Technical Guidance Annex D
NHS England Guidance for completion of commissioner Finance Templates

Contents

1 Guidance for CCGs

1.1 Introduction

Planning templates have been constructed to provide detailed submissions for NHS England to assess CCG plans for 2017/18 and 2018/19. Individual CCG plans are also consolidated at a national level for central reporting requirements. Consistently completed plans are crucial to ensure this process runs smoothly and helps limit the number of ad hoc requests to CCGs on top of the planning template.

This technical guidance contains a greater level of detail than in previous years in answer to feedback received from commissioners and in support of a more consistent approach by all CCGs in completion of the template. Consistent completion of the template allows much more useful comparison and analysis of plans across commissioners, and hence for a more thorough understanding of the overall financial position to be developed. Where the methodology in this guidance differs from a CCG's current understanding, this guidance takes precedence. Where plans are not completed in line with this guidance CCGs may be required to resubmit before approval is given.

The financial information included in the templates should reflect the assumptions set out in the wider plans for CCGs and Sustainability and Transformation Plans (STPs). There will be a further exercise to reconcile operational plans to STPs and to triangulate finance and activity across all plans. Please keep this in mind when completing all the required planning templates.

All financial values in this template should be entered in £'000.

Cells in light yellow should be completed by CCGs where appropriate; those in blue are calculated, and those in light green will be pre-populated.

The sections below give detailed guidance on each sheet within the workbook. Appendix A also gives a suggested approach to completing the template.

The template will be distributed and returned through SharePoint; the deadlines for submission are set out in the planning timetable. Please direct any queries on template completion to NHSCB.financialperformance@nhs.net.

There will be a short period of consultation on the template, which will end on 7 October 2016. Consideration will be given to issues raised through this period of consultation. Please direct any issues to NHSCB.financialperformance@nhs.net by this date.

There may need to be changes and updates to the template during the planning period to enable the template to reflect, for example, changes to allocations. Where appropriate the template will be amended and detail of changes or clarifications raised will be covered through a frequently asked questions document available via SharePoint.

The contents sheet within the template makes clear reference to which sheet is required to be completed at each submission interval. There are three plan submissions included within the planning timetable and the key requirements are set out below:

Initial submission 1 November 2016 (noon) – this submission will require a summary of information for 2017/18 and 2018/19, specifically the completion of the Financial Plan Summary sheet for 2017/18 and 2018/19 only.

For this plan submission only the blue cells in the Financial Plan Summary sheet will be turned yellow for ease of summary completion; links will remain if you prefer to complete the full template.

Interim submission 24 November 2016 (noon) – this submission will require the template to be fully completed.

Final submission 23 December 2016 – the final submission requires the template to be fully completed including any updates from 24 November 2016 submission.

1.2 Cover

You are required to input information on this sheet.

The workbook will be prepopulated prior to being delivered to an organisation's SharePoint library.

Please complete all boxes shaded red in order to demonstrate sufficient ownership and sign off of the financial plan. The completed template must be signed off by the CCG Chief Financial Officer.

Before submitting this template, please ensure that the box for quality checks is showing as 'cleared'.

Further detail on the checks can be found in the Quality Checks sheet further on in the template.

1.3 Contents

As described above the Contents sheet sets out what needs to be completed within the template at each submission date. Column A also provides quick links to the sheet requiring completion.

The Contents sheet is for information only and does not require completion.

1.4 Financial plan summary

As in 2016/17 the first submission of the plan on 1 November 2016 requires only summary financial information therefore this sheet should be completed with the required detail for 2017/18 and 2018/19 via manual input.

National review of the first submission will focus on CCGs' planned delivery of the 2017/18 and 2018/19 business rules (including the appropriate rules for improvement by any CCGs in deficit).

For later submissions the majority of financial values on this summary sheet are pre-populated from the other more detailed input sheets within the template. Therefore it is suggested that the final input to this sheet is completed once all input data has been entered throughout the rest of the template.

The Financial Plan Summary sheet also requires confirmation that 1percent is set aside for non-recurrent investment, with at least half of this amount fully uncommitted at the start of each financial year.

Throughout the template, it is the in-year position that is reflected instead of the cumulative position which is a change from previous years. Planning based on the in-year position is consistent with the way that providers operate and is in line with the basis for STPs. Using the in-year position will also simplify the planning process for 2016/17 final outturn movements from plan. It will also facilitate any potential move or change to in-year reporting during 2016/17. However, please note that the target underspend business rule is still set by reference to the cumulative position.

Column J requires commentary on the CCG's financial position to be entered. It is recommended that financial performance is described in relation to wider strategic and operational plans. Commentary is required on:

- overall financial position including FOT (Forecast Outturn), reserves, underlying position, risks and mitigations;
- key planning assumptions and alignment of plans with providers and other key stakeholders;
- overview of Efficiency Savings schemes, risk to delivery and relevant mitigations; and
- description of plans in place for non-recurrent expenditure.

To help bring through more clearly the actual 'in-year' financial performance the financial template has been amended in the following way:

- There is an auto calculation of the allowable drawdown/historic deficit repayment if relevant;
- CCGs can then amend the non-recurrent Revenue Resource Limit (RRL) by any allowable drawdown of historic underspends that they want to utilise within year or in the case of the deficit organisation reduce the resource limit by the amount of debt that will be repaid in year;
- It should be noted that the allowable drawdown will be subject to approval within the context of overall affordability; and
- Where there is a utilisation of historic surplus (addition to RRL) or repayment of historic debt (reduction of RRL) these changes will amend the allocation. It is this amended allocation that represents the 'in-year' allocation that the CCG's spend will be managed against.

1.5 Revenue resource limit

Following the announcement of allocations in January 2016 and any subsequent updates, this sheet will be pre-populated with the CCG's forward allocation for 2017/18 and 2018/19. If a CCG has any queries regarding its allocation, these should be addressed to NHSCB.financialperformance@nhs.net as soon as possible.

Expenditure plans for non-recurrent resource reflect funding employed non-recurrently for these categories of spend from the notified allocation. The use of these monies should be detailed within the Investment and Financial Plan Summary sheets, and the use of these non-recurrent funds will be reviewed and assessed as part of the assurance of plans.

1.6 Financial plan detail 2016/17

This is designed to capture how a CCG plans to spend the resource available to it. The table separates recurrent and non-recurrent expenditure in order to calculate the CCG's underlying position. Rows 2 and 3 detail the resource limit; both recurrent and non-recurrent. These figures feed from the Revenue Resource Limit sheet and therefore do not need to be manually populated.

This is for information while completing the template and supporting the calculation of underspend or deficit while the plan is being completed.

The remaining columns detail the expenditure as follows:

- Column B – 2016/17 Forecast Outturn (FOT) – This column should be populated with the latest FOT, consistent with the ledger, and should be updated for each submission of the plan so that it provides the most up to date position per category of spend. This information will be used to inform a 2016/17 forecast outturn position when reporting individual or consolidated plans.

