

COUNCIL OF GOVERNORS MEETING

Agenda Item	009/17	Date: 23rd January 2017						
Subject /title	Final Operational Plan 2017/18 - 19							
Author	All Executive Directors							
Responsible Director	Helen Porter, Director of Nursing and Quality							
Executive summary and key issues for discussion								
<p>The Trusts Operational Plan is intended to reflect the Trust's business plan for 2017/18 and 2018/19 in line with NHS Improvements (NHSI) guidelines.</p> <p>The final version was submitted to NHSI on 23rd December 2016, see attached for information.</p> <p>The Operational Plan was developed through engagement with the Board and the Council of Governors, the Clinical Directorates, senior managers and external engagement with Commissioners, Healthwatch and Overview and Scrutiny Committee representatives.</p>								
Strategic context and background papers (if relevant)								
Recommended Resolution								
That the Council of Governors notes the Operational Plan 2017/18 – 2018/19								
Risk and assurance								
Provides assurance that the Trust has systems in place to deliver its 5 Year Strategy and meets NHSI's requirements.								
Link to CQC Regulations								
Regulation 17: good governance								
Resource Implications								
None								
Key communication points (internal and external)								
Freedom of Information Status								
<p>FOI exemptions must be applied to specific information within documents, rather than documents as a whole. Only if the redaction renders the rest of the document non-sensical should the document itself be redacted.</p> <p>Application Exemptions:</p> <ul style="list-style-type: none"> • Prejudice to effective conduct of public affairs • Personal Information • Info provided in confidence • Commercial interests 	<p>Please tick the appropriate box below:</p> <table border="1"> <tr> <td><input checked="checked" type="checkbox"/></td> <td>A. This document is for full publication</td> </tr> <tr> <td><input type="checkbox"/></td> <td>B. This document includes FOI exempt information</td> </tr> <tr> <td><input type="checkbox"/></td> <td>C. This whole document is exempt under FOI</td> </tr> </table> <p>IMPORTANT:</p> <p>If you have chosen B above, highlight the information that is to be redacted within the document, for subsequent removal.</p> <p>Confirm to the Trust Secretary, which applicable exemption(s) apply</p>		<input checked="checked" type="checkbox"/>	A. This document is for full publication	<input type="checkbox"/>	B. This document includes FOI exempt information	<input type="checkbox"/>	C. This whole document is exempt under FOI
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Equality & Diversity impact assessment																							
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If YES to one or more of the above please add further detail and identify if full impact assessment is required.																							
Next steps																							
Appendices																							

Strategic Objectives supported by this report

Improving Quality	x	Maintaining financial sustainability	x
Transforming how cancer care is provided across the Network	x	Continuous improvement and innovation	x
Research	x	Generating Intelligence	x

Link to the NHS Constitution

Patients		Staff	
Access to health care	x	<i>Working environment</i> Flexible opportunities, healthy and safe working conditions, staff support	x
Quality of care and environment	x	<i>Being heard:</i>	
Nationally approved treatments, drugs and programmes		<ul style="list-style-type: none"> • Involved and represented • Able to raise grievances • Able to make suggestions • Able to raise concerns and complaints 	
Respect, consent and confidentiality	x		
Informed choice		Fair pay and contracts, clear roles and responsibilities	
Involvement in your healthcare and in the NHS	x	Personal and professional development	
Complaint and redress	x	Treated fairly and equally	

The Clatterbridge Cancer Centre NHSFT Operational Plan 2017/18 to 2018/19.

Section 1: Activity Planning:

As part of the long term financial modelling for the Trust's Transforming Cancer Care project to build a new cancer centre in Liverpool, detailed activity and capacity forecasting has been undertaken to ensure activity is aligned with income, required capacity and workforce projections. This modelling is based on actual and forecast activity in 2016/17 and forecasted activity growth modelled in the Transforming Cancer Care Business case as follows:-

Key Service Lines	Forecast Growth	Forecast Growth
Modality	2017/18	2018/19
Radiotherapy	1.9%	1.9%
Chemotherapy	5%	5%
Other services	1%	1%

These activity and income projections were supported by commissioners and underpin the current discussions which are on-going with commissioners. As part of the negotiations for this current two year planning round the Trust is looking to negotiate a further two year block for its solid tumour work whilst being mindful of the of financial demands and pressures on commissioning budgets. These activity percentages and income are based on NHS Planning Guidance.

The Trust will be integrating the management of haemato-oncology services currently provided by the Royal Liverpool & Broadgreen University Hospitals NHS Trust from April 2017. Detailed planning and preparation will be undertaken during 2016/17 to prepare for the service transfer. As the transfer of the haemato –oncology (H-O) service from the Royal Liverpool is a new service line for the Trust, the Trust's preference is to enter into a cost per case contract for H-O based on the current contract arrangements for this service.

The Trust has robust processes in place to ensure it has the capacity to meet demand. These include the annual workforce planning process together with the role specific reviews including the 6 monthly acuity review of the nursing establishment utilising NICE guidance. In addition to workforce the Trust has detailed equipment replacement programmes e.g. Linac replacement to ensure we have the required operational capacity. Our activity plans are sufficient to deliver all key operating (waiting times) standards and standards of clinical care. The Trust has no plans for using the independent sector and has retained a small Activity Reserve to provide for meeting the costs of any excess unplanned demand.

To ensure adequate operational capacity and a positive patient experience we will be re-designing the patient pathway over the medium-term planning period through the implementation of a new clinical model to reflect the opening of a new cancer centre in Liverpool (2019).

