risk rated, achieved clear clinical approval and finally ensured that they were both realistic and deliverable.

A number of clear themes have arisen from this year's business planning processes which are detailed more fully in the attached appendix, these include the following:-

5.1) Private Care income

This productivity scheme is associated with approval of a new Private Care strategy which looks to double Private Care income to around £100m over the next 5-7 years whilst delivering a continually high performing level of profitable margin. The strategy includes four key pillars of delivery:-

<u>Sustainability</u>

- Ensuring that the Private Care services provided are fit for purpose and competitive with private providers of health care
- Developing 'Front of House' services, improved patient pathway and experience

<u>Delivering Growth in Central London</u>

- The increase of surgical activity though the use of new clinical capacity
- The increased focus on the role that the Trust plays within the diagnostic pathway of cancer care and beyond

<u>Delivering Growth in South West London and Surrey</u>

- The Increased focus on the use of radiotherapy and diagnostics to ensure that the Sutton site becomes a beacon for ambulatory cancer care within its locality and further afield in South East England

<u>Delivering growth in the overseas Market</u>

- The improved relationship with embassies and key sponsors
- A greater examination of the overseas market and using new pathways to ensure there is an increase referrals from different markets across the world

Within this strategy are a clear set of year one deliverables which are included within the overall 13/14 Annual Plan. These deliverables are associated with the full year effect of

completed capital and investment schemes (such as the opening of a new Private Care ward at Chelsea), along with a number of new opportunities already in delivery (such as the development of a new private rapid diagnostic service). Within the year one deliverables of this plan is the repatriation of commercial diagnostic activity (currently outsourced to the commercial sector due to lack of facilities, but now able to be supported 'on site'). Schemes are also underway as part of a growing development to repatriate private oncology and surgical work to The Royal Marsden through existing clinical teams (this includes the full utilisation of high cost surgical and radiotherapy equipment such as the Da Vinci Robot and the CyberKnife).

5.2) Increased Research income

This productivity scheme increases income in line with new technological functionality now expanded and available on both the Chelsea and Sutton sites (e.g. PET CT, Drug Discovery ward capacity).

5.3) Expenditure reduction

All schemes are achieved through improvements in control and process redesign. This is particularity pertinent in areas such as pharmacy, collaborations in pathology and a growing redesign of some clinical and non-clinical functions. As is usual with the business planning process all front line clinical and corporate Divisions have been tasked with identifying cost efficiency schemes as well as absorbing a degree of in year cost pressure identification.

Work continues to be developed through internal management strategies to ensure the hospital maintains its drive to be as efficient as possible. On the day admission monitoring and clear pathways for surgical admission continue to be successful with over 85% of all patients on the Chelsea site (the most complex surgical site) being admitted for surgery on the day of admission; and over 90% on the Sutton site. Most wards are operating at, or slightly in excess, of the targeted 85% occupancy rates during the week, but work continues with a newly forming in house bed management function to ensure that facilities such as the Day Surgery Unit, Overnight Intensive Recovery (OIR) and the Clinical Assessment Unit (CAU) at Chelsea deliver the required reduction in overall elective and non-elective length of stay.

Against most 'like for like' benchmarks The Royal Marsden continues to rank 'as good as' most providers for complex cancer surgery with regard to length of stay but room for improvement has been identified in speeding up pre' admission planning and moving some surgical specialities to day case operating (or 23hr). It is believed that there is great opportunity to further improve the management of non-elective patients, which is detailed within the plan; as well as representing considerable disruption to patients and their families, under the current tariff payment system non-elective admissions to The Royal Marsden are particularly poorly reimbursed.

5.4) Pharmacy

To add to the work underway internally with system redesign a full procurement process is now nearing conclusion for the outsourcing of pharmacy dispensing services across The Royal Marsden. The tender being progressed also seeks options for the possible development of community phlebotomy services thus aiming to outline opportunities for future growth in

'out of hospital 'care provision. Whilst not formally included as a key efficiency target under the 13/14 Annual Plan it is envisaged that savings around this plan will be delivered during Q4 and therefore run live for full year effect 2014/15.

