

Gateway Reference: 00337

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To:

CCG Clinical Leads
NHS England Area Team Directors
NHS England Regional Directors
CSU Directors

14 August 2013

cc CCG Accountable Officers
Dear Colleagues

Fundamental Review of Allocations Policy

Alongside its decision in December 2012 regarding the local allocation of resources for 2013/14, the NHS England board commissioned a review of allocations policy. The scope of this review is intended to include the local allocation of resources to CCGs and the budgets available for direct commissioning functions in Area Teams. This work is being led by the Allocations Steering Group whose members are drawn from the national support centre, area teams and clinical commissioning groups, as well as representatives of the independent advisory group, the Advisory Committee on Resource Allocation (ACRA).

As part of the review process, we need to consider how resources should be allocated between different commissioning streams – that is to say how we balance the total resources available to clinical commissioning groups and the direct commissioning streams, such as primary care and specialised services. We then need to think about how each of these resource ‘pots’ is distributed geographically, between individual clinical commissioning groups or area teams. A further challenge is then to understand how these different strands interact.

We will be holding four regional workshops for NHS commissioners to discuss current thinking and to hear your views about the allocations process and proposals for the future.

Provisionally, we expect to run morning workshops in:

- Leeds on 13th September;
- Birmingham on 18th September;
- Newbury on 20th September; and

High quality care for all, now and for future generations

- London on 23rd September.

If you would like to attend one of these workshops, please email england.finance@nhs.net with the following information:

- Your name
- Job Title
- Email address
- Your Organisation name
- The workshop that you wish to attend (further details will be provided to delegates when the agenda and venues are finalised).

To support these workshops, and wider engagement, we are today publishing a summary of the latest estimates of the 'target' allocation, based on the ACRA recommendations, compared to the allocations that CCGs actually received for 2013-14. The actual allocations were announced in December 2012. We are publishing this now to ensure you have a full picture and so are more able to give us the input we need to make robust resource allocation decisions in the future.

The summary is enclosed in Annex A. For those who want more detail of the model, including practice level weighted populations, further workbooks are at Annex B, with technical guidance at Annex C. Finally, we are providing the terms of reference of the review at Annex D.

The recommendations and technical reports from ACRA, which were published by the Department of Health in January 2013, can be found at www.gov.uk/government/publications/ring-fenced-public-health-grants-to-local-authorities-2013-14-and-2014-15.

We hope you will find these helpful and look forward to seeing you (or one of your colleagues) at one of the workshops. If you are unable to attend the workshops and wish to comment on the future development of allocations policy please email england.finance@nhs.net.

Yours sincerely



Sam Higginson
Director of Strategic Finance

Annex A - 2013/14 Allocations & Indicative Target Allocations Working Paper

Annex B - Detailed CCG Allocations formula (*note -very large file size*)

Annex C - Technical guidance

Annex D - Allocations Steering Group Terms of Reference