

20 February 2015

Dear Colleagues

Impact of the interim tariff proposal announcement on the 2015/16 planning round

On 18 February 2015 you received a letter from Monitor giving an update on the 2015/16 National Tariff ('the tariff'). As the letter explained, deciding whether to refer to the Competition and Markets Authority, or to engage with the sector before consulting on revised proposals, will take time. A new tariff will therefore not be in place by 1 April 2015.

As set out in our letter providers should decide by 4 March whether to opt for the Enhanced Tariff Option or the Default Tariff Rollover option.

Foundation trusts will have to make plans on a changed basis, and so will need additional time to reflect these changes in their planning processes. For this reason Monitor is **extending the existing planning timetable** for foundation trusts.

Most immediately, the deadline for full **draft submissions** has been **extended from 27 February to early-mid April**, with a final submission to follow in May. However, **some limited data collections will remain in place for 27 February** as set out below.

Draft activity data submission

We expect that local planning discussions have continued to focus on areas such as demand, capacity, efficiency and workforce planning, despite delays and uncertainties related to the tariff and Standard Contract.

We have, therefore, retained our requirement for providers to submit the **activity element of the draft plan on 27 February** before the full draft plan (comprising both activity and finance data) in early-mid April. The draft activity data template is now uploaded to each NHS foundation trust's MARS portal.

NHS foundation trusts requiring interim or planned support in 2015/16

NHS foundation trusts requiring finance from the Department of Health via interim or planned support **must still submit draft full plans** (comprising both activity and finance data) **on 27 February**. (See annex 1 for further details).

Next steps

Further details on the revised timetable will be communicated to the sector as soon as possible. In revising the final timetable we will seek to:

- ensure that sufficient time is allowed before full draft plans are submitted;
- allow enough time between the draft and final plans for feedback to be responded to; and
- give due consideration to other commitments such as year-end accounting.

We would also like to take this opportunity to thank you for your continued patience and support over this period. We recognise this is a particularly challenging planning round and we will continue to update you with new information as it becomes available and support you through the process.

Yours faithfully

A handwritten signature in black ink, appearing to be 'JD', written in a cursive style.

Jason Dorsett

Finance, Reporting & Risk Director

Annexes

Annex 1: NHS foundation trusts requiring interim or planned support in 2015/16

NHS foundation trusts requiring finance from the Department of Health via interim or planned support **must still submit draft full plans** (comprising both activity and finance data) **on 27 February**. This is because the Department of Health needs to agree its support before the start of the new financial year.

Due to the short period of time between now and the 27 February submission, these providers can either submit plans on the basis on which they have been planning so far (using the provisional 2015/16 prices) or in line with the proposals set out in the letter issued on 18 February.

It is therefore accepted that the general statement of income and expenditure will need to be revised. On this basis, these NHS foundation trusts will **also need to submit a further draft** (revised as appropriate) along with all foundation trusts in early-mid April.

We do not expect data in the early draft plans to materially change for:

- CIP plans: although it is accepted that CIP targets may be subject to uncertainty, distressed NHS foundation trusts are expected to maximise CIP delivery without compromising the quality and safety of the services delivered; and
- capital plans: which are expected to be accurate for the full forecast period.