The ROYAL MARSDEN
NHS Foundation Trust

Strategic Plan 2014/15 – 2018/19

NHS

The Royal Marsden NHS Foundation Trust is a world-leading cancer centre specialising in cancer diagnosis, treatment, research and education.

Our academic partnership with The Institute of Cancer Research (ICR) makes us the largest comprehensive cancer centre in Europe with a combined staff of 4,300. Through this partnership, we undertake groundbreaking research into new cancer drug therapies and treatments. We have two hospitals: one in Chelsea,London, and another in Sutton, Surrey.

Also in Surrey, we have a Medical Day Unit at Kingston Hospital and an academic partnership with the Mount Vernon Cancer Centre. This partnership enhances our research programmes and our contribution to the NHS in finding new and better ways to treat patients diagnosed with cancer.

We also provide Sutton and Merton Community Services. Since April 2011 The Royal Marsden has managed a range of community services, and together we are ensuring that treatment and care is of the highest quality and seamless between hospital and home environments.

Life demands excellence

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1. Overview

As one of the leading cancer centres in the world, with a track record of developing new and better ways of diagnosing and treating cancer, The Royal Marsden contributes to improved outcomes for patients globally. Our primary aim is to deliver the best cancer treatment through world leading research, operating a bench to bedside strategy with our academic partner, the Institute of Cancer Research (ICR).

As a specialist provider, we have a responsibility to innovate and ensure that we can act as a test bed of best practice for the NHS. We have a history of trialling new technology including most recently our acquisition of MR/Linac technology (one of five centres in the world) and CyberKnife (The Royal Marsden is leading an international trial in this technology).

The Trust is the host and one of the founding members of the London Cancer Alliance (LCA), bringing together 17 providers in west and south London and over 2000 cancer clinicians to improve patient pathways and create common data sets for assessing and driving up performance, for example, in ensuring patients have swift access to services in order to improve clinical outcomes.

The best healthcare requires not only technical and clinical excellence but the highest standard of care delivery. The Royal Marsden has a consistent record of top quartile performance across all aspects of care delivery. This includes results from national inpatient and outpatient surveys, a customer service excellence award for all services, and international accreditation for safety and quality.

The Royal Marsden has a strong track record of financial performance, and has been given a low risk rating by its regulator, Monitor, since its inception as an NHS Foundation Trust on 1 April 2004. It was one of the first 20 NHS Foundation Trusts in the country, and has a well developed governance structure with a high quality Board and a Council of Governors.

The principal risks to the Trust over the next five years include the cancer tariff which covers, on average, only 80% of the cost of delivering specialist cancer care, the growth in demand for services with restricted capacity, particularly on the Chelsea site, and an urgent need to continue the modernisation of the Sutton site for 21st century medicine and science. The Trust will also need to continue to conduct research of international significance and continue to transform and scale up service models for long term sustainability as a leading cancer centre.

2. Summary of the Five Year Strategic Plan

2.1 Innovation and precision medicine

Cancer is a research based speciality and The Royal Marsden's reputation for excellence and innovation, together with its performance in delivering high quality care to patients depends on maintaining and further enhancing its position as a leader in clinical research. Significant investment has been made in infrastructure, facilities and research workforce with the opening of the Centre for Molecular Pathology (CMP) in 2012, and the West Wing Clinical Research Unit and The Royal Marsden Clinical Trials Unit in 2014. Newly introduced NIHR performance metrics for the conduct of clinical research demonstrate that The Royal Marsden is ranked first in the UK for recruitment time and target metric and in the top quartile for the 70 day trial set up metric.

The Five Year Strategic Plan includes a range of initiatives relating to innovation and the transformation of patient care through research. Precision medicine is at the heart of this research strategy to improve diagnosis, treatment and prevention, ensuring patients receive the best treatment for the genetic make-up of their tumour, and their individual response to treatment. The rationale is to avoid unnecessary treatment, to target resources to best effect, and ultimately to improve clinical outcomes for patients whether through cure or improved quality of life.

Key initiatives include:

- renewal of NIHR Biomedical Research Centres (BRC) status in 2016
- achieving top quartile performance against research metrics for the efficient conduct of clinical trials, helping to ensure the UK is globally competitive as a major centre for clinical trials
- providing research leadership in cancer for south and west London through the London Cancer Alliance
- strengthening of the bench to bedside relationship with the Institute of Cancer Research and developing new research relationships with Academic Health Science Centres

2.2 New systems of care

To function efficiently in a rapidly changing healthcare environment with restricted resources but increasing demand for new technology and greater consistency in care delivery, new systems of care will need to be introduced. For The Royal Marsden this will mean a more integrated approach to care across whole patient pathways, forming new relationships with other providers of primary and acute care to create a seamless and well managed pathway and avoid duplication and waste.

