

The Clatterbridge Cancer Centre   
NHS Foundation Trust

**Strategic Plan Document for 2013-14**

**The Clatterbridge Cancer Centre NHS Foundation Trust**

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

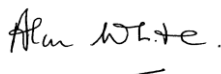
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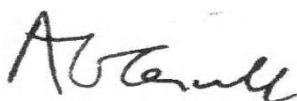
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<p><b>Executive Summary</b></p>	<p>The Trust's vision is to provide the best cancer care to the people we serve. Our core purpose is to improve health and wellbeing through compassionate, safe and effective cancer care.</p> <p>The Clatterbridge Cancer Centre (formerly Clatterbridge Centre for Oncology) was licensed as a NHS Foundation Trust from 1<sup>st</sup> August 2006. It is the only NHS cancer centre in England dedicated solely to the provision of radiotherapy and chemotherapy to patients with cancer.</p> <p>This strategic plan sets out the Trust's direction of travel to deliver against its vision through continual quality improvement, investment in its services and good financial management.</p> <p><b>Key Financial data</b></p> <p>The NHS is going through an unprecedented period of change with the continuing challenge of an ageing population with increasing health needs and demands on the system. At a time when public sector finances and the wider economy continues to be under significant financial pressure, this increasing demand is presenting the NHS with unprecedented financial challenges.</p> <p>The Trust is fortunate that it continues to face these challenges from a position of strength with a solid financial position and a reputation for providing high quality clinical services. However the Trust, in common with other hospital trusts, will continue to face difficult times in the next 3 years due to the continued ongoing level of additional efficiency savings that will be required year on year twinned with the need to maintain and improve the high levels of quality and care the Trust provides. Running parallel to this is the changing and increasingly complicated commissioning landscape for specialist services, including the introduction and impact of mandatory tariffs for chemotherapy delivery and external beam radiotherapy in 2013-14.</p> <p>The Trust's financial strategy will continue to be based on the following two overarching financial parameters:-</p> <p><b>(1)</b>Maintaining a Financial Risk rating of at least 3 as defined by the current Monitor Compliance Framework</p> <p><b>(2)</b>Achieving a yearly surplus that delivers a normalised minimum surplus of £1m p.a.</p> <p>The Trust is committed to providing the best cancer care to the people it serves, delivering excellence in cancer treatments and patient care. The proposed development of a new Cancer Centre in Liverpool in 2018/19 will enable us to further transform cancer services for our patients. In setting the Financial Plan the Trust is mindful of the need to ensure the Trust remains an outstanding Cancer Centre and ensures its future financial sustainability whilst embracing the challenges and opportunities it faces. Key to this is strong strategic and business planning which is priority based and delivers the necessary "financial headroom" to grow and invest in new service developments.</p> <p>The table below indicates the forecasted surpluses and estimated risk ratings based on the 2013/14 budget and the Trust's plans for 2014/15 and 2015/16.</p>
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## Strategic Context and Direction

	2013/14	2014/15	2015/16
	£m	£m	£m
Forecast EBITDA	9.74	8.53	8.81
Forecast I&E Surplus	5.26	4.22	4.08
Forecast Cash Balance at Year End	53.46	61.62	28.13
<b>Forecast Weighted Financial Risk Rating (FRR)</b>	<b>4.75</b>	<b>4.5</b>	<b>4.5</b>

Based on a projected turnover of over £97.7m the Trust is forecasting underlying revenue surpluses of £5.3m in 2013/14, £4.2m in 2014/15 and £4.1m in 2015/16. The Trust expects to maintain a Monitor financial risk rating of at least a 'strong' 4 over the next 3 year planning period and a strong 4 based on Monitor's proposed new risk ratings

### Trust's strategic position within the local health economy

The Clatterbridge Cancer Centre (CCC) is the provider of nonsurgical oncology (chemotherapy and radiotherapy services) for the population of Merseyside and Cheshire and the Isle of Man.

CCC is one of the largest networked cancer centres in the UK – registering over 7,700 new patients each year and providing more than 138,000 attendances for treatment. We serve a population of 2.3 million in Merseyside, Cheshire and the Isle of Man.

We employ over 860 staff and volunteers and spend approximately £88m per year on all aspects of cancer treatment, diagnosis and care.

The hub of the cancer centre is located on the Clatterbridge Health Park in Bebington, Wirral. Within the centre we provide a range of radiotherapy (including proton beam therapy) and chemotherapy treatments in outpatient and inpatient settings. We also provide outpatient consultations, diagnostic imaging services and support services. The majority of outpatient and chemotherapy treatments are provided in District General and specialist Hospitals around the network serviced by the Trust. In addition the Trust has a satellite radiotherapy facility in North Liverpool and we provide the Acute Oncology medical service across the cancer network.

The treatment centre has undergone significant financial investment over the past five years and now hosts one of the best equipped radiotherapy centres in the UK including the recent acquisition of a Trubeam linear accelerator. The Trust has a dedicated specialist oncological radiology service with a range of modern imaging equipment. Research, including participation in national and international clinical trials, is an important feature of the cancer centre.

We are now progressing towards the most significant change the Trust has faced in our history. The Trust is committed to the development and implementation of plans for a major £110m capital investment in a world class cancer centre located in Liverpool in 2018. This is a once in a generation opportunity to design oncology services to ensure the people of Cheshire, Merseyside and beyond benefit from world class care that is of the highest possible quality. This will help us to play our part in overcoming the specific cancer challenges that face Cheshire and Merseyside e.g.:

- More than 5,500 people die each year from cancer in Cheshire and Merseyside
- The number of new cancer cases and the number of cancer deaths in this region are significantly higher than the national average (new cases of lung cancer in Cheshire and Merseyside are 15% and 23% higher than the national average for men and women respectively).
- The incidence of cancer is expected to rise significantly in the next few years.

