

**Delivering the
Forward View: NHS
planning guidance
2016/17 to 2020/21**

**Annex 5 to the
technical guidance:
NHS Improvement
guidance on provider
operational plans
2016/17**



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Scope

This document is technical annex 5 of *Delivering the Forward View: Technical guidance for NHS planning 2016/17*, which, in turn, supports the main planning guidance *Delivering the Forward View: NHS planning guidance 2016/17 to 2020/21* (published 22 December 2015). This document should not be read in isolation, but rather alongside, and in the context of, those joint planning guidance documents.

This technical annex contains detailed guidance for all NHS trusts and NHS foundation trusts on their 2016/17 operational plans **only**, written jointly by the NHS Trust Development Authority (TDA) and Monitor (together from 1 April 2016 'NHS Improvement'). It outlines our joint objectives and requirements for provider plans, our joint view of what plans should contain, and our joint approach to the review of, and response to, those plans.

Throughout the document NHS trusts and NHS foundation trusts will be termed collectively as 'providers', except where separate reference to either group is specifically required.

1. Objectives for providers' 2016/17 operational plans

The main planning guidance document *Delivering the Forward View: NHS planning guidance 2016/17 to 2020/21* sets out the planning assumptions and priorities for the NHS for the coming year and beyond, reflecting both the government's Mandate to NHS England for 2016/17 and the ongoing implementation of the Five Year Forward View.

It requires NHS commissioners and providers to submit two separate but interconnected plans in 2016:

- a strategic, local health and care system Sustainability and Transformation Plan (STP), covering the period October 2016 to March 2021
- an operational plan by each organisation for 2016/17, that should be consistent with the emerging local strategy and completed in time to enable contract sign-off by the end of March 2016.

This technical annex outlines NHS Improvement's requirements of providers for the 2016/17 operational plan **only**. Further detail on the STP requirement will be released later in January 2016.

The provider sector as a whole, irrespective of NHS trust or NHS foundation trust status, currently faces financial, operational and clinical challenges, as well as opportunities for improvement. It is therefore appropriate for NHS Improvement to share a defined set of objectives for provider plans that seek to address these challenges and opportunities.

The quality standards for patient services are clearly set out in the NHS Constitution and in the fundamental standards of quality and safety published by the Care Quality Commission (CQC). These quality standards continue to define the expectations for the services of providers.

For providers to achieve and maintain high quality services, those services also need to be underpinned by affordable and sustainable financial plans. Given the scale of deficits experienced by many providers in 2015/16, a key focus of the planning round will be to establish a balanced aggregate financial position for the provider sector in 2016/17.

NHS Improvement's overarching objectives for 2016/17 planning

All providers will have in place robust, integrated operating plans for 2016/17 - that demonstrate the delivery of safe, high quality services; and achievement of, or delivery of recovery milestones for, access standards.

Through a combination of provider actions to improve efficiency, the expected tariff arrangements, and the deployment of the Sustainability and Transformation Fund (STF): there will be an improved financial position compared to 2015/16 for all providers and an aggregate break-even position for the provider sector.

2. Requirements of providers' operational plans

In line with NHS Improvement's overarching objectives for 2016/17 planning - set out in Section 1 of this technical annex, and underpinned by the NHS Mandate and national 'must-dos' for local systems for 2016/17 (summarised in the main planning guidance) - NHS Improvement expects the following from providers' operational plans for 2016/17.

- Plans must be realistic and deliverable:
 - based on reasonable assumptions on activity, that the provider has sufficient capacity to deliver
 - supported by contracts with commissioners, signed by March 2016, that reflect this level of activity and that balance risk appropriately
 - underpinned by coherent and well-modelled financial projections
 - supported by agreed contingency plans wherever risks across local health economy plans have been jointly identified.
- Plans must also be stretching, representing the maximum that each provider can reasonably be expected to deliver this year:
 - acute non-specialised providers should take advantage of the opportunities identified by Lord Carter for improved productivity
 - providers should make effective use, and understand the financial impact, of the rules on agency spend recently introduced by NHS Improvement
 - providers should be engaging with commissioners to ensure alignment with local adoption of the RightCare programme
 - actions should be taken to make better use of NHS estate.