Key themes include:

- development of innovative new models of care including RM@ franchise operations and the development of hospital chains or networks, led by The Royal Marsden for improved quality and efficiency and wider patient benefit
- redesign of whole patient pathways to localise care where possible and centralise where necessary for improved quality and value
- delivery of a surgical strategy to create a sustainable surgical model long term to achieve excellence in both patient experience and clinical delivery of care
- the development of integrated models of care across acute, community and home care provision to improve efficiency and patient experience

2.3 Modernising infrastructure

Modern cancer care of the highest quality requires significant investment in infrastructure facilities and estate to accommodate changing technology, changing service models, and increased demand. Cancer care is also data driven and investment in IT and information will be critical over the next five years to support the delivery of both research and service.

The estate and infrastructure in Chelsea has received major investment and modernisation over the last six years including a new imaging centre, ambulatory care centre, critical care, theatres and private care. Our major issue in Chelsea is the urgent requirement for additional capacity to accommodate current and future demand for services, partly as a result of remodelling and modernisation which has reduced bed numbers by 30% to accommodate modern building guidance and a more spacious environment for patients.

The Sutton site is a health and science campus, shared with the Institute of Cancer Research, with mixed quality and age of estate. It includes some of the most modern research and service facilities in the UK, alongside old fashioned 1960s inpatient and outpatient facilities. The major issue for Sutton is modernisation of the remaining poor quality estate, and an opportunity to transform this campus through the "Sutton for Life" scheme with the support of the Mayor's Office, ICR and Sutton Council.

The Five Year Plan includes capital investment of £140m to support service and research strategies, a modern equipment programme and major investment in IT and patient information systems. This will be funded through reinvestment of the Trust's surplus, a loan and charitable investment.

2.4 Financial sustainability and best value

The Council and Board agreed a Private Care Strategy in 2013 which is critical to the Trust's long term sustainability as a high quality provider. Private Care contributes to the standard of environment and facilities for all patients and is a significant contributor to The Royal Marsden's leading edge capability, including the ability to trial new technology and create new research and service models.

The successful delivery of the Private Care Strategy will depend on investment in commercial capability and a clinically research led growth strategy, allowing the service to grow profitably within the period of the five year plan. The Royal Marsden has a strong track record in this area, but will need to change its approach from subsidising NHS cancer tariffs to a more disciplined use of private income, investing in the service itself for a competitive and sustainable position in the market longer term. The use of private income to sustain The Royal Marsden's role as an innovator and leader will also be essential.

NHS tariffs fund, on average, only 80% of the cost of cancer care. The Royal Marsden has already been assessed as the most efficient provider of specialist services in the country and the Trust will therefore need to change its approach to the NHS contract and tariff regime and negotiate fair local prices for the work it undertakes until the national cancer tariff is adjusted. Given the impact of the tariff on current delivery of services by the Trust, further work is being undertaken to reengineer referral and discharge models to mitigate this risk.

The Royal Marsden has always accepted referrals nationally for all types of cancer, with a dispersed pattern of commissioning for patients with common and rare cancers. Generally, the more specialised or rare the tumour or treatment regime, the wider and more national the referral base. However some patients choose to come to The Royal Marsden because of its reputation for excellence and its specialised cancer specific infrastructure. Clinicians are now developing a method of assessment to ensure the Trust can focus on the patients for whom a referral to The Royal Marsden will provide maximum value rather than patients for whom there will be no additional benefit relative to treatment in a local setting.

3. The health landscape

More people are being diagnosed with cancer than ever before – around 330,000 people are diagnosed with cancer every year in the UK. This figure is expected to increase to more than 425,000 by 2030. As treatments improve, greater numbers of people are living with, and beyond, cancer. Over the last 40 years, survival has doubled and today half of the people diagnosed with cancer in the UK will survive for at least 10 years. Accelerating this progress could see three quarters of people surviving the disease within the next 20 years.

Ten year survival rates for many cancers – such as breast, skin and testicular cancer – are now above 75% but survival rates are still very low for some cancers such as pancreatic, lung, oesophageal and brain cancer.

In London more than 30,000 people receive a cancer diagnosis each year. The number of people living with and beyond cancer is more than 200,000 and this is expected to double by 2030.

Despite the fact that more people are surviving cancer, mortality and survival rates vary significantly between areas. In London, 14 CCGs have lower one year survival rates than the England average. A key issue is that patients are often diagnosed when their cancer is at a later stage than is the case in other areas of the UK and Europe.

For The Royal Marsden, the continued increase in cancer will continue to increase the Trust's activity, across most treatment modalities. An increasing focus on earlier diagnosis is likely to result in increased activity in outpatients and imaging.