1.6.1 Underlying position

The Financial Plan Detail sheet is structured to capture the recurrent and non-recurrent elements of CCGs' financial allocations and spend in 2016/17 and the new planning period. Completion of the template provides important financial information underpinning the organisations' underlying financial performance. Accurate completion of the template is crucial to ensure the correct in-year financial position, and the movement of this over planning periods, is understood and consistent with guidance.

There will be renewed focus on the underlying position as reported in plans through the assurance process with particular attention being paid to credibility of plans in place to support the maintenance and improvement of organisational underlying positions.

The definition for recurrent and non-recurrent is clear for much of CCG spend; where there is an absence of clarity the overriding principle to be applied is prudence and expenditure should be treated as recurrent as a default position unless it can be clearly shown that an item of income or spend is non-recurrent. Items of expenditure that are incurred every year, that in isolation could be seen as non-recurrent should still be treated as recurrent.

Where co-commissioning applies this recurrent budget should be committed fully and recurrently within the co-commissioning elements of the financial plan detail sheet (rows 54-64).

1.6.2 Non-recurrent adjustments

The main components of the non-recurrent adjustments are as follows:

- Column C: Non-recurrent adjustment to allocation – the CCG should adjust for any expenditure relating to non-recurrent allocations received in 2016/17. This may not reconcile back to zero if, for example, the allocation received was greater than the expenditure incurred.
- Column D: This should include any other non-recurrent adjustments with the exception of allocations (mentioned above) and Efficiency Savings (detailed below).
- Columns E and F: Non-recurrent and full year effect of Efficiency Savings – These columns are prepopulated from the Efficiency Savings sheet. All Efficiency Savings schemes will need to have an expenditure type selected from the drop down box on the Efficiency Savings sheet for the information to flow through to the Financial Plan Detail sheet and reconcile. Please complete the Efficiency Savings sheet with this in mind.
- Column G: Other full year effects – This column is for capturing any other non-recurrent changes not captured above. This is not expected to be widely used. Values entered here need to be explained in the commentary box on the Financial Plan Summary sheet.
- Column H: This column is calculated by adding columns B through to G and outlines the recurrent underlying expenditure position for the CCG, and is used to calculate the existing underlying position. Please note the underlying position in the plan will be used to monitor the underlying performance in-year.

1.6.3 Recurrent expenditure

The main components of the recurrent expenditure calculations are as follows:

- Column I to K: Demonstrate the provider efficiency requirement delivered and the inflation funded to show net price deflation/inflation. Any other recurrent cost pressures or adjustments should be built into the categories for other cost pressures in the template (column N).
- Column L: Demographic growth uplift reflecting population change (must be derived from a published source e.g. ONS) for those areas of spend where relevant.
- Column M: Non-demographic growth pressures arising from other population changes, technological developments, increased prevalence etc.

- Column N: Cost pressures. This would include any recurrent cost pressures not adequately captured by the headings in columns I to M, though we would expect columns I to M to cover the majority of cost pressures.
- Columns O and P: These cells capture the information entered onto the Efficiency Savings sheet. All Efficiency Savings schemes will need to have an expenditure type selected from the drop down box on the Efficiency Savings sheet for the information to flow through to the Financial Plan Detail sheet and reconcile.
- Column R: Investment which is not Efficiency Savings related, but relating to other service quality/developments. As above, this is prepopulated once the CCG has completed the Investment sheet within the template. All costs entered on the Investment sheet need to be allocated to a cost category on the dropdown menu for the workbook to reconcile.

1.6.4 Non-recurrent expenditure

- Column T: CCGs need to enter any non-recurrent pass through costs here that the CCG has received and has been assumed in the allocation.
- Column U: Non-recurrent pressures. Non-recurrent items all at 2017/18 and 2018/19 prices.
- Column V: Non-recurrent investment. As with the recurrent investments this will be captured from the Investments sheet. This excludes any investment relating to Efficiency Savings.
- Columns W and X: Non-recurrent Efficiency Savings and investments. As with the recurrent Efficiency Savings and investments, these will be captured from the Efficiency Savings sheet in the template.
- Columns AB to AM: Monthly expenditure profile. Please enter the correct monthly profile into these columns. There is a greater focus this planning round on the anticipated phasing of plans. CCGs who provide spend split in equal 12ths may be asked to complete additional work to either more accurately profile this spend or justify why this split is appropriate.

Please ensure that care is taken when completing the above expenditure categories and that, where relevant, the individual columns are completed.

For example please take care to split out provider efficiency and inflation and not to net them off in one column. Completion in line with this guidance will limit further information requests and provide consistency when plans are consolidated at a national level.

The CCG’s total programme resources should be matched across the expenditure categories, the difference being its underspend or deficit, (shown in cell Z92 and in the Financial Plan Summary sheet). Where reserve budgets are expected to be used to fund other programme expenditure, e.g. the use of re-ablement funding for community services investment, this should be shown netted off in the investments column (i.e. reducing reserves line and increasing service expenditure).

Running costs have been split between CCG pay costs, CSU re-charge, NHS Property Services Recharge / CHP charges and other non-pay. The Financial Plan Summary sheet will match the total running cost expenditure to the running costs allocation to check to see whether the CCG is spending within its target allocation.

A separate box requires completion to split CSU costs between running and programme.This is to identify any CSU costs included within programme spend.

The memorandum box at the bottom of the plan template requires CCGs to input additional detail where financial values have been entered for other non-recurrent costs pressures in column U. Please ensure that sufficient detail is provided for these pressures.

1.6.5 Primary Care and Co-commissioning

Where CCGs have delegated Primary Care Co-commissioning responsibilities the allocation will be pre-populated on the Revenue Resource Limit sheet. CCGs should then detail the planned spend for this delegated budget across rows 54-64 of the financial plan. Please only include costs that relate directly to the delegated co-commissioning allocation in these rows, any other cost from the CCG's core commissioning allocation should be included in the relevant line elsewhere on the template.

As noted in the underlying position guidance above, as the delegated co-commissioning allocation is recurrent the expenditure must be fully committed and recurrently spent.

As part of the assurance process, plans will be checked to ensure that there is a clear reconciliation of co-commissioning allocation to planned spend; this will also be extended into in-year reporting and monitoring.

If CCGs successfully apply for delegated co-commissioning during the planning round, allocations will be adjusted accordingly and this guidance will apply.

As per GP forward view planning requirements, CCGs should reflect their share of the £171m Practice Transformation Support in the Primary Care services section of the planning template (row 49). CCGs should be planning to spend a total of £3 per head as a one-off non-recurrent investment commencing in 2017/18 – this investment can be fully committed in 2017/18 or take place over 2017/18 and 2018/19. Further information on this is detailed in Annex 6 General Practice Forward View Planning Requirements.