Key principles of the new clinical model are:

- Services will be delivered as locally as possible within the boundaries of quality, safety, and affordability. CCC will retain an overall vision of providing exceptional and innovative treatments for cancer patients.
- Patients will be given choice in their time and place of treatment whenever possible, including the expansion of at home services.
- Services will aim to minimise the time patients wait for appointments, wait whilst they attend for an appointment, the number of times they need to attend, and also improve our performance against the 31 and 62 day NHS Cancer Waiting Times standards and deliver the 2 week wait standard.
- The existing Clatterbridge site will remain an important site, providing the significant majority of cancer services to the local population.
- All cancer services will be delivered in accordance with the agreed Cheshire and Merseyside Strategic Clinical Network Cancer Pathways which describe patient pathways for each tumour group. In turn, these will be based on clinical evidence - variations in service delivery will be kept to a minimum and will be overseen, at a local level by CCC Site Reference Groups and the respective current and emerging Cancer Alliance infrastructures.
- Clinical care will be delivered by consultant-led teams, rather than by single practitioners. Consultant-led teams will comprise of consultants, other medics, and specialist nurses, with appropriate administrative support. They will operate from the “centre” and “hubs” to achieve optimal cross-cover, peer support, and accessibility. There will be an enhanced focus on multi-disciplinary review and patient management, including the expanded roles of nurse practitioners and clinical nurse specialists, allied health professionals, and pharmacists interfacing with these teams.
- Teams will be geographically based in order to facilitate effective cross-cover and efficient working.
- There will be an enhanced (medical) acute oncology service in all “hub” hospitals to support the proposed clinical model, with a greater focus on ambulatory care, admission avoidance, and managing the complications of cancer most effectively.
- The model will focus on delivering the Keogh standards and CCC’s responsibilities as the champion for implementing the Five Year Forward View (FYFV) and Sustainability and Transformation Plan (STP) for solid tumour non-surgical oncology, alongside the integration of haemato-oncology services to the Trust (from April 2017).
- As a targeted standard, patients will only be treated out of their local area for clinically justifiable and service configuration reasons, or because of expressed patient choice.

Approach to Quality Planning

Section 1: Approach to Quality Improvement

The Trust is committed to continuous quality improvement. The Director of Nursing and Quality is the named executive lead for quality improvement. As a member of the Advancing Quality Alliance (AQuA) during 2017/19 we will fully utilise our membership to ensure a planned approach to ensuring quality improvement capacity and capability is built in to implement and sustain change. The Trust has also invested in a Programme Management Office to oversee and support all of the work streams within Transforming Cancer Care. Board oversight of this is through the Board committees.

The Trust has a Board approved policy to ensure compliance with the CQC (registration) regulations 2009. This outlines the governance processes in place to ensure that the Trust achieves at least a 'Good' CQC rating and endeavours to achieve and maintain 'Outstanding'. The Board Quality Committee has oversight on compliance and receives a 6 monthly detailed compliance report. The CQC 5 key questions are embedded into key Trust processes such as the Board and committee performance reports, directorate performance reports and Trust wide governance communication. The Trust has a set of Quality and Risk standards reflecting the 5 key questions which are subject to an annual audit process. Spot checks on compliance are conducted through internal mock CQC inspections and peer mock CQC inspections with another cancer Trust. The Trust commissioned Deloitte to undertake a review of our governance systems using Monitor's guidance; *Well-led NHS foundation trusts: a framework for structuring governance reviews*. The Trust has developed an action plan to ensure best practice. The Trust was subject to a planned CQC inspection in June 2016 but has yet to receive the final report.

In September 2015 the Trust Board approved its revised Quality Strategy for 2015-19. This strategy will support the delivery of the Trust's vision to provide the best cancer care to the people we serve. The strategy was developed to reflect our own organisational aims together with responding to relevant external drivers and national initiatives. It was developed through engagement with staff and with external stakeholders such as Healthwatch and OSCs. It is aligned to the CQC 5 key questions and to our organisational values. The Quality Strategy, which contains our *Sign up to Safety* Plan, informs the quality aims within the Quality Accounts. The Trust Board receives a bi-monthly quality report including a 6 monthly review detailing performance against the delivery of the quality objectives and performance information on a range of quality metrics. The accuracy and relevance of performance information is assessed and assured through data quality audits and reviews by our internal and external auditors. The Quality Strategy is monitored by the Board Quality Committee. Each Directorate has a robust review of their performance each quarter with the performance review documentation being aligned to the CQC 5 key questions. The Trust has a clear subcommittee structure with each subcommittee focusing on clear quality objectives. In 2016/17 the performance management processes within the Trust have been reviewed and improved and a clear governance framework has been developed to ensure a focus on quality improvement from Board to Ward.

Section 2: Summary of the Quality Improvement Plan

Our quality priorities are consistent with those in the Cheshire and Merseyside Sustainability and Transformation Plan.

Patient experience

Our Transforming Cancer Care programme aims to improve patient experience and outcomes. Key milestones during this operating plan will be the integration of the Royal Liverpool Hospital's haemato-oncology service into CCC management ahead of the physical service transfer into the new Cancer Centre in 2019; the commencement of the building of the new

hospital and the development of the new clinical model for cancer care across Merseyside and Cheshire.

Our improving patient experience programme includes the implementation of a Care Navigator role in outpatients, expansion of our Chemotherapy at Home service, improved waiting times in departments, changes to internal patient pathways, the implementation of a new Patient and Family Centred Care nursing model and the implementation of our new Patient and Public Engagement Strategy.

National Clinical Audits

The Trust will continue to participate in the relevant national clinical audits and any new forthcoming clinical audits. Individual tumour specific groups will review and implement the recommendations from each of the published annual reports. Actions taken from the national audits are reported in the annual Quality Report to the Board.

The Four Priority Standards for Seven-Day Hospital Services

We continue to implement the four priority standards. A new consultant of the week rota will further improve the Time to Consultant review. This builds on the established rota and ensures Consultant presence for an extended day ensuring compliance with the 14 hour consultant review for unplanned admissions.

Routine access to diagnostics within our clinical speciality is currently 5 days per week.

Patients have access to urgent diagnostics 7 days per week via local emergency protocols and we will be strengthening these arrangements. We have no plans to extend our own diagnostics to 7 days as activity does not support it, this is built into plans when we move to Liverpool and have a more integrated diagnostic service.

We have 7 day access to our Consultant directed interventions for chemotherapy and radiotherapy. All other interventions are via emergency pathways with other Trusts. We do not have designated high dependency beds. To manage acutely ill patients we have two 'step up' beds and all patients are reviewed twice a day within the consultant of the week rota. This is reviewed on a patient by patient basis and extra support is provided by the senior nurse team.

