



Strategic Plan Document for 2013-14

The Christie NHS Foundation Trust

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1. Executive Summary

The Christie specializes in cancer treatment, research and education and is the largest cancer centre in Europe. Treating 40,000 patients a year from the UK we became the first UK centre to be officially accredited as a comprehensive cancer centre and have our own dedicated hospital charity.

Our 2020 vision was launched in 2012 following extensive engagement with our stakeholders. It sets a clear vision for the future to lead cancer care, provide the best possible Christie experience, provide local and specialist care and the best outcomes for our patients. This annual plan shows the steps we will take over the next three years to move towards that vision.

With patients at the centre of everything we do **our quality strategy** sets out priorities in three key areas of patient safety, effectiveness and experience within a fully embedded risk management structure. Our external assurance builds on the CQC assessment with no actions required, achieving NHS Litigation Authority level 3 and our Francis Report action plan. The Board of Directors receives assurance of achievement against the quality objectives through a comprehensive Board subcommittee structure. We remain committed to the development and publication of clinical outcomes as a high priority.

Developing our clinical services is set out in **our clinical strategy**. As a Comprehensive Cancer Centre our whole focus is on delivering the best possible outcomes for patients through the ongoing development of our cancer services and ongoing strengthening our research and education portfolios. Working as part of Manchester Cancer our services will focus on delivering access to the latest treatments and techniques while offering local access wherever possible. Together with our partners we are investing in a significant increase in our clinical academic posts over the following 3-4 years.

We have a strong track record of delivering efficiency programmes, achieving £18m recurrent savings over the last three financial years (ending 2012/13). **Our productivity and efficiency plans** moving forward is based around four key work streams including efficiency hospital, eliminating waste, workforce and procurement in addition to divisional schemes. These will be supported by our programme management approach to achieving efficiency and will be delivered within a strong governance framework.

Our finance and investment strategy sets out our three year plan to deliver a planned surplus, achieving an overall annual risk rating of 4. Our cost improvement target is set at £6.3m (4.1% of operating expenditure in line with DH targets). We are already on trajectory at the start of the first year of the plan. Our contracting arrangements have changed with NHS England now contracting for all of our NHS services. We have a signed contract and will continue to work in partnership with our national commissioners and local CCGs to develop our services. Our capital plan is set within the context of a Strategic Development Framework development in conjunction with Manchester City Council and supports delivery of our vision, quality, clinical, service development and productivity and efficiency strategies.

Further information about our trust including our 2020 vision, annual report and quality accounts can be found at www.christie.nhs.uk.

2. Strategic Context and Direction

We care, We discover, We teach

The Christie specialises in cancer treatment, research and education and is the largest cancer centre in Europe. Treating 40,000 patients a year we are the first UK centre to be officially accredited as a comprehensive cancer centre. Our experts have been pioneering cancer treatments and research breakthroughs for more than 100 years.

The Christie is now in its seventh year as a Foundation Trust. During 2012/13 we undertook an extensive programme of engagement to develop our vision for the future. This was designed to enable us to

- Further develop and improve our services
- Remain strong in a difficult economic climate
- Respond effectively to NHS changes

We are fully committed to delivering our vision for 2020.

Our 2020 vision

Leading Cancer Care

We will continue to lead the development of cancer treatment, research and education so that by 2020 we are recognised as one of the world's top five comprehensive cancer centres.

The Christie Experience

We will continue to ensure that patients can receive the Christie experience throughout their illness and wherever our services are provided.

Local and specialist care

We will provide high quality specialist care at our main site in south Manchester and wherever possible offer our specialist treatment closer to patients' homes.

Best outcomes

We will continue to offer the latest technology and develop new treatments for the future, making our data on outcomes of treatments available to the public.

Our position

Nationally we continue to see rising cancer incidence and increasing demand for cancer services caused by a number of factors including an ageing population, changes in lifestyle, technological advances in treatment and increased survivorship. Cancer Research UK estimates that over 1 in 3 people will develop some form of cancer over their lifetime. Locally the Greater Manchester commissioner-led Healthier Together programme challenges providers to improve the quality of services. We are working in partnership with other Greater Manchester cancer providers through the provider-led Manchester Cancer, a key part of an 'integrated cancer system' in Manchester. We are an active participant in the Provider Board responsible for supporting the Vision for Cancer Services to make Manchester one of the top five Integrated Cancer Systems in the world and securing world class outcomes for patients so that by 2020 more than 70% of newly diagnosed patients live for more than 5 years.

Meeting these national and local challenges comes within the current economic climate nationally and in particular the £20 billion NHS efficiency requirements, the impact of national tariffs for radiotherapy and chemotherapy and the changing arrangements for commissioning services.

We have a strong track record of working with commissioners to meet national policies and local commissioning intentions. Local drivers to meet increasing demands for services through expanded capacity have been met along with increasing local access for radiotherapy services with the opening of two satellite radiotherapy centres. This will continue with the increased access to local provision of chemotherapy services over the coming three years. The changes to commissioning arrangements mean that all of our NHS contracted income will now be held through NHS England whilst Clinical Commissioning Groups will take an increasing role in the commissioning of our services. We will continue to engage with CCGs so that local views can be taken in to account in the development of our services and will monitor the development of Any Qualified Provider services.

Given the efficiency challenges set by QIPP we will continue to seek to identify potential alternative income streams through research, education and commercial opportunities, nationally and internationally, building on our success. In partnership with the University of Manchester and other local universities we deliver our research and educational programmes and we continue to play a fundamental role in the Manchester Academic Sciences Centre (MAHSC).