3.1 Five Year Cancer Commissioning Strategy for London

A five year cancer commissioning strategy, building on the 'Model of Care' published by NHS London in 2010, is in the process of being finalised by NHS England. It has been developed in the context of the health needs of the population, variations in the quality of treatment and care across London, and the wider financial challenge facing the NHS.

A key implication for The Royal Marsden will be a significant increase in shared care arrangements with other providers and patients having shorter pathways at The Royal Marsden. For some specialist services, there is evidence that an increasing number of clinical services are better concentrated in fewer centres undertaking higher volumes of activity. There is now a major national drive to push the consolidation of specialist services further.

3.2 Market context

The Royal Marsden is the largest cancer provider in England, with the largest share of the planned cancer market in London, a level consistently maintained over the last four years, and a significant share of the planned cancer market in south-east England, a level which has increased over the last four years. The south-west London and Surrey market continues to be the main source of NHS activity for the Trust, with 42% of the medical cancer market.

Key issues for The Royal Marsden are:

- Potential reconfiguration of services within Epsom & St Helier University Hospitals NHS Trust (ESH) provides both an opportunity and a threat to The Royal Marsden.
- In Surrey, The Royal Surrey County Hospital (RSCH) is the main cancer provider. The proposed merger of Ashford and St Peter's Hospital and RSCH in 2015 creates the potential for the expansion of the RSCH cancer catchment into north Surrey and west London, threatening patient flow to The Royal Marsden.

4. The next five years

The key strategic themes for The Royal Marsden over the next five years are:

Innovation and precision medicine	**Clinical sustainability/Value for money** – Delivery of BRC research strategy and successful renewal in 2016 – Maintaining top quartile research performance, helping to ensure the UK is globally competitive as a centre for clinical trials – Providing research leadership in cancer for local clinical research networks – Achieving optimal scale and transformation of care through strengthening academic and research relationships
New systems of care	**Clinical and operational sustainability** – Systems leadership for acute cancer care – Pathway redesign localising care where possible and centralising care where necessary to improve quality and value – Successful delivery of The Royal Marsden surgical strategy to ensure long term sustainability – Development of integrated models of care across acute, community and home care provision
Modernising infrastructure	**Operational sustainability** – Modernisation of Sutton estate including "Sutton for Life" Health and Life Science Centre – Investment in clinical capacity in Chelsea to future proof the service – Maintaining investment in first class facilities and technology for service and research through a £140m capital programme – Delivering an IT and information strategy to support modern service and research models
Financial sustainability and best value	**Financial sustainability** – Successful delivery of the Private Care Strategy which requires short and medium term initiatives to enable profitable growth – Ensuring fair prices for activity covered by the NHS tariff – Reengineering referral and discharge models to ensure The Royal Marsden provides maximum benefit and value

5. Innovation and precision medicine

The advances of the past decade have shown us that there is not a "one size fits all" approach to curing cancer. A deeper understanding of the disease within each individual is needed in order to develop and prescribe the most appropriate treatment. We will continue to target the molecular differences between cancer and normal tissues in order to deliver more effective and less toxic treatments and identify and target key driver mutations, potentially by the use of novel combinations.

Key initiatives include the successful delivery of the BRC research strategy, ensuring top quartile research performance, and achieving optimal scale and transformation of care through strengthening academic and research relationships.

BRC vision

The rapid translation of advances in science for the benefit of patients with cancer.

BRC mission statement

To maximise patient benefit and optimise use of resources by delivering more precise cancer care. Joint working to ensure there is seamless transition from scientific research through to NHS-based innovative clinical and translational research, with reverse translation of clinical and biological information to drive future BRC research. Our advances will be embedded and adopted locally and used to drive forward change on a national and international scale.

The BRC has six key strategic aims:

1. To personalise cancer care by tailoring treatment regimens to the genetic makeup of the tumour and of the individual, working with industry partners to increase the number of therapeutic options available to patients
2. To implement new approaches to clinical trials that will integrate the identification and validation of biomarkers of response
3. To optimise existing approaches to surgery and radiotherapy and investigate new ones
4. To provide opportunities for improved cancer diagnosis, treatment, surveillance and prevention
5. To personalise care throughout the entire patient journey through health services research
6. To work in partnership with other centres of excellence, ensuring that the right expertise is used to deliver research with the potential to change clinical practice in the UK and worldwide

Our original eight theme structure reflected the divisional structure of the ICR and our historical strengths in breast and prostate cancer research. Given the significant advances in basic and translational research across other tumour types our research themes are being reorganised accordingly.