Safe Staffing and Care Hours per Patient per Day (CHPPPD)

The Trust has carries out a bi-annual audit of inpatient acuity and dependency using the Safer Nursing Care Tool© (SNCT). The acuity findings are reported to the Board 6 monthly to provide assurance that the Trust is taking a patient-centred, evidence-based, systematic approach to monitoring and reviewing nurse staffing levels. We have introduced a range of additional processes to meet the expectations of the National Quality Board and Department of Health commitments which are mirrored in the NICE guidance. We will continue to review staffing levels in line with changes in acuity and capacity requirements. The day case chemotherapy service uses the Acuity Tool to ensure staffing levels are safe across all treatment clinics.

Future reviews will include additional information on nurse activity. The OPD team are trialling a new staffing model that considers the 'new to follow up' ratio and individual patient needs. In radiotherapy we are reviewing our staff levels and staffing model. There are no recommended guidelines for staffing other than 4 radiographers per linear accelerator. We are working through various models for year 17/18 and towards Transforming Cancer Care with the move to Liverpool. This includes evaluating number of linacs for our activity, working hours per day and skill mix. We will adopt the most efficient model to achieve greatest capacity for patients treated with a safe level of staffing. We continue to report CHPPPD for our ward nursing levels. We plan to benchmark ourselves with similar organisations to establish ward tolerances for care hours, and triangulate with safe care data and professional assessment. We will review and implement the planned national guidance on CHPPPD.

Improving the Quality of Mortality Review and Serious Incident Investigation and Subsequent Learning and Action.

The Trust will build on its current comprehensive mortality review processes through establishing a strategic Mortality Surveillance Group (MSG) accountable to the Trust Board. Mortality Review Meeting documentation will include a clinician declaration of an avoidable death, as recommended by the National Chemotherapy Board. The Trust's mortality governance will take account of NHS England's national programme for a two staged approach to standardising retrospective case record review (RCRR) for in-hospital deaths, and establish a documented MDT response to a mortality alert investigation process. To meet the requirement for annual publication of avoidable mortality rates, and learning from such incidents, the Trust will establish a locally agreed clarity of definition appropriate to its cancer service and will seek to develop this with other cancer Trusts.

A Trust quarterly multidisciplinary meeting for a statistical deep dive analysis of 30 and 90 day mortality in patients treated with chemotherapy and radiotherapy is already established. This will actively contribute to the identification and annual publication of the Trust's avoidable mortality rates and ensure outcomes of clinical practice are understood and linked to Consultant appraisals.

The Trust will implement the Datix Incident Module and will explore feedback mechanisms such as SAIFIR to improve learning across the Trust. The Trust adheres to the NHS England Serious Incident Framework and aims to sign up to the new NHS England Cheshire and Merseyside Proposed Memorandum of Understanding and Guidance for Multi-organisational RCA which has been developed to facilitate and offer guiding principles to NHS funded services within the NHS England's Cheshire and Merseyside catchment area and aims to assist in shared learning and greater collaboration in relation to quality and safety. We will continue to involve non-executive directors and external advisors on our internal SUI panels to ensure transparency and appropriate scrutiny.

Infection Prevention and Control and Anti-Microbial Resistance

The Infection Control Strategy for 2015 - 2019 was approved by the Board in 2015 and a detailed program of work is agreed annually by the Infection Control Committee. The strategy and annual programme represent a continuing cycle of improvement and strengthening of infection prevention and control arrangements. We will continue a strong focus on antibiotic stewardship by fully implementing the Antimicrobial Resistance CQUIN and the NICE guideline (NG15) Antimicrobial stewardship: systems and processes for effective antimicrobial medicine use. We will participate in the World Antibiotic Awareness Week and European Antibiotic Awareness Day to help raise awareness of anti-microbial resistance. Delivery against these initiatives will be through our Antibiotic Stewardship Group. We will respond to the new Department of Health extension of surveillance and infection control measures for Gram-negative infections and related guidance when published.

Falls

We have a comprehensive falls prevention and management plan. This includes the expansion of the Quality Improvement Manager's role to focus on falls prevention. We will support the role of the family and carers in falls prevention through piloting accessible visiting (part of our Patient and Family Centred Care Model) so that relatives and carers can stay with patients for longer and as part of the John's Campaign we are investing in mobile beds so that carers/relatives can stay overnight in the patient's room. Patients at risk of falling are identified by the new falling leaf magnet for the back of bed boards on the wards. We will explore the use of a TAGGING system for staff when they have falls risk patients on the ward and will introduce reminders to patients regarding the need to use the call bells, e.g. 'CALL DON'T FALL' posters in toilets etc. The RCA will be reviewed and re-launched.

Sepsis

The designated sepsis lead nurse will promote and disseminate local and national initiatives to all members of the health care team at CCC. We will focus on improving our 'Door to Needle' time for patients with red flag indicators. We will improve the quality of documentation on the adult sepsis and febrile neutropenia pathway and empower staff to recognise the importance of their role in early detection and treatment of sepsis. We will utilise Patient Group Directions to administer antibiotics and for administration of fluids and paracetamol and raise awareness to all clinical staff groups that the sepsis pathway can be initiated, by both medical and nursing staff.

Pressure ulcers

All pressure ulcers are reviewed at an incident panel chaired by the Director of Nursing and Quality which oversees the pressure ulcer quality improvement plan. Key actions for 2017/18 include incorporating the skin bundle into the intentional rounding, establish training focussing on SCALE and EOL issues working closely with the Palliative care team, participating in the React to Red programme, involvement in the Regional Pressure Ulcer Steering group including providing data and utilising regional reporting tools.

End of life care

Enhanced supportive care promotes better access, and earlier integration of palliative and supportive care within oncology. At its heart is better access to expertise in managing the adverse effects of cancer and cancer treatments with benefits to both patients and cancer clinicians. The Enhanced Supportive Care model within CCC incorporates existing palliative care services alongside a range of supportive care services and is available to patients much earlier in their illness. This model of care delivery has demonstrated improvements in patient experience, increased referrals to supportive care services and potential cost efficiencies. CCC is leading a national initiative, the 'Serious Illness Care Programme' which aims to deliver individualised patient centred care for those with incurable disease which is focused on the goals and priorities. Twenty consultants have received training and are part of an on-going pilot which includes coaching, monitoring and evaluation. CCC provides a highly unique 'Day after Death service' for families who have been bereaved. It includes personal contact and support from a clinical member of the team, opportunity for discussion and feedback and signposting to future local support. During 2017/18 we will be delivering additional training for professionals providing the service. This complements the mandatory training in End of Life Care for all clinical and non-clinical staff who are patient facing and working within the Trust.

