Technical guidance for NHS Improvement financial planning return 2019/20

January 2019
Technical guidance for NHS Improvement financial planning 2019/20

Contents

1. Introduction
   1.1 Context
   1.2 Required approach
   1.3 Final steps and submission
   1.4 Queries

2. Key components
   2.1 Summary financials
   2.2 Capital and cash
   2.3 Bridging
   2.4 Efficiency

3. Other useful information
   3.1 Links to relevant guidance

4. Appendices
   4.1 Appendix 1 - Types of capital expenditure options
   4.2 Appendix 2 - IFRIC 12 further information including residual interest
   4.3 Appendix 3 - Financial efficiency worked example
   4.4 Appendix 4 - Financial efficiency categorisation
   4.5 Appendix 5 - Information governance
Technical guidance for NHS Improvement financial planning 2019/20

Summary Table outlining where there have been changes to the text

<table>
<thead>
<tr>
<th>Section of Form</th>
<th>Page references</th>
<th>Substantial changes</th>
<th>Moderate changes</th>
<th>Minimal changes</th>
<th>No changes</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Context</td>
<td>5-13</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Updated to reflect approach to 2019/20 planning</td>
</tr>
<tr>
<td>1.2 Required Approach</td>
<td>14-28</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Principles the same but significant text changes</td>
</tr>
<tr>
<td>1.3 Final Steps and submission</td>
<td>29-37</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
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</tr>
<tr>
<td>1.4 Queries</td>
<td>38-39</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Summary financials</td>
<td>40-54</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Some parts of this have significant changes</td>
</tr>
<tr>
<td>2.2 Capital and cash</td>
<td>55-71</td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
<td>Minor updating, focused on slides 59, 66 and 69.</td>
</tr>
<tr>
<td>2.3 Bridging</td>
<td>72-87</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Updated structure, summaries and new lines added</td>
</tr>
<tr>
<td>2.4 Efficiency</td>
<td>88-94</td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
<td>Some changes, though mostly presentational. Note changes in slides 89 and 90.</td>
</tr>
<tr>
<td>3.1 Links to relevant guidance</td>
<td>95-99</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>Links updated to ensure referencing latest documents</td>
</tr>
<tr>
<td>4.1 Appendix 1 - Types of capital expenditure options</td>
<td>102-103</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2 Appendix 2 - IFRIC12 further information regarding residual interest</td>
<td>104-110</td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
<td>Minor changes, including updating of hyperlinks where appropriate</td>
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<tr>
<td>4.3 Appendix 3 - Financial efficiency worked example</td>
<td>111-116</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.4 Appendix 4 - Financial efficiency categorisation</td>
<td>117-119</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.5 Appendix 5 - Information governance</td>
<td>120-126</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td>A new section this year</td>
</tr>
</tbody>
</table>
1. Introduction
1.1 Context
Technical guidance for NHS Improvement financial planning 2019/20

1. Introduction
2. Key components
3. Other useful information
4. Appendices

1.1 Context

1.2 Required approach

1.3 Final steps and submission

1.4 Queries

General

• The NHS Improvement financial planning return (FPR) captures the finance information that supports the objectives of the joint operational planning guidance, as well as providing financial monitoring information against which all 2019/20 monthly submissions will be measured.

• The planning guidance for 2019/20 should be read in full and all key principles applied in completing the provider FPR template.

• Please refer firstly to the letter dated 16 October 2018 from NHS Improvement and NHS England, which sets out the approach to planning. The following key guidance documents should then be used in conjunction with supporting technical planning guidance documents:

  • Joint NHS Improvement and NHS England planning guidance for 2019/20
  • NHS Improvement technical planning guidance for 2019/20
  • Department of Health and Social Care (DHSC) Group Accounting Manual 2018/19
  • Single Oversight Framework
  • The NHS Long Term Plan
  • Transactions guidance – for trusts undertaking transactions, including mergers and acquisitions
  • Capital regime, investment and property business case approval guidance for NHS providers
  • DHSC Accounting for PFI under IFRS
  • Land and buildings in PFI schemes (version 2) – dated January 2003


• Note the circular blue ‘i’ shown above is used to highlight essential information.
Joint working

The 2019/20 operational plans will create the year 1 baseline for the system strategic plans and should be developed with the proper engagement of all parts of your local systems. Section 2.1 of the document Preparing for 2019/20 Operational Planning and Contracting sets out the requirement for systems and individual commissioner and provider organisations to work together, specifically to help ensure that plans and contracts are both realistic and fully aligned at a system level. To help support this requirement NHS Improvement and NHS England financial planning teams have worked closely to ensure consistency of approach in the design of the planning templates and content of guidance for all elements of the plan that should be aligned between providers and commissioners. This document contains guidance on data collected in the FPR template that will be used to assess system alignment for:

- Mental health income – page 45 details the collection of mental health income split by individual NHS commissioner for contracts over £5 million. This data will be triangulated with the mental health spend data collected in the commissioner financial plans, which is split by individual provider, to ensure there is alignment in planning assumptions for mental health income.

- Planned income from NHS commissioners – page 49 details the collection of planned income split by individual NHS commissioner for contracts over £5 million. This data will be triangulated with the contract spend data collected within the commissioner financial plans, which is split by individual provider, to ensure there is alignment in planning assumptions for income.
Control totals and Provider Sustainability Fund (PSF), financial recovery fund (FRF) and marginal rate emergency tariff (MRET) funding

• In 2019/20, we will be transferring £1 billion of the PSF into urgent and emergency care (UEC) prices and using £200 million to form part of the newly established financial recovery fund (FRF) reducing the value of the PSF from £2.45 billion to £1.25 billion. The transfer of resource into prices will help to reduce the national tariff scaling factor, the difference between average costs and national tariff prices. The control totals set for each trust will include the impact of the transfer of the £1 billion from the PSF to UEC prices. In 2019/20 we will allocate a total of £155m of the PSF to the non-acute sector, as we have in 2018/19 with the remaining £1.095bn available to support the provision of emergency services in acute and specialist trusts.

• The newly created FRF will be allocated so that we can secure financially sustainable, essential NHS services within as many ICSs/STPs as possible. In 2019/20 the FRF can only be accessed by providers in deficit who sign up to their control totals.

• In 2019/20, the contract value agreed via the blended payment approach will be reduced by the agreed 2017/18 value of both the MRET and 30-day readmission rules. Providers will be eligible to receive additional central income equal to the MRET values confirmed by providers and commissioners as part of the Autumn 2018 exercise, if they sign up to their control totals. Control totals will be set on the basis that for every £1 in MRET funding the provider must improve its bottom line position by £1. MRET funding will be paid quarterly in advance subject to providers agreeing their control total.

• At a national level we have assumed a level of non-recurring benefit from gains on disposal of assets. We will work with providers to identify these opportunities and have adopted a revised approach to the treatment of these financial gains in the control total regime. Providers will not be able to use any of these gains to deliver their original 2019/20 control total.
Control totals and Provider Sustainability Fund (PSF), financial recovery fund (FRF) and marginal rate emergency tariff (MRET) funding

- All providers will be expected to plan against rebased control totals.
- Control total letters for 2019/20 will be issued to trust chief executives and directors of finance later in January.
- Full details of the provider financial framework will be published on our website’s planning page later in January in our technical guidance for PSF, FRF and MRET funding and control totals.
- You must signal acceptance of your control totals and associated conditions in the draft and final operating plans, which should be submitted in accordance with the timescales as set out in the updated joint planning guidance for 2019/20. These plans should include the notified PSF, FRF and MRET funding values and include a stretching and realistic surplus/(deficit) planned position in line with, or better than, the 2019/20 control totals. Please note that if control totals have not been accepted, this must be stated clearly, and you must not plan to receive your allocated PSF, FRF and MRET funding.
- As described in the updated joint planning guidance for 2019/20 and the consultation on the 2019/20 NHS Standard Contract, in addition to the current sustainability fund benefits, signing up to your 2019/20 control total will protect you from contractual sanctions for failure to achieve the all of the national performance standards set out in Schedules 4A and 4B of the NHS Standard Contract, except those relating to mixed sex accommodation, cancelled operations, healthcare associated infections and the duty of candour. Subject to the outcome of the Standard Contract consultation, we intend that new arrangements will apply for 2019/20 in respect of sanctions for 52-week breaches. The new approach will involve ‘mirroring’ financial sanctions for providers and commissioners of £2,500 per breach from each organisation, with the use of the withheld funding determined by regional teams. Further details will be set out in the NHS standard contract and in the technical guidance which is linked on page 6.
1. Introduction

2. Key components

3. Other useful information

4. Appendices

1.1 Context

1.2 Required approach

1.3 Final steps and submission

1.4 Queries

**Capital**

Providers are expected to continue to work with sustainability and transformation partnerships (STPs) to deliver their estates strategies, including land disposals, with strategies continuing to be a key to accessing capital for all sectors going forward. NHS capital is very constrained and therefore it is vital that capital plans are realistic and based on self funding and funding that has already received approval only. Provider capital plans for 2019/20 should be based on self funding plus agreed STP capital or specific programme capital. Providers should not assume new funding from sources such as the Independent trust financing facility (ITFF) or emergency financing applications unless these already have approval, or if not already approved, have been agreed for inclusion within financial plans by the NHS Improvement Capital and Cash team.

**Accounting for leases**

On 22 November the Financial Reporting Advisory Board agreed to Her Majesty's Treasury (HMT) proposal to defer adoption of IFRS 16 Leases in the public sector to 2020/21. This means that in 2019/20 operational planning, entities should continue to apply the current leasing accounting standards, IFRIC 12 and IAS 17.

**Pensions**

The implications of the government’s commitment on NHS pensions increases described in the June 2018 NHS funding settlement are being worked through, and further guidance will be published in due course. The funding for pensions is on top of the £20.5 billion real terms funding increase by 2023/24 announced for the NHS. The pay uplift within planning submissions should be in line with tariff uplift assumptions which do not include any uplift for pensions. The impact of changes to NHS pensions for 2019/20 should be excluded from plans.
1. Introduction

1.1 Context

Triangulation

- Triangulation and phasing of plans: Your plans should be the product of partnership working across STPs: there should be clear triangulation between your plans and commissioner plans to ensure alignment in activity, workforce, and income and expenditure assumptions. Please refer to the updated joint planning guidance for 2019/20 which provides further details. All plans should include appropriate profiles to reflect seasonal changes in demand, especially related to winter: please also ensure that efficiency savings are not back-loaded into the later part of the financial year.

- We would expect the profiling of the operating plan to be based on a robust understanding of elective and non-elective work through the year. The ‘ANALYSIS-PHASING’ tab in the triangulation template will help you review your approach to seasonal profiling your profile. We will use the profile charts on this tab to support our internal assessment of the plan robustness, together with data from tab ‘25. Notes to Bridges’ sub code BRG5190 ‘Waiting List initiative work’. The triangulation section on page 98 contains further information regarding the analysis tabs within the triangulation file.

- The triangulation file includes two new tabs this year, which include pilot comparisons of the finance, activity and workforce bridges. The comparison of these bridges offers an opportunity to test whether the assumptions behind the plans are consistent, being a potentially far richer comparison than the existing triangulation tests. These tabs do not form part of the assessment of triangulation for this year; however, they do offer an optional opportunity to provide commentary and you are encouraged to do this especially where there does not appear to be good alignment. Your comments will help us to develop this approach in future years as well as flag potential improvements to all three bridges that will ensure they are further aligned in the future. The tabs are:
  - FIN_WF BRIDGE TRIANGULATION, comparing the finance and workforce bridges
  - FIN_ACT BRIDGE TRIANGULATION, comparing the finance bridge and activity waterfall
Planning cycle

- The FPR must be completed in full for both the draft and final operational plans. Most sheets contain validation rules that are visible beneath and/or on the right-hand side of each table. These checks ensure internal consistency and accurate completion of the return. All validations must be cleared before submission. For further details see section ‘1.2 Required approach’ page 28.

- Before draft and between draft and final plan submissions, NHS Improvement will issue ‘macro fix’ files for any required updates to the forms. For further details see section ‘1.3 Final steps and submission’ page 29.

- The FPR must be submitted by NOON on the dates indicated in the joint planning guidance for 2019/20.

- Finally, please prepare 2019/20 plans in accordance with the objectives and requirements set out in sections 2,3 and 4 of Annex C to the technical guidance ‘NHS Improvement guidance to trusts for operational plans’.

- The data collected in plans will be used to inform decision making and will also form the plan against which 2019/20 delivery is judged. All organisations must ensure submissions are accurate, detailed and consistent with their board-approved plans.

- Information governance requirements are included in Appendix 5.
Bridge tabs – updated approach for 2019/20

- **Underlying position.** For the 2019/20 plan we have added a plan year underlying position in addition to the Forecast Outturn (FOT) year underlying position presented in previous planning forms. In previous years the plan year rollover (recurrent position) was presented in the form, which excluded non-recurrent items but did not allow for full year effect adjustments. This year we allow for these adjustments to show both the FOT year and plan year underlying positions. These are presented side by side in the bridge to make them easy to compare. Further information is available in the detailed bridge guidance section in page 73.

- **Summary bridge analysis.** An enhanced summary bridge analysis has been designed to facilitate review of the aggregated bridge. The new summary is located after tab 26 in the bridge section of the financial plan form and includes both a summary and detailed analysis combining all of the bridge tab data, as well as a detailed waterfall chart showing key movements described in the bridge.

- **New bridge lines.** New lines have been added to the bridge to enable you to correctly describe movements in 2019/20 relating to changes to the financial framework. A summary of the lines that have been added to the bridge this year are available in page 74.

- **Agenda for change (AfC) funding bridge treatment.** We have added sub code BRG0285 on tab ‘20. Op Inc PC Activity Bridge’ to adjust out the 2018/19 non recurrent DHSC AfC funding. The new line appears after the underlying line as AfC funding will continue to be provided through the tariff and as only the source of funding will change its removal should not be allowed to affect the underlying position. The staff cost impact will be reflected in pay costs in the underlying position so it is important that trusts do not remove the income in their underlying position, as this would materially worsen that position incorrectly.
1.2 Required approach
1.2 Required approach

General principles of required approach

- The FPR continues to be an Excel file. The form is similar to the previous year but please take care when completing this year’s form because there have been changes. Please refer to the ‘2. Key components’ section for details of what has changed.

- Some trusts have used the ‘share workbook’ function successfully while others have experienced challenges. Whilst we have undertaken some internal testing on this, we are not able to help with technical aspects of this which are dependant on your IT infrastructure. We remind you to remove any shared functionality prior to submission.

- When preparing your submission please use this guidance, and the ‘i’ pop up boxes that show in the form. A new tab on the form contains a comprehensive list of all of the ‘i’ pop up boxes and associated notes.

- Please refer to the example here.

  You must click on the ‘i’ pop up box itself as shown on the right to see the information message pop up.

- You should also use the principles and definitions found in the Department of Health and Social Care (DHSC) group accounting manual 2018-2019
Main form changes

The main changes to the form from the previous year are summarised in the table on this page and on the next page.