Our proposals aim to achieve the following:

- Better care for the sickest patients by providing our inpatient beds adjacent to an acute hospital
- More opportunities for clinical collaboration
- Improved research capacity and opportunities
- Improved access to the services we provide for many patients.

### **Forecast health, demographic, and demand changes**

The activity growth rates agreed with commissioners are based on the following:

- Radiotherapy: 5.0%( based on national growth assumptions)
- Chemotherapy: 7% (based on 2012/13 growth above 2011/12 outturn)
- In-patients & Out-patients 6% and 5% respectively (based on 3 year average growth rates)

The forecasted growth rates used for financial planning purposes are slightly lower than those agreed with commissioners due to the transitional nature of 2013/14 and potential funding changes in future years.

### **Impact assessment of market share trends over the life of the plan**

CCC is currently the sole provider of non-surgical oncology within the Merseyside and Cheshire Cancer Network.

The Trust is continuing to actively raise its profile and promote its services and actively “listening and engaging” with GPs, CCGs and patients to understand the services they want, and how and where they want them delivered. We are also actively reviewing our market share and market intelligence on other non-surgical oncology providers.

Running parallel to this, the Trust is acutely conscious that whilst CCC is a high performing, financially sustainable Trust with an excellent reputation for its clinical services and care, the NHS and Commissioning landscape is changing quickly as are the needs of our patients with the challenges of longer life expectancy. As part of the cancer pathway CCC currently focuses on the provision of high quality radiotherapy and chemotherapy treatment and the management of cancer as a chronic disease with other co-morbidities. This presents both challenges and opportunities for CCC in considering the range of services, treatments and care it should be providing in the future. This is now even more important as CCC develops its business case for a £110m new Cancer Centre in Liverpool and ensures the services provided are future proof.

The Trust Board does not want to wait and see what the “system” determines but wants to be the author of its own destiny, review available options and determine a long term 10 year Business Strategy and clear strategic direction for CCC. Where appropriate these plans will be aligned with those of our commissioners. The Trust has already diversified into new service areas with the recent opening of its new Private Patient Clinic - The Clatterbridge Clinic - and has engaged consultants to work with the Trust to review, fundamentally challenge, assess current and emerging opportunities and assist the Trust to develop a revised sustainable long term strategy.

## **Threats and opportunities from changes in local commissioning intentions**

### **Commissioning intentions**

The Trust faces a range of challenges in relation to changes in commissioning intentions and possible future service delivery changes. These include:-

- (a) The changes to the commissioning landscape.
- (b) Further reductions in clinical activity due to the desire of Welsh commissioners to repatriate activity.
- (c) The impact of potential service delivery changes and requests for new services from commissioners
- (d) The introduction of national mandated tariffs for radiotherapy and chemotherapy.

All of these potential challenges if unmanaged could present a risk to our business model/financial stability. The Trust is very aware of these issues and continues to horizon scan both potential threats and opportunities whilst also reviewing market share and market intelligence on competitors so that it can anticipate and adapt future services and service delivery models.

With regard to the particular challenges listed above the following mitigating actions are already in place:

(a) Commissioning landscape – Throughout 2012/13 the Trust continued to work with PCT colleagues to maintain its strong relationships with its current commissioners. Towards the end for 2012/13 it became clearer that the commissioning of the bulk of our services would be transferred to Specialised Commissioning Groups from 2013/14. The Trust has a history of working in partnership with the Specialised Commissioning team and the transfer is considered be a positive move in the cohesive commissioning of cancer services.

(b) Welsh Activity – The Trust is working with Welsh commissioners to ensure that for its patients the most appropriate treatment is provided at the most appropriate location.

The Trust has received confirmation from the North Wales Cancer Network that the repatriation from CCC to Betsi Cadwaladr Health Board of tertiary cancer treatments for Welsh residents will be implemented in a phased way, based on specific tumour sites, through the latter half of 2012/13 and 2013/14.

The 2012/13 contract with North Wales had a value of £2.5m (of which £0.7m relates to named drugs) and represents approximately 4% of the Trust's radiotherapy and chemotherapy provision.

The Trust is working on detailed modelling of the impact of the repatriation on activity, capacity, income and costs. The financial plan has been based on the assumption that the contract value in 2013/14 will reduce from £2.5m to £ 1.5m and that the income lost will be offset by PbR gains and reductions in variable expenditure (e.g. drugs). In the medium to long term the growth in demand from English commissioners is expected to replace the Welsh activity.

(c) Tariff Changes – The national guidance is that 2013/14 is a year of transition for external beam radiotherapy and chemotherapy delivery, so the expectation is commissioners and providers have to move 'at least half way from local to national prices'. These new tariffs have been fully implemented as part of the 2013/14 contract agreed with commissioners.

The expansion in scope of the national tariffs planned for 2013/14 still excludes some significant areas of activity for the Trust which remain under local tariffs:

- All chemotherapy related drug costs
- Proton beam therapy
- Other non external beam and specialised forms of radiotherapy (e.g. Papillon, brachytherapy, stereotactic treatments).