- Capital plans proposed by providers should be consistent with their clinical strategy, and clearly provide for the delivery of safe, productive services with business cases that demonstrate affordability and value for money:
 - providers should demonstrate that the highest priority schemes are being assessed and taken forward
 - from 2016/17 providers should first look to their own internally generated capital resource to fund repayment of existing and new borrowing related to capital investment. Department of Health (DH) financing is likely to be available only in pre-agreed, exceptional cases
 - providers will need to procure capital assets more efficiently, consider alternative methods of securing assets such as managed equipment services, maximise disposals and extend asset lives
 - for NHS trusts, capital plans must also clearly demonstrate which schemes are above their delegated limits.
- Providers' operational plans should, as far as possible, link with and support their emerging local STPs, the requirements for which are set out in *Delivering the Forward View: NHS planning guidance 2016/17 to 2020/21*.
- Plans should demonstrate improvement in the delivery of core access and Constitution standards as set out in the NHS Mandate (A&E and ambulance waits, referral to treatment, cancer, mental health, and the transformation of care for people with learning disabilities).
- Providers must be assured that the individual activity, workforce and finance elements of their plans are cross-checked and internally consistent.
- In relation to quality and workforce, it will be important that providers can demonstrate:
 - development and implementation of an affordable plan to make improvements in quality, particularly for providers in special measures
 - application of robust quality improvement methodology
 - a plan for addressing challenges under Seven Day Services in an affordable way
 - the application and monitoring of an effective quality impact assessment approach for all cost improvement programmes (CIPs)
 - workforce productivity, in particular through the effective use of e-rostering and reduction in reliance on agency staffing (just a 1% improvement represents £400m of savings)

- triangulation of quality, workforce and finance indicators.

In short, provider plans must do the following:

- plan for a reasonable and realistic level of activity
- demonstrate the capacity to meet this
- provide adequate assurance on the robustness of workforce plans and the provider's approach to quality
- be stretching from a financial perspective, taking full advantage of efficiency opportunities (including those identified by Lord Carter and the new rules around agency)
- demonstrate improvement in the delivery of core access and NHS Constitution standards
- contain affordable, value-for-money capital plans that are consistent with the provider's clinical strategy and clearly demonstrate the delivery of safe, productive services
- be aligned with commissioner plans, and underpinned by contracts that balance risk appropriately
- link to the local health and care system's emerging STP, the requirements for which are set out in *Delivering the Forward View: NHS planning guidance 2016/17 to 2020/21*
- be internally consistent between activity, workforce and finance plans.

Sustainability and Transformation Fund (STF)

Part of the process to manage an aggregate bottom line position of breakeven or better for the provider sector in 2016/17 is to understand the impact of a range of known factors at an individual provider level, and to agree robust plans that include the deployment of the STF and a control total by provider for 2016/17.

An impact assessment model has been developed by NHS Improvement to undertake this evaluation. The outcome of this work is to allocate each provider with an indicative share of the STF and a control total for 2016/17.

During 2016/17 the quarterly release of STF funding to providers will depend on them achieving three recovery milestones (deficit reduction, access standards and progress on transformation). Should the deficit at the end of 2015/16 deteriorate

beyond the £1.8 billion currently forecast, providers will be required to deliver higher efficiency levels to achieve the control totals set by NHS Improvement.

NHS England and NHS Improvement are working together to ensure greater alignment between commissioner and provider financial levers. Providers who are eligible for Sustainability and Transformation funding in 2016/17 will not face a 'double jeopardy' scenario whereby they incur penalties as well as losing access to funding; a single penalty will be imposed. Therefore, no provider should assume the application of financial sanctions in its plans for 2016/17.

3. Summary of providers' operational plan submissions

Our 2016/17 operational plan collections are designed, as far as possible, to enable testing of the delivery of NHS Improvement's requirements as articulated in Section 2 of this guidance.

