



**Merton**

**Clinical Commissioning Group**

## REPORT TO MERTON CLINICAL COMMISSIONING GROUP GOVERNING BODY

**Date of Meeting:** 29<sup>th</sup> January 2015

**Agenda No:** 6.6

**Attachment:** 10

<b>Title of Document:</b> 2015-16 Financial Allocations: Merton CCG	<b>Purpose of Report:</b> To Note
<b>Report Author:</b> Cynthia Cardozo	<b>Lead Director:</b> Cynthia Cardozo
<b>Executive Summary:</b> The Autumn Statement in 2014 by the Chancellor of the Exchequer announced an additional £1.98bn funding for the NHS. This additional allocation was approved by NHS Commissioning Board on 17 <sup>th</sup> December 2014 and published by CCGs on 22 <sup>nd</sup> December 2014. The attached paper summarises the allocations on a national, London and Merton position.	
<b>Key sections for particular note (paragraph/page), areas of concern etc:</b> Merton has received an additional £16.8m increased allocation for 2015-16.	
<b>Recommendation(s):</b> To note the Merton allocation will be used to draft the 2015-16 Financial Plan over the next few weeks.	
<b>Committees which have previously discussed/agreed the report:</b> EMT and Finance Committee	
<b>Financial Implications:</b> Increased allocation of £7.4m	
<b>Implications for CCG Governing Body:</b> N/A	
<b>How has the Patient voice been considered in development of this paper:</b> N/A	
<b>Other Implications: (including patient and public involvement/Legal/Governance/Risk/Diversity/ Staffing)</b> N/A	
<b>Equality Assessment:</b> N/A	
<b>Information Privacy Issues:</b> N/A	
<b>Communication Plan: (including any implications under the Freedom of Information Act or NHS Constitution)</b> Attached paper is available on CCG website.	

# 2015-16 Financial Allocations

Cynthia Cardozo



right care  
right place  
right time  
right outcome

# Allocations – National position (1)

- Autumn statement announced NHS funding for 2015/16 to be increased by £1.98bn.
- Baseline used was Month 7, 2014-15 recurrent allocations.
- CCGs - £1.1bn more than plan including £350m winter resilience funding now in baselines. Aim to move underfunded CCGs to minimum 5% distance from target (dft) by 2016/17.
- GDP deflator adjusted downward from 1.7% plan, to 1.4% actual.
- Additional uplift of the Specialised budget from 6% to 8.4%.
- Additional uplift of the Primary Care budget from 1.7% to 2.3%.



# Allocations – National position (2)

- National Transformation budget of £200m – non-recurrent for now. More detail to follow but badged to investment and uptake of new care organisational models set out in the Five Year Forward View (bids by 2nd February 2015)
- Primary/Community care for premises and infrastructure investment fund of £250m recurrent for 4 years totalling £1bn. £175m of this is revenue and £75m capital.



# Allocations – National position (3)

- £30m additional Mental health outlined in the 5yr FV - for community based teams for children and young people with eating disorders
- CCGs are expected to increase funding for mental health services in line with allocation growth received for 15/16 (parity of esteem).
- £100m to improve access to general practice via Prime Minister's Challenge Fund.
- Priority access to £400m of drawdown but only applies to CCGs with >1% surplus in 14/15 - business case required by 23<sup>rd</sup> January.



# Allocations – London position

- London CCGs received £446m recurrent growth. This takes London from 0.41% over target allocations to 0.51% over target in 2015/16. 14 CCGs received growth in excess of 5% and 10 in excess of 6%.
- London Specialised Commissioning received growth of 5.2% after the repayment of drawdown and the impact of the CDF.
- All deficit CCGs are expected to be in recurrent balance or better in 2015/16 and be in train to start repayment of historic deficits.
- CCGs are expected to achieve business rules in 2015/16 without exception. Drawdown criteria have yet to be confirmed.



# Allocations – Merton position (1)

- In December 2013 Merton was given an allocation of £218.5m, for 2015-16, increase of 4.49% (£9.4m) from 2014-15. Merton was below distance from target (dft) by 6.67%. This allocation is for programme costs only, it also excludes c/fwd surplus and better care funding (£3.4m - current S256).
- The allocation announcement on 22<sup>nd</sup> December 2014 gives Merton a revised allocation of £226m, a further increase of 3.41% (£7.4m). This includes £1.1m of winter resilience funding received in-year in 2014-15. The total increase in allocation is £16.8m from the opening 2014-15 allocation, which now means Merton is below dft by 4.77%.



# Allocations – Merton position (2)

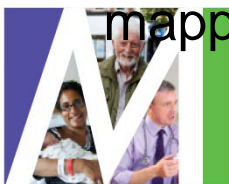
- Notional primary care and specialised commissioning allocations by CCG have also been published;

Primary Care GP services	£26.6m (excludes revalidation costs)
Primary Care – Other costs	£17.7m (Ophthalmology, dentistry and Pharmacy)
Specialised Commissioning	£56.5m

- There is further work being done on Primary care allocations in particular treatment of public health adjustment, treatment of SMR<75 weighting at 10% or 15% and anomalies on practices

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mapping to CCGs.





# SWL – Allocation Summary

CCG allocations 2015/16 £000s	Previously indicated 2015/16 allocation - Dec 2013	Published 2015/16 allocation - Dec 2014	Increase in allocation	Less seasonal resilience money consolidated	Adjusted allocation increase	Distance from Target (2015-16)	Increase in allocation relative to Dec 2013 adjusted for seasonal resilience	Target Allocation	Distance from target
<b>Croydon</b>	419,564	434,164	14,600	2,207	12,393	-6.87%	2.95%	466,191	-32,027
<b>Kingston</b>	202,652	207,790	5,138	1,070	4,068	-1.69%	2.01%	211,362	-3,572
<b>Merton</b>	218,530	225,977	7,447	1,137	6,310	-4.77%	2.89%	237,296	-11,319
<b>Richmond</b>	213,507	216,279	2,772	1,134	1,638	-0.35%	0.77%	217,039	-760
<b>Sutton</b>	215,760	222,794	7,034	1,129	5,905	-4.57%	2.74%	233,463	-10,669
<b>Wandsworth</b>	391,294	391,761	467	2,089	-1,622	4.21%	-0.41%	375,934	15,827
<b>Total</b>	<b>1,661,307</b>	<b>1,698,765</b>	<b>37,458</b>	<b>8,766</b>	<b>28,692</b>			<b>1,741,285</b>	<b>-42,520</b>