The forecasted financial impact of these changes has been factored into the Trust's strategy

### **Trust's demand profile and activity mix**

The Trust has experienced continuing growth in demand for its services over a number of years and this is expected to continue for the foreseeable future as the incidence of cancer rises with the ageing population, as earlier detection rates increase opportunities for more treatments and technological advances continue (particularly with new drug therapies).

The table below summaries the year on year growth rates in chemotherapy and radiotherapy treatments over the last 3 years:

	<b>Chemotherapy</b>	<b>Radiotherapy</b>
2010/11 p.a.	3.8%	3.5%
2011/12 p.a.	13.7%	1.6%
2012/13 p.a.	7.9%	-2.5%
3 year average p.a.	9.1%	0.8%
2013/14 forecast	7.0%	5.0%
2014/15 forecast	5.0%	1.9%
2015/16 forecast	5.0%	1.9%

The table illustrates that although the trends are upwards, there is volatility between years (e.g. very high growth in chemotherapy in 2011/12 and reduction in radiotherapy in 2012/13). The Trust has therefore reduced the projected growth in chemotherapy below the 3 year average, as 2011/12 was considered an exceptional year. Similarly for radiotherapy the growth rates for year 2 and 3 (i.e. 2014/15 and 2015/16) have been adjusted upwards above the 3 year average as 2012/13 activity is considered exceptional. It is worth noting that, as noted above, the higher (5%) growth in 2013/14 is in keeping with national guidance, and has been used as the basis of agreements with commissioners. If this exceptional level of growth is not achieved the Trust is financially protected in year at least by having a 'block' contract, and this additional growth income has been committed non-recurrently in the Trust's financial plans for 2013/14.

### **Diversification of Income Streams**

#### **Private Patient Facility – Procurement of a Joint Venture partner**

In 2012/13 the Trust finalised its Joint Venture procurement to select a private sector partner for a new Private Patient facility, The Mater Private Hospital in Dublin, and established a 10 year Limited Liability Partnership and contract between the two organisations.

The Clatterbridge Clinic opened on 2<sup>nd</sup> April 2013.

#### **Subsidiary company**

Throughout 2012/13 the Trust has been developing and is currently considering proposals and a business case to establish a wholly owned Trust subsidiary company 'Pharma@CCC Ltd' which would deliver outpatient and home care pharmacy dispensing services. Over the long term the aim is to deliver intravenous chemotherapy to patients in their own homes using a joint venture arrangement between the subsidiary company and the Trust which will provide the nursing care to patients choosing to receive their treatment at home. This model takes the best from the NHS in high quality oncology dispensing clinical skills and practices and a deep knowledge base, but also from the commercial sector in driving through efficiency savings, seeking new revenue opportunities, focusing on the customer and exploiting innovative ideas.

#### **Research and Development**

As part of our strategic plan we aim to increase the number of pharmaceutical industry sponsored studies in our portfolio compared with 2012/13 and to increase the number of successful grant applications compared with 2012/13.

#### **Exploiting Intellectual Property rights (IPRs)**

The Trust is currently taking advice and looking to develop an IPR Policy to ensure it is exploiting all IPR and copy right opportunities relating to R&D trials and other original/novel developments.

#### **The role of the Clatterbridge Cancer Charity**

The Trust has its own Charity which has over the last 4 years grown considerably in size with an increase of 242% in funds raised over that period enabling the Trust to enhance care and treatment for its patients. The Charity and a targeted Charity Appeal will play a significant role in the Trust's future expansion plans to Liverpool.

#### **Collaboration, Integration and Patient Choice**

##### **Investment in Liverpool**

The Trust is committed to maintaining and enhancing the high quality of services that CCC currently provides, whilst improving access for patients. As part of the Trust's commitment to excellence and as a further expansion of its current services, the Trust is working with other health partners to create a comprehensive integrated Cancer Centre, co-located on the new Royal Liverpool site for the Merseyside and Cheshire Network, which brings together in partnership for the first time specialist NHS cancer services with the University of Liverpool and other research partners on a single acute campus.

Our plan is to achieve better care for the sickest patients by providing our inpatient beds adjacent to an acute hospital, greater clinical collaboration, improved research, and improved access for many patients.

#### **Chemotherapy in the Community**

Throughout 2013/14 the Trust will continue its pilot programme looking at different models of providing chemotherapy in the community (care closer to patients). The