<table>
<thead>
<tr>
<th>Tab</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>'00.Self Cert' tab</td>
<td>Control total acceptance statements updated to reflect FRF and MRET funding. Revised calculation of control total to account for gains on disposal of assets. New prepopulated data rows added for the FRF and MRET funding.</td>
</tr>
<tr>
<td>'01. Summary', '03.Risk Ratings' and '04.SoCI tabs</td>
<td>Control total measure and adjusted financial performance descriptions updated to reflect FRF and MRET funding.</td>
</tr>
<tr>
<td>'04.SoCI' tab</td>
<td>Table 3: new table added to show the adjusted financial performance before the impact of gains on disposal of assets.</td>
</tr>
<tr>
<td>'06.SoCF' tab</td>
<td>Table 4: monthly profile has been added. Tables 5 and 6: additional rows have been added to separate out the revenue and capital elements of loans received and loans repaid.</td>
</tr>
<tr>
<td>'08. Op Inc (source) tab</td>
<td>Table 2: additional rows have been added to split 'Other operating income recognised in accordance with IFRS 15' and 'Other operating income recognised in accordance with other standards. Table 4: updated to reflect FRF and MRET funding Table 5: new gross income table to help understand income flows in the system. Table 6: new table added to derive non Agenda for Change DHSC funding.</td>
</tr>
<tr>
<td>'10. Op Ex' tab</td>
<td>Table 7: new table added to identify pass through devices and blood products.</td>
</tr>
</tbody>
</table>
Main form changes (continued)

<table>
<thead>
<tr>
<th>Tab</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>'15. Capital analysis schemes' tab</td>
<td>Table 1: updates made to the drop down options, for example, relating to the DHSC programmes and new data requirements added for each row in the disposals section around buildings floor area (sq m) and land area (sq m).</td>
</tr>
<tr>
<td>'18. Capital Funding -GrsCpxCDEL' tab</td>
<td>Table 1 and 3: updated row descriptions to align with the changes to tab 15.</td>
</tr>
<tr>
<td>Bridging tabs 20 to 24</td>
<td>Table 1: addition of a number of new rows to further break down changes to underlying and to further break down changes in relation to new financial framework approaches. Table 1 collection of second underlying post of 2019/20 planning year in columns on the right.</td>
</tr>
<tr>
<td>'26. Bridge Summary'</td>
<td>This has been rebuilt in a number of ways: in particular, recurrent and non recurrent have been separated in Table 2 and pay and non-pay have also been split.</td>
</tr>
<tr>
<td>'Bridge Analysis' tab</td>
<td>A new 'Bridge Analysis' tab has been added to provide a more user friendly high level review.</td>
</tr>
<tr>
<td>'30. Efficiency input' tab</td>
<td>Table 2: new table added providing an analysis of efficiency to identify system led efficiencies by programme area.</td>
</tr>
<tr>
<td>'40. Flags' tab</td>
<td>Table 5: new rows added to check and/or collect commentary around the tariff inflator and cost inflation. Table 14: new table added to reconcile the reduction in CQUIN income with increase in tariff income. Table 16: new table added to check and/or collect commentary around the DHSC emergency capital loan request (pending approval).</td>
</tr>
<tr>
<td>Data sharing statement</td>
<td>Information governance statement added to template.</td>
</tr>
<tr>
<td>Information boxes tab</td>
<td>Information boxes tab added to allowing trusts to fully view i box descriptions.</td>
</tr>
</tbody>
</table>
Technical guidance for NHS Improvement financial planning 2019/20

1. Introduction

2. Key components

3. Other useful information

4. Appendices

1.1 Context

1.2 Required approach

1.3 Final steps and submission

1.4 Queries

Data entry

- You can only input data into green, yellow and purple input cells; all other cells are locked and password protected.

| Green cells indicate input required relating to the prior year (2018/19) |
| Yellow cells indicate input required relating to first planning year (2019/20) |
| Purple cells indicate input required relating to future planning years (2020/21 to 2023/24) |

- Please refer to the Information tab in the planning template for further explanation of cell types.

Tables and sub codes

- Where we quote table numbers these can be found on each tab in column A, in the top row of the table shaded in blue.

- We are aware that some trusts use the sub code structure to map their subjective hierarchies to the form in working papers and so seek to ensure consistency where possible. We aim to align tab sequence numbering and sub code structure with 2018/19 in-year reporting finance forms developments and that planning developments will be followed by the 2019/20 in-year submissions.

- We try to maintain sequential sub code numbering, but where this year we have needed to insert a row into pre-existing tables, sub codes are non-sequentially numbered.
Rules for data entry

- **You should not attempt to circumvent controls** by copying and pasting in data. Where necessary, ‘copy’ and ‘paste special values’ can be used but you should round all values to zero decimal places before pasting them into the template.
- You must enter values in £ thousands and to the nearest whole number with **no decimal places or the input won’t be accepted**. Figure 2 shows the data validation message that may trigger if decimal places are entered. If validation errors are triggered by entering data with decimals, it is your responsibility to correct these. We suggest you copy and paste special values or link data using rounded figures.
- Where input has expected positive or negative signage, this is shown in column D and validated where this is a hard rule. Figure 3 shows the data validation message that may trigger if signage rules are not followed on data entry. If you have concerns about how your entries comply with the signage rules please contact NHSI.Finplan@nhs.net.
- Where phasing a value would result in a need to input numbers with decimal places, a balancing number should be used to ensure the correct value can be input without resorting to decimals. The slight differences between periods will not be material.
- Please refer to the next page for a list of nine validations that allow a £1,000 tolerance.
Rules for data entry (continued)

- Please can you leave cells blank or insert ‘0’ where no values are required. Do not write in ‘NIL’ or ‘N/A’.
- Please can you avoid dragging and dropping data in the template as this can corrupt formulas. Validations G63 to G64, G70 to G74 and G81 in tab ‘42. Data validations’ all check for form corruption. If for any reason the template becomes corrupted, please email NHSI.Finplan@nhs.net for assistance.

Tolerance level

The template allows a tolerance of £1,000 for nine specific validations, as follows:

- G4 - Tab ‘05. SoFP’ reconciles total net assets to total taxpayers’ equity and other equity
- G7 - Tab ‘13. SOCI Other’ agrees to tab ‘05. SoFP’ for the closing balance of provisions
- G9 - Tab ‘06. SoCF’ agrees to tab ‘05. SoFP’ for closing cash
- G21 - Tab ‘08. Op Inc (source)’ agrees to tab ‘09. Commissioner Plan’ for clinical commissioning groups
- G26 - Tab ‘15. Capital Analysis Schemes’ agrees to tab ‘06. SoCF’ for funding methods and central programme values
- G38 - Tab ‘17. IFRIC12PFI’ agrees to tab ‘10. Op Ex’ for Private Finance Initiative (PFI) depreciation
- G39 - Tab ‘17. IFRIC12PFI’ agrees to tab ‘13. SOCI Other’ for PFI interest expense.
Structure of financial planning return (FPR) template

- A summary of how the form is structured and the tabs flow into each other can be seen on the data flow diagram on page 131. As suggested in the data flow diagram, we advise you to start with the data inputs in level 1 supporting tabs before moving onto level 2 higher level or summary tabs.

Control totals

- Control totals (including PSF, FRF and MRET funding) will be pre-populated based on macro fix.

Deadline

- Submission deadlines are NOON on 12 February 2019 for draft plans and NOON on 4 April 2019 for final plans.

Update to outturn

This year we are piloting pre-populating the projected outturn into the form and have used your forecast outturn data from the month 8 in-year returns. You are able to update these values based on the most up-to-date information available as the planning cycle progresses. Please note the following known issues:

- Our database stores your data up to five decimal places and the month 8 pre-population can create outturn validation errors resulting from these roundings that you will need to work through.
- Tab 7, Table 2 was set to restricted input for month 8 and where a trust did not populate this, a validation will trigger that will need to be resolved.
- Tab 10, Table 6 pre-populates with zeros in outturn as data not required in month 8, and we would like trusts to overtype this with an outturn for comparison to plan.
- Tab 11, Table 5 is unique to our form so if the outturn year validation triggers, trusts will need to enter commentary.
- Tab 8 INC1240 maps to INC1240A and trusts will need to split notional FOT apprenticeship income out onto INC1240B. We will gather feedback on this at the end of the planning cycle.
‘40. Flags’ tab

The primary purpose of tab ‘40.Flags’ is to direct review and enable the following to be checked:

– overall outturn figure for 2018/19
  – for the draft submission, the outturn should reflect the month 9 in-year reporting submission outturn although in the published form tab ‘40. Flags’ only includes 2018/19 month 8 forecast outturn. Any material update of the overall outturn in the plan to reflect month 9 outturn will require commentary on that tab and we ask you to confirm the reason for update.
  – for final plan we will include a more recent outturn for the tab ‘40.Flags’ test in a macro fix.

– planning assumptions
– year-on-year change.

Please refer to the next page, 23, which demonstrates the year-on-year change flag and commentary requirements.

Please note that there are new tables as follows:

– Table 14 which is a reconciliation of the reduction in CQUIN income with the increase in tariff income
– Table 16: the inclusion of the DHSC Emergency capital loan request (pending approval).
‘40. Flags’ tab (continued)

A commentary flag will only trigger if a year-on-year change is less than -10% and -£50,000 or more than 10% and £50,000.

<table>
<thead>
<tr>
<th>Year on year Income Commentary (10% and £50,000 Threshold)</th>
<th>Forecast</th>
<th>Plan</th>
<th>Plan Commentary Required?</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Outturn</td>
<td>31/03/2019</td>
<td>Plan</td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Expected Year Ending</td>
<td>£000</td>
<td>£000</td>
<td>31/03/2020</td>
<td>Year Ending</td>
</tr>
<tr>
<td>NHS England</td>
<td>5,927</td>
<td>5,052</td>
<td>-14.8%</td>
<td>Yes</td>
</tr>
<tr>
<td>Clinical commissioning group</td>
<td>72,500</td>
<td>77,524</td>
<td>6.9%</td>
<td>No</td>
</tr>
<tr>
<td>NHS Foundation Trusts</td>
<td>336</td>
<td>0</td>
<td>-100.0%</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Please note that in this case the difference is <10%, therefore commentary is not required.

You are required to review any variances highlighted with a red ‘Yes’ flag. In each case you should check your data entry which may result in the ‘Yes’ trigger clearing. If not, or if no correction is required, then please provide an adequate explanation in the commentary box provided on the far right (note the ‘Yes’ will still show but the blank commentary validation will clear).
Inflation uplift guidance


<table>
<thead>
<tr>
<th>Category</th>
<th>Estimate</th>
<th>Cost Weight</th>
<th>Weighted estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay cost inflation</td>
<td>5.0%</td>
<td>66.9%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Drugs cost inflation</td>
<td>0.6%</td>
<td>3.7%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Capital cost inflation</td>
<td>1.8%</td>
<td>6.9%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Unallocated CNST cost inflation</td>
<td>-1.1%</td>
<td>2.5%</td>
<td>-0.0%</td>
</tr>
<tr>
<td>Other operating costs inflation</td>
<td>1.8%</td>
<td>20.0%</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>3.8%</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Note: calculations are made using unrounded values, only one decimal place is displayed

• The unweighted pay cost inflation of 5% excludes the NHS pensions increases described in the June 2018 NHS funding settlement. Further guidance will be issued during 2019/20 with regard to the pensions increases. Until this is available, the impact of any changes to NHS pensions should be excluded from plans.
Inflation uplift guidance: clinical negligence scheme for trusts (CNST)

- In addition to the cost uplifts above, CNST cost uplifts are applied to core Healthcare Resource Group (HRG) Sub Chapters, to the maternity delivery tariff, and A&E services in line with the average cost increases that will be paid by providers. The directly allocated CNST cost uplift will therefore differ according to the mix of services delivered by providers, details of the uplift in tariff by sub chapter will be provided in tariff documents still to be published (at the time of writing).

Inflation uplift guidance: pay

- In terms of pay inflation assumptions the existing planning assumptions should be used consistent with the pay cost inflation described in the table in the preceding page, trusts should not attempt to reflect the impact of any additional pension increases for plan submissions.
- In terms of Clinical Excellence Awards (CEAs) trusts will have specific intelligence about the impact of changes to these for 2019/20, and will therefore be in a position to reflect the actual impact of CEAs in their plan for 2019/20.
Approach for high cost drugs (HCDs), devices and blood products

We have clarified the approach to both the costs and income associated with HCDs to ensure a consistent approach is taken in all submissions. The reason we have clarified this approach is that in previous years, some organisations have not included values in these lines or have included net values, resulting in the national position in plan being materially lower than actuals. This then causes issues when understanding in-year income and spend variances, as it is difficult to understand the income relating to activity growth as opposed to that relating to the recovery of costs relating to HCDs.

The following approach is required when recording income and costs relating to high cost drugs in your plan:

- HCD income from commissioners should be recorded, on a gross basis, in ‘07.Op Inc (nature)’ on sub code INC0200. For the avoidance of doubt this should include income in respect of ‘PbR excluded drugs and devices’ as listed in Annex A: National Tariff.
- Your total spend on drugs should be included within the ‘10.Op Ex’ tab, sub code EXP0170 Drugs costs (drug inventory consumed and purchase of non-inventory drugs), This value should include the gross spend on PbR excluded drugs, as defined above.
- Your total spend on devices and blood products should be included within the ‘10.Op Ex’ tab, sub code EXP0150 Supplies and services – clinical (excluding drugs costs). This value should include the gross spend on PbR excluded devices and blood products as defined above.
- Memo Table 5 (Drug costs) in ‘10.Op Ex’, enables you to indicate the spend on PbR excluded drugs within the spend line above. You should include the gross spend on these on the ‘High cost drugs (PBR excl and CDF) line (sub code EXP0560).
- Memo Table 7 (Supplies and services – clinical) in ‘10. Op Ex’, enables you to indicate the spend on PbR excluded devices and blood products within the spend line above. You should include the gross spend on these on the ‘High cost devices and blood products (PbR excl) line (sub code EXP0630).
Approach for high cost drugs (HCDs), devices and blood products (continued)

- We will test the comparison of the HCD income and expenditure during the plan review process and will flag where these do not appear to have been prepared on the same basis, or where a gross value for either does not appear to have been included.

On the bridge tabs, the change in pass-through income and expenditure for drugs and devices should be shown on the following lines:

  - Tab '20. Op Inc PC Activity Bridge' ‘change in drugs and devices pass-through income’ on sub code BRG0280.
  
  - Tab '23. NonEmployee Expenses Bridge' ‘change in drugs and devices pass-through expenditure’ on sub code BRG3440

Gross commissioner income

- We have included a new table in 08. Op Inc (Source) this year to better understand where income from patient care activities from commissioners has not been recorded in plan because a net accounting approach has been adopted.

- This is table 5 (Memorandum: Gross Commissioner Income) on the same tab. This table is designed to enable you to adjust the income recognised from NHS England, and Clinical Commissioning Groups (from table 1, Income from patient care activities (by source)). If income has not been included in these lines in table 1 because it is accounted for on a net basis, please include an adjustment on sub code INC1720 (Adjustment to gross income) to arrive at a gross commissioner income value.

- We are asking you to describe gross commissioner income this year so that we can better understand income flows in the system. We hope that by collecting this data we can develop future guidance which will help trusts to adopt consistent approaches to income recognition if these appear to differ.
1.1 Context

1.2 Required approach

1.3 Final steps and submission

1.4 Queries

### ‘42. Data Validation’ tab

As in previous templates, we have incorporated various data validation checks grouped into three categories:

- consistency between different inputs
- data input with the correct signage
- cells requiring input are not left blank.

Any data validations are usually found in columns to the right of or in rows on the bottom of each tab.

The validation checks cover both annual periods in the template (2018/19 outturn and 2019/20 plan year) as well as the monthly profile for 2019/20 where relevant.

The ‘Cover’ tab also shows the total validations in error.

Data validations through the workbook are summarised in the data validation tab and hyperlinks are provided for quick navigation.

Please continue to note validations such as G63 (in the Validations tab), relating to the bridge summary, which check summary table consistency. If such a validation error were to be triggered, it is likely to signal a form corruption issue. If this happens, please contact us at NHSI.finplan@nhs.net
1.3 Final steps and submission
After completing the required approach, we recommend a few final steps.

‘00. Self Cert’ tab

- The ‘00. Self Cert’ tab is a final assurance that the data is accurate. This tab must be signed off by the chief executive and the chief finance officer on behalf of the board.
- To align with in-year submission forms we have added the paste signature button to this tab. If you are not familiar please follow the following instructions:
  - Step 1 – Open the FPR template and navigate to Self Cert tab
  - Step 2 – Navigate to outlook and copy any signature (First name & Last name) using ‘cntrl +C’ command
  - Step 3 – Navigate back to Self Cert tab in FPR Template
  - Step 4 - Click on the Paste Signature button
  - Step 5 – The signature copied in Step 2, should be pasted in the blank Yellow cell next to ‘Paste Signature’ button
- Self-certification part three relates to the capital regime guidance and specifically your capital delegated limit:
  - Trusts are required to meet a number of criteria to determine whether a capital delegated limit applies.
  - Responses provided are validated against information provided elsewhere in the template. Further information on capital delegated limits can be found in the Capital section, page 56 and page 58.
Information relating to macro fixes

- You must ensure that the latest macro fix has been run successfully on the template. The version number that is shown on the ‘Cover’ tab in cell D28 will be updated with each fix and we will inform you of the FPR version number that we are expecting from you before submission day.

- If the submitted templates do not have the correct version number they will be corrected.

- Macro fixes will be e-mailed to deputy directors of finance during the planning cycle and may be used to update the forecast outturn position in tab ‘40.Flags’ to reflect the latest position we have.

- We will incorporate any clarifying details which arise through policy developments, after the form is issued, through macro fixes. We will be issuing a macro fix later in January to populate control totals, PSF, FRF and MRET funding into your form.

- We will notify you via email or via our website regarding issues identified including those that will be macro fixed.
### 1. Introduction

1.1 Context

1.2 Required approach

1.3 Final steps and submission

1.4 Queries

### 01. Summary’ tab

- This tab prints on one side of A4 and the key data it shows allows you to assess how well the key data elements combine to form an overall coherent financial plan. It shows a summary of your plan risk rating. The in-year reporting risk ratings use the *Single Oversight Framework* and so may differ. For the risk rating calculations please see the ‘03. Plan Risk Ratings’ tab.

- The rating is a desktop review process intended to flag up areas that may require further investigation. This desktop rating is used by the regional teams as part of their review of the planning forms and is not intended for publication or use in any other context. The desktop plan risk rating has been shared in the planning forms to give transparency to this part of the review process.