Living With and Beyond Cancer

We will continue to work in partnership with Macmillan on the Living with and Beyond Cancer programme which aims to improve the lives of those living with and beyond cancer in Cheshire and Merseyside.

National CQUINs

We will fully implement the national CQUINs agreed with our commissioners. At the time of this plan we have not finalised our CQUINs with our commissioners.

Sign up to Safety

We will continue to deliver against our Sign up to Safety Plan which includes medicine safety, improved prevention, recognition, and management of the adult deteriorating patient and the development of a Radiotherapy Safety Thermometer.

Connecting for the Future

We will seek to fully exploit the capabilities of our new electronic patient record. We will introduce a state-of-the-art capability within the new cancer centre supporting the need for mobile access from CCC's 3 main sites, peripheral sites and patients' homes; continue to

enhance the infrastructure in existing sites to support the current and envisioned operating models.

Section 3: Summary of Quality Impact Assessment Process

The Trust has a Board approved standard operating procedure (SOP) which forms part of our internal planning guidance and which specifies the requirements for a Quality Impact Assessment (QIA) to be completed for each cost improvement programme and service development. The QIA identifies risk to quality, patient safety, clinical outcomes, patient experience, including the impact on the workforce. It includes a detailed risk assessment and the identification of quality indicators for on-going monitoring through the year. A Quality Impact Group is convened to review all QIAs with final sign off at the Trust Board by the Director of Nursing and Quality and the Medical Director who provide assurance that there is no adverse impact on quality and safety. On-going monitoring is undertaken by the Board Quality Committee. Directorate risks are monitored through the quarterly performance review process. Compliance with the SOP is audited annually as part of reviewing the Trust's Quality and Risk Standards.

Integration of the haemato-oncology service from the Royal Liverpool hospital into CCC from 1.4.17 is subject to a detailed due diligence process which includes a strong focus on quality and safety.

Section 4: Summary of Triangulation of Quality with Workforce and Finance

The Board maintains a focus on Trust performance with the aim to improve the quality of care and enhance productivity. At each meeting the Board reviews the Integrated Performance Report which includes a range of indicators. This report has been revised in 2016 to reflect the Model Hospital framework with indicators reported against the CQC 5 key questions and finance and activity. The Board Quality Committee receives a detailed quality dashboard based on the same approach enabling a clear focus on the quality of care and productivity. Where potential areas of risk are identified bespoke reviews are undertaken with 'deep dive reviews' at the Board Quality Committee.

Risks to Quality:

The main risks to quality have been identified by the Board and effective mitigations put in place:

Risk	Mitigating Factors
Financial funding pressures	See financial risk section.
Workforce	The workforce planning process, the use of the acuity tool to conduct 6 monthly staffing reviews and the HR and Organisation & Development (OD) Strategy
Organisational capacity and resilience to deliver Transforming Cancer Care, EPR and 'business as usual'	The implementation of the Programme Management Board, haemato-oncology work stream and execution of the OD strategy which includes resilience building and coaching.

Approach to Workforce Planning

The Trust's five year Workforce & Organisational Development Strategy, based on the principle of having the right people with the right skills and behaviours in the right place at the right time, is continuing to make progress against the five key priorities established within the strategy. Specific areas of focus have been identified for delivery within the second year of implementation and an annual report demonstrating achievement against the desired outcomes presented to the Quality Committee in October 2016 as evidence of progress made. A refreshed Strategy will be presented to the Board in March 2017 in light of the transfer of Haemato-Oncology Services from the Royal Liverpool and Broadgreen University Hospital, ensuring that workforce opportunities and challenges are understood and addressed from April 2017 when the service is transferred. The Strategy will also address the emerging STP development to reflect system wide workforce challenges such as the desire for better collaboration of back and middle office functions and the alignment of services where greater efficiencies can be made with the patient's best interests at the core.

To enable financial and workforce sustainability, a robust and fully costed 5 year workforce plan was approved in 2016 as part of the Trust's Transforming Cancer Care Programme and has been refreshed as part of the 2017/18 business planning process. The workforce plan is built upon the principle of maximising the efficiency of multi-professional teams, whereby more expensive resources such as consultants do only the tasks that they alone can do, supported by senior clinicians from other disciplines and non-clinical support staff.

The workforce planning process is integral to the financial and business planning process, ensuring that investment to deliver service improvement and development is aligned to the future workforce planning process. Workforce numbers continue to be challenged and validated against future activity rates and financial income as part of this process.

In order to further support the workforce planning process a comprehensive understanding of the current workforce profile is built on year-by-year and regular workforce reports and gap analysis continue to be produced, analysed and workforce plans adapted accordingly.

This new model of working has been explored with representatives from across the workforce and is informing the development of a patient centred approach to multi-professional working and the new clinical model. It will generate opportunities for staff groups and individuals to further develop and grow, creating new and innovative roles which will attract the best talent to the Trust.

Workforce cost improvement plans for 2017-18 have been identified at a local Directorate level and corporate level. These are included in the CIP QIA process. The aim is to deliver a safe and managed reduction in workforce costs over a period of 5 years ensuring patient safety and quality measures are not compromised. The Board is responsible for signing off the final operational plan, which includes testing that the workforce numbers remain sustainable and affordable.

A Clinical Workforce Strategy has been developed as part of the wider Workforce & OD Strategy. The Trust has four current projects:

- Project 1: To define the role of the medical workforce in the context of developing multi-professional teams and to define the roles within this.
- Project 2: To create a hybrid admin and clerical post which includes radiotherapy and diagnostic clinical knowledge.
- Project 3: To identify the additional psychological, social, physical, nutritional and medical needs of individual patients aged 65 and over early in the treatment pathway.

- Project 4: To educate and train all NHS staff (and users) on urgent care pathways to release Acute Oncology (AO) pressures and improve public health.