Our strategy

In response to national and local challenges, and in order to meet our 2020 vision, we have developed eight corporate objectives.

1. To demonstrate excellent and equitable clinical outcomes and patient safety, patient experience and clinical effectiveness.
2. To be an international leader in research and innovation which leads to direct patient benefits.
3. To be an international leader in professional and public education for cancer care.
4. To integrate our clinical, research and educational activities as an internationally recognised and leading comprehensive cancer centre.
5. To provide leadership within the local network of cancer care.
6. To maintain excellent operational and financial performance.
7. To be an excellent place to work and attract the best staff.
8. To play our part in the community.

Our plans have been developed to deliver our 2020 vision which was formed through the views and contributions of over 2,500 local, regional and national stakeholders. Our integrated planning process combines strategic, annual and resource planning at divisional level and is shaped at board of director level to form the corporate and annual objectives. Plans are shared and debated with our Governors through the Development and Sustainability Committee and with our commissioners. Our plans are underpinned by our focus on patient care and quality services with an agreed set of principles and behaviours for all staff.

Our developments

Radiotherapy

We provide all NHS radiotherapy for patients within the Greater Manchester and Cheshire Cancer Network. We have met year on year increases in demand through our expansion in capacity and will continue to review demand and capacity whilst we undertake a major linear accelerator replacement programme over the next three years. Having improved local access through opening two satellite centres our focus is on continuing to improve outcomes and productivity through access to the latest treatments including VMAT, further expanding IMRT and our MR strategy. The stereotactic radiotherapy service provided in partnership with Salford Royal Foundation Trust continues to develop. Our new Pulse Dose Rate radiotherapy and radionuclide therapy facilities opening in 2013/14 will enable the development of supraregional services. We continue to develop our plans for a national proton therapy service.

Chemotherapy and non-solid tumours

As a major provider of chemotherapy across the network we have expanded capacity to meet year on year increases in demand and access to trials in the world's largest early phase trials research facility. Moving forward our focus is on ensuring that chemotherapy is delivered as locally to the patient as possible through a network of local health facilities including a mobile chemotherapy unit. By 2014/15 we plan to increase the availability of local treatment to 80% of suitable treatments. As the Principle Treatment Centre for Teenage and Young Adults with cancer we are developing a new combined unit together with the Haematological Transplant Unit and building our outreach service in partnership with Macmillan to provide state of the art facilities and localized support. The new service will be available in 2014.

Acute oncology

Commissioners have set out their intention to develop the prime vendor model for acute oncology. Progress continues to be made to implement the model with two local hospital services in place and two further in development. The Christie hotline continues to be developed as part of a three-year CQUIN with plans to expand to a network-wide service subject to funding agreement with commissioners.

Surgery

The commissioner-led Healthier Together programme has specified its requirements for the provision of specialized surgery to enable IOG compliance and world class outcomes. Through the Greater Manchester provider board we have submitted a bid in response to this specification together with our partners. Our Integrated Procedures Unit will support the change in provision of specialized surgery and enable the move to more ambulatory treatments.

Clinical and non-clinical supporting services

We continue to invest in world leading clinical support services, through partnerships where appropriate. The implementation plan for critical care is in place. Demand for PET-CT continues to increase significantly and plans to invest in a further scanner are progressing. The Electronic Patient Record business case will be implemented during the following three years with the replacement Patient Administration System scheduled for 2014.

Research

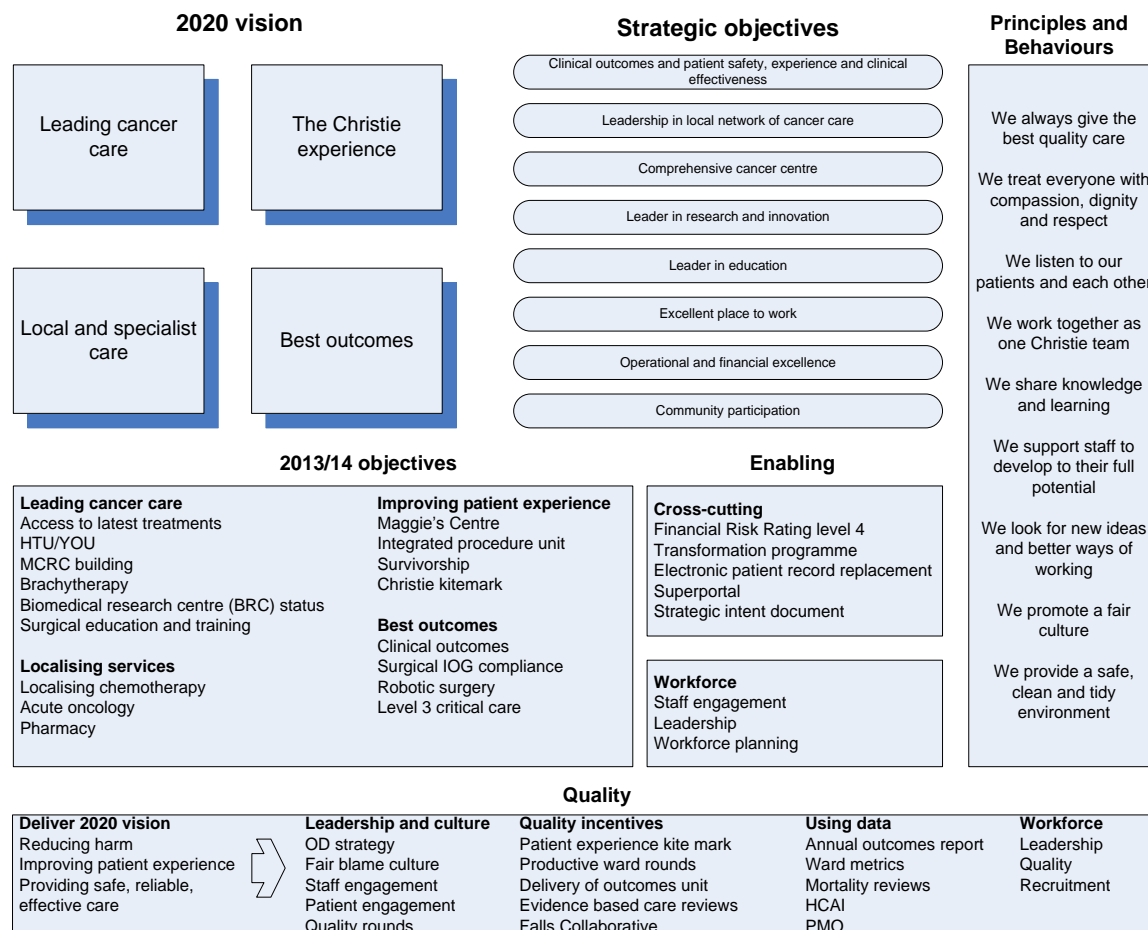
Together with the University of Manchester and Manchester Cancer Research Centre (MCRC) our investment plan to increase academic posts in support of our Bio-medical Research Centre bid will have a phased implementation across the next three to four years. The MCRC building will be completed in 2014.