1.7 Risk

The risk assessment follows a similar format to that used for 2016/17 planning and non-ISFE reporting throughout the year.

CCGs are required to enter their full risk value and percentage probability of risk being realised, which automatically populates a potential risk value amount. Please note that risks entered here should be anything in addition to what has been incorporated in the planned position.

As a general rule of thumb, if there is a very high chance that a risk will materialise (over 90 percent) it would be expected to be shown in the expenditure sheets as part of the planned underspend or deficit position.

Only include additional risks in this sheet which put the achievement of the CCG's planned position at risk.

CCGs are also asked to provide meaningful commentaries against each risk figure entered, providing specific detail as to what is driving the risk and avoiding general terminology as much as possible.

CCGs are then asked to enter any mitigation that can be used to offset this risk. This is split between 'Uncommitted Funds' and 'Actions to Implement'. Uncommitted funds ought to include any funds available that have not been committed in the plans.

Again, CCGs should enter the full mitigation value and the probability of success of the mitigation being delivered as a percentage – the expected mitigation value will automatically populate. A commentary box is provided to show detail of what these mitigating actions are.

The key figure produced by these assessments is the net risk/headroom position which is used to drive a risk adjusted planned underspend / (deficit) position in the commentary sheet.

When entering specific risks against individual headings on the sheet please ensure that any risks directly related to Efficiency Savings delivery are included against line 12 'Efficiency Savings under-delivery' and that only risks outside of Efficiency Savings are entered into the other lines. This is to ensure that nationally collated risks are reported consistently and that risks related to over activity on a contract that are not directly related to an Efficiency Savings scheme can be separately identified.

1.8 Investment

The table requires a high-level analysis of where CCGs propose to apply their investments and has been simplified this year to allow for clearer analysis of the recurrent and non-recurrent nature of investments.

Each development should be named in Column A with the category of spend selected from Column B in order that the detail feeds through to the Financial Plan Detail sheet.

1.8.1 Recurrent

- Column C: Recurrent investment the CCG will incur in the financial year. Please enter the part year effect for the year being completed (with the total investment added in the memo column L).
- Column F: 30 per cent Marginal Rate Credit (in acknowledgement that this might be invested recurrently there is the potential to detail this investment either recurrently or non-recurrently).

- Column G: Readmissions Credit (in acknowledgement that this might be invested recurrently there is the potential to detail this investment either recurrently or non-recurrently).
- Column K: Enter the total value of the investment needed.
- Column M: This will calculate the full year effect of the investment (the difference between Columns L and J), this is a memo within the Investment sheet but should be utilised to feed into as appropriate within underlying position calculations.

1.8.2 Non-recurrent

- Column D: Non-Recurrent Resource – How and where this is being spent.
- Column E: Non-Recurrent Headroom
- Column F: 30 percent Marginal Rate Credit, where invested non-recurrently.
- Column G: Readmissions Credit, where invested non-recurrently.

Memorandum rows have also been included to compare the recurrent commitments to the underlying financial position of the CCG (which is automatically populated from the Financial Plan Detail sheet). Any recurrent investment of the 30 percent marginal rate and readmission credits is not included as this spend will already be included in the Financial Plan Detail sheet and underlying position.

Where investments are greater than the CCG's available underlying underspend this will be highlighted and may be challenged as part of the plan assurance process.

1.9 Efficiency Savings

The Efficiency Savings table splits saving schemes into two headings:

- Transactional and Contract efficiencies relate to savings made from providers purchasing activity more efficiently, i.e. re-procurement of diagnostics, contract conditions such as new to follow-up ratios.
- Transformational and Pathway changes relate to savings from de-commissioning, more effective service provision, new models of care.

Under each heading Efficiency Savings are broken down into separate workstreams.

The Efficiency Savings plan will need to be split between recurrent and non-recurrent schemes. Column A requires the local name of each scheme over £0.5 million. All schemes that are under £0.5 million should be grouped together under the balance of schemes under £0.5 million section. In order that the Efficiency Savings sheet feeds the Financial Plan Detail sheet, column B requires the area of spend to be selected. Therefore, more than one line may be needed for each local scheme. For example, a transformational Efficiency Savings scheme for a cardiology pathway redesign might require the following:

- In column C please indicate whether the Efficiency Savings plan is within the Better Care Fund plan by selecting 'yes' or 'no'.
- Columns D and E ask for the impact of non-recurrent Efficiency Savings schemes and the full year of 2016/17 Efficiency Savings schemes. These

columns feed in to the Financial Plan Detail sheet to establish the underlying position for the organisation.

- In columns F and G please enter the expected full recurrent annual value of future savings and investment.
- In columns I and J please enter how much of that saving/investment will occur in 2017/18 and/or 2018/19.
- In columns O and P please enter the value of any non-recurrent savings and investment in that year.
- In columns T to Y there is, in addition, this year the inclusion of activity information. This detail is requested to help provide context to the relative growth in finance and activity and will provide very useful information to the system when triangulating plans with NHS Improvement. Please ensure this is completed in line with the activity template.
- Columns AA to AM require the profiling of Efficiency Savings schemes by month. Please take care with profiling savings, the plan profile for Efficiency Savings will be used to monitor in-year achievement throughout the year.

Any remaining Efficiency Savings requirement for which there is currently no specific plan to deliver, needs to be entered in rows 169 -173 with the spend category chosen from the dropdown box to ensure the figures feed through to the overall financial plan.

Levels of unidentified Efficiency Savings will be reviewed during the assurance process.

If there are risks to the achievement of the Efficiency Savings programme please enter these in the Risk sheet as set out earlier in this guidance.

Efficiency Savings schemes may require investment by other parties, for example by local offices within primary care. If your CCG's Efficiency Savings require external investment please complete the section at the end of the Efficiency Savings sheet – 'external investment supporting Efficiency Savings'.

1.10 Mental health

Mental Health Investment Standard (MHIS)

- For 2017/18 all of the figures and calculations are automatically populated from elsewhere in the template to calculate MHIS achievement. For 2018/19, total planned mental health spend must be manually entered (cell B10).
- 2016/17 forecast spend is adjusted for spend of non-recurrent mental health allocations in cell B12. Non-recurrent mental health spend against non-recurrent allocations must be entered in cell F36 (further detail below).
- Columns F – H calculate whether the MHIS is achieved when spend on learning disabilities (LD) and dementia is excluded. For 2018/19, total planned mental health spend excluding LD and dementia must be entered (cell F10).
- A reason code must be selected in column I if the plans show that the MHIS will not be achieved in either year (either including or excluding LD and Dementia). The reason codes are listed at the bottom of the template.

