



2020/21 National Cost Collection guidance

Volume 1: National Cost Collection overview

March 2021

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1. NCCG volumes in 2021

1.1 Overview

1. The National Cost Collection Guidance (NCCG) will be released in volumes for the 2021 mandated collection.
2. NCCG will be released in volumes until all collections are mandated and the National Cost Collection (NCC) does not require a hybrid collection model.
3. All documents relate to financial year 2020/21.
4. Below lists the volume number and name:
 - Volume 1: Overview
 - Volume 2: Reconciliation and Exclusions
 - Volume 3: Acute, Mental Health and IAPT sectors
 - Volume 4: Community sector
 - Volume 5: Ambulance sector
5. You need to read and digest volumes 1 and 2, and then the volume addressing your organisation's primary sector.
6. If you are an integrated trust providing mandated PLICS for your primary sector and also have community services collected at an aggregate level, please refer to *Volume 4: Community sector* in addition to the volume addressing your primary sector.
7. The guidance in these volumes is part of the *Approved Costing Guidance 2021*,¹ which underpins NHS England and NHS Improvement's costing work, and should be read in conjunction with the other documents in the *Approved Costing Guidance*. It clarifies the scope and process of collecting cost and

¹ The *Approved Costing Guidance* includes the costing principles, costing standards and a range of tools to support the costing process. It is available at: <https://www.england.nhs.uk/approved-costing-guidance/>

activity data required for the NCC and supplements the costing standards which describe the costing approach we require you to adopt.

How do you know what your primary sector is?

8. Your organisation's primary sector is the one it was placed in as part of the mandation process.
9. If you feel this allocated sector is inappropriate for your submission in 2021, please email costing@improvement.nhs.uk as soon as possible citing 'FAO DP Trust allocation in mandation process'.
10. You can find your organisation's allocated sector on our mandation webpage in the Microsoft Excel document 'Proposed patient-level cost mandation timetable'.²

1.2 About volume 1

11. This document sets out the scope and governance for the 2021³ NCC and should be read by all organisations regardless of sector or type⁴ of submission in 2021.
12. It gives you the information you need to participate in the mandated collection during 2021.

² <https://www.england.nhs.uk/approved-costing-guidance/>

³ The year 2021 in this document refers to the cost collection for the financial year 2020/21.

⁴ This should be read by all trusts regardless of whether your submission is PLICS or aggregate level in the workbook.

2. Introduction to the National Cost Collection 2021

2.1 What is the mandated National Cost Collection in 2021?

13. It is mandatory for all NHS trusts and NHS foundation trusts in existence between 1 April 2020 and 31 March 2021 to comply with the NCC guidance and the collection timetables. For further information, please refer to the *Approved Costing Guidance 2021*.⁵
14. We need to understand how money is spent in the NHS to achieve the ambitions in the NHS Long Term Plan, tackle short-term deficits; support the development of new models of care and reduce variation in the use of resources. The costing data you submit will support a variety of functions at both national and provider level. For example:
 - developing analytical tools and reports to help providers identify operational and clinical efficiencies, improve their data quality, and review and challenge their patient-level cost data
 - supporting efficiency and quality of care improvement programmes, eg Getting It Right First Time (GIRFT)⁶ and other operational productivity dashboards such as the Model Hospital, Model Mental Health, Model Community and Model Ambulance
 - informing the payment models including the national tariff
 - informing new approaches and other changes to currency design
 - informing the relationship between provider characteristics, patient characteristics and cost

⁵ <https://www.england.nhs.uk/approved-costing-guidance/>

⁶ <http://gettingitrightfirsttime.co.uk/>

- supporting the implementation of accountable care systems, integrated care systems and organisations
 - supporting additional functionality in new releases of our range of tools, eg the PLICS portal.
 - Understanding the cost of patient care during and post the COVID-19 pandemic.
15. Additional information on the use of data is provided in the information governance section of this guidance document. If you have concerns about how your data will be used, please email costing@improvement.nhs.uk

2.2 What is the purpose of submitting costs in 2021?

16. NHS England and NHS Improvement appreciates that the past 12 months have been challenging for everyone in the NHS and in our wider communities and therefore it may not always be clear as to why a 2020/21 National Cost Collection is required.
17. There are, however, a number of significant reasons that nationally collected cost information for 2020/21 is needed. The cost information you submit will be used to:
- provide assurance to the Treasury on how the impact of the funding provided to support the fight against COVID-19 in 2020/21 has been utilised at patient level.
 - it will underpin decisions on future funding streams related to the treatment of patients with COVID-19, the future needs of the system in a COVID environment and the recovery of elective work programmes.
 - to be able to report the cost of COVID internationally – costs information collected by the World Health Organisation
 - identify any positive changes to services since and during the pandemic, for example, the increase in telemedicine.
 - trace the change to the costs in the NHS as the vaccine rolls out⁷.

⁷ Whilst most of the cost impact of the COVID-19 vaccination programme will be felt in 2021-22 we will hopefully start to see an improvement in the final quarter of this year.