Education

The School of Oncology continues to expand in line with its strategy through a range of programmes. Having opened its new building it will be further developed through the implementation of an academic nurse post.

Together these plans have been formed to deliver the 2020 vision developed with our stakeholders and taking in to account commissioner intentions. Our strategy is underpinned by quality with a focus on improving patient care at all times.

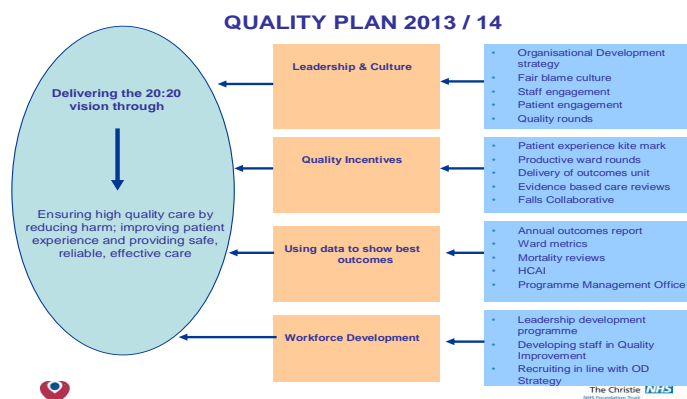
Overview



3. Approach taken to quality

Our quality strategy

The Trust's vision clearly sets out our focus on patients and in particular the quality of service that we provide. With a track record of consistently delivering high quality services our Clinical Quality Strategy has been developed to deliver the 2020 vision and sets out priorities in three key areas of patient safety, effectiveness and experience as well as contributing to reducing inequalities in access to healthcare.



The patient safety, patient experience and clinical and research effectiveness committees are now embedded within the risk management structure of the Trust. This has enabled the trust to ensure that the outcomes set out in the Care Quality Commission Essential Standards of Quality and Safety, the NHS Litigation Authority risk management standards and the Monitor Quality Governance Framework are achieved. Going forward into 2013/14 the three committees will focus not only on the standard business but also on a number of key priorities:

- For the Patient Safety Committee these are the scrutiny and response to safety alerts specific to the business of the trust, ensuring and monitoring compliance. Also the development of a trust wide database to monitor competency to take consent for specific treatments and procedures, to further enhance the current system.
- For the Patient Experience Committee priorities are the development of patient focus groups in order to gather patient opinion on current issues and new initiatives, the delivery of an annual conference and the implementation of customer care training to support staff in providing the best patient care possible.
- For the Clinical Research and Effectiveness committee priorities include the scrutiny and response to NICE guidance specific to the business of the trust, ensuring and monitoring compliance. In addition the continued development and management of the extensive clinical audit plan based on the clinical audit strategy.

Our external quality assurance

The Trust successfully achieved level 3 of the NHSLA Risk Management Standards in December 2012 scoring 49 out of a possible 50. The published report stated *'an extremely thorough and well executed approach was demonstrated by the organisation both in terms of risk management and the assessment process, resulting in a well deserved Level 3 award'*.

In January 2012 the Trust underwent a CQC unannounced visit. The inspectors reviewed eight outcomes to assess how the organisation is meeting the essential standards of quality and safety.

Outcome 1	Respecting and involving people who use services	✓	Met this standard
Outcome 2	Consent to care and treatment	✓	Met this standard
Outcome 4	Care and welfare of people who use services	✓	Met this standard
Outcome 6	Co-operating with other providers	✓	Met this standard
Outcome 7	Safeguarding people who use services from abuse	✓	Met this standard
Outcome 13	Staffing	✓	Met this standard
Outcome 14	Supporting workers	✓	Met this standard
Outcome 17	Complaints	✓	Met this standard

The formal report noted compliance against all 8 outcomes with **no actions** required.

Following the final report into the care provided by Mid Staffordshire NHS Foundation Trust published in February 2013 a thorough review of recommendations by clinical and managerial leaders has taken place resulting in an action plan being developed to implement twelve recommendations. For each of the actions an executive level responsible officer has been identified and they will be accountable for delivery of their element of the plan. The Board will receive progress reports on a six monthly basis until all actions are managed to closure.