Appendix 2 of *Delivering the Forward View: Technical guidance for NHS planning 2016/17* summarises the plan submission requirements, identifying what needs to be submitted, where, when and in what format.

Joint assurance submissions

As part of NHS England and NHS Improvement's joint assurance processes for 2016/17 operational plans, all providers are required to submit the following returns:

- a baseline agreement return by midday on Monday 18 January 2016: see Section 4 of *Delivering the Forward View: Technical guidance for 2016/17* for more detail
- contract tracker returns: updated and submitted throughout the contracting timetable in accordance with the weekly submission schedule detailed in Technical Annex 1 to *Delivering the Forward View: Technical guidance for 2016/17*
- a provider-commissioner activity return through Unify (for draft plan and final plan):
 - containing annualised activity data for the 2015/16 forecast out-turn and 2016/17 operational plan, supporting the alignment process of provider-commissioner activity plans
 - for NHS trusts this submission is required of all NHS trusts that provide activity: including mental health and community NHS trusts. In addition NHS trusts are required to submit a provider-level activity plan profiled by month through Unify
 - for NHS foundation trusts this submission is required of acute and specialist NHS foundation trusts only.

Draft operational plans

Providers' draft, one-year operational plans for 2016/17 should be submitted to TDA and Monitor by **midday on Monday 8 February 2016**.

This year, for both NHS trusts and NHS foundation trusts, the draft operational plan will include:

- a draft operational plan narrative (max. 20 pages), which should outline the provider's approach to activity, quality, workforce and financial planning for 2016/17, and link to the local health and care system's STP. See Section 4 for further details
- a full set of draft finance, activity and workforce data:
 - NHS trusts will be required to submit separate finance, activity and workforce returns, in line with previous planning rounds
 - NHS foundation trusts are required to submit one return containing a full set of finance, activity and workforce data.

Final operational plans

Providers' final, one-year operational plans for 2016/17 should be submitted to TDA and Monitor by **midday on Monday 11 April 2016**. The final operational plan should include:

- an updated final version of the operational plan narrative (max. 25 pages)
- a one-page cover sheet for the final plan narrative, drawing attention to any material changes from the draft version
- a separate version of the final plan narrative, in a format suitable for external publication (see end of Section 4 for further details)
- updated final versions of the finance, activity and workforce data returns.

Board declarations in final operational plans (NHS foundation trusts only)

Monitor requires each NHS foundation trust board to make a series of declarations as part of its final operational plan for 2016/17 (deadline 11 April 2016). This requirement sits in the main finance, activity and workforce template. Please note that these declarations do not need to be made in the draft plan submission.

Please note that Monitor is not asking NHS foundation trust boards to refresh the declaration of sustainability (made in the 2014/15 strategic plans and 2015/16 operational plans). This requirement will instead be addressed in the scope of the local STP.

Note on planning templates

In light of the increased alignment of TDA and Monitor planning requirements, limited changes to the 2016/17 operational plan templates have been made. NHS trusts and NHS foundation trusts should refer to TDA and Monitor template guidance (technical annexes 7 and 6 respectively) for more information.

4. Operational plan narrative (both draft and final plans)

Overview

As outlined in Section 3 of this technical annex, all providers are required to submit, as part of their draft and final operational plans, an operational plan narrative that supports the finance, activity and workforce returns. This narrative should address NHS Improvement's key requirements of provider plans, as set out in Section 2.

The version of the supporting narrative submitted in February, although 'draft', should represent a full account of the operational plan as at 8 February. The final version submitted in April should be accompanied by a cover sheet that summarises the key changes.

Structure, format and length

In completing the narrative providers should determine what approach works best for them but this section provides suggested guidelines.

No template: There is no 'template' for the narrative element of operational plans. However, we set out below our requirements for what the plans need to demonstrate. We recommend that providers use this structure as far as possible to help with the consistency of plans.

Style: Bullet point form is acceptable, but not mandatory. We also suggest using tables and charts to support commentary and show the impact of key assumptions.

