

## **NHS budget allocations: Leeds CCGs' position statement**

In 2013, the Government's comprehensive spending review outlined predictions of an economic environment with reduced financial growth for public sector services over the next decade.

We know that the NHS is facing significant challenges. More and more people are using NHS services; there is more demand placed on the system by people developing long-term health conditions and living into old age. People's expectations of the NHS are high and the cost of healthcare services continues to rise.

Over the coming years the economic outlook for the NHS is challenging. Effectively, this means that to maintain financial balance we will need to provide more services to more people for less cost. To do this we'll need to be more efficient and cost effective whilst at the same time reduce demand for NHS services.

**NHS England** is working on a formula to identify budget allocations for clinical commissioning groups across the country for 2014/15 and beyond. These figures are an early indicator of how much funding the NHS may receive going forward.

The three CCGs in Leeds were aware that NHS England, or the NHS Commissioning Board as it was known at the time, was in the process of revising the formula for budget allocations when it announced the allocations for 2013-2014 for all CCGs in December 2012. These allocations were based on those previously set for primary care trusts.

The revised formula for NHS budget allocations has been developed by the Advisory Committee on Resource Allocation who, in August 2013, published the proposed allocations for the coming years. The Leeds CCGs have been, and continue to be, actively involved in the consultation process which has been set up NHS England. This consultation is ongoing and is supported by four workshops being held by NHS England, one of which took place on 13 September and was attended by a representative of the Leeds CCGs as well as the local authority.

At the meeting we raised questions as to what the main drivers were for the new allocation formula and as part of the consultation we will be making recommendations about certain factors which have not been included as part of the revised formula. We recognise that if the revised formula is implemented that there would be a financial impact for Leeds. At this stage it is too early to speculate what impact this will have in terms of our future commissioning of services and how many years the NHS in Leeds will have to deliver these proposed efficiency savings until we have a definitive outcome of the review.

Feedback from the consultation will be used by NHS England before they announce the financial allocations at their governing body meeting in December 2013.

It goes without saying that the CCGs will work closely with our partners and local communities so that people can have an active role in discussing any future proposals that could impact on the way we commission services. We are already starting this debate by inviting people to take part in the national [Call to Acton](#) programme.

We're in the process of planning local activities and events where communities can join us to discuss how they see the future of the NHS both locally and nationally and how we can all work together to make it financially sustainable for the future. We will be using this as the start of a long-term 'conversation' with our local communities that will help inform our commissioning priorities over the coming years.