- We suggest this is used for board review and plan sign off.
‘02. Analysis’ tab

- We suggest all charts are reviewed before submission. This tab can be used for board review and plan sign off.
- A waterfall chart summarises the movements from the bridging tabs showing forecast outturn to 2019/20 plan year and associated underlying. Please see below:
In addition, further bar charts have been provided to show the profile of key figures (please also see next page)
2019/20 planned agency versus agency ceiling

2019/20 planned efficiency risk breakdown

- Low
- Medium
- High
### Submitting the form

- Before submitting your return, please ensure you have read the relevant planning guidance as outlined on page 6.

- Please ensure contact details on the ‘Cover’ tab are correct. This will be the contact we will use in event of a query on the submission day or afterwards.

- The FPR must be approved and signed off on behalf of the trust board; by the chief executive and the chief finance officer for both draft and final submission.

- In previous submissions a number of trusts have corrupted their FPR submissions by including very embedded links and named groups. Please can you ensure these are removed before submission as they are not removed by the break links macro button on the cover but can affect form loading into our database.

- Please also ensure that templates are saved with auto calculate on as a number of FPR forms were submitted during the last planning cycle with it disabled. Working on a form with auto calculate disabled does not allow changes to flow through the workbook and can mean you are not sighted on validation errors or inconsistent data held in the form. When we receive your submissions these issues can come to light and result in late requests for resubmissions which are entirely avoidable.
Submitting the form (continued)

- There are two macros in the 'Cover' tab (cell G30-31), the first of which breaks all links (shown below): **this must be pressed before submitting**. Any passwords, read-only protection, workbook sharing or automatic back-ups should also be disabled before submission.
- After breaking links, please run the 2\textsuperscript{nd} macro ‘List #errors / #characters’ and resolve any issues before submission.
- The template uses Excel macros. Please return the template in .xlsm format (not .xls/.xlsx format).

When the template is completed, **it is essential that links to other workbooks are broken**. Please press the button below to ensure that any links to external files are broken. Note that this button triggers a Macro, and therefore **cannot be undone**. You may wish to save a linked version separately for your reference or for future amendments before running the below.

- **Break links to external workbooks (cannot be undone)**
- **List # errors / # characters**
1.4 Queries
Other sources of help

- The form itself has information pop ups (‘i’ pop ups) that contain specific guidance on the datasets where they appear. These ‘i’ pop ups give advice on technical points. Please refer back to page 15 including Figure 1 in ‘1.2 Required approach’ section for further details on ‘i’ pop ups.

- For any technical queries about the planning template please email NHSI.FinPlan@nhs.net.

- For queries about the capital and cash tabs (tabs 15 to 18) please email NHSI.CapitalCashQueries@nhs.net.

- All queries should be emailed early enough to be dealt with rather than on the day of submission.

- Please direct general planning queries not relating to the completion of the planning template to your regional finance lead.

- We expect to publish an FAQ document later in January which we will then update periodically.
2. Key components
2.1 Summary financials

As preparation for completing the summary statement tabs please familiarise yourself with the structure of the form and the approach to data input on pages 14 to 37 inclusive.
Statement of comprehensive income: ‘04. SoCI’ tab

- Further to a revision of the financial framework for providers in 2019/20, there are two changes within the SoCI impacting upon the comparison of the planned adjusted financial performance to control total:
  
  - Treatment of gains on disposal of assets
    - Providers will not be able to use any of their gains on disposal of assets to deliver the 2019/20 control total that will be notified later in January
    - Any gains on disposal of assets will be added to the value of the notified control total, resulting in a revised control total against which financial performance will be measured
    - The revised control total is calculated within the ‘00. Self Cert’ tab (see sub codes SEL185, SEL245, SEL260)
    - Table 3 in the ‘04. SoCI’ tab has been added to provide information about how the adjusted financial performance (before the impact of gains on disposal of assets) compares to the original notified control total
  
  - Recognition of the FRF and MRET funding
    - Within the control total letters to be issued later in January, providers will be notified of any allocation of FRF and MRET funding
    - Providers who sign up to their control totals will be eligible to earn PSF, FRF and MRET funding, and should reflect all notified PSF, FRF and MRET funding within their plans
    - All measures of financial performance and control total have been renamed to reflect PSF as well as FRF and MRET funding
    - Further technical details describing FRF and MRET funding will be included in the guidance for PSF, FRF, MRET funding and control totals to be published later in January – details of I&E and cash phasing are described in page 47 and page 48.

- Control totals (including PSF, FRF and MRET funding) and allocations of PSF, FRF and MRET funding will be populated by macro fix into the forms once the CT letters are issued later in January.
Statement of comprehensive income: ‘04. SoCI’ tab

- The SoCI contains a line for operating income from patient care activities. This is split in a number of ways on various tabs in the FPR form:

<table>
<thead>
<tr>
<th>Tab</th>
<th>Method of split</th>
</tr>
</thead>
<tbody>
<tr>
<td>07. Op inc (nature)</td>
<td>By point of delivery (to be reconciled to movements in activity within the triangulation tool).</td>
</tr>
<tr>
<td>08. Op inc (source)</td>
<td>By funding source</td>
</tr>
<tr>
<td>09. Commissioner plan</td>
<td>At an individual commissioner level</td>
</tr>
</tbody>
</table>

- The SoCI also contains a line for ‘Other Operating Income’ which is split into detailed income lines in the tab ‘08. Op inc (source)’. Please can you make full use of the coding and only use ‘Other income not covered by table 2 and the other rows in table 3’, sub code INC1430, where specific options are not available.

- Two bar charts added last year remain in tab ‘02. Analysis’: the first plots the profile of planned turnover and expenditure while the second plots the planned adjusted financial performance surplus/(deficit). We encourage you to use these to review the profile of your data.
Statement of financial position: ‘05. SoFP’ tab

- We have included two new lines in Table 2 (borrowings) to record the interest accruals on DHSC and other loans. This reflects the change in the measurement basis for these loans arising under IFRS 9. Loans are now held at amortised cost rather than historic cost so any unpaid interest accruing is now considered part of the carrying value of the loan in borrowings, although we have identified here separately to facilitate SoCF validations.

- We have made updates to line item description changes following the implementation of new accounting standards. For example, we have updated the terminology for sub code SFP0510 that was ‘Available for sale investment reserve’ which to align with IFRS 9 is now called the ‘Financial assets at FV through OCI reserve’.

Statement of cash flow: ‘06. SoCF’ tab

- Among other things this tab deals with Public Dividend Capital (PDC) dividends. The PDC dividend paid (refunded) row in ‘06. SoCF’ (sub code SCF0305) should contain the cash payments in the months as you expect to pay them, this is normally September and March, with payments as a negative value and refunded values as a positive value. This should be the physical cash flow and not the accruals based charge that you will record in ‘04. SoCl’ and increase payables for on a monthly basis.

- A new row has been added to Table 4 which covers the Provider Sustainability Fund (PSF) and financial recovery fund (FRF).

- In both Tables 5 and 6, new rows have been added, ‘revenue funding source included in total above’. This enables us to distinguish between capital and revenue with regard to Other Loans Received and Other Loans Repaid.
Income from patient care activities by nature: ‘07. Op Inc (nature)’ tab - Table 4 summary mental health patient care income breakdown

We continue to collect mental health income data in Table 4. The outturn and plan must reconcile to the mental health income rows in Table 1 on tab 7. For the submission mental health is defined as the services listed below:

- Children and young people's mental health (excluding learning disability)
- Children and young people's eating disorders
- Perinatal mental health (community)
- Improved access to psychological therapies for people with common mental health problems (adult and other adult)
- A& E and ward liaison mental health services (adult and older adult) – for clarity this includes the 'core 24' service.
- Early intervention in psychosis team (ages 14 to 65)
- Crisis resolution home treatment team (adult and other adult, excluding dementia)
- Community mental health (adult and older, excluding dementia)
- Severe mental illness (SMI) physical health (adult and older, excluding dementia)
- Secure care pathway
- Mental Health Act section 117 – long term care for clients following detention under Mental Health Act 1983
- Suicide prevention
- Dementia
- Learning disability – all expenditure on learning disability services
- Other adult and older adult inpatient mental health (excluding dementia) to include acute inpatient services, longer term complex care/continuing care units and older adult inpatient services for the psychiatric care of older patients on older adult mental health wards who are living with fraility alongside a functional mental illness
- Other community-based crisis and acute adult mental health services (non-inpatient) (excluding dementia)
- Mental health prescribing non core only and mental health in continuing care non core only where non core is classified as expenditure that is not separately commissioned or managed as discrete mental health expenditure, eg mental health services provided by an acute provider in A& E, community services that contain mental health eg perinatal mental health, mental health elements of continuing care, primary care mental health local enhanced service (LES).
Technical guidance for NHS Improvement financial planning 2019/20

1. Introduction

2. Key components

   2.1 Summary financials

   2.2 Capital and cash

   2.3 Bridging

   2.4 Efficiency

3. Other useful information

4. Appendices

‘07. Op Inc (nature)’ tab table 4 summary mental health patient care income breakdown (continued)

- This table bridges the movements in income from the 2018/19 outturn year to the 2019/20 planning year using categories defined in the ‘i’ pop ups within the template. The bridge is split by commissioner type, and further split by individual commissioner for CCG and specialist hub contracts over £5 million. The table headings on the left are linked to Tables 1 and 3 in the ‘09. Commissioner Plan’ tab to assist you.

- This data will be shared with NHS England to triangulate provider income with commissioner spend and assess the Mental Health Investment Standard (MHIS). We acknowledge that the MHIS should be calculated including and excluding income for learning disabilities and dementia services. It remains important to ensure continued investment across all areas of mental health and to ensure transparency of mental health investment. CCGs are measured against the MHIS excluding learning disabilities and dementia but we will continue to only triangulate with NHS England using the gross amount of mental health including learning disabilities and dementia. In addition to previous MHIS analysis, NHS England will be using other data analysis in their overall assessment of mental health investment by CCG but this requires no additional data from you.

‘07. Op Inc (nature)’ tab table 2 summary of national price and non-national price income

- Definitions for national and non-national price income are quoted in Table 2 of tab ‘07. Op Inc (nature)’. Note that it is important that colleagues preparing finance and activity returns use the same definition to aid triangulation. Please refer to the published joint technical guidance annex F.

- The national price/non-national price distinction is as follows:

  - **national price**: is any activity covered and paid for by the national tariff
  - **non-national price**: is any service either not covered by the national tariff or any activity covered by the national tariff but paid for by the local price agreements or block type contracts.
Income from patient care activities by source: ‘08. Op Inc (source)’ tab

- PSF values are formulated in accordance with the PSF guidance to be issued later in January 2019. Trusts that require cash support in advance of receiving PSF and FRF funding are able to apply for Interim Revenue Support through the DHSC. This is currently available to Trusts in the form of interest bearing loans. The process and timescales for Trusts to apply for Interim Revenue Support is circulated monthly by NHS Improvement, however, if Trusts require further information or guidance around the DHSC Interim Revenue Support process they should contact NHSI.CapitalCashQueries@nhs.net

- A worked example of the PSF I&E and cash recognition is reproduced below:

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue - I&amp;E (£000s)</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>150</td>
<td>67</td>
<td>67</td>
<td>66</td>
<td>200</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>300</td>
<td>117</td>
<td>117</td>
<td>116</td>
<td>350</td>
</tr>
<tr>
<td>Cash payments relating to the following years/quarters expected to be received</td>
<td>Q4 2018/19 PSF</td>
<td>Q1 2019/20 PSF (£150,000)</td>
<td>Q2 2019/20 PSF (£200,000)</td>
<td>Q3 2019/20 PSF (£300,000)</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Quarter 4 from 2019/20 to be received following the publication of final accounts.
Income from patient care activities by source: ‘08. Op Inc (source)’ tab (continued)

- A worked example of the FRF I&E and cash recognition is reproduced below (quarter 4 from 2019/20 to be received following the publication of final accounts). This mirrors the 2019/20 phasing of PSF.

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019/20</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td><strong>150</strong></td>
<td>67</td>
</tr>
</tbody>
</table>

- Cash payments relating to the following years/quarters expected to be received
  - Q1 2019/20 FRF (£150,000)
  - Q2 2019/20 FRF (£200,000)
  - Q3 2019/20 FRF (£300,000)

- A worked example of the MRET I&E and cash recognition is reproduced below, phased in equal twelfths for I&E and quarterly in advance for cash:

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019/20</td>
<td>83</td>
<td>83</td>
<td>84</td>
<td><strong>250</strong></td>
<td>83</td>
</tr>
</tbody>
</table>

- Cash payments relating to the following years/quarters expected to be received
  - Q1 2019/20 MRET (£250,000)
  - Q2 2019/20 MRET (£250,000)
  - Q3 2019/20 MRET (£250,000)
  - Q4 2019/20 MRET (£250,000)
Income from patient care activities by source: ‘08. Op Inc (source)’ tab 9 (continued)

• This tab contains a new memorandum table, Table 5, which covers gross income. Here we ask you to describe gross income to better understand income flows in the system, and we hope that this data will inform future guidance to help trusts adopt consistent approaches to income if these appear to differ.

• Please note that ‘other operating income’ has been re-ordered following the implementation of IFRS 15 to split revenue recognised under IFRS 15 separately from revenue recognised under other standards.

‘09. Commissioner Plan’ tab

• In the FPR the ‘09. Commissioner Plan’ tab collects the planned income by commissioner:
  – In Tables 1, 2 and 3 enter the non-contractual income assumed for the 2019/20 planning year, the ‘other (individually less than £5 million)’ income for the 2019/20 planning year and then detail all commissioners whose planned contract value will exceed £5 million in the planning year.

• Total values are validated against the data entry for NHS England and CCG rows in the ‘08. Op Inc (source)’ tab using validations.
‘10. Op Ex’ tab

- We have added memo table 7 to this tab for the 2019/20 plan form. This table ensures that the costs associated with High cost drugs and devices income is correctly captured. Further guidance relating to this table can be found in page 26.

- Please take care using the row ‘purchase of healthcare from NHS and DHSC Group bodies’ – it is not intended as a catch-all for all expenditure with NHS bodies. This row is specifically for the purchase of healthcare and the detail rows in this table should be used for other expenditure with NHS bodies.
‘11. Staff costs’ tab

- Most of the data on this tab feeds directly from tab ‘12. Staff costs detail’ (see following section).
- Where a provider uses third party/external providers for bank staff, these costs should be reported within the bank spend staff group.
- You can enter any recoveries that net off expenditure in your staff costs note:
  - If you second a member of staff outside your trust or vice versa, your use of gross or net accounting will depend on whether the organisation employing the individual acts as a principal or an agent.
  - Where recoveries are being accounted for on a gross basis (and expenditure is not reduced), the income is recorded separately in the ‘08. Op Inc (source)’ tab.
  - Further guidance on principal/agent in these arrangements and the practical definition of gross/net accounting can be found in the Department of Health and Social Care group agreement of balances guidance, chapter six.

- Table 7 ‘Memorandum of planned to expected agency costs to agency ceiling’ was introduced into the planning form in 2018/19. The reasons for this are explained below:
  - While most trusts fully budget for agency costs, we are aware that in some cases agency spend is partially funded by vacancies in substantive pay lines. This can give rise to planned agency spend which is lower than is expected.
  - We report planned agency spend nationally and due to the above issue, the national position tends to be materially understated.
‘11. Staff costs’ tab (continued)

- This table allows trusts to indicate their expected agency spend for the plan year, while still enabling the internally budgeted position to be reflected in the other staff costs tables. The table checks where the plan agency spend appears to be low compared to the prior year, and the validation error that results can be cleared either by indicating that there are additional expected agency costs not included in plan, or by providing a commentary which explains that the trust believes the reduction in agency spend is appropriate.

- The apprenticeship levy should be recorded as a pay cost in sub code STC0130: ‘Other (please provide explanation)’ of the employee expenses note on tab ‘11. Staff costs’. The Triangulation template uses average costs for staff groups excluding the levy for finance workforce tests, and if you follow this approach the results for these will be unaffected by the levy. We will also use sub code STC0130 in national consolidations to understand the size of the levy both in outturn and planning year. Please refer to the [DHSC GAM 2018/19 paragraphs 4.89-4.99](#) for further information.
Interaction between ‘11. Staff costs’ tab and ‘10. Op Ex’ tab

- The top section of the ‘11. Staff costs’ tab is a standard employee expenses note where the detail is fed from the ‘12. Staff costs detail’ tab.

- Expenditure on inward secondments should be included in the ‘12. Staff costs detail’ tab and therefore will feed into the main rows in the ‘11. Staff costs’ tab.