Sub-types of specific cancers that transgress organ of origin and histological bounds are increasingly being identified. The aim is to better understand these sub-types and group information together across tumour types in order to facilitate optimal biomarker and therapeutic development whilst harnessing the most appropriate novel and established molecular and imaging techniques.

The themes will therefore be sub-divided into two main research areas:

Re-classification of disease The identification and development of predictive, prognostic and predisposition biomarkers to aid diagnosis and appropriate treatments, and identification and development of biomarker tests of response and resistance.

Cancer therapeutics Driving forward the treatment of cancer utilising targeted therapies, systemic therapies, immunotherapies, radiotherapy and surgery to achieve better response and fewer side-effects.

We will also be focusing on the following key areas as part of our research strategy:

Systemic/biologic therapies Used in combination or alongside radiotherapy and surgery, we are investigating novel-novel combinations and utilising existing therapies such as immunotherapy which is becoming increasingly important in selected tumour types such as melanoma, lung and upper gastrointestinal.

Radiotherapy The procurement of an MR linac, manufactured by Elekta, will allow us to remain at the forefront of clinical oncology research. The MR linac offers the potential to combine MRI with a linear accelerator, aiming to ensure that each patient receives an optimal treatment – balancing the benefits of tumour control and the risks of side-effects.

Surgery Recent appointments of research active surgeons will help us move this forward. We will continue to work in partnership with other organisations, e.g. Imperial for surgery, engineering, phenomics and UCL for immunology to strengthen our position as Europe's largest comprehensive cancer centre.

We have established a number of new core resources which all staff can utilise for the benefit of clinical research:

NIHR Centre for Molecular Pathology – opened late 2012 We have expanded our Molecular Diagnostics and Histopathology teams to facilitate our Clinical Units running biomarker-driven clinical trials and utilising Next Generation Sequencing (NGS) for targeted sequencing using tumour specific gene panels. We have invested in bioinformatics staff and high performance computing and established a generic bio bank.

The Royal Marsden Clinical Trials Unit – established September 2013 This new team, jointly funded by the BRC and The Royal Marsden Cancer Charity, centrally manages primarily BRC-funded clinical trials. This investment will enable the BRC to remain at the forefront of designing innovative clinical trials. The first trial opened for recruitment in July 2014.

West Wing Clinical Research Facility – opened March 2014 A dedicated facility for the treatment of patients in clinical trials, the West Wing contains 24 chairs and four recovery beds, a dispensing pharmacy and lab space for processing bloods.

We are in the process of developing a BRC training strategy, setting out plans for developing the next generation of leaders in oncology. We will be tailoring research awareness training to the entire BRC workforce to optimise the research culture within the BRC, allow the earliest adoption of research findings for transformative healthcare and maximise the diffusion of research results across the infrastructure.

We also recognise the importance of collaboration and have initiated a number of strategic links and joint projects:

Imperial College Healthcare We have established a Joint Research Board, run a collaborative funding scheme and initiated several joint projects (for example in gut metabonomics)

Royal Brompton Hospital We run joint translational studies in lung cancer and metastatic colorectal, breast and melanoma with the aim of identifying novel markers of response, resistance and late toxicity, in particular cardiovascular toxicities

University Hospital Southampton and King's College Hospital We have a strong collaboration in nursing and Allied Health Professional training and research. We are due to enter into collaboration with Southampton BRC and the World Cancer Research Fund in Cancer Nutrition

London Cancer Alliance Professor Stan Kaye has been appointed as Director of Research within the London Cancer Alliance. This network spans three BRCs (Imperial College, Guy's and St Thomas' and Maudsley) and three Biomedical Research Units (Royal Brompton and Maudsley). Additionally, there are three Experimental Cancer Medicine Centres within this network.

Meaningful Patient and Public Involvement and Engagement (PPI/E) is a key area of importance for our BRC given the current and long term effects of cancer treatment, particularly certain cancer types. As the only NIHR BRC dedicated solely to cancer, there is an opportunity for The Royal Marsden to lead PPI/E in cancer research.

We have appointed patient representatives to input into funding decisions, communication strategies and the implementation of our research, in line with the requirement that applications submitted to the BRC are required to outline the input patients or members of the public have had into the idea and design of research programmes.

We are now developing our new PPI/E strategy and we have already carried out a series of events that underpin our aims and objectives. These events have been crucial in acquiring ideas and thoughts from patients and the public.

We have established a PPI/E Working Group to drive the development of the BRC strategy, comprising clinical, operational and patient representatives. A dedicated PPI manager is being appointed to implement the strategy during 2014/15.