Length: As a guide the draft operational plan narrative should not exceed 20 pages and the final narrative should not exceed 25 pages. Set out below is a suggested page count for each section to guide the level of detail required. Quality is far more important than quantity: NHS Improvement wants to be able to understand each plan. A provider's inability to summarise its plan coherently and concisely will itself be considered as part of the assessment of risk.

Consistency: It should be easy for NHS Improvement to reconcile the content in the written narrative with data in the finance, activity and workforce templates.

No executive summary: NHS Improvement does not expect the operational plan narrative, which is of modest length, to require an executive summary.

Approach to activity planning (max 2 pages)

A fundamental requirement of the 2016/17 operational planning round is for providers and commissioners to have realistic and aligned activity plans. In this context it is essential that they work together transparently to promote robust demand and capacity planning.

To help support this process, NHS England and NHS improvement have made several changes to activity planning for 2016/17, including the requirement of a joint 'open book' activity plan from providers and commissioners on Unify, and the roll-out of a demand and capacity process to inform the activity planning submissions.

In line with this, a series of regional training events have been organised for January 2016 to support the completion of the new demand and capacity models. Please see [NHS England's events](#) for further information.

In its operational plan narrative, therefore, each provider should support its activity returns with a written assessment of activity over the next year, based on robust demand and capacity modelling and lessons from previous years' winter and system resilience planning.

In the narrative, the provider should provide assurance to NHS Improvement that:

- its activity plans for 2016/17 are based on outputs from:
 - the demand and capacity approach for 2016/17
 - demand and capacity modelling tools that have been jointly prepared and agreed with commissioners
- its activity returns are underpinned by agreed planning assumptions, with explanation provided as to how these assumptions compare with expected growth rates in 2015/16
- it has sufficient capacity to deliver the level of activity that has been agreed with commissioners. It would be helpful for providers to indicate their plans for using the independent sector to deliver activity, highlighting volumes and type of activity if possible
- its activity plans are sufficient to deliver, or achieve recovery milestones for, all key operational standards, and in particular Accident and Emergency (A&E), Referral to Treatment (RTT) Incomplete, Cancer and Diagnostics waiting times. Reference should also be made to any explicit plans agreed with commissioners around:

- extra capacity as part of winter resilience plans, for instance extra escalation beds
- arrangements for managing unplanned changes in demand.

Approach to quality planning (max 4 pages)

The quality standards for patient services are clearly set out in the NHS Constitution and in the fundamental standards of quality and safety published by CQC. These quality standards continue to define the expectations of providers.

To meet these standards, providers should set out their quality priorities, connected to the needs of the local population and to the NHS mandate, in a quality improvement plan for the year. They should do this by considering:

- national and local commissioning priorities, including the recommendations in the Academy of Medical Royal Colleges' 2014 report *Guidance for taking responsibility: accountable clinicians and informed patients*
- the provider's quality goals, as defined by its strategy and quality account, and any key milestones and performance indicators attached to them
- an outline of existing quality concerns (from CQC or other parties) and plans to address them
- the key quality risks inherent in the plan and how these will be managed

All providers should also participate in the annual publication of avoidable deaths per trust.

Through the operational plan narrative, NHS Improvement will seek self-assurance from providers that their approach to quality is sound and robust. Where deemed appropriate, NHS Improvement may ask individual providers for further information, such as their detailed quality improvement plan and 'sign up to safety' plan.

Further detail on the suggested content for the narrative is provided below, divided into four required sub-sections.

Approach to quality improvement

In this section, providers should outline their approach to quality improvement with the intention of providing safe, high-quality care and achieving a good or outstanding CQC rating. This should include:

- a description of the organisation-wide improvement methodology, including how quality and safety will be maintained and improved through the year
- details of the provider's quality improvement governance systems

- named executive lead
- three quality priorities for 2016/17
- identification of the top three risks to quality, together with the plans for mitigation
- a focus on the well-led elements
- 'sign up to safety' priorities for 2016/17
- assurance that the Association of Medical Royal Colleges' guidance on the responsible consultant has been fully taken into account.