We continue to engage with patients and staff on a regular basis to ensure that we understand their views on our services. Many staff have participated in discussion sessions to comment on the Francis Report and in particular creating the right culture and putting patients first. All suggestions have been acted upon and reported back to the wider organisation through 'You said...We did' sessions. This approach will continue to be piloted and evaluated moving forward.

Board of Director assurance

The Board of Directors receives assurance of achievement against the quality objectives through a number of Board subcommittees Management Board (operational assurance), the Audit Committee and the Quality Assurance Committee. At these meetings the requirements of the Care Quality Commission essential standards and Monitor's Quality Assurance Framework are rigorously tested and the evidence reviewed.

Holding directors to account for the delivery of the agreed quality agenda the Council of Governors are fundamental in testing the quality of the organisation to gain assurance. Through their quality committee Governors request evidence of achievement of the quality targets and annually identify a target that they own. The other quality priority areas are described in our Quality Accounts.

Our strategy also includes a wide array of internal and external assurance and reporting including clinical audit, confidential enquiries, clinical research and Care Quality Commission reviews. The Trust uses an approach of 'True for Us' reviews that allows the undertaking of a gap analysis of the recommendations to ensure that we are learning the lessons from other organisations or able to give assurance that it could not happen.

We are strongly committed to the ongoing development and publication of our clinical outcomes and the effectiveness of our care. For 2013/14 we have invested in a clinical outcomes unit that will, within the coming three years, provide mature disease group wide clinical outcome reporting services. This is in addition to our ongoing commitment to publishing data on quality through our monthly integrated quality and performance report under each of three domains of the Clinical Quality Strategy.

The Trust has maintained its excellent performance on healthcare associated infections. We are now in year two of our three year approach for real change in quality improvement through the developmental of stretch targets on locally agreed CQUINs achieved through close working with our lead commissioner along with delivering quality improvement for other CQUIN priorities. We continue to be committed to improvements in electronic clinical correspondence and the delivery of real time patient treatment and outcome communication with general practitioners.

In addition a series of quality monitoring tools are under development which will enable real time quality monitoring of care. The tools align to the fundamentals of patient care, based on the standards set by CQC, NICE, Essence of Care and the current clinical evidence base. They are designed around the domains of the patient experience of care, observation of care delivery, documentation of care and staff experience of care provision for use by all disciplines, grades and roles of staff to both monitor the quality of care provided and identify areas for focused sustainable quality improvement projects. Over 2013/14 these tools will be further enhanced to include a quality scoring matrix providing statistical data on the quality of care provided. This data together with the well established internal and national patient and staff surveys and more recent initiatives such as the friends and family test will provide a wealth of information to enable us to better understand The Christie from the patients' perspective.

4. Clinical Strategy

Our clinical strategy

As a Comprehensive Cancer Centre our whole focus is on delivering the best possible outcomes for patients through the ongoing development of our cancer services. This will be delivered through our 2020 vision. We continue to strengthen our research and education portfolio as part of our Comprehensive Cancer Centre status and together with our partners are investing in a significant increase in our clinical academic posts over the following 3-4 years. Within our cancer services the clinical strategy for each service is set out below. As a major deliverer of cancer care in the UK we have substantial critical mass in our clinical service delivery to ensure the sustainability of high quality services and sub-specialisation. We continue to review all of our service delivery areas to ensure that effective ways of working are in place including considering alternative means of delivery where this is thought to offer improved benefits.

Radiotherapy

We continue to develop access to the latest radiotherapy techniques in order to improve outcomes, including the introduction of a national service for proton therapy. We have a strong commitment to the undergraduate and postgraduate education and training of staff ensuring the capability to deliver highly specialized services. For proton therapy in particular there will be a comprehensive programme of education established for clinical oncologists, radiographers and physicists in order to meet the requirements of the service and flexible working to meet the needs of an extended day of treatment. We continue to consolidate working across three radiotherapy delivery sites and will monitor the demand for a fourth centre.

Chemotherapy and non-solid tumours

Having improved access to trials through the development of the Oak Road Treatment Centre offering the world's largest early phase trials unit our focus moving forward is on localizing access to chemotherapy. Whilst our medical oncologists already work across many sites the planned increase in volume of service delivered away from the main site, and in particular the introduction of a mobile chemotherapy unit, will require ongoing training for staff. We are the Principle Treatment Centre for Teenage and Young Adults Oncology for Greater Manchester, Cheshire and Lancashire which enables us to offer patients access to specialized services alongside outreach working. Plans to combine services with Haematology in the new integrated service and building will enable both services to benefit from cross-cover arrangements. Haematology continues to focus on increasingly specialized treatments for patients along with ambulatory care.

Surgery

We continue to offer the latest techniques in surgery and focus on becoming a training centre for robotic surgery. The introduction of an Integrated Procedures Unit will consolidate best practice within a combined service offering patients a one-stop service and providing cross-cover arrangements. With the clinical skills, facilities and partners in place to deliver a consolidated service we await the outcome of commissioner focus on centralizing specialized surgery in order to achieve IOG compliance as part of the Healthier Together programme. An independent review of surgical services also found evidence of excellent clinical outcomes and no risk to patients.

Clinical supporting services

Following a trust-requested review by the Faculty of Intensive Care Medicine to assess our current critical care service and to evaluate the potential to deliver level 3 intensive care in the future formal support was received by the faculty report for critical care services and the trusts development plans to reduce critical care transfers by establishing our own level 3 service. The report made some

recommendations which were accepted by the Trust board and a detailed action plan is being implemented. In pharmacy we are consolidating the introduction of our third party dispenser established after a comprehensive procurement exercise. This will offer the opportunity to develop further offsite working to benefit patients and further increase expertise for inpatient dispensing. We are exploring options for supporting world class cancer services through different solutions to pathology delivery to improve quality and capacity. As part of the proposed outpatient development we are actively reviewing the working processes used within outpatients to ensure that they are as effective as possible in meeting the needs of patients and staff.