18. NHS England and NHS Improvement would like colleagues to understand that we aren't expecting them to achieve perfection but to do their best and document what they have done and why.
19. A key point will be that trusts do not have to fully comply with all of the Healthcare Costing Standards.
20. NHS England and NHS Improvement costing team are available to support trusts through the process to reduce the burden and we will be pragmatic regarding how to cost in 2020/21.
21. NHS England and NHS Improvement recognises costing the pandemic in 2020/21 will not be simple but it is also important for us to maintain the momentum of the costing transformation programme and ensure that costing is seen nationally as key business management information.

2.3 Who needs to submit in 2021?

22. This is the third year that acute trusts are required to submit a mandated PLICS cost collection for part of their cost quantum, and the second year that mental health trusts and ambulance trusts are required to do so.
23. The costing team at NHS England and NHS Improvement will write to each trust to provide detail of the expected submissions from them in 2021.
24. For more detail on each element of your sector's collection, please see the appropriate volume of ACG.

2.4 What if my trust is merging with or being acquired by another?

25. In line with the Treasury's financial reporting manual,⁸ two or more public bodies that are combining or transferring functions should apply absorption rather than merger accounting. Your collection for 2021 may be affected by a merger or acquisition either in the financial year for which data is being submitted or in the year of collection. For example:

⁸ www.gov.uk/government/uploads/system/uploads/attachment_data/file/769056/2018-19_Government_Financial_Reporting_Manual_Dec_2018_.pdf

- date of merger 31 January 2021 – merger during financial year being submitted
 - date of merger 28 April 2021 – merger during year of collection.
26. As each merger is unique, we ask that costing practitioners contact the cost collection team (costing@improvement.nhs.uk) as early as possible so that we can lead you through the bespoke process for merging trusts.
27. Bespoke guidance will be supplied to costing practitioners in merging organisations.

2.5 Submission Window for 2021

28. NHS England and NHS Improvement have revised the National Cost Collection (NCC) submission windows to take account of COVID-19, following engagement with trusts, costing software providers, NHS Digital and users of the PLICS data.

Table 1: Submission windows for financial year 2020/21 data

Sector	Timetable
Acute	6 September 2021 – 29 October 2021
Ambulance	6 September 2021 – 29 October 2021
Mental Health	6 September 2021 – 29 October 2021
Community	6 September 2021 – 29 October 2021

29. This date was decided in response to sector engagement feedback from costing practitioners.
30. There are no resubmission windows for any of the PLICS collections for 2020/21 financial years data.

2.6 Working with your Software Supplier

31. When you are planning your submission and the date you wish to submit on, you should speak with your software supplier first so they can better support all trusts by spreading out submission dates as much as possible.
32. In 2021, the guidance and tools will all be ready well in advance of the submission window opening on 6 September 2021 and therefore it is strongly encouraged that you engage early with your software supplier to try to produce your submission data as early in the year as possible.
33. Although, the window doesn't open until 6 September 2021, you can choose to prepare all the submission early in the new financial year and then submit as soon as the window is open.
34. The NCC team hold regular monthly meetings with each of the software suppliers where we can discuss any ongoing issues, please raise any issues, or concerns with them or us if you would like us to discuss them during the monthly meetings.

2.7 Support during the collection

35. You can get support from NHS England and NHS Improvement in many ways leading up to and during the collection period, depending on the scale of your problem. Please see Annex 1 for submission support contacts.
36. You should not contact members of the NHS England and NHS Improvement costing team directly. If you have a query you should use the telephone call surgeries and the central costing email address.

Telephone surgery support – collections

37. The NCC team will be on hand every Wednesday between 1.30 and 2.30 pm to help with any urgent issues.
38. **During the collection window the call surgery will operate at the same times every weekday.**
39. You do not need to book an appointment – just dial in.

40. We request that you do not call members of the team directly so that we can deal fairly with all practitioner issues.

41. The call surgery contact number is 020 3747 0668.

Telephone surgery support – standards

42. During the implementation period, the standards team will be available Mondays 2 to 5 pm and Thursdays 9.30am to 1pm to provide support. We will publish the telephone numbers and the times in the costing bulletin.

43. You do not need to book an appointment – just dial in.

44. The standards call surgery contact number is 020 3747 0632.

Email support – standards and collections

45. If you have a less urgent issue or a particularly complex issue, please email us (costing@improvement.nhs.uk) with citing ‘2021 NCC & your issue’. During the collection window we aim to respond to your emails within three working days, where possible.⁹

46. The average turnaround time for costing inbox queries is 3 days.

Frequently asked questions (FAQs)

47. This year we will be publishing FAQs. These will be published on the open learning platform (OLP).

48. FAQs will be published every Monday, starting one week after the publication of this document and can be found [here](#).

⁹ Complex queries may require input from multiple teams and we may not be able to respond in three working days. We will keep you updated on the progress of your query.