- Please allocate ‘Total employee benefits excluding capitalised costs’ to specific rows in the ‘11. Staff costs’ tab, with most being posted to staff and executive directors costs, and some potentially being posted to staff costs for research and development, education and training, and redundancy. If not split out, then the value will default to the row ‘Operating expenses: staff and executive director costs’. These staff costs feed into the appropriate rows in the ‘10. Op Ex’ tab. The ‘10. Op Ex’ tab also includes rows for related non-staff costs, for example, research and development – non-staff. You should input such non-staff costs directly into tab ‘10. Op Ex’. This mechanism will allow consistency in approach throughout 2019/20 reporting and enable NHS Improvement to meet DHSC reporting requirements.

‘12. Staff costs detail’ tab

- Tables 2, 3 and 4 require input of details for each of the staff groups categorised as substantive (Table 2), bank (Table 3) and agency (Table 4). Please note that capitalised staff costs for each group continue to be separated in the tables this year.

- Please also note that a substantive/bank and agency profile chart with agency ceiling continues to be available in tab ‘02. Analysis’ to assist review.
Revenue Departmental Expenditure Limit (RDEL) calculation: ‘14. RDEL Calc’ tab

This tab does not require any user input and calculates the impact on the DHSC RDEL. It is for our use but has been left unhidden for your information.

<table>
<thead>
<tr>
<th>RDEL CALCULATION 2019/20</th>
<th>14RDE01A</th>
<th>14RDE01B</th>
<th>14RDE01C</th>
<th>14RDE01D</th>
<th>14RDE01E</th>
<th>14RDE01F</th>
<th>Maincode</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected Sign</td>
<td>RDELRF Plan</td>
<td>RDELNonRF Plan</td>
<td>RDELTotal Plan</td>
<td>RDELMFE Plan</td>
<td>RDELOther Plan</td>
<td>RDELNOC Plan</td>
<td>RDELRF Year Ending</td>
</tr>
<tr>
<td>Total net operating costs (pre absorption transfers)</td>
<td>+/- 0 0 0 0 0 0</td>
<td>RF Non-RF Total RDEL AME Other</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>DEL impairments</td>
<td>+/- 0 0 0 0 0 0</td>
<td>DELRF 0 DELNonRF 0 DELTotal 0 RDELMFE 0 RDELOther 0 DELNOC 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>DEL impairments adjustment - donated assets</td>
<td>+/- 0 0 0 0 0 0</td>
<td>DELRF 0 DELNonRF 0 DELTotal 0 RDELMFE 0 RDELOther 0 DELNOC 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>DEL impairments adjustment - PFI</td>
<td>+/- 0 0 0 0 0 0</td>
<td>DELRF 0 DELNonRF 0 DELTotal 0 RDELMFE 0 RDELOther 0 DELNOC 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>AME Impairments</td>
<td>+/- 0 0 0 0 0 0</td>
<td>DELRF 0 DELNonRF 0 DELTotal 0 RDELMFE 0 RDELOther 0 DELNOC 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>AME Impairments adjustments - PFI</td>
<td>+/- 0 0 0 0 0 0</td>
<td>DELRF 0 DELNonRF 0 DELTotal 0 RDELMFE 0 RDELOther 0 DELNOC 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Movement in credit loss allowances</td>
<td>+/- 0 0 0 0 0 0</td>
<td>DELRF 0 DELNonRF 0 DELTotal 0 RDELMFE 0 RDELOther 0 DELNOC 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation and amortisation of donated assets</td>
<td>+/- 0 0 0 0 0 0</td>
<td>DELRF 0 DELNonRF 0 DELTotal 0 RDELMFE 0 RDELOther 0 DELNOC 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Donated asset income</td>
<td>+/- 0 0 0 0 0 0</td>
<td>DELRF 0 DELNonRF 0 DELTotal 0 RDELMFE 0 RDELOther 0 DELNOC 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Minus provisions scored to net operating costs</td>
<td>+/- 0 0 0 0 0 0</td>
<td>DELRF 0 DELNonRF 0 DELTotal 0 RDELMFE 0 RDELOther 0 DELNOC 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Utilisation of provisions</td>
<td>+/- 0 0 0 0 0 0</td>
<td>DELRF 0 DELNonRF 0 DELTotal 0 RDELMFE 0 RDELOther 0 DELNOC 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
</tr>
<tr>
<td>Corporation Tax</td>
<td>+/- 0 0 0 0 0 0</td>
<td>DELRF 0 DELNonRF 0 DELTotal 0 RDELMFE 0 RDELOther 0 DELNOC 0</td>
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<td>0</td>
<td>0</td>
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<td>0</td>
</tr>
<tr>
<td>Movement PFI</td>
<td>+/- 0 0 0 0 0 0</td>
<td>DELRF 0 DELNonRF 0 DELTotal 0 RDELMFE 0 RDELOther 0 DELNOC 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total RDEL</td>
<td>+/- 0 0 0 0 0 0</td>
<td>DELRF 0 DELNonRF 0 DELTotal 0 RDELMFE 0 RDELOther 0 DELNOC 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Memo - PDC dividends paid</td>
<td>+/- 0 0 0 0 0 0</td>
<td>DELRF 0 DELNonRF 0 DELTotal 0 RDELMFE 0 RDELOther 0 DELNOC 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
2.2 Capital and cash

As preparation for completing the capital and cash tabs please familiarise yourself with the structure of the form and the approach to data input on pages 14 to 37 inclusive.
NHS Improvement capital regime and investment and property business case approval guidance for all trusts

- HMT and DHSC have confirmed the delegated limits for non STP capital investment and property transactions for which business case approval is required from NHS Improvement:
  - for all NHS trusts and foundation trusts in distress, a delegated limit of £15 million applies. Limits are applicable as set out in the table on the right
  - for non-distressed foundation trusts, existing reporting and review thresholds apply.

- DHSC deems foundation trusts in financial distress to mean:
  - in financial special measures
  - in breach of their licence (financial or non-financial breaches)
  - in receipt of distress funding (received or planned).

<table>
<thead>
<tr>
<th>Delegated capital limits for foundation trusts in financial distress and all NHS trusts</th>
<th>Approving person/committee/board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to £15 million</td>
<td>Trusts approve under their own governance arrangements</td>
</tr>
<tr>
<td>Between £15 million and £30 million</td>
<td>NHS Improvement executive director of resources/deputy chief executive or NHS Improvement director of finance and DHSC Group Financial Management</td>
</tr>
<tr>
<td>Between £30 million and £50 million</td>
<td>NHS Improvement Resources Committee, including executive director of resources and DHSC Group Financial Management</td>
</tr>
<tr>
<td>Over £50 million</td>
<td>NHS Improvement Resources Committee including executive director, DHSC Group Financial Management; NHS Improvement Board, DHSC and HMT</td>
</tr>
</tbody>
</table>
NHS Improvement capital regime and investment and property business case approval guidance for all trusts (continued)

• Delegated limits apply to business cases for capital investment and property transactions, asset disposals, IT, leased equipment, leased property, managed equipment, managed service and energy service performance contract schemes:
  – The delegated limits apply to whole-life costs, not just capital costs. Further guidance on whole-life costs can be found in the capital guidance.

• NHS trusts and foundation trusts in financial distress should not incur capital expenditure, other than essential fees, on capital schemes until the full business case (FBC) has been approved. Approval is sought in line with the delegated limits and approval mechanisms as set out in the table on the previous page.
  – Until such approval is received, all costs are incurred at the trust’s own risk and a secured source of funding must be identified by the trust to cover this expenditure.

• In this context trusts should be aware that access to DHSC’s capital funding will be restricted as in previous years. Along with this, expenditure that scores against the DHSC Capital Departmental Expenditure Limit (CDEL) will be subject to increased management and scrutiny going forward.
NHS Improvement capital regime and investment and property business case approval guidance for all trusts (continued)

- Any schemes involving PFI/PF2 or LIFT schemes (new schemes or amendments such as contract variations, deed of variations, early termination), irrespective of value, need to be discussed with NHS Improvement and DHSC before approval (this may be full approval):
  - These cases should be forwarded to the NHS Improvement Capital and Cash Team which will liaise with DHSC accordingly: NHSI.CapitalCashQueries@nhs.net.

- All NHS trusts and foundation trusts in financial distress are asked to note that the £15 million proposed delegated limit can be lowered at NHS Improvement’s discretion for business cases that are novel, contentious or repercussive or where trusts are in the highest risk categories of distress based on segmentation analysis or where trusts have large numbers of business cases with investment values below £15 million:
  - Where this is the case the lower delegated limit should be agreed by the executive regional managing director and trusts will be notified of this in writing.

- Further information on the capital regime can be found in the capital guidance.
STP capital business cases

- All STP capital funding allocated will be subject to a business case review and approval process by NHS Improvement and DHSC and will also require HMT approval to ensure the business case demonstrates value for money and affordability, and that standard investment criteria are met.

- DHSC has confirmed the approval route and strategic outline business case, outline business case and full business case process for the schemes approved for STP funding and letters have been sent to organisations to confirm these arrangements.

IFRS 16

The implementation of IFRS16 in the public sector has been formally deferred until 2020/21 and therefore Trusts should complete their five year capital plans on the basis of existing accounting standards (and not capitalise operating leases).
‘15. Capital Analysis Schemes’ tab

- Purpose: to provide a comprehensive summary of your trust’s capital plans for the five-year planning period (2019/20 to 2023/24).

- The following input in Table 1 is required:
  - Analysis of individual capital schemes with expenditure in the five-year period (meeting DHSC and HMT requirements) including funding sources, capital expenditure type and project need (all using drop down options) and start/end dates.
  - All capital expenditure should be on an accruals basis.
  - Analysis of all capital receipts, ie disposals (through description), analysis of all anticipated capital donations/grants (again using drop-down options).
‘15. Capital Analysis Schemes’ tab (continued)

- You should provide as much detail as space allows and avoid excessive aggregation of individual schemes. As a general guide, all individual schemes valued over £1 million should be entered in a separate row.

- Where large capital schemes have multiple funding sources, separate rows should be used for each funding source element and the relevant planned funding method in the drop-down in column M. Data validations on this tab ensure that selected funding methods are consistent between here and tab ‘06. SoCF’.

- If you are unclear as to how to categorise capital spend in column H, further guidance can be found in Appendix 1.

- Please note that the tab ‘Note to 15 – Validation info’ checks the combinations of the planned funding methods selected in column M to the DHSC programme in column I and then provides a commentary if these are not acceptable.
‘16. Limits - NHS Trusts Only’ tab

Overview

• Purpose: to provide additional analysis of the statutory financial performance targets that affect NHS trusts only ie capital resource limit (CRL) and external financing limit (EFL). NHS trusts should complete this in accordance with the detailed guidance on financial performance targets in the DHSC group manual for accounts.

• Table 1:
  – Reconciles an NHS trust’s gross capital expenditure to its charge against the CRL.

• Table 2:
  – Sets out an NHS trust’s EFL based on cash flow and any other capital receipts
  – The EFL should always match the external financing requirement (EFR) at the planning stage.

If you are a foundation trust you do not need to complete this tab.
‘16. Limits - NHS Trusts Only’ tab (continued)

- Tables 3 and 4:
  - Summarise your trust’s capital and cash assumptions from elsewhere in your plan and show how they translate into:
    - Initial CRL/EFL limits that you will be given at the beginning of the year.
    - Other anticipated adjustments that will be transacted during the year subject to approval.

Please note population of this tab is automated with the exception of F97, which is applicable to trusts with capital LIFT schemes.
2.2 Summary financials

‘17. IFRIC12PFI’ tab

- Purpose: to identify the additional costs/(revenues) that arise as a result of the application of IFRIC 12 to service concession arrangements, such as PFI and LIFT schemes, in the NHS:
  - Virtually all arrangements within the scope of accounting standard IFRIC 12 will be accounted for as on-statement of financial position items.
  - The tab is split between schemes that were scored against the DHSC budget in their year of completion, ‘List A’ schemes, and all other IFRIC 12/PFI schemes. Further details can be found on the next page.

Please see DHSC guidance for more information on the general principles of accounting for PFIs under IFRS
‘17. IFRIC12PFI’ tab (continued)

List A schemes

- List A schemes refer to the five affected trusts that had IFRIC 12/PFI schemes scored against the DHSC capital budget in the year of completion. The affected trusts and the relevant individual schemes are set out in the table to the right.

- The total capital asset value of these schemes has already been recognised by DHSC and therefore no residual/reversionary interest needs to be recognised for these individual schemes.

- Table 1 should only be used for the individual schemes listed on the right of this page. Any other relevant schemes not listed on the right but within these five trusts should be recognised in Table 2.

- If your trust is not listed, Table 1 will not be editable and will be greyed out in your template. Table 2 should be updated for any other IFRIC12/PFI schemes.

<table>
<thead>
<tr>
<th>Trust</th>
<th>Relevant scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buckinghamshire Healthcare NHS Trust</td>
<td>South Bucks PFI (Wycombe and Amersham)</td>
</tr>
<tr>
<td>Torbay and South Devon NHS Foundation Trust</td>
<td>Newton Abbot site</td>
</tr>
<tr>
<td>Oxleas NHS Foundation Trust</td>
<td>Oxleas PFI and Queen Mary’s Sidcup</td>
</tr>
<tr>
<td>Royal Free London NHS Foundation Trust</td>
<td>Barnet and Chase PFI</td>
</tr>
<tr>
<td>King’s College Hospital NHS Foundation Trust</td>
<td>Bromley Hospital site</td>
</tr>
</tbody>
</table>
‘17. IFRIC12PFI’ tab (continued)

- Summary of relevant guidance for completion of this tab:
  - Properties that are on SoFP under IFRIC12 should be included in the disclosures on the ‘17. IFRIC12PFI’ tab.
  - Properties that are on SoFP by virtue of being a finance lease should not be included in the ‘17. IFRIC12PFI’ tab but instead included in any usual leasing disclosure notes.
  - Where a new transaction creates a legal charge over property as a finance lease or IFRIC 12 requires recognition of the asset on the SoFP, NHS trusts should refer to the DHSC Accounting for PFI under IFRS for properties where a body holds a legal charge.
  - Where a legal charge exists in respect of an on-SoFP asset, that charge cannot be disposed of without accounting for the transaction as a disposal.
  - The guidance on PFI disclosures applies equally to LIFT.
  - Within the breakdown of unitary payments for on-SoFP IFRIC 12 schemes, ‘addition to lifecycle prepayments’ is now split between two rows to separately identify the capital prepayment and revenue prepayment elements. This allows the capital prepayment cash flow to be picked up in the capital funding table on tab ‘18. Capital Funding – GrsCpxCDEL’ as requiring a capital funding source. Where this split is not known it should be based on a best available estimate.
- Further guidance on accounting for IFRIC 12/PFI arrangements can be found in Appendix 2. This includes more details on the calculation of residual/reversionary interest. We advise all trusts with IFRIC 12/PFI schemes to read this guidance before completing this tab.
‘18. Capital funding of gross capex and Capital Departmental Expenditure Limit (CDEL)’

Overview

- Purpose: to summarise all trust capital funding sources (approved and anticipated) within your plan and demonstrate how the trust intends to fund its capital programme.
- Table 1 in the planning template is split between:
  - approved funding sources, eg external loans already approved by DHSC
  - funding sources pending approval, eg a loan still to be applied for/approved by DHSC
  - use of disposals/capital grants/donations for capital expenditure.
- Trusts should ensure that a balanced capital plan is presented here, ie:
  - there should be no capital expenditure which the trust is unable to fund
  - there should not be an excess of capital funding sources (further details below)
  - a validation ensures your submitted plan includes no capital funding shortfall or excess funds.
  - you should not commit to capital expenditure until the relevant funding source has been approved or for disposals where the transfer has taken place.
‘18. Capital funding of gross capex and Capital Departmental Expenditure Limit’ (continued)

General principles for completion

• Also included on this tab (and mostly linked to other data entries) are:
  – summary of how your gross capex is funded
  – summary of the CDEL impact of your capital plan and how this is funded. This is the measure DHSC uses to measure/manage the national capital budget.

• Your trust’s depreciation is the first funding source to be used for capital purposes and is automatically linked here from the values recognised in the ‘10. Op Ex’ tab.

• Trusts should not assume values against new DHSC interim capital loans for emergency capital (cell F69) without the express prior agreement of NHS Improvement or DHSC. If Trusts are planning to include DHSC emergency capital loan requirements as part of their 2019/20 plan these should be agreed with the NHS Improvement capital and cash team in advance of the plan submission that includes this assumption. NHS Improvement will only consider requirements that have been agreed in advance and any inclusion of an amount in the forms is agreed purely for planning purposes and does not guarantee that funding will be made available by DHSC. This will remain subject to an application process and therefore expenditure related to this funding should not be committed to until the funding is approved by DHSC through a signed agreement.

