

Calculation of CCG Running Costs Allowances 2014-15 to 2018-19

Gateway Reference 01135

Overall envelope

1. *Everyone counts: Planning for patients 2014-15 to 2018/19* set out that the running costs envelop will remain flat in cash terms in 2014/15. Planning assumptions for subsequent years are a reduction of by 10% in 2015/16 and flat in cash terms for 2016/17 to 2018/19. It was also set out that RCAs will be adjusted for population change and based on the latest available ONS population projections.

2. This gives envelopes of:

2013/14	£1,345,200k – as published December 2012
2014/15	£1,345,197k
2015/16	£1,210,678k – indicative
2016/17	£1,210,678k – indicative
2017/18	£1,210,678k – indicative
2018/19	£1,210,678k – indicative

3. Taking account of population growth, the RCA per head are:

2013/14	£25.00
2014/15	£24.73
2015/16	£22.07 – indicative
2016/17	£21.88 – indicative
2017/18	£21.70 – indicative
2018/19	£21.53 – indicative

Populations

4. The same approach has been used as for the calculation of 2013-14 RCAs, including that the RCAs are based on ONS populations.

5. RCAs have been set on the basis of 'unweighted' population. There is unlikely to be a relationship between the items of expenditure covered by the allowance (i.e. the CCG's management costs and the costs of commissioning support) and traditional determinants of population need (e.g. age / sex / deprivation) that form the basis of 'weighted' populations.

6. The three populations used in the calculation are:

- a. number of registrations with CCGs' member GP practices as published by the Health and Social Care Information Centre for October 2013;
- b. the latest Office of National Statistics' (ONS) population projections for 2014 to 2018 for local authority districts;

- c. estimates of military personnel included in the ONS estimates.

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7. ONS population data are based on place of residence. CCGs are responsible for patients registered with their member GP practices, irrespective of where the patients reside. There are significant net 'cross boundary patient flows' of patients registered with one CCG but residing in another CCG's geographical area. The starting point for the calculation of RCAs is therefore the number of registrations with CCG's member GP practices to ensure that the distribution of running costs takes account of cross-boundary patient flows.
8. The total registered population is mapped to the relevant local authority area of residence. When this has been done for all practices, the total sum of practice populations resident in a local authority area is calculated. This is compared to the ONS projection (minus military personnel) and a scaling factor calculated for each local authority area. These scaling factors are then applied to each CCG's registrations resident in each local authority area to produce a constrained population for each CCG.
9. The national envelope divided by the sum of the constrained populations for all CCGs gives the RCA per head. The RCA per head is multiplied by the constrained population for each CCG and rounded to the nearest thousand pounds to give each CCG's RCA. In 2013-14 the rounding was to the nearest ten thousand pounds.
10. Unlike programme spend allocations, there is no "pace-of-change" for running cost allowances and so any changes in the population of a CCG are immediately reflected.