2.8 Acute, Ambulance and Mental Health Dry Run

49. Following successful, separate, dry-run collections for Acute and Mental Health sectors in 2020 the costing team are going to undertake a dry-run collection again in 2021.
50. The purpose of the dry run is to test the new integrated extract specification for Acute, Mental Health and IAPT services and the updated Ambulance extract specification.
51. The dry run collection is expected to take place in April 2021 and prior to that we will be taking expressions of interest from software suppliers with their provider partner.
52. To test the new integrated extract specifications, it is hoped a range of both integrated and single sector organisations will be able to participate.
53. The dry run will test every element of the collection up to, but not including, submission of the files generated by the DVT to or the workbook to NHS Digital. These outputs will instead be submitted to the costing team at NHS England and NHS Improvement via a secure online platform.
54. Before volunteering your trusts to take part it is important that you are adequately resourced to fully commit to the dry run exercise.

2.9 Minimum hardware specification

55. For optimum output from the collection tools provided to make your National Cost Collection submission there is a minimum hardware specification which is recommended.

Table 2: Recommended hardware specification

Features	Recommendation
Operating system	Windows 10 64 bit
Storage	SSD
Processor chip	Intel core i7 or AMD Ryzen 7
RAM	8GB – 16GB

56. If you experience problems running the data validation tool (DVT) on your local computer, it is possible to run it on your server as this will have a larger RAM capacity and SSD storage, although the summary reports generated will be in a CSV format.

3. Scope of activity and costs to be collected

- 57. The NCC collects data about the costs of patient care in the NHS. This means that some of the costs your organisation incurs are not collected.
- 58. This section details the scope of activity and costs that your organisation should submit.
- 59. You should use the National Costing Grouper 2020/21. Costing practitioners will be contacted when the grouper is available.
- 60. It is expected to be published in March 2021 and NHS England and NHS Improvement will keep you informed on the progress of the development of the grouper as well as notifying you when it becomes available.

3.1 Costing period

- 61. The costing period begins on **1 April 2020** and ends on **31 March 2021**.
- 62. For patient-level cost collections of admitted patient care (APC) all patient episodes completed within the costing period or still open at the end of the costing period are in scope. Episodes and Spells are classified by type according to their completion status. Please see Standard IR1 within: Integrated information requirements and costing processes, for more detail.
- 63. The emergency care (EC) extract list in the integrated extract specification details the period of expected values for arrival date, and time and date of departure from the emergency department that should be accounted for in the financial year 2020/21.
- 64. The specialist ward care (SWC) feed type specifies that the costing period is for all occupied bed days in 2020/21.
- 65. All mental health provider spells (MHPS) completed within the collection year, or hospital provider episodes still open at the end of the collection year, are in

scope of this collection. A spell or episode that is unfinished at the end of the financial year must be collected as part of the month 12 file.

66. All mental healthcare contacts (MHCC) completed within the collection year are in scope of this collection.
67. All IAPT care contacts attended within the collection year are in scope of this collection.
68. For supplementary information (high-cost drugs, high-cost blood products, high-cost excluded devices and unbundled imaging) are in scope of this collection.
69. For ambulance, incidents 'hear and treat', 'see and treat', 'see and convey' and 'other' incident currencies within the collection year are in scope of this collection.
70. Only resources used and activities undertaken within the costing period should be included, regardless of when the patient event started or ended.

3.2 What do providers need to submit in 2021?

71. Patient-level costs are collected at the level of each patient event. A patient event is:
 - an attendance, episode or contact for acute activity
 - a spell or care contact for mental health activity
 - a care contact (attendance) for IAPT activity
 - an incident for ambulance activity.
72. For each patient event costing data is collected for **resources** used and **activities** undertaken. These are listed in the appendices to the extract specification relevant to your primary or integrated sector.
73. The extract specification spreadsheet documents detail the fields to be collected for each sector.
74. If you are unable to meet the requirements of the extract specifications, please contact costing@improvement.nhs.uk as early as possible so we can provide you with an alternative solution.

75. Aggregated unit costs are collected for services not yet in scope of PLICS and those delivered by providers that are not yet mandated for their primary sector.¹⁰ Some service areas may require additional information fields.

Acute, mental health (including IAPT) and ambulance

76. For the 2021 NCC, patient-level costing (PLICS) is mandatory for all providers except those whose main service is community. You need to submit a PLICS collection that is consistent with the costing standards if you provide:
- acute services – admitted patient care (APC), non-admitted patient care (NAPC), emergency care (EC), specialist ward care (adult, paediatric and neonatal critical care) and supplementary information (high-cost drugs, high-cost blood products, excluded devices and unbundled imaging)
 - ambulance – 999 services only
 - mental health - provider spells (MHPS) and care contacts (MHCC)
 - IAPT – Improving access to psychological therapies contacts (IAPT).
77. Providers that deliver community services, but this is not their main service, are still required to make an aggregated HRG unit cost submission for community services in 2021 alongside their other ‘out of scope for PLICS’ services.

Community

78. Data for community services will be collected at average unit HRG cost level until community PLICS is mandated within the NCC.¹¹
79. Community providers that deliver services covered by the PLICS collection are not required to submit those services at patient level. This data will be collected in the NCC workbook as in previous years.

Materials for a costing submission

80. Annex 2 gives details of the materials you will need to prepare your submission.

¹⁰ For example, where an acute provider delivers community services, or a community provider delivers mental health services.

¹¹ The proposed mandate year is the financial year 2021/22, to be collected in 2022. For more information see: <https://improvement.nhs.uk/resources/costing-mandation-project/>

81. Sector specific collection activities and resources have been removed from the guidance documents as they can be found in the technical document.