Non-clinical supporting services

Investment in a new Electronic Patient Record system will facilitate the availability of outcome data to support the new Clinical Outcomes Unit with a strong focus on measuring the impact of our treatments and interventions.

Clinical workforce

In addition to the areas listed above we have a number of cross-cutting clinical and non-clinical workforce strategies in place to support the ongoing development of staff and ensure that services can be delivered as effectively as possible. Building on our medical revalidation external assurance we will develop a process for combining University performance reviews with NHS appraisal for academic clinicians agreed moving forward. An active system to monitor, report and support appraisal is in place. This ensures that appraisals are held within year and outputs finalised within expected timescales; any outstanding appraisals are chased and escalated. All doctors are undergoing regular annual appraisal.

We continue to strengthen our nursing workforce with a proposal to invest in a Professor of Academic Nursing jointly with the University of Manchester. We have undertaken a senior nurse ward review, ward sister development programme and review of the Matron role. We will fully participate in the implications of the nationally-led Cavendish Review to ensure that training and support for healthcare assistants is optimised. Whilst the review takes place we will review locally our training and education for this important group of staff and consolidate and strengthen where needed to ensure that patients can receive the best care possible.

Service Line Management

To support our strategy we have a comprehensive Service Line Management approach developed over the last 3 years.

We have advanced a number of projects to support the SLM strategy which includes the use of a patient management frameworks (PMFs) concept to provide a consistent approach to patient care, reduce clinical variation and improve patient experience within and between care settings. We have developed a Directory of Care (DOC) for each disease group; the directory consists of written standard care protocols for each treatment regimen to ensure a consistent approach for all clinicians. The importance of DOC is to improve the quality of care and patient experience by documenting in one central location the pathway expected and the various options a patient may be presented with depending on their specific diagnosis and treatment plan. In addition we have an ambitious plan which will link clinical outcomes and Patient Level Costing and Information System (PLICS) data demonstrating links between cost and improved patient outcomes to better inform decisions about service investments and changes.

PLICS has been a story of success over the last 12 months and our ambitions are stretching further throughout 2013-14. We have concentrated through a “back to basics” approach on assurances around the accuracy and validity of our data. This has been achieved through a combination of

internal and external data scrutiny audits (carried out by our internal auditors and external consultants) and benchmarking with other provider organisations. We have been a member of the Patient Cost Benchmarking (PCB) Group since its creation in 2010 allowing direct comparison of our service, patient and Healthcare Resource Group (HRG) costings. This has not only allowed us to challenge our internal costs base but has created a stakeholder network that fosters openness, transparency and supported critique to improve nationally the quality of costing information. We have used this benchmarking analysis to inform a number of business cases and have presented nationally and had articles published on the findings. Service Line Reporting (SLR) and PLICS data is now a corporate requirement for all business cases which is an acknowledgement that the organisation recognises the importance of sound costing in business development.

This culminated in being awarded the 2012 Healthcare Financial Management Association (HfMA) award for Costing which recognised our dedication to improving costing and embedding best practice within the organisation through strong clinical engagement and leadership.

This particular work stream has also created opportunities for us to work closely with colleagues from London on Project Diamond. This project involved 10 large acute trusts working together to demonstrate where national PbR tariff did not compensate the costs of complex and specialist treatment delivery. We have subsequently developed a Christie specific analysis using comparative data from 3 other trusts. This analysis has been shared with commissioners, colleagues at Monitor and the Department of Health and makes recommendations on where tariff should be improved in the future. This particular line of work will be developed further throughout the coming years and will focus on analysis at service line to help inform Clinical Reference Groups (CRGs), NHS England and Monitor in their decision making.

5. Productivity and efficiency

Our approach to delivering productivity and efficiency

We have a strong track record of delivering efficiency programmes, achieving £18m recurrent savings over the last three financial years (ending 2012/13). Our success has been based on a number of differing approaches to delivery including divisional, cross divisional and transformational schemes.

In 2012/13 we implemented a programme management approach to delivery of the efficiency programmes. The Programme management office was established with a focus in year and the long term planning of efficiency programmes. For 2013/14, the structures of the transformation programme have been reviewed and strengthened. Four key work streams have emerged that will capture the benefits from implementing a new electronic patient record as well as building on the successes of 2012/13 transformational schemes. The four work streams will be led by a senior clinician and be supported managerially by a General Manager. Each work stream will report through to the transformation board that is now a sub group of the Management Board and is chaired by the Deputy Chief Executive/Chief Operating Officer. As well as the four core work streams there are individual divisional schemes.

The successful redesign of our pharmacy dispensing service in 2012/13 delivered significant savings and it is anticipated that further savings could be realised through this approach. This new service model has also delivered improvements in the quality of service in terms of waiting times for outpatient prescriptions. The review of pathology services is a scheme that has carried over into the 2013/14 where the bidding suppliers have been asked to demonstrate how they will produce both efficiency savings in the first year and improvements in service provision.

There are five key work streams each with various themed projects. These work streams have been established to manage, develop and release saving over the next 3 years in line with the procurement of a new electronic patient record.

Efficient Hospital includes projects such as live data capture, paperless working, and space utilisation. This work stream will also monitor divisional productivity gains. Initial savings in 13/14 will be in developing the patient pathways to enable the redesign of processes. In 14/15 we will be looking to release the savings associated with changes in processes and in 15/16 we will be looking at releasing the benefits from paperless working.