	<p>emergent model will assess the clinical and financial sustainability of care provision in patients' homes, in local health centres and via a mobile unit. The model will be developed in collaboration and through partnerships with other providers where relevant.</p> <p><b>Development of partnerships and collaborations</b></p> <p>As part of the development of the Trust's long term Strategy, consideration will be given as to how the Trust can work more effectively and differently with partners to improve the cancer pathway, to reflect the changing needs of patients and to provide greater integration of treatment and care.</p> <p>The current service delivery model involves strong collaborative working through the cancer network multi-disciplinary teams and Clinical Network Groups as well as an integrated clinical service whereby we outpatient chemotherapy treatment clinics and consultations within District General and Specialist Trusts across the cancer network.</p>
<b>Approach taken to quality</b>	<p><b>How the Board derives assurance on the quality of its services and safeguards patient safety</b></p> <p>The Trust Board receives a quarterly quality report which includes the key quality metrics approved by the Board within the Quality Strategy. In addition the Board receives a quarterly infection control report.</p> <p>The Integrated Governance Board Committee receives detailed reports on the Trusts real time patient experience survey where all patients are given the opportunity to complete a survey at any point in their care and treatment. The survey questions were developed in conjunction with our Patients Council. From December 2012 the Trust implemented the new <i>Friends and Family Test</i> across all its inpatient wards and submits this information to the Trust Board.</p> <p>It is the Board's belief that it is the individuals behind the data that provide some of the richest insight into the care provided.</p> <p>The Quality Report includes a section which highlights patient stories regarding their specific experiences of the care they received. In 2011 the Trust commissioned an external agency to work with us to film patient stories. The Trust Board watches a patient story at the beginning of each Board meeting which encourages the Board to remain focused on the impact of its decisions on patients and to continually strive to improve quality. The Trust is has updated its balanced scorecard and the indicators for inclusion relating to quality.</p> <p>The Trust Board regularly reviews its approach to quality. The Board will be revising and updating its Quality Strategy in early 2013/14. This will reflect the recommendations from the Francis 2 report and will undertake its planned updated review of compliance with Monitor's Quality Governance Framework (building on the detailed review undertaken in April 2011) which will again inform the revised Quality Strategy and any actions resulting from a self assessment against the new Monitor Risk Assessment Framework.</p> <p>As well as formal reporting, the whole Trust Board participates in a Patient Safety Leadership Walk round programme to hear directly from staff any concerns that they have with regard to patient safety. All executive directors also do monthly job shadowing. The Director of Nursing leads a monthly 'PEAT' inspection of all clinical areas. The CEO and Chairman have regular unannounced 'walkrounds' around the Trust.</p> <p>The Trust has in place an Equality Action Plan (including objectives) for 2012 – 2016. Publication took place on 6th April 2012 and the objectives are subject to review on an annual basis. The Equality Plan is reviewed at least every four years and published in</p>

such a manner that the information is accessible to the public via Trust web pages and also to all our stakeholders (including the 3rd Sector organisations).

The Trust underwent an unannounced inspection from the Care Quality Commission (CQC) in October 2012. The CQC inspected the following standards:

- Consent to care and treatment
- Care and welfare of people who use services
- Safeguarding people who use services from abuse
- Supporting workers
- Assessing and monitoring the quality of service provision

The Trust met all of the standards inspected. There are no concerns identified in the Trust's CQC Quality and Risk Profile.

There have been no concerns raised by any other parties.

### **Membership Strategy**

The Council of Governors revised the Trust Membership Strategy in early 2012. The Membership Strategy 2012 established the following aims:

1. To provide every opportunity for local people and staff to be members so that they can actively participate in the successful development of the Trust to help it achieve excellence in all the services it provides.
2. Targets increase in the areas we believe we are under represented.
3. Build effective ways of keeping our members in touch with the Trust's activity and plans
4. Development of the 'active' membership category to specifically includes volunteer readers, survey work and other opportunities.
5. Identify members who are willing to be a valuable resource of skill, information and support
6. Have a system of evaluation that will confirm if our objectives have been met.
7. Development of a benefits package to encourage and reward membership (eg NHS Discounts, One Card Liverpool – discounts in shops/restaurants)

To support the above aims the Membership, Communications and Fundraising Committee will review the following objectives:

Building the membership:

- Review membership form – to include membership benefits eg NHS Discounts
- Develop social media – to target younger members
- Follow up contact with local cancer support groups

Managing Active Membership:

- To contact members who have identified greater levels of involvement eg surveys

Communication:

- Identify topics for the newsletter
- Investigate different ways to engage with hard to reach communities

The Membership, Communications and Fundraising Committee of the Council of Governors (CoG) receives a progress report on membership activity at each of its meetings. The Committee then presents a progress report to the full Council.

Membership recruitment includes:

- On line membership facility
- Membership information available in all public areas of the Trust
- 'Member get member' initiative through the Trust magazine
- Attendance at various local organisations/venues (ie support groups)
- Distribution of application forms when attending public meetings
- Use of the media particularly adding membership information when doing press releases.

Members can contact the Trust's governors via the generic email address [governor@clatterbridgecc.nhs.uk](mailto:governor@clatterbridgecc.nhs.uk) or alternatively via the Corporate Governance Manager [andrea.leather@clatterbridgecc.nhs.uk](mailto:andrea.leather@clatterbridgecc.nhs.uk).

### Plans to develop a representative membership

Although the Trust does not intend to recruit a large number of new members it is committed to ensuring that it maintains a membership of 5,600 public members. Furthermore, to address the annual attrition rate of approximately 4.5% and the need for continual active recruitment to maintain the membership level there are planned specific membership campaigns such as:

- Membership recruitment roadshow
- Attending meetings at local support groups
- Contacting Editors of the local press to highlight how members can influence how the organisation works
- Attending jointly some of the Clatterbridge Cancer Charity events.
- Establishing 'open forums' with a Q&A approach.
- Developing social media to target the younger members of the population.
- Adapting literature to accommodate these groups.
- Developing/establishing links with hard to reach communities.
- Contacting members who have identified they would like greater involvement eg completing surveys.