3.3 Education and training

82. Separate education and training (E&T) costs are not part of the mandated 2021 NCC.
83. In 2021 trusts are required to net off their E&T income from patient care costs. The E&T transitional method¹² gives guidance on how to do this in a transparent way; organisations that provide E&T should follow this method.
84. NHS England and NHS Improvement will not be changing the NCC process for E&T costs (where income is used as a proxy for cost) in 2021.

¹² The transitional method is published as part of the *Approved Costing Guidance – Standards*. See <https://www.england.nhs.uk/approved-costing-guidance/>

4. Submission scheduling

85. As in previous years, trusts submitting mandated PLICS files to NHS Digital will need to schedule a day for submission with NHS England and NHS Improvement, to ensure full utilisation of the submission window and allow support to be provided where necessary. To effectively manage submissions in 2021, trusts will be asked to select a date within the submission window that falls on a day between Monday and Thursday.
86. **Please agree a submission date and a back-up option with your software supplier, in case you cannot secure your first preference.**
87. Submission dates can only be booked online. **Providers should book one slot only.**
88. This will be a self-service process, with slots allocated on a first come, first served basis. Your booked slot will be confirmed with an automated acknowledgement.
89. Once a date is booked it cannot be changed through the online system. If you need to change it, please email costing@improvement.nhs.uk citing 'FAO SS amendment to booked submission date <trust code>' in the subject field.
90. You need to upload all your PLICS XML files, your National Cost Collection (NCC) workbook and NCC authorisation on your booked submission date. If your submission is not successful, you will need to agree a subsequent date for submission with the NCC team. You can do this by emailing costing@improvement.nhs.uk citing 'FAO SS missed submission day <trust code>' in the subject field.
91. No initial submissions will be scheduled on Fridays – these slots will be allocated to trusts that fail to submit on their scheduled date earlier in that week.

92. As there are no resubmission windows this year, the NCC team may request a subsequent submission from trusts where they identify serious data quality issues.¹³
93. Trusts that successfully submit their files early in the submission window may wish to improve their data and make a second submission before the window closes. This will be permitted in 2021 subject to availability of slots. The date for a second submission must be agreed with the NCC team. To do this email costing@improvement.co.uk citing 'FAO SS additional NCC submission requested <trust code>' in the subject field.

4.1 Submission scheduling detail

94. Slots will be limited to:
- no submission slot selection on Fridays
 - initial submission slots on Monday to Thursday in weeks one to six (between 6 September 2021 and 15 October 2021) consisting of 240 slots.
 - no planned submissions during the final two weeks of the window (18 October 2021 to 29 October 2021)
95. The booking page will be available on **Monday 5 April 2021**. Cost accountants will be emailed the link for the booking process.
96. The booking page will close once all trusts have booked a date or two weeks before the window opens. The NCC team will contact any trusts that have not booked a slot by that date.
97. If your trust has been excluded from the publication of the 2019/20 National Cost Collection then it is expected that you book a submission slot in the first two weeks of the collection opening.

¹³ In the first instance, a member of the NCC team will ring you to discuss the issue.

5. Data quality

98. The *Approved Costing Guidance* requires providers to follow the seven costing principles when recording and allocating their costs:
- engagement
 - data and information
 - materiality.
99. Data quality is integral to each of these principles – each depends on reasonable data quality.
100. Each provider is responsible for producing sound, accurate and timely data, and should work towards data that is right the first time.
101. The *NCC guidance volume 2: Reconciliation and exclusions* outlines the process for assuring that the total cost dataset reconciles to the annual accounts.
102. You should ensure in 2021 that your XML reconciliation matches on each row and overall costing quantum to the NCC workbook reconciliation.

5.1 In-collection reporting of national averages

103. In 2019-20, due to timing issues as a result of the global pandemic, there was no defined re-submission window as there had in previous years. This meant NHS England and NHS Improvement had to carry out our usual re-submission analysis processes during the normal collection window.
104. Despite being a new process NHS England and NHS Improvement were able to identify £1.4bn of costs from 24 trusts that led to re-submissions improving data quality. As a result of this success, the principle of no defined re-submission window will be retained for this collection.
105. As well as the checks used for 2019/20, there are additional checks included to further improve the quality of data at the point of submission.

106. Details on the validations and data quality checks that we'll be carrying out during this year's collection, and the re-submission process can be found in a separate document which will be published on the OLP.
107. In that document you can also find information about the new in-collection analysis tools that we'll be making available to you via Tableau, using them you'll be able to see your own data benchmarked against trust averages and, where appropriate, you can request a re-submission within the main collection window.

5.2 External assurance

108. NCC submissions are subject to audit as part of the costing assurance programme, to provide assurance that the mandated cost submissions have been prepared in accordance with the *Approved Costing Guidance*. All NHS acute trusts and foundation trusts are audited at least once every three years.
109. The audit has two aspects:
- assurance review by the external auditors. This covers PLICS submission, PLICS preparedness and aggregated HRG data for each provider (if applicable)
 - a review by NHS England and NHS Improvement of costing submissions, particularly the recording of items in the quantum, arrangements for board assurance and previous costing external audit reports.
110. We publish a dashboard summarising the findings of the audits for the financial year 2020/21¹⁴ collection once the final reports are agreed.
111. NHS England and NHS Improvement¹⁵ may use its enforcement powers where providers have not prepared their NCC in accordance with the Approved Costing Guidance.