Eliminating Waste is focusing on the theatre utilisation programme of work which links in with the procurement of a new electronic theatre system. The theatre project has agreed targets for 13/14 and is looking at further opportunities over the next two years.

Other theme projects include bed utilisation, length of stay, the use of the admissions/discharge lounge and outpatient utilisation.

Key longer term projects under this work stream are benefits from redesigning the outpatient facilities and patient's flow where the focus is from saving to be released in 14/16-15/16. Plans are under development to integrate the day case/procedure facilities the timescale for these benefits is 15/16.

Workforce will be implementing the efficiencies from the nationally agreed changes in Agenda for Change terms and conditions, implementing the agreed job planning policy, eliminating the use of agency staff and reprofiling of roles across the patient pathway.

Phase 1 of non ward nurse review of a proportion of the clinical area has commenced targeting 2% savings in 13/14 and 6% savings in 14/15. Phase 2 and 3 will look to release saving in future years. As part of this review the expansion of nursing and allied health professionals into medical workflow is being explored and with the aim to create savings from 2016.

Procurement will focus on the key theme of all non-pay budgets, reviewing top ten spends and volumes to maximise the bargaining powers through the procurement hub. Anticipated savings have been identified through the tendering of contracts including uniforms and mobile phones. Drugs saving will also be monitored through this group.

This group is looking at framework agreements specifically around capital replacement programmes to maximize benefits in the long term.

Divisional project themes are from within the divisions and will be managed purely through divisions with support where necessary from the PMO. Themes include energy saving schemes and opportunities to maximise income potential. The corporate departments have agreed a stretch target for 2013/14.

CIP governance

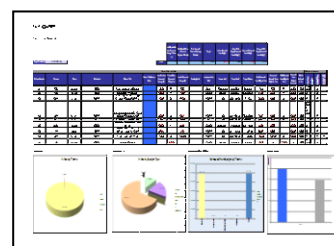
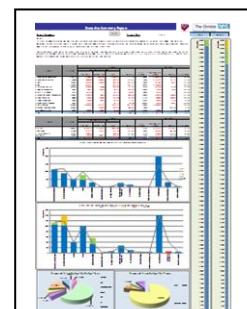
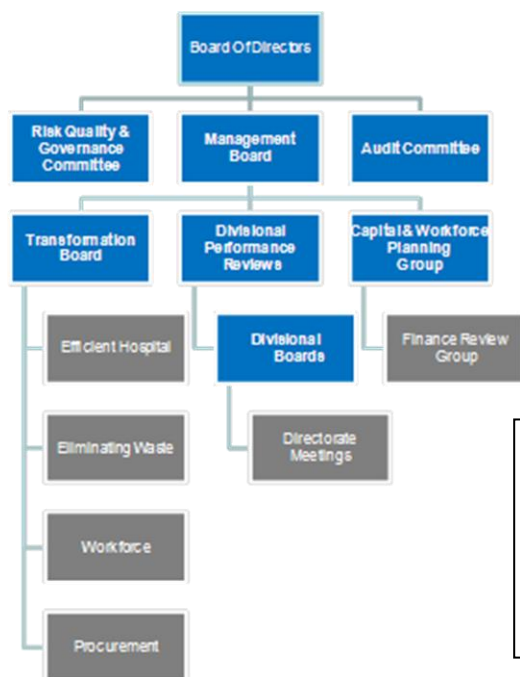
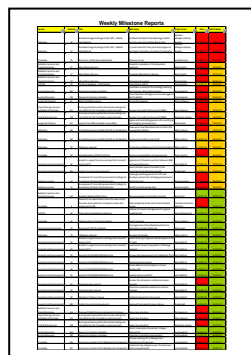
Delivery of the Cost Improvement Programme (CIP) is the responsibility of each divisional manager, with board accountability held by the Deputy Chief Executive/Chief Operating Officer.

The Programme Management Office (PMO) was established in 2012 to co-ordinate the delivery of CIP, working alongside divisional managers and clinical leads. The PMO integrates with the current trust governance structure to provide overall direction and oversees the day-to-day running of the programme. Working closely with project leads the PMO ensures the creation of project initiation documentation, quality impact assessments and the delivery of work plans.

The programme management office receives updates on a regular basis from scheme leads in order to track progress and identify at an early stage if an individual scheme is off track or is un-realistic.