• DHSC financing that has not already been approved is likely to be available only in pre-agreed, exceptional cases.
‘18. Capital funding of gross capex and Capital Departmental Expenditure Limit’ (continued)

General principles for completion

- External funding (loans and public dividend capital (PDC)) will only be classified as ‘approved’ if the funding has already been approved by DHSC and your trust has been provided with a reference number. In the planning template issued approved capital funding based on DHSC records at time of issue of the template has been recognised (main code 18CAP01B). NHS Improvement will issue a macro fix prior to the draft plan submission where these cells will be pre-populated based on the latest available capital borrowing capacity and limits as per DHSC records. To assist you in the completion of tab ‘18. Capital Funding–GRSCpxCDEL’ the cells are editable, to allow you to reflect the anticipated approved capital funding and the anticipated movements in the pre-populated external funding sources. Commentary boxes are also provided for additional detail/loan reference numbers.

- If you are a foundation trust and not in financial distress you are able to recognise use of your own internal sources of funds, eg cash reserves as ‘approved’. However, if you are an NHS trust or a foundation trust in distress these will show as ‘pending approval’ until approved by NHS Improvement and transacted into your CRL.

- In addition to capital expenditure, you must use your internally generated capital funds to cover repayments on all capital investment loans and the capital element of debt repayment on PFI/finance leases. These repayments are therefore linked here to ensure that your trust’s internally generated capital funds that are available for capital investment are not overstated.

- If you have any queries on the completion of this tab or any other capital and cash tabs, please email these to NHSI.CapitalCashQueries@nhs.net.
‘18. Capital Funding-GrsCpxCDEL’ tab

Disposals

- The net book value (NBV) of any disposals is automatically recognised as a capital funding source and is netted off your trust’s impact on the national CDEL position.

- If your trust’s disposal proceeds are less than NBV, i.e., a loss has been recognised on disposal, this is automatically linked in the templates and the loss is deducted from available internal capital funds to ensure that internal capital funds are not overstated.

- If your trust’s disposal proceeds are more than NBV, i.e., a gain on disposal has been recognised, use of this gain to fund capital expenditure is discretionary. Amounts should be entered manually if intended for capital purposes.

- The three separate entries required are noted on the right.

- Please note that where your trust has a gain on disposal and is anticipating new external financing, it will be expected that the full disposal proceeds are utilised first unless previously agreed with NHS Improvement.
‘18. Capital Funding-GrsCpxCDEL’ tab (continued)

**Cash reserves**

- If your trust wishes to use cash reserves to fund its capital programme, this is broken down into five categories as set out on the right.
- Loss on disposals is the only cell here which is automatically linked. You will need to manually input all other cells.
- You should ensure that:
  - cash from the 2019/20 surplus does not exceed any planned surplus
  - cash brought forward from previous years does not exceed your trust’s opening cash position
  - any use of cash reserves recognised under ‘cash reserves other’ is fully explained in the freetext entry cell.
- Please note that where your trust is anticipating a revenue requirement in 2019/20, we would not expect any use of cash reserves for capital purposes. This is because any unspent revenue cash should be used to support any revenue financing requirement and not capital expenditure.

| Cash Reserves - 19/20 I&E surplus attributed to Capex (exc gain/loss on disposals) | + |
| Cash Reserves - Gain on Disposals (NBV recognised below for CDEL purposes) | + |
| Cash Reserves - Adjustment for Loss on Disposals (NBV recognised below for CDEL purposes) | - 0 |
| Cash Reserves - cash available to Trust from previous years and recognised in opening cash | + |
| Cash reserves - Other | +/- |
As preparation for completing the bridging tabs please familiarise yourself with the structure of the form and the approach to data input on pages 14 to 37 inclusive.
Changes to the bridging tabs – plan year underlying position

- In previous years the end point of the bridge analysis was a rollover position which described the recurrent plan year position, and adjusted the plan year surplus / deficit position by removing any non-recurrent items described in the plan year bridge.
- This year the approach has been enhanced to enable you to describe the full year effect of changes in the plan year, which enables you to describe the plan year underlying position on the same basis is the FOT year underlying position. This allows us to better understand how your underlying position has changed across these two years.
- For simplicity of review the plan year underlying position is presented alongside the FOT year underlying position. Visually each bridge input tab is constructed to show the position at the bottom of the tab consistent with the plan year outturn. Non-recurrent and full year effect adjustments are then made alongside the FOT adjustments with the underlying position for both shown side by side. This presentational approach is summarised below.
Changes to the bridging tabs – Bridge analysis tab

• A new approach to presenting the aggregate bridge analysis has been introduced for the 2019/20 planning form. The bridge analysis tab is located next to tab ‘26 Bridge summary’, and is a simplified presentation of the aggregate bridge position.
• The bridge analysis tab includes both summary and detailed sections as well as a waterfall chart, and has been designed following engagement with trusts to understand how we can best facilitate the robust review of the bridges.
• You should use the bridge summaries provided to check that both the income and expenditure relating to movements have been shown consistently in the various bridge input tabs. We will use this tab as part of our review of your plan.

Changes to the bridging tabs for the new financial framework

We have added the following new lines to the bridge tab ‘20. Op Inc PC Activity income’ this year to help you reflect changes in the financial framework:

• Sub code BRG0215 Market Forces Factor (MFF) Impact
• Sub code BRG0250 Currency and relative price changes including £1bn PSF
• Sub code BRG0235 Impact of funding through CQUIN reduction
• Sub code BRG0285 AFC Funding - Removal of Income from DHSC in 18/19
• Sub code BRG0295 Change due to procurement top slice
Changes to the bridging tabs – Mapping to the Workforce bridge

This year we bring together the finance 22. employee expenses bridge and the new workforce bridge in the triangulation tool using a pilot bridge to bridge analysis tab. This section outlines how the finance bridge maps to the workforce bridge categories, to help you prepare the finance and workforce bridges on a consistent basis.

Bridge mapping table: FPR bridge to WRF bridge

The following bridge lines map directly from the finance to the workforce bridge. We will assess whether further lines can be mapped based on the data collected during the 2019/20 planning process.

<table>
<thead>
<tr>
<th>FPR: 22. Employee expenses bridge</th>
<th>WRF: 4. Bridge</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub Code</strong></td>
<td><strong>Main Code</strong></td>
</tr>
<tr>
<td>BRG2130 FOT year Redundancy and Restructuring Costs</td>
<td>BWTENRFOT Remove NR staffing impact on M12 of FOT year</td>
</tr>
<tr>
<td>BRG2135 FOT year Non-recurrent pay efficiencies</td>
<td>BWTEUDV1 Underlying demand / volume changes 1</td>
</tr>
<tr>
<td>BRG2145 FOT year Normalising for 1819 Seasonality</td>
<td>BWTEUDV2 Underlying demand / volume changes 2</td>
</tr>
<tr>
<td>BRG2230 Underlying demand/volume changes 1</td>
<td>BWTEUDV3 Underlying demand / volume changes 3</td>
</tr>
<tr>
<td>BRG2240 Underlying demand/volume changes 2</td>
<td>BWTERAR Redundancy and restructuring</td>
</tr>
<tr>
<td>BRG2250 Underlying demand/volume changes 3</td>
<td>BWTEIE Identified Efficiency</td>
</tr>
<tr>
<td>BRG2300 Redundancy and Restructuring Costs</td>
<td>BWTEUE Unidentified Efficiency</td>
</tr>
<tr>
<td>BRG2461 Identified Efficiency</td>
<td>BWTESCTD1 Service changes - transfers or developments 1 with effect from 1 April 2019</td>
</tr>
<tr>
<td>BRG2462 Unidentified Efficiency</td>
<td>BWTESCTD2 Service changes - transfers or developments 2 with effect from 1 April 2019</td>
</tr>
<tr>
<td>BRG2470 Service changes - transfers or developments 1</td>
<td>BWTESCTD3 Service changes - transfers or developments 3 with effect from 1 April 2019</td>
</tr>
<tr>
<td>BRG2480 Service changes - transfers or developments 2</td>
<td></td>
</tr>
<tr>
<td>BRG2490 Service changes - transfers or developments 3</td>
<td></td>
</tr>
</tbody>
</table>
Bridging (tabs 20 to 26)

- The ‘26. Bridge Summary’ tab and the Bridge Analysis tab should be used to review the values drawn from the bridge input tabs. Please use these tabs to sense check that income and expenses are aligned for particular issues and amend the bridge inputs as required. The Bridge analysis tab is a new development for the 2019/20 form and presents a summary and detailed view to make your review of the bridges more intuitive. It also includes a waterfall chart.
- Please note that a chart demonstrating the adjusted financial performance, including the underlying position, is shown in the ‘02. Analysis’ tab.
- The bridge maps the changes from opening adjusted financial performance beyond closing adjusted financial performance to underlying position for the plan year.
## Bridge structure for non operating income and expenses (tab 24)

### Non Operating Income/Expenditure Bridge

<table>
<thead>
<tr>
<th>Description</th>
<th>Recurrent Plan 31/03/2019</th>
<th>Non recurrent Plan 31/03/2019</th>
<th>Total Plan 31/03/2019</th>
<th>Recurrent Plan 31/03/2020</th>
<th>Non recurrent Plan 31/03/2020</th>
<th>Total Plan 31/03/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance income</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Finance expense</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>PDC dividends payable</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Gains/(losses) on disposal of assets</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Movement at FV of investment property and other investments</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Corporation tax expense</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Prior period adjustments to correct errors and other performance adjustments</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td><strong>Total bridging items</strong></td>
<td><strong>£'000</strong></td>
<td><strong>£'000</strong></td>
<td><strong>£'000</strong></td>
<td><strong>£'000</strong></td>
<td><strong>£'000</strong></td>
<td><strong>£'000</strong></td>
</tr>
</tbody>
</table>

**Expected Sign:**

- Recurrent: £'000
- Non recurrent: £'000

**Step 1:** Opening SoCI

- Driven by values contained in SoCI.
- Values automatically linked as recurrent or non recurrent, based on their normal treatment, trusts can change this through the yellow input cells but should only do so where there is a compelling reason.

**Step 2:** Closing SoCI

- Driven by values contained in SoCI. Values automatically linked as recurrent or non recurrent, based on the normal treatment for the line, trusts can change this through the yellow input cells but should only do so where there is a compelling reason.

**Step 3:** Underlying adjustments

- NON RECURRENT items are automatically removed.
- RECURRENT adjustments can be made to reflect the full year effect of prior year items.

**Step 4:** Review

- Automatically calculated based on difference between adjusted underlying position and total planned year by item. Trusts should review for unexpected movements as this might flag inconsistent completion of one or more sections.
Checking the bridge movement to underlying

• A check of the total movement described in the bridge, from the adjusted financial performance to the adjusted underlying financial performance, is included in Table 9 of the ‘40. Flags’ tab and is entitled “Underlying outliers (Permissible range -7% to +3%).”
• The calculation compares the total movement in the bridge summary, from opening position to underlying position, and expresses it as a percentage of total operating income (opening position). Please note that we continue to include a waterfall on the ‘02. Analysis’ tab which is a higher level summary but now also includes the underlying for the plan year.
• Our analysis of previous planning submissions suggests that the majority of trust submissions show movements, using the above calculation, that fall within the range -7% to +3%.
• Where this calculation shows a movement outside this range, a validation error will be triggered in the Flags tab. It is not our intention that you remove legitimate bridge items to prevent this test flagging. You should clear this by:
  – reviewing the key items and making corrections to the bridge recurrent and non-recurrent split and checking back to see if the underlying is within the permissible range, adding commentary to clear any remaining validation or
  – if you consider the movements are legitimate, please include an appropriate commentary to explain the valid reasons for large movements in the underlying position in the ‘40. Flags’ tab: this will also clear the validation error.
Bridging tabs’ commentary

- You should ensure that your commentary on bridge input tabs 20 to 24 explains the reason for the change clearly. You should avoid the use of catch-all terms such as ‘various’ or ‘combination of issues’.
- We will thematically review the commentary of all trust submissions and your commentary will also be used in our regional lead’s review of your plan.
- You can expect to receive requests for further information where data entry in the bridging tabs makes limited use of sub codes and/or provides insufficient commentary.

It is important that your commentary fully explains the values included especially where an ‘other’ line is used. We use these commentaries during the analytic review process to understand large, otherwise unexplained, movements in the national bridge. The inclusion of meaningful commentaries also helps us understand where changes to categories in future bridge versions would be helpful.
### Bridging tabs’ commentary (continued)

- The size of the commentary box in the form is not a guide to the length and detail of commentary required. Longer commentary can be helpful as long as it is sufficiently focused. Please do not use abbreviations unless they are universally used by finance health professionals (e.g., QIPP, CQUIN). Please see below for examples of what we deem acceptable commentary:

<table>
<thead>
<tr>
<th>Tab of finance form</th>
<th>Sub code description</th>
<th>Example commentary that requires improvement</th>
<th>Example commentary that provides a clear and useful explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>20. Op Inc PC Activity Bridge</td>
<td>Service changes - transfers or developments - Balance to FYE</td>
<td>Contract Variations</td>
<td>Reduction related to transfer of services for Vascular -£594k, transfer in of Maternity and Special Care Baby Unit £257k</td>
</tr>
<tr>
<td>20. Op Inc PC Activity Bridge</td>
<td>Underlying demand/volume changes 1</td>
<td>Demographic Growth</td>
<td>Relates to bowel scope screening expansion following Public Health England funding</td>
</tr>
<tr>
<td>22. Employee Expenses Bridge</td>
<td>Underlying demand/volume changes 1</td>
<td>Additional capacity to deliver growth</td>
<td>Increase in endoscopy £59k, staffing up to slot capacity haemodialysis £225k cost increase, consultant anaesthetics re RTT £250k</td>
</tr>
<tr>
<td>22. Employee Expenses Bridge</td>
<td>Service changes - transfers or developments 1 with effect from 1 April 2019</td>
<td>Service Changes</td>
<td>Decommissioning of stroke service -£387k, withdrawal of bariatric service -£198k</td>
</tr>
<tr>
<td>23. NonEmployee Expenses Bridge</td>
<td>Other changes not reflected in the above categories.</td>
<td>Other</td>
<td>Vanguard programme costs £56k, reduction to outsourced work costs £123k, additional expenses for car park lease offset by income £58k net cost and costs of drugs for pharmacy contract lost £12k</td>
</tr>
</tbody>
</table>
The underlying position is a key component of the bridge analysis and to help you consistently reflect it, the definition of the underlying position is included below:

- Underlying position is the recurrent financial position which is derived from the income and consequent expenditure that a trust can reasonably expect to consistently occur in future years.

- The recurrent position is calculated, starting with the baseline year, by removing any income and expenditure that on the balance of probability will not occur in future years and adding any income and expenditure (including balance to full year effect (FYE)) that it expects to consistently reoccur in future years.

- The underlying position should not be adjusted for any future planning assumptions (for example, inflation or tariff change), nor should it include any expectations regarding growth in activity or service/quality developments, except where such changes occurred part way through the baseline year and an adjustment is required to reflect the full year impact of them in future years.