¹⁴ Costing assurance audits are currently being undertaken.

¹⁵ Acting on behalf of Monitor

5.3 Sign-off process

112. Following the outbreak of the COVID-19 pandemic, NHS England and NHS Improvement have made the changes to the board assurance process (BAP) used in previous years.
113. For the financial year 2020/21 the trust's director of finance can sign off the national cost collection submission.
114. You should complete the pro forma in Annex 3 and your trust's director of finance (or delegated alternative) should review and sign it.
115. The director of finance should confirm that:
- the costing return has been completed in line with the *Approved Costing Guidance*, including:
 - all mandatory and significant non-mandatory validations have been reviewed and verified
 - the information in the submission – both cost and activity – has been reviewed with services and verified as accurate, reconciled to audited financial statements and in line with other financial and activity returns
 - summarise any variations from the *Approved Costing Guidance – standards* (mandated for acute, mental health, IAPT and ambulance activity and voluntary for community services):
 - where and why the trust has not complied with the standards (transition path timetable¹⁶)
 - how costs have been allocated in these areas and proposed actions to address these issues
 - any areas where the costing allocations are deemed superior to those in the costing standards
 - list any outstanding areas of review or work to be addressed and signed off by the director of finance on behalf of the board subject to completion. For governance best practice, we advise the board receives regular progress reports on outstanding areas of review/work.

¹⁶ See the transition pathway at <https://www.england.nhs.uk/approved-costing-guidance/>.

116. An editable version of sign off template will be available on the OLP¹⁷.

5.4 Self-assessment quality checklist and survey

117. Annex 4 now lists the checks you should make as part of your internal assurances before submitting your cost collection but we will not collect this information.

118. The survey will be carried out separately to the NCC to relieve burden during the submission process.

¹⁷ <https://www.openlearning.com/nhs/courses/costing-improvement>

6. Highlights from the desktop review

119. This section summarises highlights from the desktop review of the NCC reconciliation for 2018/19.

120. This is a light touch review by the National Cost Collection (NCC) team. It aims to help trusts with their governance and ensure the starting point for the NCC submission – the quantum – is completed correctly.

121. The review covers:

- Board assurance process (BAP) – review the report(s) for compliance with the requirements in 2019/20 Volume 1 of the NCC guidance¹⁸
- Costing Assurance Programme (CAP) action plans – review and ensure that the action plans agreed after a CAP review are being enacted, and monitored by a relevant committee
- Quantum – review of the quantum against audited accounts, approved adjustments and expected exclusions.

122. The full desk top review undertaken in 2019/20 for 2018/19 submissions only covers those trusts that responded to the initial email request. A total of 72 trusts responded to the initial email and the following was noted:

- 94% had a Board Assurance process in place that was sufficient under the costing guidance
- 89% of trusts who had been subject to the CAP had a completed and updated action plan
- 71% had agreed all their exclusions, but many had not included the correct reference.

¹⁸ For the 2019/20 collection of data.

123. There were a number of issues still occurring with the completion of the quantum. The main areas were:

- Trust still not using the consolidated operating expenses as the starting point for their NCC quantum. In total this was noted at 11 trusts and was mainly due to incorrect treatment of charities
- There were 41 trusts in total where the total of other operating income did not reconcile to the audited accounts. Some of this was due to the charity issue, but in many instances, trusts were making adjustments for STF income which is incorrect
- There were 17 adjustments across 10 trusts which had not been approved or no exclusion had been required for 2018/19.

124. Overall, these results are an improvement over the previous years, and we can see that trusts are addressing many of the issues with the number of queries and exclusion requests received for 2019/20.

125. The issues identified during the desktop review have now been integrated into the submission process. This meant an increase in excluded trusts for 19/20 NCC.

7. Compliance and enforcement

126. Providers that do not submit information in the required format or submit poor-quality information will likely have a detrimental impact on NHS England and NHS Improvement's ability to carry out their pricing, oversight and improvement functions effectively.
127. Data is defined as **poor quality** when (not exhaustive):
- an incorrect quantum was used following reconciliation
 - a provider's NCC index moves significantly without explanation
 - the standards were not used as defined in the *Approved Costing Guidance*
 - a trust's data has a significant impact on national averages.
128. There are two types of **submission failure**:
- a costing system supplier failure – this will affect several trusts
 - a failure specific to a trust (or a group of trusts).
129. In the case of a supplier failure, NHS England and NHS Improvement will focus on ensuring the supplier promptly identifies and corrects the issue. We will do this throughout the submission preparation period and submission window by talking to all suppliers via the supplier forum and regular one-to-ones.
130. If a provider feels it is at risk of not submitting its mandated National Cost Collection, we expect its Director of Finance to formally register this risk with NHS England and NHS Improvement as soon as it is identified. This should be done via costing@improvement.nhs.uk citing 'National Cost Collection 2021 C&E'.
131. For more information, our compliance and enforcement process for providers the process is available on the OLP¹⁹.