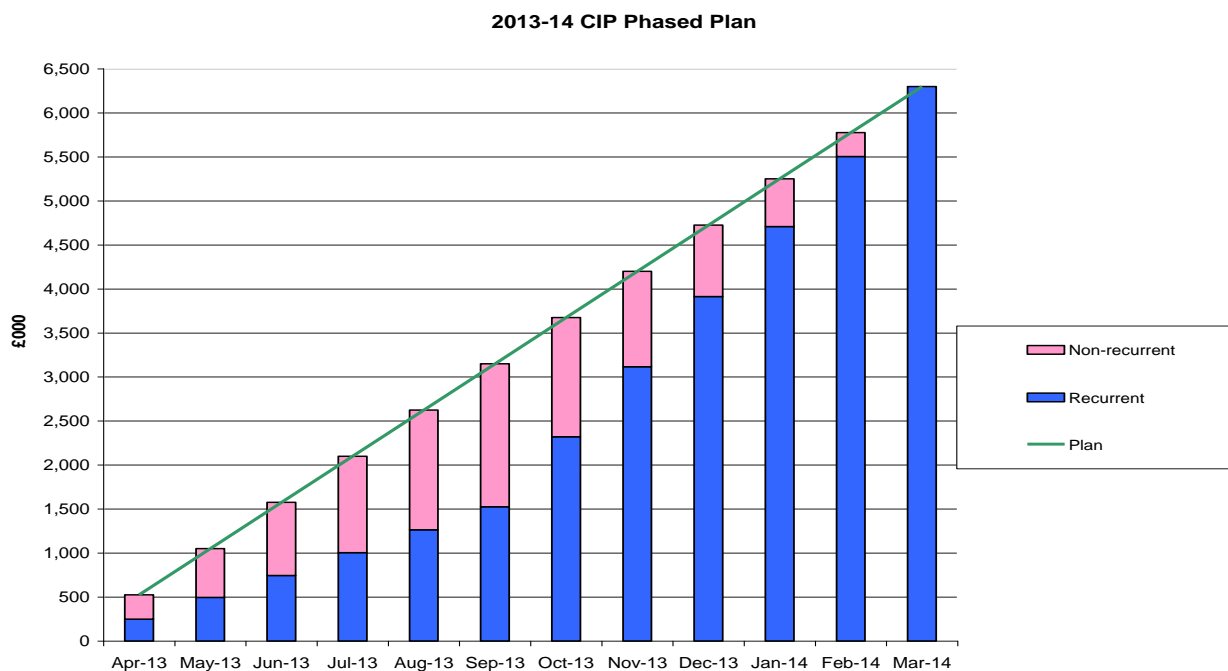
A suite of reports and dashboards have been established to report to the relevant governance groups across the Trust and a formal transformational board has been formed accountable to Management Board where progress will be monitored and mitigation plans agreed where necessary.

The table below illustrates the governance of the CIP delivery.



CIP profile

Whilst the plan for CIP delivery is phased evenly across the financial year, the timing of recurrent schemes is weighted towards the second half of the financial year. The recurrent CIP is anticipated to be achieved in full in the financial year with any variance during the year between plan and achieved CIP being met through non-recurrent mitigation through the use of reserves. The graph below outlines the phased CIP plan.



CIP enablers

Each of the work streams have a named clinical leader supported by a general manager. All schemes are only accepted once the quality impact assessments have been completed. These assessments require sign off by the clinical leads, clinical directors and are approved by the Medical Director and the Executive Director of Nursing and Quality. Representation on the work stream groups is across all professional groups.

Clinical leads are core members of the transformational board.

Each work stream is supported by finance, human resources and informatics. There is project management and change management team are shared across the work streams.

Quality Impact of CIPs

Our CIP approach is defined in our document – Transformation programme: governance structure and approach 23 Feb 2012. The programme approach has a seven step process:



Building on our successful past experience clinical involvement and engagement is required in all schemes. In particular a named consultant is required to under take a Quality Impact Assessment of all proposals as part of the Project Initiation Documentation.

All cost improvement proposals are approved through the various sub group of the Transformation Board, divisional boards and reported monthly through to management board.

The Executive Medical Director and Executive Director of Nursing and Quality have board responsibility for signing off all CIP schemes and ensuring they have a neutral or positive impact on quality, after relevant mitigation.

Assurance on the CIP process will be provided through the audit committee and the risk and quality governance committee. Each division will need to assess the risk of schemes and their quality markers with formal review against key quality indicators quarterly.

We have retained our spend to save reserve for pump priming resources to deliver schemes , bids for funding will be reviewed by the Transformational Board and approved by Management Board. We have also invested in a number of key staff that are trained change managers; the PMO office will coordinate support to each of the scheme leads.

6. Financial and Investment Strategy

Our financial and investment strategy

Our financial strategy is underpinned by a set of principle objectives:

- To achieve an upper quartile financial risk rating
- To achieve all quality national standards
- To achieve a green risk rating for governance
- To deliver the agreed CQUIN targets
- To comply with all other legal obligations
- To cover all relevant costs associated with the major business cases approved by the Board of Directors
- To deliver cost efficiencies that meet or exceed the targets set by the DH

The strategy is focused on continuing to ensure the financial stability of the organisation and delivering sufficient financial resource to support the strategic aims of the organisation whilst meeting all financial requirements.

Current Financial Position

We continue to deliver our financial plan, with 2012-13 financial results achieving a surplus of £8.7m, £4.3m above plan and generating an overall risk rating of 5. The improvement in position was due to early delivery of our efficiency programme, profit from the sale of property and investments, and management of funding from commissioners for acute oncology service across the financial years.

For the financial years 2013-16 we will be building on the successful performance of previous years and have developed a plan that will deliver planned surplus over the next three years, achieving an overall annual risk rating of 4. The planned surplus for 2013-14 is £12.872m, which includes £12.036m of charitably funded capital donations.

Key Financial Priorities and Investments

The key financial priorities and investments are summarised below which support, enable and mirror the overarching Trust strategy.

Income

Our financial plan shows clinical income increasing from £150.7m in 2012-13 to £157.0m in 2013-14, with total turnover increasing to £206.7m.

Clinical Income – contracted activity growth

From 1st April 2013, all services the Trust provides will be commissioned under one contract held by NHS England (NHSE). The Christie contract has over the past 4 years performed within a tolerance of +/-1.5% of contract value. This has been supported by a set of overarching principles, where the commissioner and provider work together to share the risk and reward resultant from a sometimes volatile pricing mechanism. In addition we have offered contract tolerances that protect commissioners against over-performance and manage demand whilst maintaining excellent performance in all quality metrics and contractual indicators.