We use the underlying position for a variety of national reporting requirements, and to help you consistently reflect it in your bridge analysis, we have continued to include a definition of underlying.
# Underlying position within the bridges – examples(1)

<table>
<thead>
<tr>
<th>Theme</th>
<th>Remove from underlying?</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non recurrent income efficiencies</td>
<td>Yes</td>
<td>Remove positive impact to underlying position. Where pay efficiencies are due to vacancy factor, and this may give rise to future year non recurrent efficiencies these should be added into the future year bridge but should not show as a benefit to the underlying position</td>
</tr>
<tr>
<td>Non recurrent pay efficiencies</td>
<td>Yes</td>
<td>This relief is non recurrent. Remove entire relief from underlying position, add back appropriate non recurrent relief in the following year bridge</td>
</tr>
<tr>
<td>Taper relief for funding changes (e.g. HEE funding)</td>
<td>Yes</td>
<td>Remove income from underlying position as well as any non recurrent costs associated with the income</td>
</tr>
<tr>
<td>Vanguard funding</td>
<td>Yes</td>
<td>Remove both the income and costs associated with RTT backlog reduction, if further RTT funding and activity will be undertaken in the next year this should be added non recurrently into the following years' bridge after the underlying position</td>
</tr>
<tr>
<td>RTT backlog reduction</td>
<td>Yes</td>
<td>Unless a recurrent change in contract value is expected, please can you make no change to the underlying position. The underlying position should reflect the recurrent state in terms of income and expenditure, even where income is below expenditure</td>
</tr>
<tr>
<td>Contracts that do not reflect the full cost of provision</td>
<td>No</td>
<td>As the staff cost impact will be reflected in pay costs in the underlying position and only the source of funding will change, it should not be allowed to effect the underlying position. Please use sub code BRG0285 on tab ‘20. Op Inc PC Activity Bridge’ to adjust out the 2018/19 non recurrent DHSC AfC funding. The new line appears after the underlying position along with relevant Price/Tariff change lines.</td>
</tr>
</tbody>
</table>

This list is provided to help you to reflect similar issues consistently in the bridge analysis. This in turn allows us to analyse drivers behind the underlying position, which are reported at a national level.
### Underlying position within the bridges – examples (2)

<table>
<thead>
<tr>
<th>Theme</th>
<th>Remove from underlying?</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract fines and penalties</td>
<td>Yes</td>
<td>Neither providers nor commissioners should include the expected impact of contractual sanctions in their plans, whether or not the provider has accepted its control total and so has access to the PSF. As a result all impacts of contract fines and penalties must be removed from the underlying position within the bridge, this will ensure that the national underlying position can be reported on a consistent basis and in line with the national guidance</td>
</tr>
<tr>
<td>Gains/losses in risk share arrangements</td>
<td>Yes</td>
<td>A risk share arrangement is an interim arrangement and will result in a recurrent outcome. So for example where a 50/50 gain is agreed for a pass through drug cost, the trust will receive the 50% non recurrent gain in the first year, this must be removed from underlying position. In other cases the prior year impact may be a partial benefit but a full benefit is expected recurrently, in these cases the balance to FYE line to recognise the increased recurrent benefit expected</td>
</tr>
<tr>
<td>Winter resources</td>
<td>Yes if non recurrent</td>
<td>Where winter funding has been provided recurrently both cost and income should remain in the underlying position. Where winter funding has been provided non recurrently then both the income and any associated non recurrent costs should be removed from the underlying position but all recurrent costs of winter provision left in the underlying position</td>
</tr>
</tbody>
</table>

This list is provided to help you to reflect similar issues consistently in the bridge analysis. This in turn allows us to analyse drivers behind the underlying position, which are reported at a national level.
Underlying position within the bridges – examples (3)

<table>
<thead>
<tr>
<th>Theme</th>
<th>Remove from underlying?</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>CQUIN payments</td>
<td>Yes if not expected to recur</td>
<td>Where the trust has a recurrent CQUIN expectation this should not be removed from the underlying position, if however the achievement of CQUIN in the baseline year included CQUIN above or below that which it expects to recur, an adjustment to the underlying position would be reasonable.</td>
</tr>
<tr>
<td>Services that go out to tender and have been lost</td>
<td>Yes if change is in baseline year</td>
<td>The services (income and cost) should be shown as non recurrent in the first row brought forward numbers in the bridge and then adjusted out to underlying. Consistency of treatment for the timing of service transfers is important when we aggregate the bridges to produce system bridges.</td>
</tr>
<tr>
<td>Services that go out to tender and have been won</td>
<td>Yes if change is in baseline year</td>
<td>The service should be added as a balance to full year effect where the service has transferred during the baseline year.</td>
</tr>
<tr>
<td>Hosted services</td>
<td>No</td>
<td>The impact of the hosted service should be reflected in the underlying position based upon your best estimate of the ongoing income and costs associated with the hosted service.</td>
</tr>
</tbody>
</table>

This list is provided to help you to reflect similar issues consistently in the bridge analysis. This in turn allows us to analyse drivers behind the underlying position, which are reported at a national level.
Changes to underlying example

Example 1: Non-recurrent pay efficiencies

Your trust is under significant financial pressure and takes the temporary measure of leaving unfilled posts in the staffing structure in the 2018/19 financial year. In this example, you would make an assumed total of £200,000 of non-recurrent pay efficiencies through this measure.

It is clear that these efficiencies will not be ongoing, because the posts are substantive and will therefore need to be filled in 2019/20 and subsequent financial years. The efficiencies in this example would not be part of the underlying position, as your trust cannot reasonably expect them to consistently occur in future years. Therefore, in this case you should make the bridge adjustment to the recurrent position.

The image on the right shows the data entry relevant to this example. Figure 5 is an extract from tab ‘22. Employee Expenses Bridge’ showing the data entry relevant to this example: some columns have been hidden. In this case the bridge adjustment figure of £200,000, relating to the pay efficiencies, should be entered in the recurrent column of the non-recurrent pay efficiencies line and appropriate commentary provided. The sub code for this line is BRG2130.
Changes to underlying example

**Example 2, Normalising for 1819 seasonality**

In 2018/19 your trust cancelled elective work for a month to cope with staff shortages and an increase in emergency admissions above those you might expect in future years. Following a review, your trust board agreed that 50% of the elective income lost was deemed to be extraordinary resulting in a £3.7 million non recurrent loss compared to non elective income received. There was a corresponding net non pay saving of theatre supplies over and above medical and surgical supplies for non elective beds of just £0.2 million. Working with Human Resource you identify that the staff shortage would have non recurrently reduced pay costs by £1.7m. The loss and associated expenditure savings should not be part of your underlying position, as you are not expecting this to reoccur in future years.

Figure 6 on the right is an extract from tab ‘20. Op Inc PC Activity Bridge’ showing the data entry for this example (some columns have been hidden). In this case the £3.7 million loss is part of the prior year position and should be reversed out through an entry of (£3.7 million) in the recurrent column of the line “Normalising for 1819 seasonality” sub code BRG0145. Tab ‘22. Employee Expenses Bridge’ should show the £1.7 million increase on BRG2135 and Tab ‘23. NonEmployee Expenses Bridge’ should show a £0.2 million increase on BRG3155.
2.3 Bridging

Changes to underlying example
Example 3: Hosted function

Your trust has an established research hub generating commercial income of £1 million a year. Based on historical performance and expected future contracts, this is assumed to continue in future years.

Further income is generated through grant funding of £0.5m a year. Some of the grants end in 2018/19. It is not certain that future grants will be awarded but your trust has a good record of securing them.

The staff employed at the hub at an annual cost of £750,000 are substantive and you bear the risk if funding reduces.

Both the £1 million commercial income and staff cost remain in the underlying position as you can reasonably expect both to consistently occur in future years. The grant income is not guaranteed, but with a good track record of securing this income we would not expect it to be removed from underlying.

The images on the right show the data entry for this example. Figure 7 shows the total prior year £20 million other operating income including the full £1.5 million research hub income and Figure 8 shows the total prior year £100 million employee cost, including the staffing cost of £750,000. No additional entries are required.
2.4 Efficiency

As preparation for completing the efficiency tabs please familiarise yourself with the structure of the form and the approach to data input on pages 14 to 37 inclusive.
Efficiency (tabs 30 to 32)

The efficiency tabs are as follows:

- **Tab ‘30. Efficiency Input’** – requires input and should reflect your internal cost improvement and financial efficiency plans. Tab 30 feeds the following two tabs.

- **Tab ‘31. Efficiency Summary’** – is a summary of data input from tab 30 and results in a graph on tab ‘02. Analysis’ showing 2019/20 planned efficiency risk breakdown. This tab is a summary by: pay, non pay and income split by risk and type, recurrent/non-recurrent by status and pay/non pay. This tab is for review only.

- **Tab ‘32. Efficiency Analysis’** – is a summary of data input in tab 30 – showing cost improvement programmes (CIPs) by risk rating, status, efficiency programme area and recurrent/non-recurrent. This tab feeds the validations for efficiency in the bridge and is for review only.

Reconciliation to the relevant bridges is checked using validations which now show the relevant value to the right of the validation in each bridge tab. Required matches are:


- **‘21. Op Inc NPC Activity Bridge’**: the sum of sub codes BRG1521 and BRG1522 must match ‘32. Efficiency Analysis’ sub code EFF1965 column P total income (other operating income) efficiencies.

- **‘22. Employee Expenses Bridge’**: the sum of sub codes BRG2461 and BRG2462 must match ‘32. Efficiency Analysis’ sub code EFF1965 column L total pay skill mix efficiencies and column M total pay whole time equivalent (WTE) efficiencies.

- **‘23. NonEmployee Expenses Bridge’**: the sum of sub codes BRG3501 and BRG3502 must equal ‘32. Efficiency Analysis’ sub code EFF1965 column N total non pay efficiencies.
‘30. Efficiency Input’ tab

- Tab 30 collects efficiency improvements generated through reducing costs, cost avoidance and/or increasing revenue. You are expected to prioritise cost reduction and revenue generation outside the public sector.

- Efficiency plans should reflect the impact of system-wide efficiencies driven through the early period of the STPs and the opportunities identified in the Carter Report and detailed in the Model Hospital. More details on efficiency opportunities can be found in the updated NHS Efficiency Map.

- We have included a new table for 2019/20. This is Table 2 which collects system led efficiency and calculates internal provider efficiency only. It covers situations where the efficiency saving requires co-operation across more than one statutory body (not necessarily limited to your STP area).

- The information provided in tab 30 will be used to monitor your delivery against planned efficiencies in the operational planning period and to cross-reference CIPs with expenditure areas. For example, procurement savings will be linked to clinical and general supplies and services spend, nursing rostering savings to nursing pay, etc.
‘30. Efficiency Input’ tab (continued)

Completing the template

- When inputting data into the planning template, efficiency savings should be input as a positive value with the investment required to deliver the savings input as a negative value.
- Savings and investments should be profiled across months reflecting the period in which they are planned to arise.
- The efficiency plans are categorised across various headings: each appears as a drop-down box for each scheme.
- For more details on the categories ‘risk rating’, ‘status’ and ‘efficiency programme area’ see Appendix 4, including the relevant contact details.

<table>
<thead>
<tr>
<th>Type of Expenditure / Income</th>
<th>Recurrent or Non Recurrent</th>
<th>Status</th>
<th>Efficiency Programme Area</th>
<th>Risk Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay (skill mix)</td>
<td>Recurrent</td>
<td>Fully developed</td>
<td>Workforce (Nursing)</td>
<td>High</td>
</tr>
<tr>
<td>Pay (WTE reductions)</td>
<td>Non recurrent</td>
<td>Plans in progress</td>
<td>Workforce (Medical)</td>
<td>Medium</td>
</tr>
<tr>
<td>Non pay</td>
<td></td>
<td>Opportunity</td>
<td>Workforce (AHP)</td>
<td>Low</td>
</tr>
<tr>
<td>Income (patient care activities)</td>
<td></td>
<td>Unidentified</td>
<td>Workforce (Other)</td>
<td></td>
</tr>
<tr>
<td>Income (other operating income)</td>
<td></td>
<td>No longer going ahead</td>
<td>Procurement</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hospital Medicine and Pharmacy</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Pathology</td>
<td></td>
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<td></td>
<td>Estates and Facilities</td>
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<td></td>
<td>Corporate and Admin Imaging</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Other Savings plans</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Urgent and Emergency Care (UEC)</td>
<td></td>
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<tr>
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<td></td>
<td></td>
<td>New Care Models (NCM)</td>
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<td>RightCare</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Specialised Commissioning</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fleet</td>
<td></td>
</tr>
</tbody>
</table>
‘30. Efficiency Input’ tab (continued)

- Efficiency programme area ‘Other Savings plans’ - the efficiency programme areas continue to be generic and it should be possible to allocate most saving plans within these headings. We encourage you to use the categories and **not** the ‘Other Savings plans’ except in exceptional cases.

- Where a trust has more schemes than the number of rows available, grouping schemes in the same income/expenditure and recurrent/non-recurrent category is acceptable. These (each aggregated row) are expected to cover no more than 10% of the total efficiency plan by net value. These aggregated schemes should be recorded with the risk status, development status and programme area category that fits the largest group of aggregated schemes.

Please click here to see a worked example of an efficiency scheme (Appendix 3)
‘30. Efficiency Input’ tab (continued)

The tab is split into three tables:

(A) Identified at plan and starting in 2019/20.

(B) Unidentified at plan 2019/20 split by anticipated expenditure/income type.

(C) Balance to FYE from 2018/19 schemes summarised by actual expenditure / income type (additional delivery over and above 2018/19 delivery only)

This section gives you the opportunity to include the impact that recurrent schemes which started part way through 2018/19 will have on the 2019/20 financial position.

The FYE of CIPs not recognised in the previous year count as part of the overall planned level of CIP delivery in the subsequent year.

The monthly impact should be recorded. As these schemes started in 2018/19, the FYE will predominantly be found in the earlier months of 2019/20. The example on the next page explains this.

The FYE of schemes starting part way through 2019/20 on the 2020/21 financial position should be recorded as part of the data input in Table (A) Identified at plan and starting in 2019/20.
‘30. Efficiency Input’ tab (continued)

- The example below shows a scheme reviewing the deployment of the nursing workforce across wards which started in July 2018. Savings were profiled equally across the following 12 months.

- The recurrent saving value of the scheme was £120,000 with £90,000 recognised in 2018/19 (£10,000 per month from July 2018).

- The FYE on 2019/20 is therefore £30,000 which will be seen as £10,000 per month in April, May and June (as shown below).

<table>
<thead>
<tr>
<th>Plan Year Ending Month 1 £000s</th>
<th>Plan Year Ending Month 2 £000s</th>
<th>Plan Year Ending Month 3 £000s</th>
<th>Plan Year Ending Month 4 £000s</th>
<th>Plan Year Ending Month 5 £000s</th>
<th>Plan Year Ending Month 6 £000s</th>
<th>Plan Year Ending Month 7 £000s</th>
<th>Plan Year Ending Month 8 £000s</th>
<th>Plan Year Ending Month 9 £000s</th>
<th>Plan Year Ending Month 10 £000s</th>
<th>Plan Year Ending Month 11 £000s</th>
<th>Plan Year Ending Month 12 £000s</th>
<th>FYE from 2019/20 Planning Year</th>
<th>Balance to FYE from 2019/20 schemes (additional delivery over and above 2019/20 delivery only)</th>
<th>Balance to FYE from 2019/20 Planning Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>£30,000</td>
<td>£120,000</td>
<td></td>
</tr>
</tbody>
</table>
3. Other useful information
3.1 Links to relevant guidance
Links to relevant guidance

• Completion of the financial planning return (FPR) should follow current guidance from NHS Improvement and NHS England. The data you enter into the FPR should align with the other submissions, such as the workforce submission, and it should be consistent with in-year reporting and the final year-end accounts principles.

• NHS Improvement guidance relevant to completing the planning submission includes:
  – The above will also contain further guidance on PSF, FRF and MRET funding when this part of the guidance is published (later in January 2019).
  – Capital regime, investment and property business case approval guidance for NHS providers
Triangulation

- Finance, activity and workforce plans are collected in three separate forms, making it important that we test that the basis of the three plans is consistent. The triangulation file, which is distributed along with these planning forms, is designed to test this consistency:
  - It is the responsibility of the trust finance team to complete and submit this file, ensuring the data included is taken from the correct planning submission form versions and explaining where alignment seems to be outside an expected range. We will use the triangulation tests as part of our review of the submissions, to check alignment across the forms that you submit.
  - When you submit the triangulation file, we check that the correct data is linked to the triangulation form – you may be required to resubmit the triangulation form if the final form versions have not been linked to it.
  - The triangulation file includes a guidance tab, please review this guidance before completing and submitting the form.

Analysis and analysis-phasing

- The tables and graphs on the ‘analysis' tab compare the finance, activity and workforce plans against each other and across the year. We hope this provides visual representation of what drives each triangulation test to aid your review, as well as that of the regional NHS Improvement teams. This information does not form part of the tests within the tool, but may help explain what is behind the results, giving you better visibility of what is behind the top level Red Amber Green (RAG) ratings. We developed this analysis in partnership with trusts to understand the information that it would be helpful to include.
Triangulation (continued)

Analysis and analysis-phasing

- The ‘ANALYSIS-PHASING’ tab compares elective and non-elective activity across the year, in particular how finance, activity and workforce plan phasing triangulates across the year. Systems will need to demonstrate that winter plans are embedded both in their system plans and in individual organisation plans. This is to ensure that winter preparation has been undertaken well in advance, and using existing funds.