¹⁹ https://www.openlearning.com/nhs/courses/costing-improvement/compliance_and_enforcement_process/

132. As each situation is unique, we ask costing practitioners to contact the NCC team as early as possible so we can give you bespoke support.

8. Information governance

133. This section summarises the key information governance aspects for the PLICS data to be collected in 2021.

134. PLICS cost collections by NHS Digital are subject to a mandatory request from NHS Improvement being accepted by NHS Digital. We ask NHS Digital to establish and operate a system to collect patient-level costing information under Sections 255 and 256 of the Health and Social Care Act 2012. On acceptance of this mandatory request, NHS Digital issues a Data Provision Notice (DPN).

135. Our expectation is that NHS Digital may disseminate the data collected and/or created under that request, including to NHS England and NHS Improvement and potentially other organisations. The acceptance of the mandatory request and any subsequent use of the collected data is subject to information governance processes and approval.

136. In Autumn 2021, NHS Digital will (subject to acceptance of the Mandatory Request) collect:

- Patient Level costs for an attendance, episode, appointment or critical care period for acute activity
- Patient Level costs for a spell or contact for mental health activity,
- Patient Level costs for a care contact for IAPT activity
- Patient level costs for High Cost Drugs and High Cost Blood Products, High Cost Devices and Unbundled Imaging
- Incident level costs for ambulance activity.

8.1 How we will use the collected data

137. We intend to use the data as follows:

- inform costing standards development
- inform developments to the PLICS collection, including the impact assessment on mandating the submission of PLICS

- inform the development of benchmarking metrics and to develop and populate a benchmarking tool
- inform development of the Carter review programme's 'Model Ambulance' and populate this where applicable
- informing and modelling new methods of pricing NHS services
- informing new approaches or changes to currency design.

138. Even if the intended uses of PLICS data change for future collections, the data collected this year will continue to be covered by the information in the mandatory request, the DPN and this document.

8.2 Sharing of data

139. NHS England and NHS Improvement may use the collected PLICS data for the purposes described above. As well as sharing PLICS data within NHS England and NHS Improvement, we may also (subject to NHS Digital's approval) share it with other national bodies

140. In developing and populating a PLICS benchmarking solution, NHS England and NHS Improvement may also share suitably aggregated PLICS data (as determined in consultation with participating organisations) with other trusts taking part in this collection.

141. Any sharing of PLICS data by NHS England and NHS Improvement (excluding back to the trust that owns the data) will be subject to a data-sharing arrangement approved by the Information Asset Owner of PLICS at NHS England and NHS Improvement and subject to NHS Digital's approval.

8.3 Freedom of information requests

142. All public-sector bodies are bound by the requirements of the Freedom of Information Act 2000 (FOIA). Anyone can submit an FOI request.

143. In line with NHS Digital's or NHS England and NHS Improvement's FOIA process and within the statutory timeframes set out under the FOIA, either organisation may engage with third-party organisations in relation to a given FOI request.

144. Contact with relevant third parties around an FOI request received by either organisation will be on a case-by-case basis and dependent on the nature of the request.
145. As such, under relevant circumstances and depending on the nature of the FOI request, NHS Digital or NHS England and NHS Improvement will contact the trust(s) concerned.
146. NHS Digital may also contact NHS England and NHS Improvement in respect of an FOI request (where appropriate).

8.4 Data retention

147. NHS Digital will also store PLICS data as part of this collection in line with its retention policy.
148. NHS England and NHS Improvement will keep the data for seven years and then our IT team will securely dispose of it.
149. If you have any concerns about how your data will be used, please contact us at costing@improvement.nhs.uk

8.5 National data opt-out

150. NHS Digital will be requested to collect PLICS data by a Mandatory Request from NHS Improvement, under sections 255 and 256 of the Health and Social Care Act 2012.
151. On receipt of a Mandatory Request (or a Direction under section 254), NHS Digital generally issues a Data Provision Notice (DPN) to those that hold the information that NHS Digital is legally required to collect.
152. The DPN issued to providers for PLICS is a legal obligation with which the providers must comply, and therefore the National Data Opt-out does not apply to the provision of PLICS data by the providers to NHS Digital.