- If reason code 2 or 4 is selected further information is required in the free text CCG narrative (column J). Reasons for not achieving the MHIS will be validated as part of plan assurance using historic spend or operational performance information where relevant.
- Columns T – U calculate the additional investment required in order to achieve MHIS both including and excluding LD and Dementia. This calculation is for information only.

Mental health spend by category

- Mental health spend by category is required for 2017/18 only.
- Ensure that the total mental health spend value for 2016/17 forecast is equal to the total mental health spend submitted via non-ISFE for the relevant month. As there are new categories included for 2017/18 planning, the split of spend across the categories in 2016/17 can be different from non-ISFE.
- As in previous years planned spend should be split between 'core mental health' and 'mental health in other areas':

    - **Core mental health spend** - spend that is included on the Financial Plan Detail sheet under the Mental Health Services heading. There is a validation check on the Mental Health sheet which checks that the totals match – please ensure that this validation is cleared before the template is submitted.
    - **Mental health spend in other areas** – should include any spend on mental health services that features under another heading on the financial plan detail worksheet, for example acute or community services and Continuing Health Care.

- A split between recurrent and non-recurrent spend is no longer required.
- For the 2016/17 forecast, spend of non-recurrent mental health allocations should be entered in cell F36 – this is excluded for calculating MHIS. At the time of publication non-recurrent mental health allocations that have been issued are:

    - CYPMH Crisis and Liaison UEC Vanguard

- DO NOT include spend of the additional CYPMH (£119m) or CYP Eating Disorders (£30m) allocation in cell F36 as this funding is in CCG baselines from 2017/18 and so is INCLUDED for MHIS calculation.
- If planned spend for any category is zero, N/A (if the information is not available or if the value cannot be split from a block contract) or N/C (if the service is not commissioned) must be selected in column H.
- Columns K and L require entry of the element of the total forecast and planned mental health spend (i.e. the values in columns F and G) that relates to the implementation of the Five Year Forward View for Mental Health for each category. The relevant chapter of the Mental Health Implementation Plan for each category is shown in column J.
- In columns N and O enter the element of the total forecast and planned mental health spend (i.e. the values in columns F and G) that relates to out of area treatment.

1.11 Better Care Fund

CCGs are required to detail investment in the Better Care Fund (BCF) in 2017/18 and a comparison of how this money was spent in 2016/17.

The form is split into details of the BCF allocation, which will include prepopulated figures for:

- 2017/18 BCF allocation (which was first devolved in 2015/16); and
- CCG allocations transferred to the BCF (e.g. re-ablement, and carer's break).

The second part requires a breakdown of expenditure at Health and Wellbeing Board (HWB) level.

One of the key areas in completing this sheet is the amount spent with social care; please ensure that this is completed as accurately as possible.

As in 2016/17 there will be a separate and more detailed BCF template that will form part of the 2017/18 and 2018/19 planning round. The link to specific requirements of this can be found in Section 4.3 of the Technical Guidance, under Better Care Fund Planning Requirements.

1.12 Statement of Financial Position (SoFP)

The SoFP for each CCG will be aggregated to provide an initial planned monthly group SoFP. The actual group monthly SoFP can then be compared to the plan to highlight material variances.

The SoFP requires expected movements by category by month starting from the projected 2016/17 outturn.

The movement in SoFP balances automatically populate the Cash sheet.

1.13 Cash

The Cash sheet will be used to identify the initial CCG monthly drawdown requirements and the Maximum Cash Drawdown (MCD) for 2017/18 and 2018/19. The monthly drawdown and MCDs will be aggregated to provide an initial planned group cash requirement. The actual group cash plan can then be compared to plan to highlight material variances. Please note that the actual MCD for 2017/18 and 2018/19 will be determined in those years when DH and NHS England finalise the group cash limit and will be calculated in line with the NHS England MCD setting process.

The sheet starts with the planned expenditure and requires the CCG to deduct the non-cash items i.e. depreciation, amortisation and impairments.

Capital expenditure does not need to be adjusted for movements in creditor liability balances.

The movement in SoFP balances automatically populate from the SoFP sheet.

1.14 Capital

Consistent with the 2016/17 planning round the capital sheet submission has been developed to provide detail on the multi-year capital requirements for Business As Usual (BAU), STP and vanguard capital requirements. This is in order to align the Capital Planning Returns into the main Organisational Planning Returns.

Commissioners should ensure that STP plans reconcile with the capital operational planning returns.

Due to the separate planning and prioritisation process for Estates Technology Transformation Fund (ETTF), any scheme which has approved ETTF capital funding or is likely to be an approved ETTF funded scheme within ETTF regional control totals should be excluded from these templates.

In the interim submission on 24 November 2016 CCGs and local regional offices are required to complete their 2017/18 and 2018/19 detailed BAU, STP and vanguard capital plans to inform capital budget allocation setting. Summary capital requirements for 2019/20 and 2020/21 should also be completed where possible.

The tables capture direct CCG and NHS England capital plans and those expected to be made within its area by other organisations such as NHS Property Services and Community Health Partnerships. Consistent with the note above about the unifying of the capital and financial planning process, please note that the information provided will be submitted for approval by regional teams.

In the final submission on 23 December 2016 following approval by regions, CCGs and local regional offices may be required to submit updated templates to reflect any agreed changes and finalised capital budget allocation requirements.

Please include the value of any capital grants relating to 2017/18 and 2018/19. Do not include the cost of this within expenditure within the (revenue) Financial Plan Detail sheet, as the allocation for capital grants will not have been included within the template.

1.15 Contract value triangulation

The contract collection through the financial template is limited to financial values with the activity collected via UNIFY. The financial information submitted in the Contract sheet must be completed in a coordinated and consistent manner with the activity and contract tracker information that is collected via UNIFY and the activity collected in the Efficiency Savings sheet in this template.

The co-ordination of this information internally by CCGs is vital to ensure that the plans can be assured from a commissioning perspective, i.e. the financial and activity values follow logically and can be clearly understood as values from the same date in the contracting/planning round. Activity and finance data will be combined to highlight CCGs where activity growth rates and average costs appear inconsistent.

Furthermore, this coordination is crucial to ensure that meaningful work can be completed across providers and commissioners to provide assurance of the overall position of contract values reported between CCGs, NHS trusts and foundation trusts.

There is an expectation that organisational plans will align with those of the wider local health economy.

In order to test the alignment of key contract assumptions NHS England and NHS Improvement will reconcile provider and commissioner plans for both 2017/18 and 2018/19.

The outputs of the reconciliation will be shared between the regional teams of NHS England and NHS Improvement. Every step will be taken not to prejudice the position of any provider or commissioner and no information will be shared at an individual organisation level without first contacting the appropriate party.

The Contract sheet includes the following sections (by provider) for completion for both 2016/17 FOT and 2017/18 and 2018/19 plans:

- Non-elective;
- Elective (daycase and ordinary);
- Outpatient (first and follow up);
- Accident and Emergency;
- Excluded drugs and devices;
- Maternity;
- Other;
- Mental health;
- Ambulance; and
- Community.