5.5) Pathology

The Royal Marsden has been, and continues to be, engaged in discussions around the consolidation of pathology services. Where value can be added (either through quality or cost reduction) partnerships and relationships have been formed; this includes formal discussions with pathology Networks in and around South West London to provide expert cancer pathology provision through the new Centre of Molecular Pathology. A full business case is now in final preparation for the consolidation of blood science services with The Royal Brompton Hospital. This will both reduce operating expenditure and ensure greater rigidity in front line service support both in and out of hours.

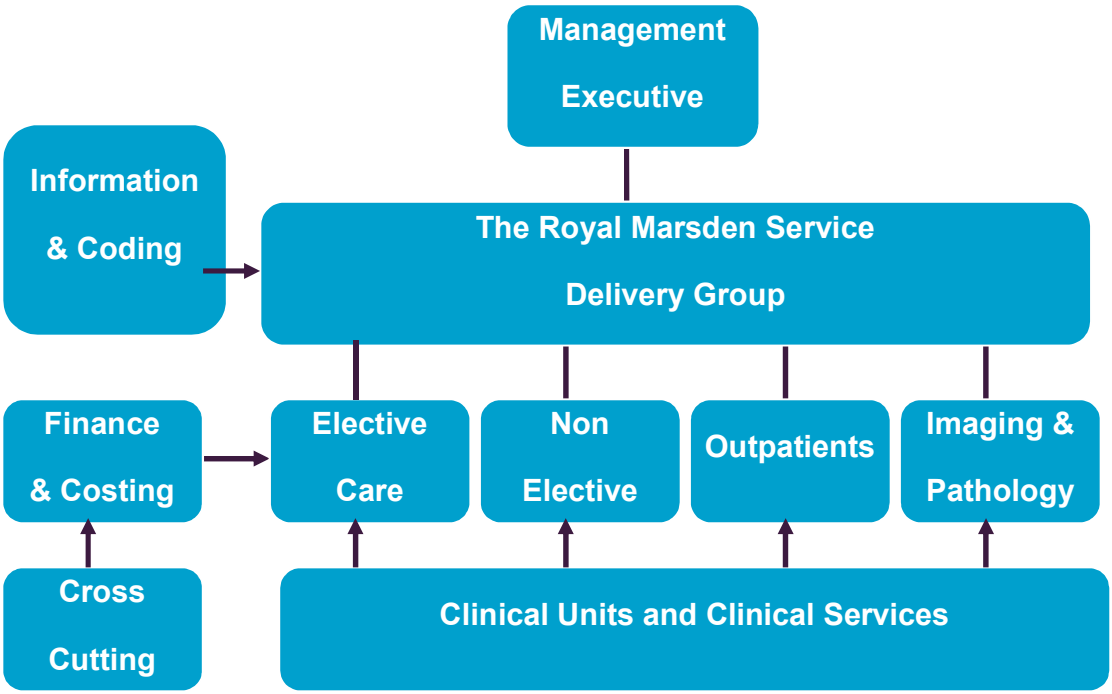
All of these proposed changes will have no negative impact on font line patient care; indeed all have been designed with the ambition to raise and improve patient satisfaction and experience. They have all received clinical sign off and approval at Divisional Medical Director and Medical Director/Chief Nurse level.

5.6) CIP governance

The 2013/14 Business Planning formal process concluded in March 2013 although as with many years a formal structure is in place to ensure the development and delivery of new schemes for cost improvement and productivity throughout the year. The overall 2013/14 financial plan is being monitored formally and consistently under the auspices of the monthly Performance Review Group (PRG) chaired by the Chief Operating Officer, with new ideas and further refinement of plans discussed and closely monitored by the recently formed Financial Strategy Group (FSG) chaired by the Finance Director. Both of these meetings, their actions and outcomes are reported formally through to the Trust Management Executive.

As outlined earlier within the Annual Plan two key areas of transformational focus remain critical to the delivery of the longer term financial model; Patient Pathway Management and the delivery of a new Surgical Strategy. Both areas of work are focused on delivering further the concept of proactive portfolio management and ensuring a clear balance of planned work whilst ensuring that The Royal Marsden continues to affect the cancer patient journey only where it can add real value as a major specialist cancer centre.