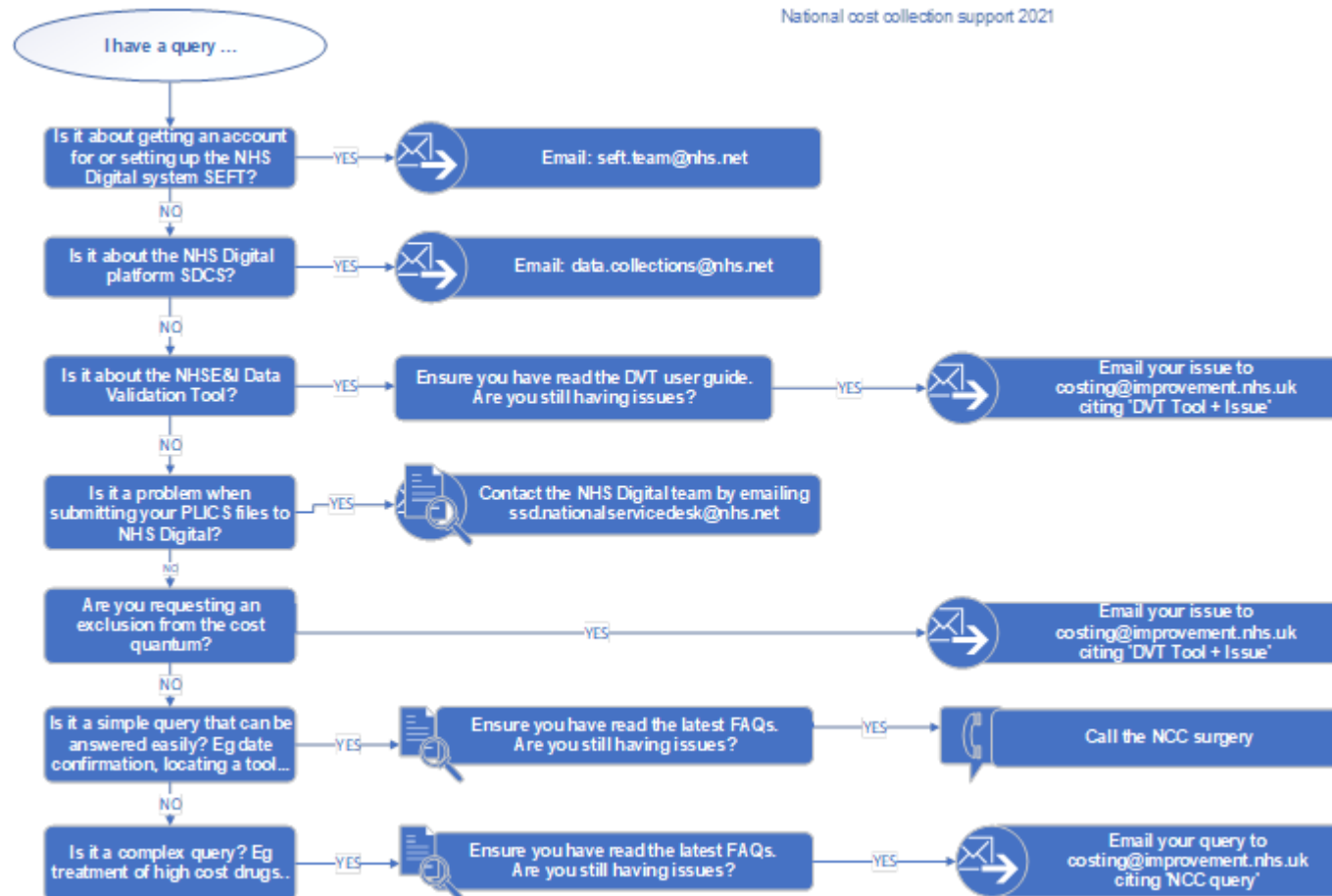
8.6 Linkage to other existing datasets.

153. NHS Digital collects PLICS data from NHS providers and then undertakes activities including:

- adding key identifiers where required (to allow NHS England and NHS Improvement to subsequently link this data to other datasets for example, this may include HES, MHSDS and IAPT)
- pseudonymising the data before providing (subject to relevant governance process) NHS England and NHS Improvement with the processed PLICS data.

Annex 1: Submission support contacts

National cost collection support 2021



Annex 2: Materials to use in preparing your submission

Product	Description
Approved Costing Guidance	Includes the National Cost Collection (NCC) guidance and the costing standards, which should be used when preparing the 2021 NCC return. It tells providers how to comply with the pricing conditions in the NHS provider licence that relate to recording of costs.
NHS England and NHS Improvement data validation tool (DVT), including DVT business rules	Business rules: A workbook giving the definitions the DVT uses to validate the CSV files before submission. The reference tabs show the data permitted in a field, eg which HRGs are allowed to flow as part of the dataset.
	Tool: Assesses the data quality of the CSV files produced by the costing software and then creates the XML files needed for submission.
Extract specification	Defines the specification required for each extract to enable a trust to submit files to NHS Digital.
National costing grouper 2020/21 and documentation	The National Casemix Office (NCO) at NHS Digital publishes the grouper and supporting documentation, including the user manual, the code to group table, individual chapter summaries and a summary of changes from the previous costing grouper release.
NCC workbook and user guide documentation	Used to collect aggregated HRG data. The documentation will detail the validation rules as well as a guide to the functionality of the workbook.

