

ANNEX D – STP Finance and Efficiency Template: Guidance for October 2016 submission

1 Introduction

- 1.1 All STP footprints submitted a finance template on 16 September capturing the financial, workforce and activity impact of their Sustainability and Transformation Plan (STP). We know that a lot of hard work has gone into completing these templates as part of the STP planning process.
- 1.2 This annex provides additional guidance on the finance submission required on 21 October. It should be read in conjunction with ‘STP Finance and Efficiency Template: Helping systems improve their finance submissions for 16 September 2016’ released 19 August 2016 and ‘User’s guide: Finance and efficiency template’ released 1 June 2016.
- 1.3 The annex covers:
 - guidance on how to incorporate specific items of additional information from the operating plan guidance into the STP template (section 2)
 - guidance on three updates to the template:
 - extra detail for CCGs in relation to business rules (section 3)
 - extra detail to split out investment priorities by solution (section 4)
 - additional validation checks (section 5).
- 1.4 These updates require additional fields to be added to the template but do not change its structure. To minimise the work required by STP finance teams we will issue a template ‘fixer’ to footprints by 27 September.
- 1.5 **Updated templates must be submitted by 5pm on 21 October 2016 to the FYFV mailbox (england.fiveyearview@nhs.net).**

2 Implications of the operational plan guidance

- 2.1 The commissioner position included in the STP finance submissions should be in line with the business rules published in the operational plan guidance. It should also be consistent with subsequent operational plan submissions (for more detail on this see the CCG business rules section below).
- 2.2 STP submissions should not assume any of the additional transformation funding set out in the operational plan guidance for primary care, mental health, diabetes or cancer. However additional expenditure to meet the commitments in the GP Forward View, the Mental Health Forward View and other priority commitments should be included within the ‘Investment Requirements’ worksheet which captures planned expenditure against national priorities.

- 2.3 New care model (NCM) vanguards should not include any vanguard funding in 2017/18, however they should continue to include NCMs and thus include any relevant expenditure or savings in their submission.
- 2.4 STF funding for providers is set at £1.8bn for 2017/18 and £1.8bn for 2018/19. The indicative allocation of STF funding to providers is due to be published on 30 September and should be included in the STP submission (within the 'indicative STF allocation' lines in the 'STP summary do something tab').
- 2.5 The impact of changes to the draft national tariff prices published alongside the operational plan guidance should **not** be incorporated into the STP submission on 21 October, although they should be included in operational plan returns.
- 2.6 Changes to commissioner allocations resulting from the changes to tariff and the special identification rules will be published no later than 21 October and equally should **not** be included in the 21 October STP submission, but should be included in operational plans.
- 2.7 CCG commissioned acute activity should be aligned to operational planning definitions. 2015/16 outturn activity should be in line with final submissions for 2015/16. For 2016/17, activity (before normalising adjustments) should agree to 2016/17 forecast outturn (FOT) as calculated by NHS England. This will also be the start point for the operational plan activity submissions. The 2015/16 outturn activity and 2016/17 FOT will be published next week on Unify. STP footprints can make normalising adjustments as required for 2017/18.
- 2.8 The Indicative Hospital Activity Model (IHAM) will not be updated, and thus STPs should continue to use current IHAM outputs. STPs should note that IHAM does not project A&E or split outpatients into new and follow up outpatients therefore systems should use local projections.
- 2.9 STP solutions and national efficiency programmes (e.g. RightCare, UEC, New Models of Care) are expected to moderate acute activity growth in the 'do something' scenario in 2017/18 and 2018/19. STP plans should reflect the effect of the implementation of their solutions in their activity and workforce plans.

3 Extra detail on CCG business rules

- 3.1 A new section relating to CCG business rules has been added from row 96 in the template. The additional requirements in this section are described below.
- 3.2 CCGs are asked to indicate whether they intend to co-commission Primary Medical Care.
- 3.3 CCG programme allocations are no longer entered in row 21 of the template. Instead they should be entered in the new section, which includes pre-populated allocations as well as new fields for CCGs to indicate their drawdown/draw-up intentions.

- 3.4 The CCG allocation inputs for 2015/16 onwards are pre-populated with outturn (2015/16), plan (2016/17) and published allocations (2017/18 onwards). The 2016/17 CCG programme income input relates to the aggregate of: Programme Baseline Allocation, Post Month 7 Recurrent Transfers in 2015/16 and Dispensing Doctors Non-Recurrent Allocation, from the 2016/17 CCG planning submission. The allocation which feeds into the main part of the template is the total of the published allocation plus/minus draw-down/draw-up.
- 3.5 CCG non-recurrent reserve: this section calculates the minimum value of the 1% non-recurrent reserve and the 0.5% which is required as part of the operating plan guidance to be held in-year and not utilised. CCGs are asked to input the amount of expenditure which they have included as unutilised (minimum 0.5%), and confirm this is included within CCG Other.
- 3.6 CCG contingency: this section should be completed with the amounts that have been included as contingency against the CCG position. This should align to operating plan guidance i.e. a minimum of 0.5%. Users are asked to confirm that they have included this within CCG Other.
- 3.7 An additional **calculated memorandum** section has been added to the CCG, STP Summary Do Nothing and STP Summary Do Something worksheets to indicate CCG (for the do nothing position) and system (for the do something position) compliance with the 1% cumulative surplus CCG business rule as outlined in Section 2.2 of the September submission guidance¹. This analysis does not include co-commissioned primary care which would usually be included within the 1% calculation, and is expected to be net neutral.
- 3.8 The CCG business rule calculations at the end of the CCG do nothing worksheets and on the 'Summary Do Something' worksheet are indicative metrics and should be used as a guide to compliance only. Individual CCG metrics will be finalised as part of the operational planning process.
- 3.9 The flags for compliance are consistent with the operational planning guidance:

CCG business rule	Green	Amber	Red
Cumulative surplus / (deficit) %	1% or greater	0% - 1%	Less than 0%

4 Investment Requirements

- 4.1 Investment Requirements are now required within the solution worksheets, as well as the Investment Requirements sheet.
- 4.2 The estimated costs (investment requirements) required to develop and implement the national priorities detailed in the Five Year Forward View should

¹ STP Finance and Efficiency Template: Helping systems improve their finance submissions for 16 September 2016 released on 19 August 2016.

be captured in the do something position in the template. The Investment Requirements sheet aims to capture how much has been included in total, and where in the template the costs have been included.

4.3 The Investment Requirements sheet is now split into three sections.

- 1) **Total** position - the top two tables should be input with the total amount included within the do something position.
- 2) **Solutions** position - the second set of two tables pulls through from the solutions sheets and captures the amount which has been included as part of delivering solutions. The solutions sheet has tables added in rows 122 and below where this data should be entered.
- 3) Do nothing position - the amount included within the do nothing position is the **total** position (section 1) minus the (section 2) **solutions** position.

5 Validation checks

5.1 We have included a validation checklist to help STPs with reviewing the technical completion of the template in real time.