Work is nearing completion to set out the earlier pilots of these schemes as previously discussed. A clear Project Management Office (PMO) structure is now in development to ensure this work delivers the key aims of changing the financial model both in the short and medium term. It is also important throughout that these plans are assessed to ensure a continued improvement in quality and the patient experience. This PMO structure is set out below and includes the important function of cross cutting corporate integration.


Management Executive
Information & Coding
The Royal Marsden Service Delivery Group
Finance & Costing
Elective Care
Non Elective
Outpatients
Imaging & Pathology
Cross Cutting
Clinical Units and Clinical Services

6) Financial Strategy

The Board received an appraisal of its financial strategy at its meeting in November 2012. This was shared with Governors at their meeting in December 2012.

6.1) Economic context is still challenging

Many commentators predict that the NHS is less likely to continue protected from wider economic recovery task to the same degree. In addition:

- Costs of regulation under the new Act and of compliance post Mid-Staffs will go up.
- NHS pay pressure is likely to increase – current assumptions are for this to remain low.
- There is significant uncertainty in commissioning creating income risk.
- NHS Efficiency challenge won't be delivered by individual trusts but by sector wide solutions; but Better Services Better Value in SW London is delayed and North West London strategy is likely to face similar delays. Options for South London Health Care Trust involve much longer time scales.

6.2) Imbalances in the Trust's business 'portfolios' are getting worse

NHS portfolio losses are at a critical point (£25m) and this will get worse (by £10m per year) without further action. Specifically:

- Private Patient contribution to the efficiency programme has been significant over many years – but margins will come under increasing pressure.
- Biomedical Research Centre requires transformation in productivity over next 3 years
- Efficiency challenge gets more difficult after several years of delivery; and despite our success to date our level of confidence in continuing with the current strategy reduces without some form of strategy refresh.

6.3) Requirement for surplus is still acute

This is particularly true for the:

- Capital programme which is backed up for equipment, IT and ward refurbishment.
- Balance sheet needs some recovery from fire costs – particularly for working capital.
- Fundraising and level of charity support which is facing pressure too.

6.4) Strategic Opportunities

6.4.1) Track record in delivery has been good enough to date and there is some 'tail wind' from the current plan

- The thematic approach is still valid and must continue
- Balance sheet is sustainable for a period; but needs closer focus throughout the Trust, including for faster billing and improved documentation. There are other

options for equipment replacement being considered; e.g. currently pursuing managed equipment service options.
- The Trust has excellent data for driving changes to NHS services portfolio; and there is evidence that small changes could make dramatic improvement
- Data also supports research elsewhere and makes compelling case for tariff reform (£10m improvement required).

6.4.2) Work to establish partnerships will enhance impact

- London Cancer Alliance and Community Services will provide a practical route for RMH into sector wide reforms.
- Closer working with the Institute of Cancer Research will assist on research productivity strategy

6.4.3) Other opportunities

- Regulation provides new, and clearer, opportunities for driving the tariff reform agenda (fair pricing, competition panel, Monitors role).
- PP strategy has been significantly enhanced and will attract investment

6.5) Five new strategic financial themes

Board and Council agreed that the previous assumptions in the plan about economic recovery and costs will not be sufficient. A financial strategy refresh is required to deliver, with confidence, the surplus required for Trust sustainability. Five new strategic financial themes were approved:

6.5.1) Patient pathway redesign / integration

The strategic objective is to deliver a £10 – 20m improvement in the NHS loss position through service and pathway redesign.

6.5.2) New deal for clinical engagement on performance and resource allocation

The strategic objective is to align clinical input and performance management with the Trusts service and research portfolio requirements; covering NHS, Private and Research strategies. The challenge will be to deliver safe and effective financial change through clinical engagement.

A new clinical productivity reference group will be set up to provide advice for:

- Setting clinical / financial decision making criteria and portfolio strategy
- Developing metrics to ensure that decision analytics are fit for purpose
- Responding to benchmark comparatives

6.5.3) Cancer tariff

The strategic objective is to deliver £10m tariff improvement (20%) over next 3 years. This will be achieved by leveraging cancer data and brand to achieve better tariffs for specialist cancer treatment. This requires more comprehensive approach and will involve working with other cancer providers.