Other initiatives will include:

- Targeting staff leavers to ensure they can become public members.
- Follow up contacts with local cancer support groups

Initiative	Key milestones	Deadline
Produce new membership form	Produce draft revised form	Completed January 2013
Monitor recruitment, to meet target of 500 annually	Produce reports for Membership Committee to review progress against target	March 2013 & 2014
Monitor drop off rates & improve retention	Produce reports for Membership Committee to review	March 2013 & 2014
Monitor engagement via response to communications with members – with effect from Year 2	Implement process to monitor engagement with members	January 2013 onwards

### Clinical Strategy

### Service Line Management Strategy

The Trust's strategy has been developed through reviews of its current services and service model, building on last year's Annual Plan and through engagement with key

stakeholders such as:

Trust Board

Council of Governors

Commissioners

Trust staff

LINKs / Overview and Scrutiny representatives

Merseyside and Cheshire Cancer Network

NHS providers

A key strategy for the Trust over the next year is the development of a robust and viable business case including clinical model for our 'Investment in Liverpool' project with the aim of opening the new cancer centre co-located with the Royal Liverpool and Broadgreen Hospital by 2018/19. The development of the clinical model will include the input from all of our service lines (clinical and non clinical) and will inform our clinical service developments between now and 2018. The clinical strategy for 2013/14 includes:

### **Overarching**

Full review of the Trust's Quality Strategy to include the Trust's response to the Francis 2 report and the requirements of the new regulatory framework (including the new Monitor Licence and the Risk Assessment Framework)

Patient Experience:

- Post radiotherapy follow up\*
- Review of our pilot of chemotherapy in the community and the development of a proposal for our future chemotherapy model\*
- Implementing 15 minute radiotherapy appointment times
- Implementing hourly intentional rounding across all wards^

Patient Safety:

- Establishment of a Clinical Interventional Team
- Enhancing medicines safety through the establishment of a Medicines Safety Service\*
- Investing in ward manager capacity to enable them to be supernumerary from the clinical team^
- Implementation of a national minimum training standard for healthcare support workers^

Outcomes / Effectiveness:

- Implementing an Additional Needs service to address the needs of vulnerable adults for whom reasonable adjustments can improve their access to and experience of the care and treatment we provide\*
- Review of our radiotherapy pilots (PET-CT in staging, radiotherapy planning with PET-CT and MRI, stereotactic radiotherapy) and the development of proposals for our future radiotherapy model
- Delivery of the service redesign programme including inpatient bed utilisation and improvements in waiting times in the radiotherapy department.

### **Development of clinical service lines**

Service Line Reporting (SLR) will be implemented during 2013/4 and will inform service development from 2014/15 onwards. In the meantime, benchmarking is undertaken in specific areas to inform the service redesign process.

*\* Aligned with our Quality Report*

*^ Developed in response to Francis 2*

## **Clinical Workforce Strategy**

The challenge for The Clatterbridge Cancer Centre NHS Foundation Trust is to ensure that the service provided keeps pace with the changes in demand in a cost effective manner during the current financial climate. Whilst working within this remit, the Trust faces an additional challenge with regards to the planned move of a large part of our services to Liverpool by 2018 to ensure we can provide the best cancer care to the people we serve. The future plan for the Trust therefore provides us with an opportunity to fundamentally review and redesign the optimum model of service delivery.

It is essential that consideration is given to staffing levels and competencies to ensure that the appropriate skill mix is attained for the effective delivery of those services. It is also critical that we have a workforce that is flexible and equipped to meet the demands of the future service.

### **Medical Staffing**

It has been recognised that there are evident pressures on oncologists in delivering the service as presently structured and a key priority of the new Medical Director is to review the current medical staffing model and identify changes required to sustain a consistently high quality medical service. This work is expected to be completed during 2013.

### **Radiotherapy and Imaging**

Over the next 5 years it is anticipated that in radiotherapy the level of complexity of treatments will continue to increase with greater emphasis on imaging of patients on treatment. This is also true of the complexity of the treatment planning and the workforce implications will be in relation to a change in skills mix with an increased recruitment of higher end skills and overall numbers in order to perform more complex interventions. An increase in contact radiotherapy (Papillon) patient numbers will also require a review of staffing numbers.

In imaging there is likely to be an increase in MRI scanning largely due to the increased use of this modality for the planning of radiotherapy treatments. There will also be an additional demand on imaging as the Trust increases its interventional work (placement of lines etc) and a requirement to increase fluoroscopy examinations and checking of line placement.

A review has begun of the imaging and pre treatment areas to identify areas of cross over and shared service in relation to the utilisation of skills of the staff and shared equipment. Two further reviews have been outlined, one in planning and one in treatment to ensure full integration between the services.

### **Physics**

The workforce needs are modelled on the demand for radiotherapy predicted by the NCAT Malthus tool applied to the NCAT WIPIT workforce planning tool. This takes into account the opening of the new centre in Liverpool in 2018.

### **Nursing**

The inpatient service has changed considerably over the past year with the development of the acute assessment unit. The process of developing the acute assessment unit resulted in a review of staffing across the wards and significant changes in the way staff

work. Shift patterns have been changed to make efficiency savings; however the acuity of patients is also increasing with more acutely unwell patients requiring a high level of nursing care. The step up beds are usually fully occupied with other very unwell patients being cared for on the wards. Over the next year work to develop an acuity measure will be implemented which may lead to a need to invest in higher levels of nursing staffing in some areas.

### **Day Case Chemotherapy**

A number of changes over the next few years will impact on the workforce planning for day case chemotherapy. These include changes to the service model (e.g chemotherapy in the community, Investment in Liverpool), changes to treatments (e.g. route, toxicity, co-morbidities), increased activity and development of new roles and innovation. The workforce model needs to be flexible and dynamic to meet these needs.