In line with the Five Year Forward View, links have been made with the local Learning, Education and Training Board to identify current and future workforce needs, ensuring that recruitment opportunities are maximised, all options for retaining the current workforce are exploited and ways of attracting returners are introduced. This will be vital in response to the opening of the new High Energy Proton Centre in Manchester within commuting distance for existing staff at broadly the same time as the new cancer centre opens in Liverpool. Reducing junior doctor numbers nationally and changes to undergraduate training programmes have the potential to negatively impact existing rotation and on-call systems. The Trust is seeking solutions in line with local LETB plans to address this including alternative ways to deliver on call services, greater utilisation of other professional bodies to support multi professional team working, such as advanced practitioner roles, the introduction of Clinical Fellows, the development of Physician Associate (PA) posts, development of apprenticeship posts and the exploration of shared posts across organisations to support more effective rotation options.

Use of Agency Staff

Understanding the levels of agency usage across the trust and how this correlates to the patient safety and expenditure continues to be a key focus both strategically and operationally. Monthly internal reporting ensures that directors and senior managers have a clear understanding of where agency workers are being engaged within the Trust, the reasons why, individual cost and monitoring against the agency price ceiling. This supports transparency within the trust and makes sure that agency is a re-occurring discussion at senior level supporting the embedding and compliance with the agency rules and supporting any required changes in approach internally. In addition to internal reporting, weekly and monthly monitoring continues as required by NHSI. There has been some key initiatives that have been introduced to reduce agency spend including;

- A review of framework agencies and their commitment to the rules around price and wage caps resulting in the production of a preferred user framework by the Cheshire and Merseyside Procurement Group.
- Where possible booking managers are further negotiating rates below the NHSI suggested rates to ensure the best value for money.
- A review of the impact of vacancies and recruitment activity looking at where improvements can be made within the process to improve the overall time to hire rate
- E-rostering continues to be completed at least 6 weeks in advance to ensure rotas are available and any staffing pressures are identified and addressed

There have been some unprecedented challenges relating to agency use such as non-recurrent planned spend to support Electronic Patient Record implementation and unavoidable expenditure in filling Radiologist vacancies which has had a large impact on the Trusts expenditure for 2016/17. A workforce redesign group has been established to monitor and challenge recruitment activity, providing a collective steer and control over vacancies and agency spend. The Trust will continue to take a pro-active approach to ensure innovative solutions to workforce challenges are considered and implemented to reduce of agency usage and ensure that it is striving to meet the requirements specified by NHSI.

STP System Wide Approach

The sustainability of the NHS is critically dependent on having sufficient capacity and an optimal skills mix within its workforce. As the identified lead Cancer Provider in the Cheshire and Merseyside STP, it is clear that the growth in the number of cancer cases of 2% per year with the broader range of services required as more patients are living with and beyond cancer

is leading to rapid growth in demand. In its lead role, the Trust will work with Health Education England to understand the baseline of the current cancer workforce and will work with Cancer Alliances and STP leads to address capacity issues. Work is already underway to address gaps to meet the nearer term demand for diagnostics. The Trust is playing a lead role in the roll out of the North West Streamlining Project within Cheshire and Merseyside STP.

Approach to Financial Planning

Financial Outlook for the NHS

As we approach this planning cycle, the NHS continues to be under significant financial pressure with increasing demand and a sizeable funding gap despite additional front loaded investment in 2016/17. The NHS faces a funding gap of £22bn by 2020/21 and will require fundamental service redesign and reconfiguration of health services to generate savings to address this gap and deliver affordable health services. Due to the continuing financial pressure being experienced in 2016/17 with provider Trusts reporting a collective deficit at the end of Quarter 2, corrective action and redesign of services is becoming increasingly urgent.

As part of a programme to start addressing these issues in the short term and to bring spending back into balance, in 2016/17, Trusts were given an element of front loaded sustainability funding in conjunction with annual financial control totals (minimum year end surplus targets) and caps to comply with. This approach will continue for the next two year planning cycle however in addition it is recognised that to address financial and demand issues of this magnitude will require system leadership across a larger sub-regional footprint with joint working and much closer collaboration between provider Trusts and commissioners.

To facilitate and enable this, 44 Sustainability and Transformation programmes (STPs) have been established across the country. Underpinning these STPs are STP Plans which will forecast the scale of the financial gap in each STP area by 2021 in conjunction with the actions that need to be taken to address these gaps.

Running parallel to the changes outlined above is the impact of Brexit, following the result of the recent referendum and decision to leave the European Union (EU). Politicians and policy makers have been evaluating the potential implications of Brexit for the UK and for business. The impact and implications for individual organisations are not fully known yet however, the potential risks and implications will need to be evaluated.

The Trust is committed to providing the best cancer care to the people it serves, delivering excellence in cancer treatments and patient care. The Trust is at a pivotal stage in its development in that as well as addressing external financial challenges, it also has the delivery of its major £157m Transforming Cancer Care investment following approval by the Board and NHSI with the building of the new Cancer Centre scheduled to start in the 2017/18 financial year. In addition to this the 2017/18 financial year will also see the transfer of the haemato-oncology service from the Royal Liverpool Hospital.

As part of the Final Business Case for Transforming Cancer Care the Trust has produced a long term Financial Model to provide a detailed oversight of its forecasted long term financial position. Due to the financial pressures facing the NHS and Commissioners the Trust recognises that the financial situation facing the NHS as a whole will continue to be exceedingly challenging over the next 3 to 5 years and possibly longer and this will impact on resources available to the Trust. In light of the tightening external financial pressures the Trust is cognisant that it will need to assess and reassess the financial resources available to it and the changing risk environment on an on-going basis.

Following changes to NHSI Financial Risk ratings and the introduction of the new Finance and Use of Resources metric, the Trust needs to review and update its previous Continuity of Service rating which formed part of its two overarching financial parameters within its Financial Strategy. The Trust's financial strategy and long term financial model will be based on the following revised two overarching financial parameters:-

- (1) Maintaining a Finance and Use of Resources metric of a minimum of 2

(2) Achieving an underlying annual surplus of a minimum of 1% of turnover

The long-term financial modelling for the Transforming Cancer care project is underpinned by detailed capacity and demand modelling to ensure activity is aligned with income, required infrastructure capacity and workforce projections. This modelling builds from actual activity, known changes in patient flows, clinical protocols and population trends.