The Royal Marsden makes a significant contribution to the South London network activity and currently accounts for 51% of the total network cancer research activity across South London. It is the aim to increase the number of patients recruited to network studies by reviewing the current South London Cancer Portfolio, identifying all trials that we are participating in and identifying all those that we are not in an effort to increase our activity. We aim to continue to be number one out of 52 Trusts in the country for the time to target metrics.

6. New systems of care

The Royal Marsden has a track record of being at the forefront of new drug discovery, technology and developing the role of healthcare professionals in cancer care.

Increasingly the Trust is using its expertise and leadership to design new models of care to make an essential difference to the quality and efficiency of the services patients receive.

6.1 Systems leadership for acute cancer care

Cancer remains one of the greatest challenges for healthcare. With cancer incidence rising and survival outcomes in most cancers not reaching parity with parts of Europe, England needs to make a step change in cancer care. The Royal Marsden is unique nationally; we have a critical mass of cancer talent and expertise and we have a history of being a test bed of good practice developing new drugs and equipment.

To achieve our full potential, we must utilise these talents to have a more direct effect on cancer care nationally. To some degree this already happens as many of England's cancer doctors have been trained at The Royal Marsden and most cancer nurses are still educated and trained at The Royal Marsden School. However the Trust is keen to increase this and perform a national leadership role for cancer care, education and research using its strong track record of performance.

The Royal Marsden has successfully partnered with other organisations, its first venture realised five years ago – the William Rous Unit at Kingston Hospital, is a successful model of a satellite centre delivering chemotherapy and is highly regarded by patients. The Trust has also had recent experience of 'buddying' a challenged Trust in its relationship with Colchester University Foundation Trust overseen by the CQC and Monitor.

The Trust is in an excellent and unique position to lead cancer services nationally using either a RM@ model or a management franchise methodology. Over the next five years the Trust will take forward the RM@ model locally and regionally and then, if the funding and political will is aligned, nationally.

6.2 Transforming early diagnosis, pathway redesign and therapeutic interventions

An important element of cancer treatment provision in the UK since Calman-Hine in 1995 and then the Darzi Healthcare review 2009/10 was to localise care where possible and centralise care where necessary. To ensure this happens safely with no unwanted variations in cancer care it is critical that care provision along the cancer patient journey is well led and informed everywhere by the same timed evidence based pathways of care.

The Royal Marsden, through the London Cancer Alliance (LCA), is leading the redesign of the pathway for patients with cancer of all types. The majority of the tumour pathway and cross cutting groups are led by The Royal Marsden senior clinicians and one of the two Clinical Directors leading the entire LCA is a Royal Marsden Executive Director. The focus for the LCA is to ensure that wherever a patient needs cancer care in London they will have rapid access to the same world class cancer care experienced by Royal Marsden patients.

The Royal Marsden has a strong track record in rapid diagnostics in breast cancer. There may be opportunities to develop a similar service for prostate cancer. The Trust will also be exploring how it can offer direct GP access to rapid access cancer diagnostic clinics.

Forty per cent of patients with common cancers such as lung and colorectal cancer are diagnosed when they present at an Emergency Department (ED). Acute Oncology Services across London are working together on education initiatives to improve the rapid diagnosis and treatment for these patients, whilst also investing in patient and GP awareness schemes to avoid diagnosis of cancer in an ED admission. The Royal Marsden's GP education days regularly attract over 150 GPs, all focused on improving primary care cancer services.

6.3 Surgical strategy

Cancer surgery remains the major treatment for cancer and can afford a complete cure or major remission for the patient. At The Royal Marsden, much has been achieved over the last five years following investment in estate and equipment to ensure that the Trust is well equipped with 10 theatres and a 19 bedded Intensive Care Unit. We have improved the efficiency and effectiveness of care as well as the patient experience. Over the last five years, surgery has been transformed by using robotically assisted techniques but so has the patient experience and hospital length of stay, whereas previously, patients stayed in Intensive Therapy Unit followed by 8-9 days in hospital, they now have no ITU stay and are discharged within 24 hrs.

During the next five years the Trust will address surgical utilisation and capacity issues by:

- Developing a specialty-specific surgical portfolio to support the delivery of the private care strategy and the non-surgical portfolio, including research
- Developing robust partnerships to protect the business against regulatory threat, strengthening surgical research links, addressing capacity concerns and supporting strategic growth
- Managing the surgical workforce to ensure a safe, sustainable and affordable portfolio, supporting the delivery of the private care and NHS service
- Investing in Chelsea estate to deliver of private surgical activity and more efficient day surgery

In the short term the Trust will maximise efficiency by developing specific surgical areas and a short stay ward. Longer term partnerships will be developed, potentially through opportunities arising in elective centres.