### **Research & Development**

There are a number of initiatives that will impact on the R&D workforce over the next five years:

- Expansion of the Academic Unit of Oncology  
There are plans to appoint additional Chairs and Senior Lecturers in both medical and radiation oncology. Each new academic will develop a portfolio of clinical trials and this will require research nurse and data management support.
- The complexity of clinical trials long-term follow-up  
Clinical trials are becoming increasingly complex. This means that studies are much more labour intensive and yield smaller numbers. Also, many clinical trials involve long-term follow-up (up to ten years).

### **Pharmacy**

There has been a dramatic increase in chemotherapy treatments over the last five years and going forward five years this trend is predicted to continue with 6-7% growth per annum. Newer treatments, additional lines of therapy and an ever increasing ageing population are contributing to this trend.

Pharmacy staff are crucial in providing a safe chemotherapy reconstitution service, managing appropriate protocol use and managing the governance around these high risk medicines.

Skill mix reviews have allowed for support staff to deliver hands on reconstitution and qualified technicians to manage the process. Pharmacists are involved either in managerial roles or clinically (e.g. prescription verification). In order to cope with increasing demand in terms of activity, but also working towards a 7 day service, additional staff will need to be recruited. However further skill mix reviews have indicated that these will be band 2/3 support staff. Additional support staff posts have been approved in 12/13 and will be recruited to in 13/14.

Medicines management has had an increased focus over the last two years and is expected to continue post the Francis 2 report. An additional 8a pharmacist and band 7 governance post will be appointed in 2013 to focus on medicines safety and governance across the Trust.

	<p><b>Clinical Sustainability</b></p> <p>The Trust has not identified any current or projected risks to its clinical sustainability. It has however recognised that in order to continue to provide high quality care for the future the Trust needs to relocate a number of its services to an acute hospital site (see Investment in Liverpool) in the medium term.</p> <p>There are no services provided by CCC that lack a critical mass as defined by Royal College guidance for example.</p> <p>There are no services provided by CCC that have consultant cover below those recommended by Royal College guidance for example.</p> <p>Innovation in care delivery is central to the Trust's vision. Current innovations include the development of a new service model for chemotherapy (chemotherapy in the community), exploitation of new developments in radiotherapy delivery, and participating in cutting edge research and development.</p>								
<b>Productivity &amp;Efficiency</b>	<p>The cost improvement plans include a mixture of small redesign schemes developed within individual departments and larger scale service redesign and business development. The Service Redesign Programme is supported by the Trust Service Redesign Programme office.</p> <p>The overall target is comprised as set out in the table below:</p> <table border="1"> <tr> <th>Summary by Programme Area</th><th>Planned saving £m</th></tr> <tr> <td>Departmental service redesign, including income (numerous small schemes)</td><td>1.51</td></tr> <tr> <td>Large scale redesign/business development including: - PPJV - Pharma subsidiary</td><td>0.82</td></tr> <tr> <td><b>Total</b></td><td><b>2.33</b></td></tr> </table> <p>In 2013/4 the largest single projects, in terms of financial gain will be the Private Patients Joint Venture and the development of a Pharmacy Subsidiary Company.</p> <p>In 2014/5 and future years it is anticipated that the potential gains from small scale schemes will reduce and further gains will be required from large scale schemes. Project work has commenced on large scale service redesign projects. These projects will involve change management and implementation lead in time. Although the implementation work will be completed in 2013/4, the financial gain is anticipated in 2014/5. These schemes are:</p> <ul style="list-style-type: none"> <li>•Diagnostic Imaging/Pre-Treatment productivity/staffing</li> <li>•Length of stay/bed numbers</li> <li>•Administration and Clerical and Reception standardisation</li> </ul>	Summary by Programme Area	Planned saving £m	Departmental service redesign, including income (numerous small schemes)	1.51	Large scale redesign/business development including: - PPJV - Pharma subsidiary	0.82	<b>Total</b>	<b>2.33</b>
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<b>Total</b>	<b>2.33</b>								

## **Cost Improvement Programme (CIP) governance**

### **Project management, leadership and assurance arrangements for the life of the Strategic Plan**

The CIP target has been achieved consistently in previous years. In 2012/3 the overall target was achieved through a combination of minor schemes and Trust wide service redesign. The overall delivery plan included an allowance for slippage on planned schemes in line with good practice.

Schemes have been developed in line with the good practice guide Delivering Sustainable Cost Improvement Programmes, Monitor and the Audit Commission. Clinicians and service managers were involved in review services and identifying potential cost improvement opportunities.

Cost improvement targets were developed for each service and managers/clinical directors were supported in identifying both incremental changes and opportunities transformation. Wherever possible, benchmarking information has been used. In addition, Trust wide schemes were identified by Executive Directors, such as the Trust wide review of administrative and clerical roles.

The CIP will be managed through the Management Group, which is chaired by the Chief Executive and attended by all Executive Directors, Clinical and Associate Directors. The Director of Operations is accountable for the overall programme and each scheme has an Executive Director sponsor accountable for delivery of that scheme. The risks will be managed on an ongoing basis through the Trust's Management Group; slippage against the programme will be reviewed and mitigation for new risks developed.

The service redesign element of the programme continues the process established in 2012/13.

Progress on all schemes will be tracked against agreed delivery milestones and contingency plans will be developed as required. Departmental progress is reviewed in performance review meetings. The overall scheme and any areas of slippage is reviewed in the Management Group. There is also a level of slippage built into the CIP (the target was set higher than the financial plan requirement).

The 2012/13 CIP represented a step change in terms of the level of service change required in the delivery of the target. This increased challenge is reflected in the new Programme Management Office (PMO) approach and strengthened performance management framework. The plan for 2013/14 is to further embed the PMO approach.