Based on this the following growth levels have been assumed:-

Forecasted Contract Activity Growth	2017/18	2018/19
Radiotherapy	1.9%	1.9%
Chemotherapy	5%	5%
Other services	1%	1%

These activity percentages and income were supported by commissioners and underpinned the TCC Final Business case and support the current discussion which are on-going with commissioners as part of the negotiations for this current two year planning round in which the Trust is looking to negotiate a further two year block for its solid tumour work whilst being mindful of the of financial demands and pressures on commissioning budgets. As the transfer of the haemato-oncology service from the Royal Liverpool is a new service line for the Trust, the Trust's preference is to enter into a cost per case contract for H-O as per the current contract basis for this service.

Operational Plan Assumptions

The operational plan is underpinned by the financial impact of the planning assumptions set out in *Technical Guidance for NHS planning 2017/18 and 2018/19* plus the impact of the 2017/18 and 2018/19 national tariff (including the changes associated with the introduction of HRG4+).

The operational plan is underpinned by the following key assumptions:-

- National efficiency factor -2%
- Tariff Inflator -0.1%
- Expected CQUINS -2.4%

Control Totals, Sustainability Fund and Agency Targets.

The Trust has been issued with the following control totals:-

- 2017/18 - £4.093m surplus
- 2018/19 - £2.881m surplus

These represent the minimum surplus the Trust is expected to achieve. These control totals have been accepted by the Trust and have reflected in the Trust's financial plans.

Financial forecasts and modelling

As part of the Trust long term financial modelling for Transforming Cancer Care detailed and to enable financial and workforce sustainability, a robust and fully costed 5 year workforce plans have been prepared. The workforce planning process is integral to the financial and business planning process, ensuring that investment to deliver service improvement and development is aligned to the future workforce planning process. A "Star Chamber" approach has been taken with Directorates to ensure projected workforce numbers are appropriately challenged and validated against future activity rates and financial income.

Indicative Financial Position for 2017/18 and 2018/19

The tables below provide summarises of the forecast I&E position, anticipated NHSI financial risk rating for the Use of Resources (UOR), and cash balances.

I&E Summary	2016/17 Forecast Outturn	2017/18	2018/19
	£m	£m	£m
Clinical Income	98.91	106.29	109.37
Other Income	9.82	11.02	11.22
Total Income	108.73	117.31	120.59
Pay Expenditure	(44.97)	(49.25)	(51.45)
Drugs Expenditure	(30.28)	(34.16)	(35.53)
Other Non-Pay Expenditure	(21.61)	(22.12)	(22.25)
Total Expenditure	(96.86)	(105.53)	(109.23)
EBITDA	11.87	11.78	11.36
Depreciation	(4.38)	(4.72)	(4.36)
Impairment	0.00	0.00	0.00
Other interest/financing	(1.97)	(3.24)	(4.50)
Total Surplus	5.52	3.81	2.50
EBITDA margin (%)	10.9%	10.0%	9.4%
I&E Surplus margin %	5.1%	3.2%	2.1%
Use of Resources (UOR):	Rating	Rating	Rating
Capital Servicing	1.0	1.0	2.0
Liquidity	1.0	1.0	1.0
I&E Margin	1.0	1.0	1.0
Variance in I&E Margin	1.0	1.0	1.0
Agency Expend	4.0	1.0	1.0
Overall UOR	3.0	1.0	1.0
Forecast Cash held	£m	£m	£m
As at 31st March	69.60	35.52	28.72

The key movements that bridge 2016/17 forecasts to plans for 2017/18, giving a net reduction in surplus of £1.71m are:

- Increase in Clinical Income for growth & developments (+£3.19m)
- Increase in Clinical Income for Drugs (+£3.80m) offset by increasing drug costs (-£3.88m)
- Increasing costs of pay & non-pay inflation (-£1.29m) & depreciation (-£0.34m) funded by CIP of +£1.86m
- Increasing costs for pay & non-pay pressures and investments (-£1.07m)
- Creation of an activity reserve (-£2.43m) until the Contract negotiations for 2017/18 & 2018/19 have been concluded
- Increasing PDC Dividend (-£1.25m)

It should be noted that the current financial plans do **not** yet include the financial impact of the transfer of haemato-oncology service to CCC from the Royal Liverpool Hospital. This is because the final values are currently under review by both Trusts, and the current service income and costs remain within the Royal Liverpool financial plan submission. Ideally the Trust would like the opportunity to resubmit plans for 2017/18 once the final transfer has been agreed as it will have a material impact on income and costs (increasing by circa £25m). However the transfer is not anticipated to have a significant impact on Trust surplus and delivery of control totals in either 2017/18 or 2018/19.

Section 2: Efficiency savings for 2017/18 to 2018/19

Although the national efficiency factor is 2% CCC has set an initial 4% CIP target of £2.3m in 17/18 and 18/19 pending conclusion of its business planning process. In addition, the transfer of the haemato-oncology service to CCC from the Royal Liverpool Hospital on 1st April 2017 will add a further £0.4m CIP requirement.

CCC has set the CIP target recognising the historical track record of delivering savings in the Trust and also to remain within the financial assumptions of the Full Business Case for the development of CCC's new hospital, giving some headroom to offset in-year pressures. CCC's approach to CIP includes:

- A formal expectation that our transformation programme will deliver at least £1 million recurrent savings per annum
- A predominant focus on cost reduction rather than income generation
- Establishing clear internal targets and accountabilities early in the planning process
- A rigorous and challenging approach to Quality Impact Assessments
- Detailed delivery plans agreed for each scheme
- Strong and effective internal financial controls
- Monitoring and assurance provided by the Programme Management Office.
- The Executive Director of Transformation and Innovation has overall accountability for setting and monitoring the programme

As at the end of month 9 in 16/17, savings to the value of £1.86m in 17/18 have been identified against the target of £2.3m and further support is being provided to departments and directorates who are yet to identify their required contribution to CIP.

Although the internal CIP stretch target is £2.3m, it is important to note that the Trust CIP requirement to deliver the target surplus and control total is the lower value of £1.86m (i.e. CIP identified to date for 2017/18) and the financial plan templates have been completed using that lower value. Similarly the 2018/19 financial plans are based on CIP of £1.79m rather than the internal target of £2.3m.