Product	Description
NHS Data Dictionary	Where possible, we align the PLICS data items with the definitions in the NHS data model and dictionary (the NHS Data Dictionary) and include links to this in the extract specification.
Open learning platform	An online platform used by the costing team to publish the analysis of the cost data during the collection period.
Secure electronic file transfer (SEFT)	<p>The web portal NHS providers use to transfer PLICS XML files created by the DVT tool to NHS Digital electronically and securely.</p> <p>It is managed by NHS Digital.</p> <p>Where available trusts can also access a summary report via SEFT during the collection window following submission of PLICS files. NHS Digital will issue further guidance on this where relevant.</p>
Strategic data collection service (SDCS)	The online platform used to upload the NCC workbook. It is managed by NHS Digital.
The Technology Reference data Update Distribution (TRUD) datasets	<p>The Terminology Reference data Update Distribution (TRUD) service supplies datasets to support consistent coding of activity, including:</p> <ul style="list-style-type: none"> • the chemotherapy regimens list, including adult and paediatric regimens, with mapping to OPCS-4 codes that have one-to-one relationships with unbundled chemotherapy HRGs • the National Interim Clinical Imaging Procedure (NICIP) code set of clinical imaging procedures, with mapping to OPCS-4 codes that relate to unbundled diagnostic imaging HRGs • the national laboratory medicines catalogue, a national catalogue of pathology tests.

Annex 3: NCC sign-off pro-forma

1. As Director of Finance (or equivalent position) I certify the following:

- The activity included in the National Cost Collection in 2021 for *<insert trust name and org code here>* is consistent²⁰ with the activity submitted to the sector's mandated dataset²¹ submitted to NHS Digital for financial year 2020/21.
- The quantum has been reconciled to the audited/unaudited *<delete as appropriate>* accounts submitted to NHS England and NHS Improvement on *<insert submission date here>*.
- With the exceptions of those issues included in Annex A, the trust has complied with the Approved Cost Guidance for England, including the relevant costing standards for England for 2020/21 and the National Cost Collection guidance.
- I have reviewed and ensured any mandatory validations are correct and all uncorrected non-mandatory validations have been reviewed and do not impact on the data quality of the overall submission.

<Summarise any significant issues at the trust – for example, inability to submit patient level data for new data feeds – in an annex; Annex A.>

2. I can confirm that, at an appropriate time, the costs included in this return will be reviewed with clinicians and services, and any errors or issues corrected as part of the 2021/22 submission.

Signed: _____

Position: _____

Trust: _____

Date: _____

²⁰ Consistent means that there is less than a 0.5% difference between total activity in the National Cost Collection for 2020/21 and your organisation's mandated dataset.

²¹ Hospital Episode Statistics (HES) for Acute, Community Services Data Set (CSDS) and Mental Health Services Data Set (MHSDS)/Improving Access to Psychological Therapies Data Set (IAPT) for Mental Health. There is no mandated dataset for the ambulance sector.

(A signed copy should be submitted to NHS England and NHS Improvement via costing@improvement.nhs.uk citing 'Executive authorisation of NCC 2021 <trust code> in the subject line'. The trust should maintain a copy of this signed document.)

Annex 4: NCC checklist

Check	Detail	Tick on completion
1	Total costs: The national cost collection (NCC) quantum has been fully reconciled to the signed annual accounts through completion of the reconciliation statement workbook in line with guidance. Where you were unsure of how the elements of the annual accounts link to the reconciliation, you spoke to your financial accounts department.	
2	The costs have been reviewed by relevant service managers or clinicians.	
3	Total activity: The activity information used in the NCC submission to report APC, NAPC attendances has been fully reconciled to provisional Hospital Episode Statistics (HES) and EC attendances reconciled to ECDS, differences are explained/documentated and the PLICS to HES activity levels reconciliation template has been completed and submitted to NHS England and NHS Improvement.	
4	Sense check: All relevant unit costs under £5 have been reviewed and are justifiable.	
5	Sense check: All relevant unit costs over £50,000 have been reviewed and are justified.	
6	Sense check: All unit cost outliers (defined as unit costs less than one-10th or more than 10 times the previous year's national mean average unit cost) have been reviewed and are justifiable, eg reviewing material cost variation at a specialty/HRG level.	
7	Benchmarking: Where possible data has been benchmarked against national data for individual unit costs and for activity volumes (the previous year's information is available in the National Benchmarker).	
8	The most recent costing assurance audit report has been reviewed and appropriate action taken where recommendations were made.	
9	Where possible the principles, processes and methods set out in the costing standards have been used. Any deviation has been noted and deviations and progress captured in the costing assessment tool	

	(CAT). Note that the CAT forms part of the cost collection process and will need to be submitted to NHS Improvement by the required deadline (TBA).	
10	Data quality: The quality of data for 2020/21 has been assured.	
11	Data quality: The reliability of costing and information systems for 2020/21 has been assured.	
12	Data quality feedback from last year's cost collections has been reviewed and appropriate action taken where needed. Feedback took the form of: <ul style="list-style-type: none"> • PLICS data quality tool – for providers who submitted acute PLICS last year • management report – for providers who submitted acute PLICS last year • NCC data feedback report – all providers. 	
13	Data quality: All other non-mandatory validations as specified in the guidance, PLICS data validation tool and workbooks have been considered and any necessary revisions made.	
14	PLICS submitters: The output files have been run through the data validation tool and mandatory validation issues have been dealt with.	
15	Acute PLICS submitters: CDSUIDs have been checked to make sure they are consistent with what has been submitted to SUS (for providers submitting CDSUIDs to SUS only).	

Contact us:

costing@improvement.nhs.uk

NHS England and NHS Improvement
Skipton House
80 London Road
London
SE1 6LH

This publication can be made available in a number of other formats on request.

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