### **CIP profile**

As a result of the well established risk assessment used by the Trust, all schemes have been categorised as "low risk" to quality, which was the lowest (best) scoring category. The overall CIP programme includes a mixture of small scale and transformational schemes/service redesign. The transformational projects are profiles over 3 years to reflect the lead in time for development and implementation. The service redesign programme in 2013/4 therefore includes projects with benefits both in 2013/4 and future years. The main service redesign schemes (for delivery across 2013/4 and 2014/5) are:

- Pharmacy dispensing process- Increased productivity
- Private Patients Joint Venture- Increased income
- Imaging service redesign- Increasing productivity
- Redesign of reception processes and implementation of automated check in



	<ul style="list-style-type: none"><li>•Reduced length of stay</li><li>•Standardisation of clerical roles</li><li>•Review of procurement processes</li><li>•Energy cost reduction</li></ul> <p><b>CIP enablers</b></p> <p>The schemes have been identified through a “horizon scanning” process with service managers and clinical directors. All potential schemes were reviewed with the executive team using a matrix of service impact/cost reduction. Schemes with a favourable combination of cost reduction and minimal risk or positive service impact were supported for further development with managers.</p> <p>Individual schemes were then developed by service managers and Clinical Directors and approved by the Director of Operations. Transformational or service redesign schemes have been developed with project plans and implementation milestones. All schemes have been risk assessed and a slippage allowance has been built into the programme to compensate for optimism bias in the delivery plans.</p> <p><b>Quality Impact of CIPs</b></p> <p>The NHS Operating Framework 2011 requires that the Medical Director and Director of Nursing confirm that service quality is being appropriately managed within the QIPP programme. All schemes have been assessed for any risk to quality of clinical services using a bespoke Quality and Risk Assessment Tool. Confirmation by the Medical Director and Director of Nursing &amp; Quality was completed following scrutiny of these assessments. This confirmation is provided in March 2013 Board papers.</p> <p>Ongoing assessment of risk associated with any of the schemes is done through the monthly review at the Trust’s Management Group of which all Executive Directors are members.</p>
<b>Financial &amp; Investment Strategy</b>	<p><b>An assessment of The Clatterbridge Cancer Centre NHS Foundation Trust’s proposed Financial Plan for 2013/14 and anticipated financial situation in 2014/15 and 2015/16</b></p> <p><b>Financial Outlook and changing NHS Landscape</b></p> <p>The NHS is going through an unprecedented period of change with a fundamental restructuring of commissioning arrangements, the challenges of the Francis 2 report coupled with the continuing challenge of an ageing population with increasing health needs, and demands on the system. At a time when public sector finances and the wider economy continues to be under significant financial pressure, this increasing demand is presenting the NHS with unprecedented financial challenges.</p> <p>The Government’s commitment remains in the short term to protect health spending. Running parallel to this however is the continuing requirement for health services to achieve productivity and efficiency savings equivalent to £15bn - £20bn over this planning cycle, which will be recycled back into the NHS to fund cost pressures, increased demand, and continuous improvement. This continues to put significant pressure on the health system.</p>

## Financial Outlook for the Trust

The Trust is fortunate that it continues to face these challenges from a position of strength with a solid financial position and reputation. However the Trust, in common with other hospital Trusts, will continue to face challenging times in the next 3 years due to the continued ongoing level of additional efficiency savings that will be required year on year twinned with the need to maintain and improve the high levels of quality and care the Trust provides. Running parallel to this is the changing and increasingly complicated commissioning landscape for specialist services, including the introduction and impact of mandatory tariffs for chemotherapy delivery and external beam radiotherapy in 2013-14.

The continuing need to achieve these significant efficiency savings will require the Trust to review and consider how it delivers its services and to look at ways to redesign services. Generating this level of ongoing savings has become very difficult. Schemes have been identified for development and implementation in 2013/14 but significant review of the organisational structure, service redesign and / or the identification of significant additional income opportunities, will be required in each year. A cornerstone of this will be to ensure that as well as delivering high quality efficient services we also look to continue to maximise all income opportunities that enable us to enhance the services we provide.

The table below indicates the forecasted surpluses and estimated risk ratings based on the 2013/14 budget and proposed plans for 2014/15 and 2015/16.

£m	2013/14	2014/15	2015/16
Forecast EBITDA	9.74	8.53	8.81
Forecast I&E Surplus	5.26	4.22	4.08
Forecast Cash Balance at Year End	53.46	61.62	28.13
<b>Forecast Weighted Financial Risk Rating (FRR)</b>	<b>4.75</b>	<b>4.5</b>	<b>4.5</b>

Based on a projected turnover of over **£97.7m** the Trust is forecasting underlying revenue surpluses of **£5.3m** in 2013/14, **£4.2m** in 2014/15 and **£4.1m** in 2015/16. The Trust expects to maintain a Monitor financial risk rating of at least a 'strong' 4 over the next 3 year planning period, and a strong 4 based on Monitor's proposed new risk ratings.

The Trust is at a pivotal stage in its development in that as well as addressing the continuing financial challenges and uncertainties facing the NHS as a whole, it has the additional and very significant challenge / opportunity presented by the proposed investment and development of a new **£110m** Clatterbridge Cancer Centre in Liverpool in 2018/19.

The Trust has a very strong cash position and will be building up its cash balances over the next 3 years to help finance the new Cancer Centre. The reduction in the cash balances in 2015/16 includes our current assessment of the first capital construction payment (£45m) based on our Strategic Outline Case.