The CIP programme for 17/18 and 18/19 is in an advanced state of development and savings are targeted in a number of key areas:

- Radiotherapy asset utilisation, including reducing the number of linear accelerators in operation at CCC by 1 on an on-going basis, to reflect changes in treatment delivery.
- Diagnostic asset utilisation, in line with the Carter review, driving additional MRI activity through the Trust's MRI scanners to deliver waiting list improvements for NHS partners who are currently using private sector capacity.

- Implementation of the Transforming Cancer Care programme and the development of a new clinical model for CCC, with a number of savings arising including clinical staff productivity
- Clinical productivity, including reductions in length of stay and a planned increase in bed occupancy.
- Procurement efficiencies and reduced drug wastage through medicines management optimisation.
- Administrative and medical records efficiencies, leveraging the benefit of the Trust's new EPR system
- Savings generated from estates and facilities services, through a specialist dedicated focus supported by a new CCC subsidiary company, PropCare, informed by Carter review estates metrics on space and asset utilisation.
- Targeted income opportunities, where commissioners have supported new service developments including bisphosphonates and lymphoedema services and overseas income for highly specialised services.
- Opportunities are anticipated in 2018/19 associated with the development of shared services and greater back and middle office efficiencies in line with STP assumptions. CCC is currently reviewing benchmarking information for each corporate function with a view to establishing an improvement opportunity to reduce the % of the Trust's income invested in corporate overheads.

Risks

The main risks to delivering the Trust's financial objectives have been identified by the Board and effective mitigations put in place:

Revenue risks	
Risk to clinical income from national tariff changes	<ul style="list-style-type: none"> • Anticipated lost income from Chemotherapy & Radiotherapy tariffs factored into planned resources available. Awaiting publication of final tariff. • Anticipated tariff deflator factored into planned resources available.
Risk to clinical income due to shortfall in expected clinical activity and growth	<ul style="list-style-type: none"> • Actual activity under performance in 2015/16. • Recognise the need to look for opportunities to realign activity through introduction of the Bisphosphonates service. Linac capacity being removed and staffing numbers reduced to offset reduction in RT activity
Risk to clinical income from Contract negotiations and external financial position.	<ul style="list-style-type: none"> • Commissioners supported the Trust financial plans for TCC and the levels of growth that underpinned it. • Commissioners have asked for a contract proposal from the Trust based on a further 2 year block arrangement .
Risk to financial position from non-delivery of CIP	<ul style="list-style-type: none"> • CIP schemes provisionally identified for 17/18 – currently being reviewed. • Work commenced on 18/19 programme • Strong engagement in CIP delivery through new management structure and Director of Transformation • If required release of contingencies/freeze on discretionary spend.

Secure financial closure for H-O	<ul style="list-style-type: none"> Financial arrangements to be agreed by both Boards Currently finalising transfer of budgets and contracts
Other Financial risks	<ul style="list-style-type: none"> Proposed maintenance of contingency / business development reserves (£0.6m). Activity reserve of £0.27m.

Procurement

The Trust uses the Purchasing Price Index Benchmarking tool (PPIB) to identify potential opportunities to reduce prices on products purchased by the Trust. The opportunity assessment is based on medium and high confidence opportunities and variance from median, in line with the NHSI/PPIB tool recommendations. An assessment will be carried out for each of the higher value opportunities identified.

Agency rules

Understanding the levels of agency usage across the trust and how this correlates to the patient safety and expenditure continues to be a key focus both strategically and operationally. Monthly internal reporting ensures that directors and senior managers have a clear understanding of where agency workers are being engaged within the Trust, the reasons why, individual cost and monitoring against the agency price ceiling. This supports transparency within the trust and makes sure that agency is a re-occurring discussion at senior level supporting the embedding and compliance with the agency rules and supporting any required changes in approach internally.

In addition to internal reporting, weekly and monthly monitoring continues as required by NHSI. There has been some key initiatives that have been introduced to reduce agency spend including;

- A review of framework agencies and their commitment to the rules around price and wage caps resulting in the production of a preferred user framework by the Cheshire and Merseyside Procurement Group.
- Where possible booking managers are further negotiating rates below the NHSI suggested rates to ensure the best value for money.
- A review of the impact of vacancies and recruitment activity looking at where improvements can be made within the process to improve the overall time to hire rate
- E-rostering continues to be completed at least 6 weeks in advance to ensure rotas are available and any staffing pressures are identified and addressed

There have been some unprecedented challenges relating to agency use such as non-recurrent planned spend to support EPR implementation and unavoidable expenditure in filling Radiologist vacancies which has had a large impact on the Trusts expenditure for 2016/17. To help address this, key directors' objectives are being reviewed to ensure that reduction in agency spending is part of their performance monitoring.

An action plan to further improve overall monitoring and expenditure is under development and the Trust will continue to take a pro-active approach to ensure innovative solutions to workforce challenges are considered and implemented to reduce of agency usage and ensure that it is striving to meet the requirements specified by NHSI.

Capital planning

The Trust plans to make significant capital investments totalling £157.2m over the short to medium term (next 5 years), the most significant of which is £141.6m Transforming Cancer Care (total capital cost £157.5m) Of this total plan, the Trust's forecast capital programme for 2017/18 is £42.5m and £65.0m in 2018/19.

The Trust is very conscious of the constrained level of capital resources available and is ensuring that capital spend on non-essential priorities is minimised. The Trust's capital plans

are consistent with its approved Transforming Cancer care business case and financing approvals already agreed with the Department of Health.

Links to the Cheshire and Merseyside Sustainability and Transformation Plan (C&MSTP)

The Trust delivers services to a population which is largely, but not wholly co-terminus with the Cheshire & Merseyside (C&M) STP footprint.

The C&M STP was submitted on the 21st October 2016. It is subject to review further dialogue with NHS England and other Arm's Length Bodies. The plan comprises the individual plans of 20 providers (including CCC), 12 CCGs and 9 Local Authorities (re Social Services).

The C&M STP submission identified a number of key challenges faced by the Cheshire and Merseyside footprint, including:

- The high rates of diseases associated with ageing (including cancer)
- That health and social care services have grown and developed over time in fragmented, uncoordinated ways that cannot meet the changing needs of our Communities.
- Significant pressures on health and social care budgets (at both organisational and system levels) are apparent. Continuing with current models of care provision will result in a gap in NHS funding of an estimated £908m by 2021 across the Region if nothing is done.