Plans should include realistic phasing of non-elective and elective activity across the year, taking into account changes in their profile over the winter months. This information does not form part of the tests within the tool, but, as with the ‘analysis’ tab, gives further visibility of what may be driving the results.
4. Appendices
Appendices

• **Appendix 1** – Types of capital expenditure options

• **Appendix 2** – IFRIC 12 further information including residual interest

• **Appendix 3** – Financial efficiency worked example

• **Appendix 4** – Financial efficiency categorisation

• **Appendix 5** – Information governance
4.1 Appendix 1 – Types of capital expenditure options
### Technical guidance for NHS Improvement financial planning 2019/20

<table>
<thead>
<tr>
<th>Type of expenditure</th>
<th>Additional guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>New build - land, buildings and dwellings</td>
<td>Gross capital amounts allocated and spent on new buildings. NHS organisations should therefore include capital projects funded through Procure 21 and other publicly financed schemes as well as PFI and LIFT projects and any expenditure on maintaining and refurbishing existing buildings.</td>
</tr>
<tr>
<td>Maintenance routine (non-backlog) - land, buildings and dwellings</td>
<td>Gross capital expenditure and expenditure on routine maintenance (ie non-backlog) should be shown separately. This captures all capital expenditure on healthcare facilities, which is not associated with the provision of new buildings/new facilities.</td>
</tr>
<tr>
<td>Backlog maintenance - land, buildings and dwellings</td>
<td>Gross capital expenditure that has been classified as backlog maintenance.</td>
</tr>
<tr>
<td>Plant and machinery/equipment/transport/fittings/other</td>
<td>Gross capital expenditure on purchases of new equipment treated as capital either for existing or new buildings.</td>
</tr>
<tr>
<td>Fire safety</td>
<td>Gross capital expenditure on requirements to address fire safety and compliance issues.</td>
</tr>
<tr>
<td>Information technology (IT)</td>
<td>Gross capital expenditure, including any central budget expenditure, on IT assets.</td>
</tr>
<tr>
<td>Other - intangible assets, investment property, other</td>
<td>All other gross capital expenditure - including intangible assets, investment property and any other central budget expenditure.</td>
</tr>
</tbody>
</table>
4.2 Appendix 2 – IFRIC 12 further information including residual interest
IFRIC 12 Further Information Including Residual Interest

Assets Brought On-Statement of Financial Position (SoFP) Under IFRS

- The relevant accounting standards/interpretations for service concession arrangements (including PFI schemes) are IFRIC 12 Service Concessions and IFRIC 4 Determining Whether an Arrangement Contains a Lease.
- The Treasury Financial reporting manual (FReM) also contains detailed guidance on this area. Further detailed accounting guidance can be found in the Department of Health and Social Care Group Accounting Manual and the Department of Health and Social Care Accounting for PFI under IFRS guidance.

Summary

- Properties that are on-SoFP under IFRIC 12 should be included in the PFI disclosures and not the separate finance lease accounts disclosure notes or finance lease rows within this template.
- Properties that are on-SoFP by virtue of being a finance lease (i.e., where an IFRIC 12 service concession does not exist) should be included in the normal leasing accounts disclosure notes.
- Where a new transaction creates a legal charge over property by being a finance lease or IFRIC 12 requires recognition of the asset on the SoFP, no accounting transactions are required.
- Where a legal charge exists in respect of an on-SoFP asset, that charge cannot be disposed of without accounting for the transaction as a disposal.
IFRIC 12 further information including residual interest (continued)

Asset is on-SoFP following a review under IFRIC 12 where it has been established that the following conditions apply:

- The infrastructure (ie the property) is used to deliver public services.
- The public sector grantor (the NHS body) specifies the services to be provided by the operator (the housing association or other voluntary body), when and at what price.
- The public sector grantor (the NHS body) controls the residual interest in the asset.
- The property will be recorded in the SoFP, together with an associated liability. The unitary payment stream is separated into the interest element, the capital creditor repayment element and the service element.
IFRIC 12 further information including residual interest (continued)

While the required accounting mirrors that for a finance lease and techniques for apportioning the payments as above may also be the same as used for finance leases, the arrangement is not reported as a finance lease. IFRS makes a distinction between finance lease arrangements and IFRIC 12 arrangements.

The arrangement should instead be included in the PFI disclosures, as the FReM places both PFI and IFRIC 12 arrangements within the category of public–private partnerships. The planning templates have therefore been re-worded to make it clear that PFI disclosures include IFRIC 12 service concession arrangements. Entities should adjust the wording of the PFI disclosure in local accounts as necessary to avoid mention of PFI or IFRIC 12 if they do not have any such arrangements.

Asset is on-SoFP by virtue of being a finance lease if:

- The fulfilment of the arrangement depends on the use of a specific asset.
- The arrangement conveys the right to use the asset.

IAS 17 tests require the recognition of a finance lease; the NHS body will be required to account for the transaction as a finance lease. In such cases, disclosure is within the finance lease notes to the SoFP in accordance with IAS 17.
IFRIC 12 further information including residual interest (continued)

Sale of asset that subsequently requires recognition on the seller’s SoFP

The IFRICs do not specifically address this situation, but the arrangement is similar to a ‘sale and leaseback’ arrangement which is dealt with by IAS 17 leases. This guidance therefore follows the principles set out in IAS 17. The transaction is considered as a financing transaction: the seller or lessee never disposes of the risks and rewards of ownership of the asset and so should not recognise a profit or loss on the sale. Any apparent profit (ie the difference between carrying amount and sale proceeds) should be deferred and amortised over the lease term (IAS 17, para 59).

Asset held on SoFP – NHS body intends to terminate the arrangement by surrendering residual interest or control over service delivery

NHS bodies that have found themselves, on IFRS restatement, in possession of an IFRIC 12 or IFRIC 4 asset, may have considered disposing of elements of control over the asset so that it is no longer recognised in the SoFP (by terminating the legal charge over property, for example). Such a decision would be, in effect, the disposal of an asset for no consideration, and the required accounting would be to record a loss on disposal, charged to the revenue account. The transaction would not be an impairment, as it involves the asset being relinquished and written out of the balance sheet entirely rather than any diminution of its service potential. Simply put, this arrangement would merely gift the asset to the operator.
**IFRIC 12 further information including residual interest (continued)**

It would not be possible for a NHS body to issue a further s256 or s64 grant to enable the operator to purchase the residual interest or IFRIC 12 asset as no new asset would be created and the process would necessarily involve the issue of a grant without protecting NHS interests by retaining a charge.

Generally Accepted Accounting Practice in the UK (UKGAAP) capital expenditure (residual/reversionary interest) is required as the national accounts normally account for arrangements accounted for as on-SoFP under IFRIC 12 as ‘off balance sheet’. Provision of the equivalent UKGAAP costs in the planning/in-year submissions therefore enables this information to be captured for the national accounts.

For cases that are judged to be off-SoFP for departmental budgetary purposes, departments (including DHSC) are required to score the reversionary interest that would have applied under UKGAAP against the departmental capital budget. This applies to the arrangements accounted for under Treasury Taskforce Technical Note 1 for projects that reached financial close prior to 1 April 2009 or ESA95/ESA10 for projects that reached financial close from 1 April 2009.
IFRIC 12 further information including residual interest (continued)

Further explanation of ESA 10/UKGAAP accounting

- Where newly constructed PFI assets were due to pass back to the NHS body at the end of the PFI contract, NHS trusts would have been required to create a ‘residual interest’ in their accounts. The estimated fair value on reversion of the residual interest is based on the district valuer’s professional estimate at the start of the concession period.
- Existing assets passed to the PFI contractor that were due to pass back to the NHS body at the end of the PFI contract would normally be described as a ‘reversionary interest’.
- However, historically, the use of the terms ‘residual interest’ and ‘reversionary interest’ were interchangeable.
- The DHSC document *Land and buildings in PFI Schemes (version 2)* dated January 2003 includes detailed guidance on the accounting methodology required for calculating the residual interest. It is available at:

4.3 Appendix 3 – Financial efficiency worked example
‘30. Efficiency Input’ tab

Annotated example – scenario (pages 113 to 116)

- The example shows a trust implementing a programme to update its nursing e-rostering system, expecting to significantly improve the efficiency of its nursing workforce deployment.

- The project is expected to reduce nursing costs (primarily in bank and agency) by £600,000 per year:
  - There is a non-recurrent implementation cost of £100,000 associated with training users and an annual contract fee of £100,000 to the supplier.

- The scheme relies on a capital investment of £200,000 to update some of the IT equipment going forward. This is shown in detail on the ‘15. Capital Analysis Schemes’ tab but can be linked using the drop-down in column AF on the ‘30. Efficiency Input’ tab.

- The scheme has had a quality impact assessment (QIA) which didn’t indicate any concerns. The project is awaiting sign off through the appropriate committee.

- The risk of non-delivery is viewed as low.

- The next four pages show how the above should be presented on the efficiency input tab.
### Technical guidance for NHS Improvement financial planning 2019/20

#### Schemes commencing in 2019/20 planning year

<table>
<thead>
<tr>
<th>Information column &quot;i&quot;</th>
<th>Sign</th>
<th>Project</th>
<th>Type of Expenditure / Income</th>
<th>Recurrent or Non Recurrent</th>
<th>Net Saving / Net Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(A) Identified at plan and commencing in 2019/20:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nursing Rostering System - TA3 - Nursing saving</td>
<td>Pay (WTE reductions)</td>
<td>Recurrent</td>
<td>Net Saving</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nursing Rostering System - TA3 - annual system contract fee</td>
<td>Non pay</td>
<td>Recurrent</td>
<td>Net Investment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nursing Rostering System - TA3 - implementation cost user training</td>
<td>Pay (WTE reductions)</td>
<td>Non Recurrent</td>
<td>Net Investment</td>
</tr>
</tbody>
</table>

- **Enter a description to help you match actuals to this scheme during in-year monitoring**

- **Pick the appropriate expenditure type for each element of the scheme.**
- **For investments, do not be concerned that the pay costs here imply pay savings. The drop-down descriptions are savings focused: the way in which this is set up will ensure that it reconciles appropriately to the ‘22. Employee Expenses Bridge’ tab validation.**
### Technical guidance for NHS Improvement financial planning 2019/20

#### Table: Schemes commencing in 2019/20 planning year

<table>
<thead>
<tr>
<th>Schemes commencing in 2019/20 planning year</th>
<th>Status</th>
<th>Efficiency Programme Area</th>
<th>Risk Rating</th>
<th>Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Improvement Projects</td>
<td>31/03/2020</td>
<td>31/03/2020</td>
<td>31/03/2020</td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Year Ending</td>
<td>Year Ending</td>
<td>Year Ending</td>
<td>Year Ending</td>
<td>Year Ending</td>
</tr>
<tr>
<td>DROP-DOWN</td>
<td>DROP-DOWN</td>
<td>DROP-DOWN</td>
<td>£000s</td>
<td></td>
</tr>
</tbody>
</table>

#### Schemes commencing in 2019/20:

- **Row 12: Trust Scheme 1**
  - Plans in Progress
  - Workforce (Nursing)
  - Low
  - £400

- **Row 13: Trust Scheme 2**
  - Plans in Progress
  - Workforce (Nursing)
  - Low
  - £-100

- **Row 14: Trust Scheme 3**
  - Plans in Progress
  - Workforce (Nursing)
  - Low
  - £-100

---

- **QIA completed and CIP committee approved.**
- **Further categorisation guidance in Appendix 4.**
- **Low risk due to QIA and also assessed as no risk to delivery.**
Technical guidance for NHS Improvement financial planning 2019/20

<table>
<thead>
<tr>
<th>Schemes commencing in 2019/20 planning year</th>
<th>Plan 30/04/2019 £000s</th>
<th>Plan 31/05/2019 £000s</th>
<th>Plan 30/06/2019 £000s</th>
<th>Plan 31/07/2019 £000s</th>
<th>Plan 31/08/2019 £000s</th>
<th>Plan 30/09/2019 £000s</th>
<th>Plan 31/10/2019 £000s</th>
<th>Plan 31/11/2019 £000s</th>
<th>Plan 31/12/2019 £000s</th>
<th>Plan 31/01/2020 £000s</th>
<th>Plan 28/02/2020 £000s</th>
<th>Plan 31/03/2020 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Improvement Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A) Identified at plan and commencing in 2019/20:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust Scheme 1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Trust Scheme 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust Scheme 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-50</td>
<td>-50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: select in column H of tab 30 whether the programme is recurrent or non-recurrent.
## Schemes commencing in 2019/20 planning year

<table>
<thead>
<tr>
<th>Schemes commencing in 2019/20 planning year</th>
<th>FYE from 2019/20 Planning Year</th>
<th>Balance to FYE from 19/20 schemes (additional delivery over and above 19/20 delivery)</th>
<th>Plan Impact Scheme Start Date</th>
<th>Plan Impact Scheme End Date</th>
<th>Plan Impact Scheme Ongoing Recurrent Impact</th>
<th>Select from drop down for any related capital project investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/03/2020 Year Ending</td>
<td>31/03/2021 Year Ending</td>
<td>31/03/2020 Year Ending</td>
<td>31/03/2020 Year Ending</td>
<td>31/03/2020 Year Ending</td>
<td>31/03/2020 Year Ending</td>
<td>DROP-DOWN</td>
</tr>
<tr>
<td>£000s</td>
<td>£000s</td>
<td>Plan Impact Scheme Start Date</td>
<td>Plan Impact Scheme End Date</td>
<td>Plan Impact Scheme Ongoing Recurrent Impact</td>
<td>Select from drop down for any related capital project investment</td>
<td></td>
</tr>
</tbody>
</table>

### (A) Identified at plan and commencing in 2019/20:

<table>
<thead>
<tr>
<th>Trust Scheme 1</th>
<th>600</th>
<th>200</th>
<th>01/07/2019</th>
<th>Ongoing</th>
<th>Trust Approved Scheme 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust Scheme 2</td>
<td>-100</td>
<td>0</td>
<td>07/06/2019</td>
<td>Ongoing</td>
<td>Trust Approved Scheme 22</td>
</tr>
<tr>
<td>Trust Scheme 3</td>
<td>0</td>
<td>100</td>
<td>01/06/2019</td>
<td>30/06/2019</td>
<td>Trust Approved Scheme 23</td>
</tr>
</tbody>
</table>

If the scheme is recurrent then select ‘ongoing’ but if the scheme is non-recurrent then insert an end date.

Drop-down links to ‘capital analysis’ tab – please pick the appropriate row as per column B in that tab.
4.4 Appendix 4 – Financial efficiency categorisation
Tab ‘30: Efficiency Input’: status

<table>
<thead>
<tr>
<th>Development category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully developed</td>
<td>Schemes that are implemented or fully developed. This would include funding removed from the budgets. QIA completed and full approval through the appropriate governance structures.</td>
</tr>
<tr>
<td>Plans in progress</td>
<td>Scheme is partially developed and almost ready to be implemented. Items outstanding may include QIA not checked, not yet approved by committee, or not signed off by budget holder.</td>
</tr>
<tr>
<td>Opportunity</td>
<td>When a scheme has been identified based on benchmarking data or early discussions and the actual mechanics of savings need to be worked up.</td>
</tr>
<tr>
<td>Unidentified</td>
<td>Where no opportunity has been identified. This can include savings held centrally or allocated by department or service lines.</td>
</tr>
</tbody>
</table>

Tab ‘30: Efficiency Input’: risk rating

<table>
<thead>
<tr>
<th>Risk rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Either actual or anticipated concerns arising from quality impact assessments (QIA) and/or high risk of non delivery.</td>
</tr>
<tr>
<td>Medium</td>
<td>Minimal actual or anticipated concerns arising from QIAs and/or medium risk of non delivery.</td>
</tr>
<tr>
<td>Low</td>
<td>No anticipated or actual QIA concerns. No concerns regarding delivery.</td>
</tr>
</tbody>
</table>
Technical guidance for NHS Improvement financial planning 2019/20