Over the last five years The Royal Marsden has modernised its delivery of many systemic cancer treatments and radiotherapy. 90% of all chemotherapy regimens are now delivered in a day unit or outpatient setting. Radiotherapy is also predominantly delivered in an outpatient setting. The Trust will continue this modernisation programme ensuring that length of stay is safely reduced. Despite the Trust's success in achieving greater efficiencies, cancer incidences are increasing and patients elect to come to The Royal Marsden, meaning almost daily challenges for beds and operating theatres. Over the next five years The Royal Marsden will explore the following options to increase capacity:

- Additional space in the Fulham Road Wing of the current Royal Brompton site
- A new development at Sutton as part of the Sutton for Life Campus.
- Utilisation of surgical space on a new site with a partner

Over the next five years The Royal Marsden will increasingly need to extend its scale and scope to ensure it remains financially and clinically at the leading edge of modern cancer care, and that patient pathways are continuously improved.

6.4 Out of hospital care – Integrated care models

Transforming healthcare provision and using new models for care is a key strategy for the NHS. The Royal Marsden is at the forefront of this new vision and, in 2011, successfully bid to lead Sutton and Merton Community services (SMCS). The acquisition of community services allowed The Royal Marsden to have resonance with its local community, to work closely with GPs who were to become commissioners of local care and to transform patient's pathways of care particularly those with long term conditions such as cancer. The Royal Marsden has been able to add value particularly in the areas of clinical leadership and governance.

A particular focus has been leading the local community on the Integration Agenda. The Royal Marsden has had a core leadership role on the Integrated Care Board and led educational and other initiatives to bring together health, social and voluntary care, including development of a strategy to ensure that care is led and provided by the right person, in the right place, at the right time. The Trust has been a key leader in this and will continue to develop and transform care across all community areas.

Over the next five years The Royal Marsden will use its experience of hosting community services locally to leverage influence nationally especially regarding Integrated Care for long term conditions. The Trust will use its clinical, leadership and MDT expertise to work with multiple partners across health, social and voluntary sector providers to ensure a joined up approach to patient assessment, care planning, patient care records and seven day services. In planning such services the Trust will work closely with the public and patients using its experience in PPI.

The Trust will harness international best practice and use its research expertise to embed the best practice into the new Integrated Care systems for England. The Trust will also leverage its track record in business excellence to co-create innovative commissioning strategies for integrated systems to ensure that new systems are an affordable and sustainable model. The financial challenges being experienced by the NHS mean that major systems change does need to happen. The Trust is well placed both financially and in terms of its excellent influencing skills with senior political and NHS leaders to be a key player in leading a new type of integrated care organisation.

7. Modernising infrastructure

7.1 Modernisation of the Sutton estate including 'Sutton for Life'

The majority of our Sutton site is dedicated to ambulatory care, with the exception of specialist services in paediatrics and haemato-oncology. The Sutton campus is the clinical research hub for the Trust with over two thirds of the clinical research delivery taking place there and the Trust has invested more than £85m in modernising and creating new facilities on the site over the last 10 years.

The 'Sutton for Life' project could provide opportunities for collaborative expansion with Sutton Council and the ICR to develop the site as a world class life science campus specialising in cancer diagnosis, treatment, research, education and biotech production. It is unclear at this point what the level of investment by The Royal Marsden will be or what form a partnership may take. However, the positive impact of the project could include:

- Clinical research expansion and opportunities for pharma and tech partners
- Enhancement of the site and replacement of 1960s estate
- Increased private care business, particularly overseas patients
- Increased employment for the local workforce

There are three principles underpinning the vision for the Sutton site:

1. A need to strengthen the research capability on the Sutton site. The ICR has significantly increased their estate and it would be logical for the clinical research facilities to expand alongside this academic growth.
2. A need to replace tired estate and facilities which currently provide high volume support to cancer patients
3. A need to increase estate, including:

- Expanded diagnostics
- Clinical Assessment Unit
- Increased outpatient capacity
- Supportive/personalised care
- Day surgery facilities
- Clinical Research Centre
- Administrative centre non-clinical staff

7.2 Investment in clinical capacity in Chelsea

Centred on the work with The Royal Brompton and Harefield NHS FT to develop the Fulham Road Wing of the Royal Brompton in Chelsea, a prospectus is being prepared that will set out a new vision for the two organisations, together with the ICR, to secure this facility for NHS care and research.

7.3 Capital programme

The financial plan shows how the surplus available for development increases over five years to a level that provides sustainable level of capital funding.