NHSE are aware of our history of planning for realistic activity levels and our focus on delivering Quality, Innovation, Productivity and Prevention (QIPP) schemes to manage the growth to affordable levels, and it is on this basis we have reached agreement for the 2013-14 contract which was signed on the 26th April 2013.

The clinical income contained within our plan includes:

- 2012-13 levels of activity; including a sustained plan for radiotherapy
- Growth in activity based on historical trend analysis for:
 - Chemotherapy
 - PET CT
 - Pseudomyxoma

For 2014-15 and 2015-16, no growth has been assumed.

Clinical income – price inflation

There have been significant changes to the tariff structure and pricing for 2013-14, which now includes mandated national tariffs for chemotherapy delivery, radiotherapy planning and delivery, as well as the unbundling of treatments such as radiology outpatient scans. The consequence of which is that a significant element of our local pricing arrangements have ceased, and therefore PbR rules now apply. We have worked closely with the National Cancer Action Team's (NCAT) National Radiotherapy Advisory Group (NRAG) and the PbR Teams to influence the new tariffs and ensure a smooth transition from local to national.

As the majority of activity is now under PbR (91%), the actual net impact of the price deflator is 0.10%. Relevant local prices have been deflated by 1.3% in line with National Commissioning Board's planning framework "Everyone Counts: Planning for Patients 2013-14". For 2014-15 and 2015-16, 2% deflation has been assumed.

CQUIN

We will also receive funding for the commissioning of quality and innovation (CQUIN), which remains in line with last year's plan. This is equivalent to 2.5% of contract income and equates to a value of £3.57m. Due to the changes in commissioning arrangements, the number of CQUINs has reduced and they are now more relevant to the specialist nature of our services.

Non-clinical income

Income from The Christie Clinic (TCC) is included within the plan in line with the legal agreements and includes estimates for income from the service level agreements. No assumptions have been made regarding additional distributions from The Christie Clinic based on the TCCs current and planned trading position. Other income streams such as education, research and CMPE are included in line with contract terms.

Expenditure

The Trust's Financial Plan sets out the forecast increases in expenditure required to deliver the agreed activity targets after taking account of service development, pay and price inflation, and the cost of compliance with national targets and core standards. In setting the expenditure budget the following assumptions have been made:

- Pay awards are assumed at 1% in 2013-14, with increases of 1.5% in the subsequent 2 financial years.
- £1m per annum for incremental drift has been determined to reflect staff's progression through the pay scales.
- An allowance of 2.75% is included in 2013-14 for both general non pay and drugs inflation, with increases of 1.5% in the subsequent 2 financial years.

- An allowance has been made for additional inflationary and budget pressures regarding energy prices, carbon reduction scheme, the establishment of a Clinical Outcomes Unit, HPA and HMDS testing.

Asset values and capital charges

The cost of capital associated with recent and planned capital developments, as well as the operational capital programme, has been factored into the plan. The dividend payment has been estimated in line with the anticipated balance sheet of the Trust averaged across the financial year.

Cost Improvement

The impact of efficiency targets for public services, together with the increased cost of capital associated with approved capital schemes, necessitates the cost improvement target being set at £6.3m (4.1% of operating expenditure in line with DH targets).

Further to the successful delivery of the 2012-13 recurrent CIP target whilst maintaining quality through the Programme Management Office (PMO), this approach will continue in 2013-14, with the PMO co-ordinating the delivery of CIP, working alongside divisional managers and clinical leads. Whilst it is acknowledged that the savings target is challenging, managers are currently developing plans for both divisional and trust wide projects,

Monitor financial risk rating

The financial plan retains the Trust's financial risk rating (FRR) at 4 based on current methodology against the 5 point scale. Using the new proposed Risk Assessment Framework we would achieve a rating of 4 out of a 4 point scale.

Investments

To support the financial strategy, the Trust has developed a Strategic Development Framework for capital projects. The framework has been prepared in conjunction with Manchester City Council and builds on the existing site rationalisation principles established by the Trust, providing a structure for planning future developments on site. Using the Strategic Development Framework and the capital funding principles approved by the Board of Directors which require the financing of the capital developments to be contained within 80% of cash available, we have developed a three year capital investment programme which contains a number of strategic, operational and national schemes including:

- Integrated Haematology Transplant and Young Oncology unit
- Replacement EPR system
- Car parking solution
- Reorganisation of outpatients
- Integrated outpatient procedures unit
- Investment in the Manchester Cancer Research Centre
- Proton Beam Therapy

Key risks

The trust proactively manages known financial risks in order to minimise the likelihood and consequence. Key areas for 2013-14 include:

Risk	Potential impact	Like-lihood	Mitigating action	Residual risk
Failure to deliver cost improvement programme	5	3	<ul style="list-style-type: none">• Programme office established to work across clinical and corporate divisions to oversee cross-divisional efficiency projects• Detailed plans for 2013-14• Performance monitoring regime• Historic achievement	6
Changes in national funding for education and research	4	4	<ul style="list-style-type: none">• Seek additional funding streams and match research and education growth to secured funding• Manage cost base within available funding• Develop partnerships	8
Risk of income loss through local pricing agreements as a consequence of the move to PbR and tariff standardisation	4	3	<ul style="list-style-type: none">• Working with Monitor, HfMA and other trusts to influence tariff development for 2014-15 onwards• All local pricing backed up by accurate costing data via the Trust's PLICs system• Contract for 2013-14 agreed and signed	9
Controlling drug expenditure within available resources	5	2	<ul style="list-style-type: none">• Drug management committee• Introduction of electronic prescribing	5
Financial penalties contained with national contract	4	2	<ul style="list-style-type: none">• Detailed performance reporting systems	4