Seven Day Services

As noted in the main planning guidance document *Delivering the Forward View: NHS planning guidance 2016/17 to 2020/21*, there are distinct challenges for providers under the banner of Seven Day Services, including:

- reducing excess deaths by increasing the level of consultant cover and diagnostic services available in hospitals at weekends
- improving access to out-of-hours care, by achieving better integration and redesign of 111/walk-in clinics/urgent care to enhance the patient offer.

In this section, providers should comment on how they plan to make rapid progress in implementing Seven Day Services in an affordable way during 2016/17.

Quality impact assessment process

Each provider should have an effective quality impact assessment (QIA) process for CIPs and all affordable improvement programmes funded by partners through the year - for instance the Five Year Forward View and seven-day services. This section of the narrative should include:

- a description of how cost improvement programmes (CIPs) and improvement programmes are identified and assessed for their impact on patient safety, clinical outcomes, patient experience and staff experience at sub board level, taking account of clinical engagement
- an explanation of the board QIA process, including sign-off by the medical and nursing directors
- the provider's plan for its in-year monitoring of QIA.

Triangulation of indicators

NHS Improvement expects each provider to triangulate quality, workforce and financial indicators on at least a six-monthly basis. In this section, each provider should outline:

- its approach to triangulation
- the key indicators used in this process
- how the board intends to use this information, particularly to improve the quality of care and enhance productivity.

Approach to workforce planning (max 4 pages)

To support their workforce returns, providers must demonstrate the following in their operational plan narratives:

- articulation of a robust approach to workforce planning with clinical engagement
- the governance process for board approval of workforce plans
- a clear link to clinical strategy and local health and care system commissioning strategies
- specific reference to local workforce transformation programmes and productivity schemes, including impact on workforce by staff group
- the effective use of e-rostering and reduction in reliance on agency staffing
- alignment with Local Education and Training Board plans to ensure workforce supply needs are met
- triangulation of quality and safety metrics with workforce indicators to identify areas of risk
- the application and monitoring of quality impact assessments for all workforce CIPs
- plans for any new workforce initiatives agreed with partners and funded specifically for 2016/17 as part of the Five Year Forward View
- balancing of agency rules with the achievement of appropriate staffing levels
- systems in place to regularly review and address workforce risk areas.

Approach to financial planning (max 6 pages)

Providers' plans should be stretching from a financial perspective, taking full advantage of efficiency opportunities (including those identified by Lord Carter, agency rules and more efficient procurement practices), and containing affordable, value-for-money capital plans. Plans should also be underpinned by robust financial forecasts and modelling.

It is therefore recommended that providers divide their financial narratives into the three sub-sections outlined below.

Financial forecasts and modelling

Providers' plans and priorities for quality, workforce and activity should connect to the financial forecasts in their draft and final operational plans. The operational plan narrative should clearly set out how providers have assurance that their plans are internally consistent.

These forecasts will comprise one year of financial projections, based on robust local modelling and reasonable planning assumptions that are aligned with both national expectations and local circumstances.

The forecasts should also be supported by clear financial commentary in the operational plan narrative.

Collectively the financial forecasts and commentary should explain the key movements that bridge 2015/16 forecasts to plans for 2016/17, and also clearly set out the expected impact of:

- financial pressure, being the local reflection of the planning assumptions set out in *Delivering the Forward View: NHS planning guidance 2016/17 to 2020/21*, plus the impact of the 2016/17 National Tariff, NHS Standard Contract and CQUIN guidance. This narrative should also highlight any significant deviations from national assumptions (see *Delivering the Forward View: Technical guidance for NHS planning 2016/17* for details)
- activity, relating to underlying demand, 'Quality, Innovation, Productivity and Prevention' (QIPP) movements, and the impact of commissioning intentions
- other key movements, such as investment in quality or in-year non-recurrent income or expenditure
- initiatives, such as, but not limited to, CIPs, revenue generation schemes, service developments and transactions
- the sustainability and transformation fund.