1.15.1 Financial information

All contract spend across the headings should reconcile back to the NHS contract value on the Financial Plan Detail sheet. For 2016/17 please enter the forecast performance for each provider rather than contract plan values. For 2017/18 and 2018/19 please enter the anticipated value of activity with providers inclusive of the impact of any Efficiency Savings schemes and CQUIN. Please also outline the Efficiency Savings per provider, as well as the value of CQUIN per provider as a memorandum.

Entries on this sheet will be compared with provider submissions via NHS Improvement and therefore need to align.

1.16 Marginal rate

This section requires completion if the CCG has changed the 2008/09 emergency admissions baseline for any provider. The following information is required:

- provider;
- evidence provided to support change;
- has the change been agreed;
- value of emergency admissions before and after the change; and
- if the change was requested by the provider and rejected by the commissioner, detail of the grounds for doing so is required.

2 Guidance for Direct Commissioning

2.1 Introduction

Planning templates have been constructed to provide sufficient granularity for NHS England to assess Direct Commissioning (DC) plans for 2017/18 and 2018/19.

Individual DCO plans are also consolidated at a national level for central reporting requirements. Consistently completed plans are crucial to ensure this process runs smoothly and helps limit the number of ad hoc requests to DCOs on top of the planning template.

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All financial values should be entered in £'000.

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There will be a short period of consultation on the template, which will end on 7 October 2016. Consideration will be given to issues raised through this period of consultation. Please direct any issues to NHSCB.financialperformance@nhs.net by this date.

There may need to be changes and updates to the template throughout the planning period to enable the template to reflect, for example, changes to allocations. Where appropriate the template will be amended and detail of changes or clarifications raised will be covered through a frequently asked questions document available via SharePoint.

The contents sheet within the template makes clear reference to which sheet is required to be completed at each submission interval. There are three plan submissions included within the planning timetable and the key requirements are set out below.

Initial submission 1 November 2016 (noon) – this submission will require a summary of information for 2017/18 and 2018/19, specifically the completion of the Financial Plan Summary sheet for 2017/18 and 2018/19 only.

For this plan submission the blue cells in the Financial Plan Summary sheet will be turned yellow for ease of summary completion; links will remain if you prefer to complete the full template.

Interim submission 24 November 2016 (noon) – this submission will require the template to be fully completed.

Final submission 23 December 2016 – the final submission requires the template to be fully completed including any updates from 24 November 2016 submission.

2.2 Cover

Input is required on this sheet.

The workbook will be prepopulated prior to being delivered to an organisation's SharePoint library.

Please complete all boxes shaded red in order to demonstrate sufficient ownership and sign-off of the financial plan.

Before submitting this template, please ensure that the box for quality checks is showing as 'cleared'.

Further detail on the checks can be found in the Quality Checks sheet further on in the template.

2.3 Financial plan summary

As in 2016/17 the first submission of the plan on 1 November 2016 requires only summary financial information therefore this sheet should be completed with the required detail for 2017/18 and 2018/19 via manual input.

National review of the first submission will focus on DCOs' planned delivery of the 2017/18 and 2018/19 business rules (including the appropriate rules for improvement by any DCOs in deficit).

For later submissions the majority of financial values on this summary sheet are pre-populated from the other detailed input sheets within the template. Therefore it is suggested that the final input for this sheet is completed once all input data has been entered throughout the rest of the template.

The Financial Plan Summary sheet also requires confirmation that 1 percent is set aside for non-recurrent investment where appropriate at the beginning of each financial year.

Throughout the template, it is the in-year position that is reflected instead of the cumulative position which is a change from previous years (with the exception of Public Health and Specialised which are already planned and reported on an in-year basis). Planning based on the in-year position is consistent with the way that providers operate and is in line with the basis for STPs. Using the in-year position will also simplify the planning process for 2016/17 final outturn movements from plan. It will also facilitate any potential move or change to in-year reporting during 2016/17. However, please note that the target underspend business rule is still set by reference to the cumulative position.

Column J requires commentary on the DC financial position to be entered. It is recommended that financial performance is described in relation to wider strategic and operational plans. Commentary is required on:

- overall financial position including FOT, reserves, underlying position, risks and mitigations;
- key planning assumptions and alignment of plans with providers and other key stakeholders;
- overview of Efficiency Savings schemes, risk to delivery and relevant mitigations; and
- description of plans in place for non-recurrent expenditure.

To help bring through more clearly the actual 'in-year' financial performance the financial template has been amended in the following way:

- There is an auto calculation of the allowable drawdown/historic deficit repayment if relevant;
- DCOs can then amend the non-recurrent allocation by any allowable drawdown of historic underspends that they want to utilise within year or, in the case of a deficit, reduce the resource limit by the amount of debt that will be repaid in year;

- It should be noted that the allowable drawdown will be subject to approval within the context of overall affordability; and
- Where there is utilisation of historic surplus (addition to allocation) or repayment of historic debt (reduction of allocation) these changes will amend the allocation. It is this amended allocation that represents the 'in-year' allocation that the DCO's spend will be managed against.

2.4 Allocations

Following the announcement of allocations in January 2016 this sheet will be prepopulated with DC forward allocation for 2017/18 and 2018/19.

If the DC team thinks detail on allocation is incorrect please raise this by emailing NHSCB.financialperformance@nhs.net as soon as possible.

The allocation amounts flow through to the summary positions, calculating the planned financial performance for the relevant areas of DC once the expenditure information has been completed.

2.5 Financial plan detail

These are the main sheets of the workbook where annual spend is captured. The figures in these worksheets are a combination of manual entry and prepopulated cells based on entries in the Efficiency Savings and Investment sheets.

Resource allocations are automatically populated at the top of the worksheet in row 5. This is for information while completing the template and supporting the calculation of underspend or deficit while the plan is being completed.

The format of the worksheet is similar for each area of DC. There are some requirements for additional information, for example in specialised.

The following notes give guidance on what the cost categories mean, using worksheet columns as references:

- Column B: 2016/17 forecast outturn. Please enter the FOT positions for the year across the defined categories of spend.

2.5.1 Underlying position

The Financial Plan Detail sheet is structured to capture the recurrent and non-recurrent elements of DCOs financial allocations and spend in 2016/17 and the new planning period. Completion of the template provides important financial information underpinning the DCOs underlying financial performance. Accurate completion of the template is crucial to ensure the correct in year financial position, and the movement of this over planning periods, is understood and consistent with guidance.

There will be renewed focus on the underlying position as reported in plans through the assurance process with particular attention being paid to credibility of plans in place to support the maintenance and improvement of organisational underlying positions.