Capital programme	2014/15 Plan	2015/16 Plan	2016/17 Plan	2017/18 Plan	2018/19 Plan	**Total five years**
	£000s	£000s	£000s	£000s	£000s	**£000s**
Internally financed						
Medical equipment/infrastructure	500	0	0	0	0	**500**
IT schemes	5,800	5,000	5,000	5,000	5,000	**25,800**

Capital programme	2014/15 Plan	2015/16 Plan	2016/17 Plan	2017/18 Plan	2018/19 Plan	**Total five years**
	£000s	£000s	£000s	£000s	£000s	**£000s**
Backlog and minor works	1,800	2,000	2,000	2,000	2,000	**9,800**
Private patients	2,500	2,200	0	0	0	**4,700**
Other	600	200	2,600	3,100	5,200	**11,700**
Total	**11,200**	**9,400**	**9,600**	**10,100**	**12,200**	**52,500**
Loan financed						
Equipment loan (Current)	15,900	0	0	0	0	**15,900**
Equipment loan (Proposed)	0	10,000	10,000	10,000	10,000	**40,000**
FTFF loan (Proposed)	0	0	20,000	0	0	**20,000**
Total	**15,900**	**10,000**	**30,000**	**10,000**	**10,000**	**75,900**
Donated assets						
West Wing	0	0	0	0	0	**0**
Gamma Camera (Legacy)	600	0	0	0	0	**600**
Other	400	2,000	2,900	2,000	2,000	**9,300**
Robot	2,100	0	0	0	0	**2,100**
Total	**3,100**	**2,000**	**2,900**	**2,000**	**2,000**	**12,000**
Total capital programme	**30,200**	**21,400**	**42,500**	**22,100**	**24,200**	**140,400**

The capital programme shows that expenditure of £140m is affordable from a combination of borrowing (taking into account payment of capital and interest) and procurement from free cash flow. Proposed loan financing of £60m is addressed in the financial plan including £40m for equipment and a further £20m for use across a range of potential schemes.

Requirements for major investment in the following schemes will be addressed as part of business cases still to come to Board:

- New build in Sutton including land purchase and upgrade of accommodation
- Replacement of the Trust's Electronic Patient Record and associated IT schemes
- Purchase of the Fulham Road Wing of the Royal Brompton

7.4 Information and IT strategy

Information technology is a key enabler for all current and future Trust services. Going forward the strategy is to ensure that the clinical information system is protected and developed and accompanied by a full suite of business IT functions. It is likely that the Trust will need to embrace a radical new capital and development plan for IT which is clinically led and the Associate Medical Directors are involved in designing the strategy.

This year the Trust has successfully undertaken work in developing additions to its comprehensive patient system including an e-chemotherapy system and e-MDT. Both systems have had major clinical involvement in the design and implementation and have demonstrated success in key areas of function and alignment with national data reporting systems.

8. Financial sustainability and best value

The Royal Marsden is developing initiatives to remodel access and discharge pathways for best value to the NHS and the UK taxpayer. Long term financial sustainability also requires that the costs of providing cancer care are fairly reflected in the national tariff for cancer. The Trust has developed proposals for significant improvement in cancer tariffs. Initiatives in private care will allow surpluses to be re-invested in leading care and research.

8.1 Private care

The Royal Marsden aims to create Europe's leading private cancer centre, internationally renowned for its excellent clinical care, leading research and unique partnerships with world leading consultants. Using Private Care as a driver for innovation and service transformation in the NHS, we leverage the Trust's capability in precision medicine, research and technology to remain competitive and ensure point of difference with other providers.

By 2017/18 we aim to grow our income to £100 million, deepening the Trust's share in core markets, improving mix and margins, easing service bottlenecks and maximising existing capacity. To go beyond £100 million, we envisage an appropriately separated private model and increased presence in attractive international markets.

8.2 Fair tariffs for NHS cancer care

NHS tariffs fund, on average, only 80% of the cost of cancer care. Since The Royal Marsden has already been assessed as the most efficient provider of specialist services in UK healthcare and its forward plans are in line with expectations elsewhere, the case for addressing national tariffs for cancer over the next five years is now clear.

The Royal Marsden has developed a number of key tariff themes:

Tariff currency National average tariffs are largely based upon procedures undertaken rather than on the diagnosis of the patient – cancer is, of course, a diagnosis, not a procedure. This often means that procedures will cost considerably more to deliver when the patient has cancer. This problem is fundamental because many services, particularly surgery, provided to cancer patients as part of PBR can also be provided to patients without a cancer diagnosis. In the past this has resulted in top-up arrangements being implemented, such as for children's services, but there is no such top-up in place for cancer.

Tariff coverage Most patients with cancer are receiving treatment and care for long periods but this care is not always associated with procedures. Tariffs do not adequately cover inpatient spells associated with only limited, or even no, procedures.

Care complexity Cancer services provision is likely to be more complex with multiple co-morbidities a factor in treatment planning and delivery. Cancer is not necessarily the most complex or expensive activity but given its prevalence and the diversity of provision the impact of poor tariffs is much greater.