The narrative financial commentary should address:

- the assumptions underpinning these drivers
- the impact of these drivers on the overall financial forecasts: in particular on forecast risk ratings and liquidity for NHS foundation trusts, and on key financial metrics for NHS trusts
- the outcomes of any sensitivity analysis.

Because of the required submission dates (8 February and 11 April 2016), providers' draft and final operational plans will be developed before a final 2015/16 year-end financial position is known. Therefore providers should use a projected year end outturn for 2015/16 based on the most up-to date and relevant information available.

We expect the 2015/16 outturn to be an accurate and carefully considered indication of the provider's year-end position. The outturn will be compared to the actual results reported in the quarter four (January to March 2016) submission. Unreasonable variances, which may indicate poor governance, may be subject to further investigation by NHS Improvement.

Efficiency savings for 2016/17

Every provider should have adequate assurance that it has a robust plan for improving its financial position in line with the control set for 2016/17 by NHS Improvement.

In order to achieve this, providers should focus on the development and delivery of robust efficiency savings programmes, focusing primarily on cost reduction rather than income growth. Providers should therefore outline in their operational plan narratives how they are contributing to efficiency savings including, but not limited to, the opportunities identified by Lord Carter of Coles (where applicable), the introduction of agency rules, and tighter procurement practices.

Lord Carter's provider productivity work programme

Lord Carter of Coles recently wrote to all acute non-specialised providers, setting out opportunities for efficiencies across workforce, estates, purchasing and medicines management. While developing their CIPs for the year, providers in the acute non-specialised sector should actively engage with these recommendations and take full advantage of the efficiencies Lord Carter has identified.

In their operational plan narratives, therefore, providers should set out how they have engaged with the process and provide details of the savings they expect to realise. NHS Improvement will then monitor providers on an ongoing basis against achievement of these opportunities.

Agency rules

Providers should outline how they are making effective use of the agency rules recently introduced by NHS Improvement. These rules include the introduction of an annual ceiling for the maximum use of nursing agency staff, mandatory use of frameworks for nursing agency staff and an hourly cap on rates for nursing, medical and other staff groups, from which substantial savings are expected to be released. All providers should articulate in their operational plan narratives the combined effect of these rules on their financial position for the year.

Procurement

Providers will need to adopt tightly controlled procurement practices. They should therefore comment on measures they are taking to control these, such as the imposition of compliance incentives and sanctions to drive down price and unwarranted variation.

For example, all providers will be expected to report and share data on what they are paying for the top 100 most common non-pay items, and be required to only pay the best price available for the NHS.

Capital planning

Providers should explain in their narratives how proposed capital investments are consistent with their clinical strategies and how they demonstrate the delivery of safe, productive services.

Given the constrained level of capital resource available from 2016/17, providers should also demonstrate that the highest priority schemes are being assessed and taken forward.

Finally, providers should outline how they plan to make better use of NHS estate. This may include alternative methods of securing assets such as managed equipment services, maximising disposals and extending asset lives.

[Link to the emerging 'Sustainability and Transformation Plan' \(STP\) \(max 2 pages\)](#)

Significant progress on transformation is expected through providers' 2016/17 operational plans. Therefore all providers are expected to reflect the local health and care system's emerging STP principles and priorities in their operational plans. See *Delivering the Forward View: NHS planning guidance 2016/17 to 2020/21* for more details.

Therefore, while we acknowledge that local health and care systems will be at very different stages of their strategic development, providers should briefly articulate the following in their 2016/17 operational plan narratives:

- an early view of what the vision for the local health and care system's STP might include, including the provider's own role in this
- any elements of the local health and care system's early strategic thinking that might affect the provider's individual, organisational operational plan for 2016/17: for instance setting out the most locally critical milestones for accelerating progress in 2016/17 towards achieving the triple aim as set out in the Forward View.

Membership and elections (NHS foundation trusts only) (max 1 page)

For 2016/17 NHS foundation trusts are **not** required to submit annual membership or governor election data returns to Monitor. Instead they should provide a high-level narrative on membership and elections, including:

- governor elections in previous years and plans for the coming 12 months
- examples of governor recruitment, training and development, and activities to facilitate engagement between governors, members and the public
- membership strategy and efforts to engage a diverse range of members from across the constituency over past years, and plans for the next 12 months.