The definition for recurrent and non-recurrent is clear for much of DCO spend; where there is an absence of clarity, the overriding principle to be applied is prudence and expenditure should be treated as recurrent as a default position unless it can be clearly shown that an item of spend is non-recurrent. Items of expenditure that are incurred every year, but in isolation could be seen as non-recurrent, should be treated as recurrent.

2.5.2 Non-recurrent adjustments

The main components of the non-recurrent adjustments are as follows:

- Column C: Non-recurrent adjustment to allocation (-). The commissioner should adjust for any expenditure relating to non-recurrent allocations received in 2016/17. This column may not reconcile back to zero, if for example the allocation received was greater than the expenditure incurred.
- Column D: Non-recurrent spend. This should include any other non-recurrent spend with the exception of allocations (mentioned above) and Efficiency Savings (detail below).
- Columns E and F: Non-recurrent and full year effect of Efficiency Savings (+/-).These columns are prepopulated from the Efficiency Savings sheet. All Efficiency Savings schemes will need to have an expenditure type selected from the dropdown box on the Efficiency Savings sheet for the information to flow through to the Financial Plan Detail sheet.
- Column G: Other Full Year Effects (+/-).This is not expected to be widely used but this column allows for any other adjusting items not covered in column D, E and F. Values entered here should be explained in the commentary box on the Financial Plan Summary.
- Column H: This is to be completed on templates relating to Public Health and Primary Care only.
- Column I: 2016/17 Forecast Exit Run Rate (underlying Position) (+). An automatic calculation of the recurrent opening net baseline budget, taking into account the removal of non-recurrent items and the impact of full year effects as listed above.

2.5.3 Recurrent expenditure

The main components of the recurrent expenditure calculations are as follows:

- Columns J to L: Gross provider efficiency and inflation (-) and (+). Details the provider efficiency requirement and the inflation funded to show the net price deflation/inflation. Any other recurrent cost pressures or adjustments should be built into the categories for other cost pressures in the template (column O).

- Column M: Activity Growth (Demog) (+). Demographic growth uplift reflecting population change (this must be derived from a published source e.g. ONS) for those areas of spend where demographic activity growth is expected.
- Column N: Activity Growth (Non-Demog) (+). Non-demographic Growth pressures arising from technological developments, increased prevalence etc.
- Column O: Non activity related cost pressures (+). This is a free cell to enter costs as financial values directly onto the expenditure template. This would include any recurrent cost pressures not adequately captured by the headings in columns J to N, though we would expect columns J to N to cover the majority of cost pressures;
- Column P: Net Efficiency Savings recurrent (-). This is the net recurrent Efficiency Savings position which is prepopulated from the Efficiency Savings worksheet within the template. All costs entered into the Efficiency Savings worksheet will need to be allocated a cost category in order for the workbook to reconcile.
- Column Q: Investment non-Efficiency Savings recurrent (+). Investment which is not Efficiency Savings related, but relating to other service quality/developments. As above, this is prepopulated once the investments worksheet within the template has been completed. All costs entered on the Investment sheet need to be allocated to a cost category on the dropdown menu for the workbook to reconcile.

2.5.4 Non recurrent expenditure

- Column S: Application of non-recurrent allocation/pass through (+). Required to enter any non-recurrent pass through costs that have been received and have been assumed in the allocation.
- Column T: Other non-recurrent cost pressures (net of income) (+/-). Non-recurrent pressures, investments which are not covered in other template columns. Non-recurrent items all at 2017/18 and 2018/19 prices.
- Column U: Investment (NR) (+). Non-recurrent investments here will be pulled through automatically from the Investment sheet. This excludes any investment relating to Efficiency Savings, which is covered in the Efficiency Savings sheet.
- Column V: Net Efficiency Savings (NR) (+). Non-recurrent Efficiency Savings will be pulled through automatically from the Efficiency Savings sheet. The public health template includes a column to adjust the 2016/17 outturn position to reflect the in-year transfer of health visiting monies to local authorities.

2.5.5 Other information

A monthly breakdown of planned spend (columns AB to AM). The total of this should reconcile back to the overall annual spend.

Cost pressures memorandum. If any figures have been entered into column O (non-activity related cost pressures) or column T (other non-recurrent cost pressures) please provide a description of what these relate to. For specialised, please identify costs in relation to the descriptions of anticipated cost pressures provided.

Depreciation and impairments. Please include the total value for 2016/17 and 2017/18 – 2018/19 of any depreciation costs included with the above figures. The expenditure costs for 2017/18 and 2018/19 should include the depreciation costs of any locally held assets.

Mental health. This section requires costs to be restated to include any mental health spend that appears within other spend categories. In terms of defining mental health spend, please use the programme budgeting category definitions for mental health and learning disabilities as follows:

- Mental health disorders (substance misuse, organic mental health disorders, child and adolescence mental health disorders, other mental health disorders); and
- Problems of learning disability.

The Specialised worksheet requires a breakdown of Other Reserves, Activity Growth Uplift, Drugs and Devices and the following additional information:

CQUIN Memorandum. Any CQUIN costs should be treated recurrently and added in with any other cost pressures in column O. This memo box requires that only the CQUIN element is pulled out and entered against the relevant cost category for 2016/17, 2017/18 and 2018/19.

Non-recurrent allocations. The non-recurrent allocations included within the resource allocations sheet will prepopulate the description and resource section of the memo box. Please enter the non-recurrent expenditure incurred against the relevant heading. This should correspond to the expenditure adjustment made in column B.

Non-contract spend breakdown. Please provide a breakdown of non-contract spend against the categories provided for 2016/17, 2017/18 and 2018/19.

2.6 Efficiency Savings

All financial values for Efficiency Savings should be entered only on the Efficiency Savings sheet.

The table in the worksheet splits Efficiency Savings into two headings:

- Transactional and Contractual Efficiencies: these relate to savings and investments made from providers from purchasing activity more efficiently i.e. re-procurement of diagnostics, contract conditions.
- Transformational and Pathway Changes: these relate to savings and investments made from de-commissioning, more effective service provision, new models of care.

Under each heading the Efficiency Savings scheme is broken down into separate work streams and the Efficiency Savings plan will need to be split between recurrent and non-recurrent schemes.

Please enter the scheme name in column A and use the dropdown menu to choose which area of spend the Efficiency Savings scheme relates from column B (all Efficiency Savings schemes must be assigned an area of spend for the workbook to reconcile) for all schemes over £0.5 million. Each Efficiency Savings scheme name might require more than one line if it is spread over different areas of spend.

Only schemes with an annual value of over £0.5 million need be listed, although there is a section which asks for the balance of schemes which fall under the £0.5 million limit.