Key example (1)

4% of inpatient activity (as measured by tariff episodes):
Requires 20% of bed capacity (for 365 days)
Explains £12m of NHS portfolio deficit
Adds one day to overall trust Average Length of Stay (5.9 days)

Of this 4%
75% is medical / 25% surgical
Managed by approximately 40% of all consultants
But with a bias towards haemato-oncology and Sutton

6.5.4) Research productivity and performance

The strategic objective is to invest at least £1m per year for the next 4 years; by taking resources away from less productive research and reallocating it in line with new strategy and performance metrics.

6.5.5) Private care and entrepreneurship

The strategic objective is to increase turnover from £60m to £100m as soon as possible.

6.6) Financial Position

At the end of 2012-13 the Trust has generated a deficit of £3.8m following two technical accounting adjustment ; a loss of £14.6m in relation to the revaluation of its estate and donations from the Royal Marsden Cancer Charity for capital schemes of £8.5m.

The 'underlying' surplus after excluding these technical accounting adjustments is £6.3m; some £1.3m more than the planned surplus of £5.0m. This result is due to a combination of factors including strong income performance, the continued delivery of the Trust's efficiency programme, and good financial discipline and control. This position achieved an overall financial risk rating (FRR) of 4.

The Trust intends to build on the successful performance of previous years and has developed a plan that will deliver planned surplus over the next three years, to invest in a significant capital programme. The table below summarises the income and expenditure position and key metrics over the 3 years.

	2013-14	2014-15	2015-16
	£000	£000	£000
Income	324,326	326,357	336,031
Expenditure	-309,960	-312,076	-315,401
Operating surplus	**14,366**	**14,281**	**20,630**
Non-operating expenses	-4,609	-4,909	-5,312
Net Surplus	**9,757**	**9,372**	**15,318**
Efficiency programme	**13,954**	**16,550**	**11,684**
Cash balance	**17,143**	**20,087**	**22,588**
FRR	**4**	**4**	**4**
CoSRR	**4**	**4**	**4**

The financial plan retains the Trust's financial risk rating (FRR) at 4, where 1 is high risk and 5 is low risk. The newly proposed continuity of services risk rating would achieve a rating of 4 out of a 4 point scale.

7) Workforce strategy

The Royal Marsden's workforce is critical to the delivery of the Trust's core aims, business objectives, maintaining our reputation of excellence in clinical treatment and outcomes, research and education and most importantly safe and high quality compassionate patient care. To ensure this continues and our people and workforce systems are right going forward our Workforce Strategy and priorities have been reviewed over recent months.

Our people proposition is central to our business strategy to maximise the potential and benefits of our valuable human capital. The newly redesigned Human Resources and Organisation Development (HROD) service aims to:

- Deliver on the organisational needs and drive the organisation forward
- Focus on strategic, value-added work and generating solutions
- Deliver a seamless and effective operational service

It will do so through the provision of high quality and professional service which encompasses the following areas:

Resourcing: Right People, right place, right time, right skill & capacity, right attitude

Performance Framework: Leadership, systems and practices for optimum performance & Productivity

Talent Management: Succession Planning & Education and Development to ensure the right skills for the business now and the future

Total Reward: Right reward for attraction, performance and retention

Transforming: New roles and ways of working

Engagement: Involved and motivated staff who are advocates for the organisation as an employer and service provider supported by a healthy culture and organisational values.

Our workforce strategy 'Excellence & Sustainability through People, Performance and Productivity' highlights the following priority areas to support the delivery of the business strategy and annual plan:

7.1) Leadership and engagement

This priority contributes to the overall strategy by ensuring effective leadership and delivery of all aspects of the business strategy, ensures workforce performance and productivity and enhances high quality patient care in the light of the increasingly complex internal and external environment.

Our aims are to ensure that the right structures, capacity & capability of leadership & management are in place to deliver the corporate objectives and an open and safe culture. We will also ensure that staff continue to be engaged with the work of the organisation, aware of and actively contributing to its objectives and success.