<table>
<thead>
<tr>
<th>Category Supported by operational productivity:</th>
<th>Description</th>
<th>Contact email addresses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate and Admin</td>
<td>Savings arising from efficiency improvements and cost reductions in corporate and admin functions including corporate function consolidation plans.</td>
<td><a href="mailto:nhsi.corpservices@nhs.net">nhsi.corpservices@nhs.net</a></td>
</tr>
<tr>
<td>Estates and Facilities</td>
<td>Savings and cost reductions in estates and facilities services and costs. Please include the profit on any disposals arising from estates rationalisation expected in the financial year.</td>
<td><a href="mailto:nhsi.estatesandfacilities@nhs.net">nhsi.estatesandfacilities@nhs.net</a></td>
</tr>
<tr>
<td>Fleet</td>
<td>Savings arising from efficiency improvements and cost reductions in fleet, including annual and running maintenance, fuels costs, lease or purchase costs, reviews of fleet, extending life of fleet, electric car trials, standard operating procedures, reconfiguration, accident reduction, rebates, etc.</td>
<td><a href="mailto:nhsi.corpservices@nhs.net">nhsi.corpservices@nhs.net</a></td>
</tr>
<tr>
<td>Hospital Medicine and Pharmacy</td>
<td>Efficiency savings arising from a more efficient use of the pharmacy workforce or more efficient use of hospital medicine arising from hospital pharmacy transformation programmes and the savings from adopting the 'top 10 medicines' opportunities'.</td>
<td><a href="mailto:nhsi.corpservices@nhs.net">nhsi.corpservices@nhs.net</a></td>
</tr>
<tr>
<td>Imaging</td>
<td>Efficiency savings and cost reduction in imaging, including transformation and consolidation plans.</td>
<td><a href="mailto:nhsi.corpservices@nhs.net">nhsi.corpservices@nhs.net</a></td>
</tr>
<tr>
<td>Pathology</td>
<td>Efficiency savings and cost reduction in pathology, including pathology transformation and consolidation plans.</td>
<td><a href="mailto:nhsi.corpservices@nhs.net">nhsi.corpservices@nhs.net</a></td>
</tr>
<tr>
<td>Procurement</td>
<td>Efficiency savings arising from more efficient procurement including use of the PPIB and procurement transformation plans and the Nationally Contracted Products etc.</td>
<td><a href="mailto:nhsi.procprogramme@nhs.net">nhsi.procprogramme@nhs.net</a></td>
</tr>
<tr>
<td>Workforce (Nursing)</td>
<td>Efficiency Savings arising from nursing productivity including worker deployment, efficient rostering and improved enhanced care.</td>
<td><a href="mailto:nhsi.clinicalproductivity@nhs.net">nhsi.clinicalproductivity@nhs.net</a></td>
</tr>
<tr>
<td>Workforce (Medical)</td>
<td>Efficiency savings from improved medical productivity including worker deployment, use of e-rostering and job.</td>
<td><a href="mailto:nhsi.clinicalproductivity@nhs.net">nhsi.clinicalproductivity@nhs.net</a></td>
</tr>
<tr>
<td>Workforce (AHP)</td>
<td>Efficiency savings from improved Allied Health Professional (AHP) productivity including worker deployment, use of e-rostering and job planning. For ambulance trusts please include paramedic related programmes.</td>
<td><a href="mailto:nhsi.clinicalproductivity@nhs.net">nhsi.clinicalproductivity@nhs.net</a></td>
</tr>
<tr>
<td>Workforce (Other)</td>
<td>Efficiency savings from other workforce groups or cross cutting themes such as reducing sickness rates, reduced staff turnover, improved succession planning etc.</td>
<td><a href="mailto:nhsi.clinicalproductivity@nhs.net">nhsi.clinicalproductivity@nhs.net</a></td>
</tr>
<tr>
<td>Other savings programmes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Care Models (NCM)</td>
<td>Savings arising from implementing New Care Models.</td>
<td></td>
</tr>
<tr>
<td>Rightcare</td>
<td>Savings arising from implementing the outcomes from NHS Rightcare reviews.</td>
<td></td>
</tr>
<tr>
<td>Specialised Commissioning</td>
<td>Savings arising from national specialised services policies.</td>
<td></td>
</tr>
<tr>
<td>Urgent and Emergency Care (UCEC)</td>
<td>Savings arising from implementing Urgent and Emergency Care reviews.</td>
<td></td>
</tr>
<tr>
<td>Other Savings Plans</td>
<td>Any savings not covered by the above. Savings in this category will be reviewed.</td>
<td></td>
</tr>
</tbody>
</table>
4.5 Appendix 5 – Information governance
Information governance requirements on the collection of planning data

Important information regarding changes to the collection and sharing of data from acute, specialist trusts, mental health, ambulance and community trusts relating to Annual Operational and Strategic Planning.

Please provide your submission using the data collection template provided. If you have any concerns about the proposed sharing of current or historic annual operational and strategic planning data (as outlined below in this Information Governance data collection and data sharing notice) please contact your NHS Improvement Relationship Lead to discuss this.

In addition, before you submit your trust’s data it is worth noting that NHS Improvement asks that your data is validated. Please ensure that you therefore check the data quality including but not limited to accuracy and completeness. NHS Improvement will also analyse the data on receipt and feedback on data quality and accuracy issues where appropriate as part of the planning process.

1. Why are the Trust Development Authority and Monitor (collectively referred to as NHS Improvement) collecting the data?

The purpose of requesting collection of this data is to oversee and support trusts in the planning round, to develop safe and sustainable plans, support financial, activity, workforce and quality planning, assess and assure plans and provide feedback to trusts.
NHS Improvement will use the data to discharge our statutory duties which includes requirements to protect and promote the interests of people who use health care services by promoting provision of health care services which are, inter alia, economic, efficient and effective. This is in accordance with the Trust Development Authority and Monitor to:

- assist and support providers of NHS services to ensure continuous improvement in the quality and financial sustainability of the NHS services they provide in pursuance of its improvement functions under direction 2 of National Health Service Trust Development Authority Directions and Revocations; and
- enable Monitor to support providers of services for the purposes of the NHS, in exercise of its functions under Chapter 3 of Part 3 of, and paragraph 15 of Schedule 8 to, the Health and Social Care Act 2012 (licensing and general power) and having regard to its general duties in sections 62 and 66 of that Act.

The supporting legislation for the TDA to collect this data is as follows:

- Direction 2 of National Health Service Trust Development Authority Directions and Revocations and the Revocation of the Imperial College Healthcare NHS Trust Directions 2016;

The supporting legislation for Monitor to collect this data is as follows:

- Chapter 3 of Part 3 of, and paragraph 15 of Schedule 8 to, the Health and Social Care Act 2012 (licensing and general power) and having regard to its general duties in sections 62 and 66 of that Act.

The data collected will enable NHS Improvement to assist and support providers of NHS services to ensure continuous improvement in the quality and financial sustainability of the NHS services they provide.
The guidance and data collection templates provided set out the data required for the above purposes. NHS Improvement will request collection of this data from your organisation directly and instructions regarding this will be provided in the national Planning and Technical Guidance and within the templates provided and other relevant communications.

This request relates to an annual operational and strategic planning data collection by you and we request this data submission should be sent to us in accordance with the planning timetable as outlined in the national guidance.

2. Type and level of data being collected?

Patient-level data (including NHS number) is not required for this data collection exercise. What is being requested is as set out in the national planning and technical guidance documents, which includes finance, activity, performance and planning data. Any fields that would potentially allow an identification of a patient or staff member must be excluded.

3. Who will access the data and how will it be further shared in the context of the joint working between NHS Improvement and NHS England?

The data submitted by you will be primarily accessed by NHS Improvement national and regional teams on a 'need to know basis' and in line with role-based access controls for the purpose set out in this document.

NHS Improvement may also share the data internally within NHS Improvement to support our wider delivery of all statutory responsibilities of Monitor and NHS Trust Development Authority.
Where we are, or intend to in the near future, to work more closely with NHS England we will share this data with NHS England for the purpose for which we are collecting the data and to fulfilling both NHS Improvement and NHS England functions.

NHS England will use this data to discharge its statutory functions, duties and powers reserved to the Board to ‘ensure compliance with the concurrent duty, held with the Secretary of State for Health, to continue the promotion in England of a comprehensive health service’.

NHS England’s supporting statutory duties are set out in the NHS Act 2006, S13E, Health and Social Care Act 2012 s23 and require NHS England to secure continuous improvement in the quality of health and public health services provided to individuals.

4. Sharing the data with other partner organisations and arm’s length bodies (ALBs)

This data will be shared with other partner organisations and arm’s length bodies (ALBs) to facilitate joint working arrangements and support individual providers (where necessary). Sharing with a third party will always be done securely and in accordance with the guidance set out in this document. The organisation that data will be shared with is Health Education England to support NHS Improvement and NHS England as part of a jointly agreed collection to enable both to fulfil their statutory functions in support of the system as follows:
Technical guidance for NHS Improvement financial planning 2019/20

1. Introduction

2. Key components

3. Other useful information

4. Appendices

Appendix 1

Appendix 2

Appendix 3

Appendix 4

Appendix 5

• at both national and regional level to understand and comment on plans individually and in aggregate;
• some aggregate analysis will also be deployed in the development of workforce and service level programmes;
• for Health Education England to inform its education commissioning requirements;
• at ICS/STP level the data will be deployed by NHS Improvement and Health Education England locally in joint endeavours which will be determined by local factors and relationships. It is understood that individual Trust level data is not to be shared with any other Trusts unless the organisations that comprise an individual ICS/STP agree to this.

If we intend to share further with other organisations we will contact you and seek your views about this.

5. Where will the data be stored and for how long?

Data collected and processed will be stored securely at all times within the NHS Improvement internal secure servers. Data made available to other partner organisations or ALBs will be required to be held securely in line with the security and confidentiality requirements including those set out in any data sharing agreements.

All data will be regularly backed up and will be securely held until no longer required for audit purposes.
6. What analysis will be done on the data and how will the results be used?

NHS Improvement staff, in partnership with NHS England and Health Education England, will undertake analysis of the plan submissions to assess and provide feedback to trusts. Part of the analysis may involve triangulating your submitted data with other data or information held by NHS Improvement, NHS England or Health Education England to provide more in depth understanding of planning positions across commissioner/provider or ICS/STP level.

7. Sharing of historical planning round data already collected from trusts

To support joint working arrangements between NHS Improvement and NHS England, in liaison with Health Education England, it is necessary to also share historic data already collected for planning with NHS England for the purposes set out above.
Enlarged pages
Figure 1: Example of an ‘i’ pop up (SoCI)
Figure 2: Example of invalid data entry (staff costs detail)
### 1. Introduction

#### 1.1 Context

#### 1.2 Required approach

#### 1.3 Final steps and submission

#### 1.4 Queries

---

**Figure 3: Example of invalid data entry (staffing)**

![Excel screenshot showing invalid data entry](image)

**Total Pay Bill All Staff**

<table>
<thead>
<tr>
<th>SUBSTANTIVE STAFF BY STAFF GROUP</th>
<th>+</th>
<th>+</th>
<th>+</th>
<th>+</th>
<th>-50</th>
<th>+</th>
<th>+</th>
<th>+</th>
<th>+</th>
<th>+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Medical - Clinical Staff Substantive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registered Nursing, Midwifery and Health visiting staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allied Health Professionals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Scientific, Therapeutic and Technical Staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Care Scientists</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Care Scientists and Scientific, Therapeutic and Technical staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qualified Ambulance Service staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support to nursing staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support to Allied Health Professionals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support to other clinical staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support to clinical staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Non-Medical - Clinical Staff Substantive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Please note key data metrics on the Summary tab. Please ensure that the data fully reflects your position and all commentary on the Flags tab has been completed to describe all remaining variances once validations have been cleared.
### 2.1 Summary financials

<table>
<thead>
<tr>
<th>Employee Expenses bridge</th>
<th>Plan 31/03/2020</th>
<th>Plan 31/03/2020</th>
<th>Plan 31/03/2020</th>
<th>Plan 31/03/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year Ending £'000</td>
<td>Year Ending £'000</td>
<td>Year Ending £'000</td>
<td>Year Ending £'000</td>
</tr>
<tr>
<td><strong>Expected Sign</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2019/20</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Recurrent</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-recurrent</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>% of Base</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Commentary is required for material values</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Baseline Expenses**

- PRDI Year (FY) employee expenses total
- Adjustments to Baseline Employee Expenses
- Reverse the FY non-recurrent expenditure relating to:
  - Redundancy and Restructuring Costs
  - Non-recurrent pay efficiencies

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reverse 2019/20</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FY employee expenses total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **2019/20**
  - Recurrent: £200
  - Non-recurrent: £200

**Figure 5: Changes to underlying, Example 1, non-recurrent pay efficiencies**
### Figure 6: Changes to underlying, Example 2, Normalising for 1819 seasonality – ’20. Op Inc PC Activity income’

<table>
<thead>
<tr>
<th>Baseline Income</th>
<th>Expected Sign</th>
<th>Plan 31/03/2020 Year Ending £’000</th>
<th>Plan 31/03/2020 Year Ending £’000</th>
<th>Plan 31/03/2020 Year Ending £’000</th>
<th>Plan 31/03/2020 Year Ending £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Year (PY) operating income from patient care activities</td>
<td>+</td>
<td>325,689</td>
<td>24,562</td>
<td>350,251</td>
<td>350,251</td>
</tr>
<tr>
<td>Adjustments to Baseline operating income from patient care activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reverse the PY non-recurrent income relating to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial sanctions including penalties</td>
<td>+</td>
<td>(3,000)</td>
<td>(3,000)</td>
<td>Explanation</td>
<td></td>
</tr>
<tr>
<td>Non-recurrent Transformation / Transitional funding</td>
<td>-</td>
<td>(15,000)</td>
<td>(15,000)</td>
<td>Explanation</td>
<td></td>
</tr>
<tr>
<td>CQUIN</td>
<td>-</td>
<td>(2,550)</td>
<td>(2,550)</td>
<td>Explanation</td>
<td></td>
</tr>
<tr>
<td>Non-recurrent income efficiencies</td>
<td>-</td>
<td>(5,260)</td>
<td>(5,260)</td>
<td>Explanation</td>
<td></td>
</tr>
<tr>
<td>Normalising for 1819 seasonality</td>
<td>+/-</td>
<td>3,700</td>
<td>3,700</td>
<td>Explanation</td>
<td></td>
</tr>
<tr>
<td>Balance to Full year effect of income changes from PY:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service changes - transfers or developments - Balance to FYE</td>
<td>+/-</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transactions (acquisitions and mergers only) - Balance to FYE to 31 March 2019</td>
<td>+</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income efficiencies - Balance to FYE</td>
<td>+</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other changes not reflected in the above categories</td>
<td>+/-</td>
<td>(440)</td>
<td>(440)</td>
<td>Explanation</td>
<td></td>
</tr>
<tr>
<td>Underlying operational income from patient care activity as at 31 March 2019/2020</td>
<td>+</td>
<td>326,803</td>
<td>0</td>
<td>326,803</td>
<td></td>
</tr>
</tbody>
</table>
Figure 7: Changes to underlying, Example 3, hosted function (other operating income)

<table>
<thead>
<tr>
<th>Other operating income bridge</th>
<th>21BRG01A</th>
<th>21BRG01B</th>
<th>21BRG01C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recurrent</td>
<td>Non-recurrent</td>
<td>Total</td>
</tr>
<tr>
<td>Expected Sign</td>
<td>Plan 31/03/2020 Year Ending £'000</td>
<td>Plan 31/03/2020 Year Ending £'000</td>
<td>Plan 31/03/2020 Year Ending £'000</td>
</tr>
<tr>
<td>Baseline Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior Year (PY) other operating income</td>
<td>i + 20,000</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Adjustments to Baseline other operating income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reverse the PY non-recurrent income relating to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior year PSF post accounts reallocation</td>
<td>i -</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>PSF less prior year PSF post accounts reallocation (and FRF and MRET funding for 2019/20)</td>
<td>i -</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cash donations / grants for the purchase of capital assets</td>
<td>i -</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Donations of physical assets (non-cash)</td>
<td>i -</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Non-recurrent income efficiencies</td>
<td>i -</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Non-recurrent R&amp;D / Training / Education income</td>
<td>i -</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Non-recurrent Transformation / Transitional funding</td>
<td>i -</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Normalising for 1819 seasonality</td>
<td>i +/-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Balance to Full year effect of income changes from PY:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service changes - transfers or developments - Balance to FYE</td>
<td>i +/-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Transactions (acquisitions and mergers only) - Balance to FYE to 31 March 2019</td>
<td>i +</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Income efficiencies - Balance to FYE</td>
<td>i +</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other changes not reflected in the above categories</td>
<td>i +/-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Underlying other operational income as at 31 March 2019/2020</td>
<td>i + 20,000</td>
<td>0</td>
<td>20,000</td>
</tr>
</tbody>
</table>
### Figure 8: Bridging, Example 3, hosted function (employee expenses)

<table>
<thead>
<tr>
<th>Employee Expenses bridge</th>
<th>22BRG01A</th>
<th>22BRG01B</th>
<th>22BRG01C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recurrent</td>
<td>Non-recurrent</td>
<td>Total</td>
</tr>
<tr>
<td>Expected Sign</td>
<td>Plan 31/03/2020</td>
<td>Year Ending</td>
<td>£'000</td>
</tr>
<tr>
<td>Baseline Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior Year (PY) employee expenses total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments to Baseline Employee Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reverse the PY non-recurrent expenditure relating to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redundancy and Restructuring Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-recurrent pay efficiencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Normalising for 1819 Seasonality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporary staff and removal of agency</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance to Full year effect of expenditure changes from PY:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service changes - transfers or developments - Balance to FYE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay efficiencies - Balance to FYE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transactions (acquisitions and mergers only) - Balance to FYE to 31 March 2019</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other changes not reflected in the above categories</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underlying employee expenditure as at 31 March 2019/2020</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>i</th>
<th>+</th>
<th>100,000</th>
<th>0</th>
<th>100,000</th>
</tr>
</thead>
</table>

### Chart Details:

- **Baseline Expenses**: Prior Year (PY) employee expenses total.
- **Adjustments to Baseline Employee Expenses**:
  - Reverse the PY non-recurrent expenditure relating to:
    - Redundancy and Restructuring Costs
    - Non-recurrent pay efficiencies
    - Normalising for 1819 Seasonality
    - Temporary staff and removal of agency
- **Balance to Full year effect of expenditure changes from PY**:
  - Service changes - transfers or developments - Balance to FYE
  - Pay efficiencies - Balance to FYE
  - Transactions (acquisitions and mergers only) - Balance to FYE to 31 March 2019
  - Other changes not reflected in the above categories
- **Underlying employee expenditure as at 31 March 2019/2020**: i + 100,000 0 100,000
Contact us:

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London
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**0300 123 2257**
enquiries@improvement.nhs.uk
improvement.nhs.uk

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