In order to calculate an underlying financial position, the form asks for the following information for each Efficiency Savings scheme entered:

- 2016/17 non-recurrent Efficiency Savings. Please detail any non-recurrent Efficiency Savings in 2016/17. This may be positive e.g. an Efficiency Savings scheme that delivered a non-recurrent saving in 2016/17 or negative non-recurrent Efficiency Savings investment made in 2016/17;
- 2016/17 full year effect of Efficiency Savings. Please detail the full year effect of any costs or savings from prior year Efficiency Savings schemes;
- In-year recurrent. Enter the value of a recurrent Efficiency Savings scheme in the year in which it begins. This may be less than the full annual value above if a scheme is started part way through a year; and
- Non-recurrent. Enter here non-recurrent Efficiency Savings against schemes in 2017/18 and 2018/19.

It is important to note that any recurrent Efficiency Savings values must only be entered once in the year in which the scheme begins. Once a scheme is entered as 'recurrent' in this way it automatically feeds into the following year's baseline spend; do not enter the same recurrent saving each year on the Efficiency Savings sheet as this will distort and multiply the effect of the saving in the baseline position.

If different projects or workstreams are contained within the same Efficiency Savings scheme and there are differences in timing of initiation and associated savings or investment, please enter the individual projects or workstreams on different lines.

Non-recurrent savings or investment should be entered each year in the year in which they occur.

Please complete the monthly Efficiency Savings profile (columns Q-AC). This profile is total net Efficiency Savings, the total of both recurrent and non-recurrent savings and investments.

There is also a separate section to enter unidentified Efficiency Savings, in rows 122 to 128. Unidentified Efficiency Savings still need to be attributed to a spend category in the dropdown boxes, in order for it to feed through to the overall financial plans. The level of unidentified Efficiency Savings will be assessed as part of the DC assurance process.

At the bottom of the sheet (rows 141 downwards) there is also a box to separately identify any Efficiency Savings schemes that may require investment from other parties (other organisations or areas of commissioning). The investment here also needs to be split between recurrent and non-recurrent.

Financial information on Efficiency Savings entered on this sheet will automatically populate the Financial Plan Detail sheets. This sheet should be the only place where Efficiency Savings financial information is entered (with the exception of any additional risks on Efficiency Savings delivery not included in the planned figures which can be entered on the Risk sheet, and current year outturn figures on the Financial Plan Summary sheet).

2.7 Investment

The table requires a high-level analysis of where DCOs propose to apply their investments and has been simplified this year to allow for clearer analysis of the recurrent and non-recurrent nature of investments.

Each development should be named in Column A with the category of spend selected from Column B in order that the detail feeds through to the financial detail sheet.

2.7.1 Recurrent

- Column C: Recurrent investment the DCO will incur in the financial year. Please enter the part year effect for the year being completed (with the total investment added in the memo column L).
- Column F: 30 per cent Marginal Rate Credit (in acknowledgement that this might be invested recurrently there is the potential to detail this investment either recurrently or non-recurrently).
- Column G: Readmissions Credit (in acknowledgement that this might be invested recurrently there is the potential to detail this investment either recurrently or non-recurrently).
- Column K: Enter the total value of the investment needed.
- Column M: This will calculate the full year effect of the investment (the difference between Columns L and J), this is a memo within the investment sheet but should be utilised to feed into as appropriate within underlying position calculations.

2.7.2 Non-recurrent

- Column D: Non-recurrent Resource, how and where this is being spent.
- Column E: Non-recurrent Headroom.
- Column F: 30 percent Marginal Rate Credit, where invested non-recurrently.
- Column G: Readmissions Credit, where invested non-recurrently.

Memorandum rows have also been included to compare the recurrent commitments to the underlying financial position of the DCO (which is automatically populated from the Financial Plan Detail sheet). Any recurrent investment for the 30 percent marginal rate and readmission credit are not included as this spend will already be included in the financial plan detail and underlying position.

Where investments are greater than the DCO's available underlying underspend this will be highlighted and may be challenged as part of the plan assurance process.

2.8 Risk

The format for risk assessment follows the format used for non-ISFE reporting throughout 2016/17. Commissioners are required to enter their full risk value and percentage probability of risk being realised, which automatically populates a potential risk value amount. All risks and mitigations should be entered as a positive value.

Please note that risks entered here should only encompass anything in addition to what has been incorporated in the planned position.

As a general rule of thumb, if there is a high chance that a risk will materialise it would be expected to be shown in the expenditure sheets as part of the planned underspend or deficit position. Only include additional risks in this sheet which put the achievement of the planned position at risk.

Please provide meaningful commentaries against each risk figure entered, providing specific detail as to what is driving the risk and avoiding general terminology as much as possible.

When entering specific risks against individual headings on the sheet please ensure that any risks directly related to Efficiency Savings delivery are included against line 12 'Efficiency Savings under-delivery' and that only risks outside of Efficiency Savings are entered into the other lines. This is to ensure that nationally collated risks are reported consistently and that risks related to over activity on a contract that are not directly related to an Efficiency Savings scheme can be separately identified.

Enter any mitigation that can be used to offset this risk in rows 15-24. This is split between 'Uncommitted Funds' and 'Actions to Implement'. 'Uncommitted funds' ought to include any funds available that have not been committed in the plans. Figures entered as "actions to implement" should include actions on top of funds uncommitted in order to mitigate against risks (non-recurrent measures in here include use of non-recurrent headroom, although it needs to be ensured that usage of non-recurrent headroom already committed in plans is not double-counted as a potential mitigation).

Please enter the full mitigation value and the probability of success of the mitigation being delivered as a percentage and the expected mitigation value will automatically populate. A commentary box is provided to show detail of what these mitigating actions are.

Further down the sheet there is a box to enter mitigations that rely on potential funding, from either other DC commissioners, CCGs or the national team.

These mitigations should be entered in this table and will automatically feed through to the overall risk calculation. These boxes should only be used where there is a risk to the financial position which is likely to be mitigated by an increase in funding available. The commentary box should be used to specifically call out the source of funding mentioned.

The key figure produced by these assessments is the net risk/headroom position which is used to drive a risk adjusted planned underspend (deficit) position in the summary sheets.

2.9 Contract value triangulation

The contract collection through the financial template is limited to financial values with the activity collected via UNIFY. The financial information submitted in the contract sheet must be completed in a coordinated and consistent manner with the activity and contract tracker information that is collected via UNIFY and the activity collected in the Efficiency Savings sheet in this template.

The coordination of this information internally by DC teams is vital to ensure that the plans can be assured from a commissioning perspective, i.e. the financial and activity values follow logically and can be clearly understood as values from the same date in the contracting/planning round. Furthermore this coordination is crucial to ensure that meaningful work can be completed across providers and commissioners to provide assurance of the overall position of contract values reported between commissioners, NHS trusts and foundation trusts.

There is an expectation that organisational plans will align with those of the wider local health economy. In order to test the alignment of key contract assumptions NHS Improvement and NHS England will reconcile provider and commissioner plans for both 2017/18 and 2018/19.