Due to this strong cash position the Trust has not got a working capital facility in place. It should be noted that the projected surpluses in the above table are normalised surpluses and *exclude* the contributions from commissioners towards the new Cancer Centre.

## **Key financial priorities and investments and how these link to the Trust's overall strategy**

### **Financial Position and Strategy**

The Trust's financial strategy will continue to be based on the following two overarching financial parameters:-

- (1) Maintaining a Financial Risk rating of at least 3 as defined by the current Monitor Compliance Framework
- (2) Achieving a yearly surplus that delivers a normalised minimum surplus of £1m p.a.

The Trust is committed to providing the best cancer care to the people it serves, delivering excellence in cancer treatments and patient care. The proposed development of a new Cancer Centre in Liverpool in 2018/19 will enable us to further transform cancer services for our patients. In setting the Financial Plan the Trust is mindful of the need to ensure the Trust remains an outstanding Cancer Centre ensuring its future financial sustainability whilst embracing the challenges/opportunities it faces. Key to this is strong strategic and business planning which is priority based and delivers the necessary "financial headroom" to grow and invest in new service developments.

In spite of the need to achieve efficiency savings the Trust has identified the necessary financial headroom through a combination of funded growth and efficiency savings, and has again committed in 2013/14 additional priority revenue investment of £3.1m to further improve service delivery and patient care.

Key investments include significant recurrent investment in over 24 additional clinical staff to further enhance the quality of our clinical care as activity grows, and investment in a Chemotherapy in the Community Pilot to bring services closer to our communities. This is underpinned by a challenging efficiency and income generation programme (QIPP programme) of **£2.3m** per year which will redirect resources to fund these investments and to fund unfunded cost pressures.

In addition the Trust also has a 3 year capital investment programme from 2013/14 totalling **£18m** to maintain a high quality environment in which to treat patients and provide modern treatment equipment. Key capital investments include 3 state of the art linear accelerators, expansion of MR capability, replacement of the Trust's Electronic Patient Record (EPR) system and on-going upkeep of the estate on our Wirral site.

Going forward, ensuring strong financial planning and management in conjunction with a focused business strategy will be key to maintaining the Trust's financial viability and stability. There is no doubt that the Trust, in common with other Trusts, faces significant financial challenges and opportunities going forward. Due to these challenges and opportunities, the Trust will need to ensure that it secures and maximises income and is aware and open to new opportunities and ways of working.

### **Key risks to achieving the financial strategy and mitigations**

Assessing the overall robustness of the assumptions contained within the Financial Plan and identifying the key financial risks and levels of mitigation is a key part of the financial planning process.

The Trust faces a range of challenges in relation to overall health care funding versus increasing service demand, changes in commissioning landscape and intentions, increasing competition, and possible future service delivery changes as discussed in the sections above.

The key financial risks to achieving the financial strategy and the mitigating actions are summarised below.

Financial Risk	Mitigation
<b>Contract terms:</b> 'Block' contract has risk of lost income if over performance occurs.  2013/14 Transitional contract year – could be adjustments/claw back in year  Ongoing tension of increasing demand/unforeseen events	Contract proposal includes considerable growth. Keep drugs (most volatile expend) as funded cost per case.  Only commit/invest part of funded growth as recurrent expenditure.  Contingency and activity reserve set aside.
Assumed loss of income from North Wales if patients repatriated. Value reduced assumed on likely net risk. Contract value has reduced from £2.5m to £1.5m in 2013/14.	Working with Welsh commissioners to manage the transition. Growth expected to continue in demand for English patients likely to offset need to reduce capacity.
Move to national tariffs introduces more volatility, as prices change each year.	Final tariffs have been released and the value confirmed. Will be a risk for future years.
MRSA / C.Diff Contract Penalties: changes to the maximum cases permissible significantly increases risk of financial penalty.	C.Diff penalty capped at c £85k under contract terms. MRSA penalty is non-payment of the related inpatient spell tariff.
New commissioners do not continue funding the additional £6.5m p.a. contribution towards the Investment in Liverpool	Funding transferred to specialised commissioning baseline and included in contract for 2013/14 Review as part of project OBC, need to ensure it is maintained in future years
Non-delivery of recurrent QIPP 2013/14 and in future years	In 2013/14 over £1.8m rated at medium/low risk. In 2014/15 £1.3m and 2015/16 £0.5m of QIPP schemes already identified QIPP monitoring group
Lower than expected support from the Trust's Charity due to shortfall in annual fundraising.	Use of other charity funds
Change in VAT treatment on outpatient drugs provided by 3 <sup>rd</sup> party/subsidiary companies.	Disclosure letter to HMRC. Any change, expected lead in time of at least 12 months.

The budget and financial plan setting process is based on the adoption of a prudent approach, with income not recognised, where feasible, until it is secured, and the use of expenditure and contingency reserves. However risks will always remain and following an analysis of key financial risks and mitigating actions a recurrent general contingency/risk reserve of £700k underpins the Trust's Financial Plan.

#### Financial Downside

A detailed and robust 3 year priority based Financial Plan aligned with the Trust's Strategic Plan, underpinned by a deliverable savings programme and the careful management of balanced risk, will be key tools in delivering a sustainable financial future. In finalising the 3 year plan, due to the current volatility of new commissioning arrangements, particularly 2013/14 as a transitional year, the Trust has chosen not to commit all additional resources at its disposal at this time.