These issues mean that C&M will fail to meet the future needs of the population and provide the standard of care they deserve without a radical change in current delivery.

In this context the core purpose of the C&MSTP is to create sustainable, quality services for the population of C&M. Four key issues will be tackled across the STP footprint:

1. Improving the health of the C&M population
2. Improving the quality of care in hospital settings
3. Optimise resources available for direct patient care
 - a. Reducing administration costs
 - b. Providing effective clinical support services

These four strategic STP Programmes will be supported by 8 clinical programmes, 5 support and enabling programmes (finance, workforce, IT, estates and governance for collaboration). The changes required of these programmes will be delivered in 3 Local Delivery Systems and of course individual organisations.

In total this represents a portfolio of 20 programmes, each of which will have; clear objectives, scope and governance structure.

Links to the Strategic STP Programmes

The Trust's plans for developing the clinical model in support of its *Transforming Cancer Care Programme* for the delivery of its solid tumour services fit well with the ambition of the STP and LDS's to support the reconfiguration of clinical services as a means of improving quality, maintaining operational sustainability and reducing cost. The model itself will need to mesh with service changes being planned in LDS footprints across the region.

The agreed transfer of haemato-oncology services from the Royal Liverpool with effect from 1 April 2017 will provide further opportunities to develop a region-wide service in line with the Trust's solid tumour service in the coming years. However the initial focus is on the safe and effective transfer of the Royal's service.

The Trust will play a full part in exploring the opportunities for quality and financial improvement in the provision of “back office” and clinical support services. The potential for a role of the Trust’s wholly owned subsidiary, PropCare, to enable cost effective provision for the Trust and others will be evaluated.

Links to the Local Delivery System Architecture

The Clatterbridge Cancer Centre serves a population which covers most of the C&MSTP footprint (the population in the east of the patch receives tertiary cancer services from either Manchester or Staffordshire), however it also provides services to the population of West Lancashire (part of the Lancashire & Cumbria STP) and also the Isle of Man and some patients from North Wales (not in the English NHS STP framework) as well as the national Eye Proton Service.

For reasons of administrative convenience the Trust has predominantly worked with the North Mersey LDS, which, whilst it accounts for a minority of its clinical income by geographic patch is the single largest population of the 3 LDS’s. However the Trust remains wholly commissioned by NHS England Specialised Commissioning for its solid tumour services. The haemato-oncology service comprises a mix of Specialised Commissioned services and CCG commissioned services (predominantly Liverpool CCG).

Links to the Clinical Programme Architecture

The principal clinical programme of direct relevance to CCC is the cancer programme. The cancer programme board will fulfil the role of the mandated Cheshire and Merseyside Cancer Alliance and be led by the Chief Executive of the Trust. Cancer Alliances are required to deliver locally the national ambitions of the Cancer Taskforce report ‘*Achieving World-Class Cancer Outcomes: A Strategy for the NHS 2015 - 2020*’.

It is emphasised that the Cancer Alliance remains a collaborative institution with a responsibility for the whole population and all aspects of the cancer pathway (e.g. **Preventing cancer** by addressing risk factors (45% of cancer are preventable), **Diagnosing cancer earlier** by improving pathways (ensuring GP direct access to tests, increasing diagnostic capacity, reducing emergency presentation) and **Improving treatment and care** and finally improving support for people **living with and beyond cancer**. It is not a vehicle for the Trust to drive the cancer agenda in isolation.

Summary of the Trust Approach

The Trust is clear that the biggest single contribution it can make to the C&MSTP strategy is to fully execute the new Cancer Centre development plans, implement the emerging clinical model for solid tumour services (and in due course haemato-oncology) and ensure that it delivers the organisational control total (which in turn depends on delivering savings targets and commissioner activity requirements).

Notwithstanding the obligation to work collaboratively with other providers, commissioners and systems the Trust remains fully cognisant of its duty to meet the requirements of its provider licence (quality, finance and performance standards).

Membership and Elections

The Council of Governors revised the Trust Membership Strategy in July 2015. The Strategy established the following aims:

- a. 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.
- b. To target increases in the areas we believe we are underrepresented.
- c. To build effective ways of keeping our members in touch with Trust
- d. To develop the 'active' membership category to specifically include volunteers including readers, survey work and other opportunities.
- e. To identify members who are will to be a valuable resource of skill, information and support
- f. To have a system of evaluation that will confirm if our objectives have been met.

Membership Recruitment

To ensure a representative membership recruitment includes:

- On line membership facility
- Membership information available in all public areas of the Trust, peripheral clinics and distribution of application forms when attending public meetings
- Each Governor to recruit a specified number of new members
- Arrange membership events e.g. behind the scenes tours, meet your governor
- Attendance at various local organisations/venues (i.e. support groups, schools)
- Use of the media particularly adding membership information when doing press releases
- '*Member get member*' initiative through the Trust magazine and staff team brief
- Review option to contact past patients i.e. those patients over 5 years.

With effect from 1st April 2017 the haemato-oncology service will transfer from The Royal Liverpool and Broadgreen University Hospital to Clatterbridge. The transfer of this service will increase the staff membership numbers and therefore a review of the staff constituencies is underway to ensure we have a balanced representation on the Council of Governors.

Governor Training & Development

Throughout the year the development needs of the Governors are also reviewed to ensure that they are able to fulfil their responsibilities. Governors have the opportunity to attend events held by MIAA, NHS Providers and the North West Governor Meeting covering a variety of subjects such as making membership meaningful, the role of Governors and significant transactions. In addition, at the Governor Discussion meetings there have been presentations from relevant across a variety of topics, such as Clatterbridge culture initiative and how this impacts on the new build and the CQC Inspection – lessons learned.

Governor Elections

During 2015/17 elections were held in 6 out of the 7 public constituencies (8 seats) and 3 out of the 6 staff constituencies (3 seats). Three of the seats in the public constituencies remain vacant; this will be included in the 2017/18 process. We will be holding elections for 2017/18, starting in May for 7 seats across 5 public constituencies. There are no elections in the staff constituencies in 2017/18.