The outputs of the reconciliation will be shared between the regional teams of NHS England and NHS Improvement. Every step will be taken not to prejudice the position of any provider or commissioner and no information will be shared at an individual organisation level without first contacting the appropriate party.

The contract sheet includes the following sections (by provider) for completion:

- Non-elective;
- Elective (day case and ordinary);
- Outpatient (first and follow up);
- Accident and Emergency;
- Excluded drugs and devices;
- Maternity;
- Other;
- Mental Health;
- Ambulance; and
- Community.

2.9.1 Financial information

All contract spend across the headings should reconcile back to the NHS contract value on the Financial Plan Detail sheet. For 2016/17 please enter the forecast performance for each provider rather than contract plan values.

For 2017/18 and 2018/19 please enter the anticipated value of activity with providers inclusive of any Efficiency Savings schemes and CQUIN. Please also outline the Efficiency Savings per provider, as well as the value of CQUIN per provider as a memorandum.

Entries on this sheet will be compared with provider submissions via NHS Improvement, and therefore need to align.

2.10 Capital

Consistent with the 2016/17 planning round the capital sheet submission has been developed to provide detail on the multi-year capital requirements for Business As Usual (BAU), STP and Vanguard capital requirements.

This is in order to align the Capital Planning Returns into the main Organisational Planning Returns.

Commissioners should ensure that the first two years of their five year STP plans reconcile with the capital operational planning returns.

Due to the separate planning and prioritisation process for Estates Technology Transformation Fund (ETTF), any scheme which has approved ETTF capital funding or is likely to be an approved ETTF funded scheme within ETTF regional control totals should be excluded from these templates.

In the interim submission on 24 November 2016 CCGs and local regional offices are required to complete their 2017/18 and 2018/19 detailed BAU, STP and Vanguard capital plans to inform capital budget allocation setting.

Summary capital requirements for 2019/20 and 2020/21 should also be completed where possible.

The tables capture direct CCG and NHS England capital plans and those expected to be made within its area by other organisations such as NHS Property Services and Community Health Partnerships. Consistent with the note above about the unifying of the capital and financial planning process, please note that the information provided will be submitted for approval by your region.

In the final submission on 23 December 2016 following approval by regions, CCGs and Local Regional Offices may be required to submit updated templates to reflect any agreed changes and finalised capital budget allocation requirements.

Please include the value of any capital grants relating to 2017/18 and 2018/19. Do not include the cost of this within expenditure within the (revenue) financial plan detail sheet, as the allocation for capital grants will not have been included within the template.

Appendix A: Suggested approach for CCGs

This section offers a suggested approach to completing the planning templates. As the worksheets are linked, it is recommended that the workbook is completed in the order below to ensure information is meaningful during completion. CCGs should adhere to the guidance for the relevant worksheets as above.

1. In the Financial Plan Detail 2017/18 and 2018/19 worksheets populate the FOT position against the cost categories provided in column B and make the non-recurrent adjustments in columns C, D and G to reach the recurrent underlying starting position. It is important that expenditure is entered correctly to generate a position in column B that corresponds with the latest forecast outturn position for 2016/17. Continue completing the worksheet for the spend columns for recurrent expenditure (I, J, L, M, N and Q). Complete the final two non-recurrent expenditure columns (T and U).

2. Complete the investment worksheet for both recurrent and non-recurrent expenditure.

3. Complete the Efficiency Savings (including the monthly profile), and investments worksheets, in line with the guidance for these worksheets above. This will automatically update these areas of the expenditure plan.

4. On the same sheet, complete the monthly profile of spend for 2017/18 and 2018/19, ensuring that in total this balances back to the overall 2017/18 and 2018/19 plan. Complete the additional information required (CSU costs and other non-recurrent cost pressures memorandum).

5. Complete the Contract 2016/17 with forecast outturn and Contract 2017/18 and 2018/19 worksheets. These values must tie back to the financial plan detail sheet.

6. Complete Capital worksheets for 2017/18 and 2018/19 for any planned additions.

7. Complete the SoFP and Cash sheets for 2017/18 and 2018/19. A monthly profile is needed and it will be expected to match information provided in the other planning sheets.

8. Once all expenditure plans are complete, the Risk sheet needs to be completed to assess any additional risk on top of the planned underspend or deficit positions.

9. Complete plans for the remaining sheets, Mental Health and Better Care Fund.

10. Run through the Quality Checks worksheet to ensure that all information entered in monthly profiles and against contracts, Efficiency Savings, investments and non-recurrent headroom, ties back to the expenditure plans. Ensure that any validation errors are fixed before proceeding.

11. Review the Financial Plan Summary sheet to ensure that the plan accurately reflects the CCG view of planned financial performance.

Appendix B: Suggested approach for direct commissioning

This section offers a suggested approach to completing the DC templates. As the worksheets are linked, it is recommended that the workbook is completed in the order below to ensure information is meaningful during completion. Regional teams should adhere to the guidance for the relevant worksheets as above.

1. At the Cover sheet, selecting the relevant DC team will show the worksheets that require completion. It is recommended that each area of DC is completed in stages.

2. Start at the Financial Plan Detail sheet and populate the 2016/17 FOT position against the cost categories provided in column B, further stripping out non-recurrent costs and FYE impacts in columns C, D and G in order to reach the recurrent underlying starting position. It is important that expenditure is entered correctly to generate a position in column B that corresponds with the latest forecast outturn position for 2016/17; it must reflect the latest forecast outturn position for each area of DC.

3. Enter any other recurrent costs as required on the template (columns J, K, M, N and O).

4. Complete the Efficiency Savings (including the monthly profile), investments, LD and Contract worksheets, in line with the guidance for these worksheets above. This will automatically update these areas of the expenditure plan.

5. Ensure all extra non-recurrent costs are entered on the expenditure plan for application of pass through and any other cost pressures.

6. On the same sheet, complete the monthly profile of spend for 2017/18 and 2018/19, ensuring that in total this balances back to the overall 2017/18 and 2018/19 plan.

7. Once all expenditure plans are complete, do not forget to add detail to any memorandum boxes which can be found at the bottom of the expenditure plans in the Finance Plan Detail sheet. All costs should already have been entered above; these boxes merely separately identify the relevant costs needed.

8. Following this, the Risk sheet needs to be completed to assess any additional risk on top of the planned underspend or deficit positions.

9. Run through the Quality Checks worksheet to ensure that all information entered in monthly profiles and against contracts, Efficiency Savings, investments and non-recurrent headroom, ties back to the expenditure plans. Ensure that any validation errors are fixed before proceeding.

10. Repeat the above steps for the other areas of DC as required.

11. Add any further comments on the Summary worksheet as required.

12. Complete all boxes on the cover sheet in order to demonstrate ownership and sign-off.