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To: Regional Directors and
Clinical Leads - Clinical Commissioning Groups
Accountable Officers - CCGs
cc: National Directors
Area Directors
Regional Directors of Operations and Delivery
Regional Directors of Finance
Area Directors of Finance

4 June 2014

Dear colleague

Resubmission of operational plans

Following discussions over the past few weeks, we have agreed that we should ask for resubmission of operational plans for 2014/15 and 2015/16. This is to enable the plans to better reflect changes as a result of assurance conversations and changes being made to financial and Better Care Fund (BCF) plans.

This letter outlines the process for resubmission and sets out the key dates for commissioners. We expect Regional and Area Teams to be working with commissioners (CCGs and direct commissioners) to ensure that the plans collected as part of this resubmission represent the most robust set of plans possible. Where plans are not changed, original plans will stand.

Operational Plans

Following submission of these plans on 4 April 2014 and recent assurance discussions, resubmissions should focus on the following areas:

- Activity plans, particularly on elective activity plans to ensure they deliver the RTT standards, and on non-elective plans to ensure they are compatible with BCF plans. Changes by commissioners to the provider/commissioner return should be explicitly agreed with providers.
- IAPT plans where CCGs are just missing the 3.75% ambition, many due to rounding, and also where plans are under ambitious or unrealistic compared to current performance.
- Dementia, similarly to IAPT, where plans are unambitious or unrealistic compared to current performance.

Unify will re- open on **Monday 9 June 2014** for the resubmission of operational plans.

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Better Care Fund

Revised BCF plans were submitted on 4 April and have been subject to an assurance process led by Area Teams together with Local Government regional peers. While the assurance process has demonstrated some improvement on the draft plans submitted in February, it has also shown that further work is required on many local plans, particularly around the metrics and finance data, and on the extent of provider engagement in the planning process. In light of this, Ministers confirmed that no BCF plans would be formally signed off in April and that further time should be taken for CCGs and Councils, working with Health and Wellbeing Boards (HWBs), to refine their plans during June.

In addition to resolving issues with the completeness and robustness of data submitted, there are a number of areas on which further information is required from CCGs and HWBs in order to ensure a rigorous assurance process ahead of any plans being recommended for sign off. This includes providing a more detailed breakdown of planned investments and savings, clarification on the impact of the BCF on total emergency admissions, and agreement on the consequential impact on the acute sector. It will be particularly important to demonstrate that adequate savings will be achieved to manage the risk of unplanned activity.

Further guidance and a data collection template will be issued by the end of the week along with clarification on next steps and timetable, with the data required by **27 June**.

Finance

CCGs are asked to submit their most up- to-date financial plans for the period 2014/15 – 2018/19 and submit these to the following email address by **20 June**: NHSCB.financialperformance@nhs.net

Updated templates were issued on Tuesday 3 June. These include a requirement for additional information on the non-elective marginal rate and update the 2013/14 carried forward surplus (where applicable).

The 2013/14 carried forward has been changed in the following circumstances:

- Where the surplus has decreased or a deficit increased between M9+ and M13, the bought forward value has been changed to reflect this.
- Where CCG in deficit has reduced the deficit between M9+ and M13, the bought forward value has been changed to reflect this.
- Where a CCG in deficit at M9+ has moved to a surplus position at M13, the bought forward value has been changed to reflect a breakeven position.
- The position for CCGs in surplus at M9+ increasing the surplus at M13 remains unchanged in that the brought forward surplus value is the M9+ value.
- The change to the bought forward surplus must not have a detrimental effect on drawdown.

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Please also complete the additional information requirement on the 2014/15 contracts tab with any other changes agreed with the relevant Area Team and Region.

All but a handful of CCGs have already loaded budgets into ISFE, and the majority of the loaded budgets are consistent with the latest submitted finance plans on 1 May. Could all CCGs please ensure that budgets are loaded and agreed to latest plans by 9 June. This will enable CCGs and the national team to report the financial position at month 2 accurately.

Particular focus should be given in plans to the following:

- Ensuring that the drawdown of prior year surpluses in 2014/15 is minimised.
- Ensuring that investment in Mental Health services does not reduce in absolute cash terms from 2013/14 levels and that plans are in place to make progress towards parity of esteem for 2014/15, including the financial settlements between CCGs and providers.
- Developing greater consistency between financial plans and the Better Care Fund, with regards to the distribution of funds and financial benefits.
- Ensuring that plans are phased appropriately, and match the budgets that will be initially loaded.
- Updating contract information to reflect agreements with providers and the subsequent impact of the Better Care Fund.

Timescale

The deadline for uploading finance budgets for 2014/15 is **Monday 9 June 2014**.

The deadline for re-submission of finance plans, outcome ambitions, NHS Constitution, quality premium and other related measures is **Friday 20 June 2014**.

The deadline for the activity measures (elective, non elective, outpatients) and the Better Care Fund information is **Friday 27 June 2014**.

The date for submission of five year strategic plans remains unchanged at **20th June**.

Yours sincerely,

Sarah Pinto-Duschinsky
Director of Operations & Delivery

Ann Johnson
Director of Financial & Corporate Performance