Outpatient follow-up tariffs Tariffs applied to outpatient follow-up appointments are discounted, compared to their underlying reference cost, in part to incentivise providers to discharge patients more quickly. This mechanism is often inappropriate for cancer care where services are provided using protocols requiring longer follow-up care pathways and where costs of follow-up during active treatment are at least as much as the first appointment.

Impact of private patient income netted off from NHS tariff We recognise and welcome the change in approach to collection of private patient costs as part of the 2012/13 reference costs return. This will help Monitor to understand the gross cost of providing NHS cancer care.

8.3 Re-engineering referral and discharge models

Since the national tariff for cancer funds, on average, only 80% of the costs of all cancer care and since the Trust as a specialist provider cannot subsidise these losses with surpluses from other NHS services, the Trust has advised its Commissioners that it may seek their support for taking some services outside the NHS contract and tariff regime.

Revision to the access policy will involve realigning capacity and hospital resource allocation to achieve a more clinically sustainable level of service provision. The main areas of focus will be prioritising referrals based on agreed catchment areas for each tumour group, a clinical need which cannot be met at another centre or an opportunity to enter into a clinical trial that is only offered at the Royal Marsden. In addition triage of non-elective admissions to ensure priority is given to those patients requiring the specific and specialist services of The Royal Marsden.

9. Activity plans

The table below shows the activity over the last three years. In 2013/14 The Royal Marsden saw more patients than in any previous year. The most significant increases in activity have been in outpatient and day care, notably patients attending for chemotherapy. Inpatient admissions have remained static.

NHS and PP Activity	**2013/14 outturn**	Change from 2012/13	Change from 2010/11
Inpatient admissions	**10,051**	0.0%	2.6%
BMTs	**219**	12.9%	9.5%
Day case admissions	**12,925**	3.6%	2.4%
Chemotherapy attends	**39,794**	6.6%	23.7%
Consultant outpatients	**165,128**	6.6%	12.0%
Radiotherapy attends	**74,729**	1.9%	4.5%
Theatre operations	**6,140**	2.6%	13.0%

Despite the pressure on budgets there is no evidence of any reduction in demand for specialist cancer services and new referrals continue to increase as shown below.

New referrals	2010/11	2011/12	2012/13	2013/14	**% growth over 1 year**	**% growth over 3 years**
NHS patients	15,574	16,000	16,426	18,246	**11.0%**	**17.1%**
Private patients	2,940	3,047	3,018	3,482	**15.4%**	**18.4%**
All patients	18,514	19,047	19,444	21,728	**11.7%**	**17.4%**

The following table shows the anticipated NHS and private patient figures, for 2014/15 – 2018/19 as compared to the 2013/14 outturn, based on prevailing activity trends, though in some cases these have been tempered by an understanding of capacity constraints or strategic objectives.

NHS and PP activity	**2013/14 outturn**	2014/15	2015/16	2016/17	2017/18	2018/19
Inpatient admissions	**10,051**	10,208	10,296	10,385	10,475	10,566
BMTs	**219**	223	227	231	235	239
Day case admissions	**12,925**	13,015	13,106	13,197	13,289	13,382
Chemo day attends	**39,794**	43,629	46,878	50,386	54,109	58060
Consultant outpatients	**165,128**	170,230	176,996	183,714	190,695	197,941
Radiotherapy attends	**74,729**	75,414	76,440	77,480	78,534	79,602
Theatre operations	**6,140**	6,391	6,664	6,949	7,246	7,556

There are no plans to cut the total number of beds, theatres and other patient care facilities (in broad terms) in the next two years, however the operational plan has identified a number of services where no funding is provided by any commissioner or where funding is significantly less than the 80% average seen across the NHS portfolio.

The Board has previously functioned on its requirement to remain financially sustainable over a longer period of at least 10 years. This requires annual operating revenue surplus, at current prices, of at least £20m to deliver its 10 year capital replacement programme and maintain sufficient cash headroom to meet its working capital needs (assumed to be at least £10m at current turnover). In this scenario new investment is funded either through loan or similar facilities based on revenue positive business cases, or where appropriate through charitable grants (for non-core NHS activities).

The financial plan shows surplus for development increasing over the period to a position that is considered sustainable in managing requirements for capital expenditure and financial risk. This incorporates the requirement to pay interest on any loans.

10. Declaration of sustainability

The successful delivery of the initiatives set out in the Five Year Plan will ensure that The Royal Marsden is clinically, operationally and financially sustainable as a world-class cancer centre over the term of this Plan, with progress and achievement in all areas of research and service for national and global patient benefit.

Life demands excellence