

Gateway Reference 01135

To:  
CCG Clinical Leads  
CCG Accountable Officers  
Area Team Finance Directors  
Regional Finance Directors

31 January 2014

Dear Colleague

**Re: CCG Running Costs Allowances 2014/15 & 2015/16**

Following the NHS England Board meeting on 17th December and the decisions regarding allocation policy, we published the headline CCG programme allocations for 2014-15 and 2015-16.<sup>1</sup> The board also agreed the total amount available for CCG running cost allowances in 2014-15 would be the same as 2013-14, £1,35bn, and noted an indicative planning assumption for 2015-16 of a 10% reduction. However we were not able at the time to publish the full details of how these amounts would be distributed.

We are now in a position to publish further information on running cost allowances for 2014-15 and, indicatively, 2015-16, based on the same approach used for 2013-14. The quanta noted above translate to per head allowances of £24.73 and £22.07 respectively. 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. The indicative overall running cost envelope for 2015-16 reflects the Spending Round settlement for the Department of Health Group on running costs as a whole although the split between the members of the Group is still to be confirmed.

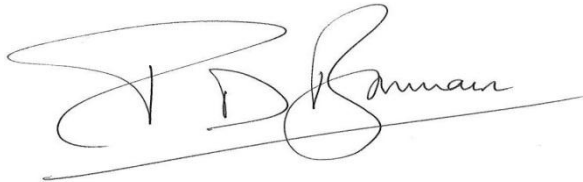
To support strategic planning we are also publishing indicative running cost allowances for 2016-17 to 2018-19. These adopt a working assumption of a fixed national cash amount, with a per head allowance adjusted for population growth, but will be vulnerable to changes in, for instance, the total running costs resources available to NHS England. The tables and background methodology can also be found on the NHS England website.

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<sup>1</sup> [www.england.nhs.uk/2013/12/18/ccg-fund-allocs/](http://www.england.nhs.uk/2013/12/18/ccg-fund-allocs/) and [www.england.nhs.uk/2013/12/20/ccg-allocations/](http://www.england.nhs.uk/2013/12/20/ccg-allocations/).

If you have any queries about the proposed approach please contact  
england.finance@nhs.net.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'P Baumann', with a long horizontal line extending from the end of the signature.

**Paul Baumann**  
**Chief Financial Officer**