We will further develop and embed our engagement strategy and internal communications, strengthening the ways in which we involve our staff in achieving our objectives. In particular, we will continue to listen to staff to ensure that our plans and activities do not compromise patient safety, and ensure that we implement other lessons from the Francis Inquiry.

We regularly review capacity and capability of senior and clinical leadership and succession plan to deliver the current agenda and new initiatives from any emergent strategies. This is supported by leadership & management development programmes and we will further develop the talent management process.

7.2) Performance management

Our aim is to ensure staff are working as efficiently and effectively as possible and performance is positively managed, reducing overall unit costs through workforce productivity and staff performance management improvements to optimise quality patient care and minimise the requirement for more challenging action. A key focus is to enhance the understanding of the role of managers and performance management, improving the rate and quality of performance and development reviews (appraisals) that are linked to organisational strategy.

7.3) Pay and reward

To deliver the Trust business & strategy efficiently and ensure an appropriate return on investment (ROI) of workforce. Focus will be on reviewing and agreeing the optimisers within existing contracts of NHS terms and conditions of employment and considering compressors to terms of employment. New employment packages will be developed to attract, retain and manage the required workforce to deliver the Private Care Strategy.

7.4) Workforce productivity and efficiency

High quality workforce information and systems are critical to monitoring progress and focusing effort related to improving workforce productivity and efficiency. Our aim is to improve workforce metrics including vacancies, turnover, temporary staffing, expand

electronic rostering to more staff groups and maximise the benefits and rationalise workforce information systems.

Attainment of many of the Trust's objectives especially the clinical and efficiency strategies depends on significant workforce change. Specific change management and development support will be provided to the service to achieve this including support with identifying savings plans, restructures involving focused redundancy and redeployment programmes, the creation of new roles and ways of working.

In addition to the strategies to improve the substantive workforce productivity, a key objective of the workforce strategy is to reduce the usage and cost of temporary staffing to ensure quality & efficiency. This will improve continuity of quality patient care and a reduction of the paybill across all areas of usage. To achieve this we will introduce revised measures to improve the effectiveness of the contingent workforce and reduce vacancies, deliver a further reduction on the usage and cost of agency staff, grow internal staff bank in all staff groups and realise the benefits of new technology systems.

7.5) Medical workforce

External changes in medical education structures and numbers of trainees as well as the needs of our clinical strategy and achievement of many of the Trust's objectives mean that a focus on the medical workforce continues to be a priority. Our aim is to deliver the strategy for the medical workforce that provides a modern proposition with appropriate governance arrangements to ensure high quality service and research activities whilst meeting training needs for doctors.

This includes clarifying the vision for the range of medical roles in the future service, further developing clinical leadership, implementing the new job planning system to allow more sophisticated reporting on consultant activity and assist business and service planning and development of long term total reward strategies for consultants that will support the implementation of the private care strategy.

7.6) Excellent human resource and organisation development services (HROD)

In addition to the above priorities, we will maintain and improve our compelling employer brand and a working environment that attracts, retains, develops and enables staff to deliver the highest quality patient treatment & care and excels in research, education and all aspects of the Trust's work. We aim to ensure an engaged and stable workforce (except in areas where change required to transform services/workforce) and control resourcing costs.

To achieve this, the HROD service was redesigned in 2012/13 and now all transactional services are provided through a shared service model and there is a single point of entry into HROD for users. This enables us to respond more quickly to enquiries and track all activity so we can plan and better align our services to business needs. The new model also provides a foundation for future expansion of shared services if we wish to work more closely with other Trusts and provides a platform for outsourcing of services in the future.

HR Business Partners now work on workforce priorities for their divisions' business delivery, with alignment to corporate objectives focusing on workforce planning, redesign and change, improving staff performance and experience, productivity and efficiency.

The model has enabled senior HROD staff to focus on transformational and strategic work priorities aligned with the Trust priorities and business strategy

During the first part of 13/14 focus a key priority will be to embed this model and realise the benefits of the new system.

The delivery of the workforce strategy is managed through the Workforce Strategy Group and reported to the Management Executive.