Any NHS foundation trusts that did **not** have NHS foundation trust status as at 1 April 2015 should also detail the activities of their shadow council of governors and members.

Note on publication of providers' operational plan narratives

NHS Improvement and providers have a mutual duty of candour and transparency. This is particularly important in the spirit of 'open book' planning encouraged for 2016/17. It is therefore appropriate that NHS Improvement make providers' final operational plans accessible to the widest possible audience.

Accordingly, both Monitor and TDA intend to publish 2016/17 final operational plans on their websites, while ensuring that commercially sensitive information is not made public.

NHS Improvement is therefore asking providers to submit a separate version of the final operational plan narrative in April 2016 that is suitable for external communication, which will then be published online. This separate document should be written for a wide audience and exclude any commercially sensitive information, but must be consistent with the full version.

5. NHS Improvement's review of providers' operational plans

Key criteria on which provider plans will be assessed

In reviewing providers' operational plans for 2016/17, NHS Improvement will seek assurance that all providers have plans in place that meet the requirements set out in Section 2.

Therefore, while recognising the statutory differences between NHS trusts and NHS foundation trusts, and the differences in Monitor and the TDA's respective operational models as they exist today, NHS Improvement will seek to:

- assess all provider plans against these shared criteria
- be consistent in its responses to common risk and plan characteristics – rather than to NHS trust or NHS foundation trust status.

Methodology for review of providers' draft operational plans

Before the submission of draft operational plans, regional teams from NHS Improvement will work with providers to support the preparation of plans. This will include identifying early, through the baseline agreement checkpoint, any key risks associated with commissioner/provider alignment.

Timing of draft plan review

NHS Improvement will undertake for all providers a risk-based review of the draft operational plans. The review will be undertaken during February and March 2016.

Across NHS Improvement most of the 2016/17 operational plan review work will be undertaken in this period so that:

- feedback offered to providers on the basis of their draft plans can be incorporated into providers' final budgets and operational plans for the year
- NHS Improvement can focus more effectively on monitoring and supporting delivery of those plans from April 2016 onwards.

For NHS foundation trusts in particular this represents a step-change from previous planning rounds, in which most of Monitor's plan review process took place after the final submission.

Desk-based review work

For all draft provider plans the assurance process will involve some desk-based review by both central and regionally focused teams.

Assurance work in this period is likely to include:

- review of the operational plan narrative against NHS Improvement's requirements of provider plans (listed in Section 2 above)
- review of the key assumptions underpinning the financial projections, together with an application of tests to each provider's own financial projections
- review of activity plans to seek assurance on the robustness of demand and capacity planning
- review of the provider's assurances on quality and workforce to identify any areas for further follow-up
- several areas of joint risk assessment between NHS Improvement and NHS England, in recognition of the need for alignment and the impact of local health and care system interactions on individual organisations (see the 'joint assurance process' outlined in *Delivering the Forward View: Technical guidance for 2016/17*).

Interactions with providers

The draft plan review process in February and March will often combine desk-based work with face-to-face discussions between providers and their Monitor and TDA regional teams:

- for NHS trusts this will mean interactions that are familiar to NHS trusts from previous planning rounds through the Integrated Delivery Meeting (IDM) process, supplemented where required with extra discussions on particular subject areas
- for NHS foundation trusts, where deemed appropriate, this may involve a site visit between 15 February and 11 March 2016.

Methodology for review of providers' final operational plans

NHS Improvement will conduct a high-level review of providers' final operational plans following the 11 April submission.

This review will largely entail corroboration of the material movements we expect to see in providers' final plans based on the discussions and feedback provided to the provider after the draft plan submissions. The process will also involve identifying and following up on unexpected movements.

NHS Improvement will consider the implications for providers of their final operational plans and monitor their delivery during 2016/17 through the routine oversight and assurance processes.

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