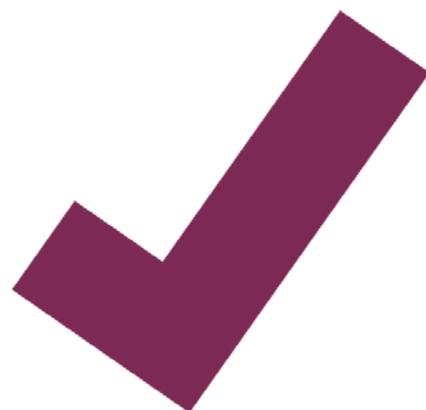


Revised CCG allocations for 2018/19



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1 Policy context

1. This note supports the publication of additional CCG funding allocations and revised target allocations for 2018/19. It should be read in conjunction with the NHS planning refresh guidance and the detailed allocations sheet.
2. As set out in the guidance, the resources available to CCGs will be increased by £1.4 billion. These resources will be made available in the following ways:
 - the requirement for CCGs to underspend 0.5% of their allocations has been lifted for 2018/19, releasing £370 million of CCGs' resources to fund local pressures and transformation priorities;
 - £600 million will be added to CCG allocations for 2018/19 (which otherwise remain unchanged), distributed in proportion to updated target allocations;
 - a new £400 million Commissioner Sustainability Fund (CSF) will be created, to enable CCGs to return to in-year financial balance, whilst supporting and incentivising CCGs to deliver against their financial control totals.

2 Revised CCG allocations

3. Underlying 2018/19 CCG programme allocations are unchanged from those published in January 2016. They have, however, been amended to take account of locally agreed adjustments and transfers and national adjustments for NHS Property Services market rents funding, specialised services identification rules and HRG4+, all of which have already been notified to CCGs.
4. On top of these allocations, CCGs have been allocated an additional £600 million of core programme funding. This has been distributed in proportion to a CCG's fair share of total target allocations. Target allocations have been updated from those published in 2016 to reflect updated GP registered lists and population projections, CCG mergers and other data updates. Additional resource has been provided where necessary to ensure no CCG is more than 5% below its updated target allocation. Annex A to this note provides further explanation of the updates to target allocations.
5. The other areas of additional resource available set out above (the Commissioner Sustainability Fund and the lifting of the requirement to set aside 0.5% of allocations) do not affect the allocations discussed in this document and are not included in the detailed allocations sheet.
6. Other aspects of previously notified allocations have not been changed.
7. These allocations are subject to confirmation by the NHS England Board on Thursday 8 February 2018.
8. Annex B provides a guide to the detailed CCG allocation sheet.

Annex A: Calculation of updated target allocations

This annex describes the changes that have been made in order to calculate revised target allocations for 2018/19. These are used to calculate the distance from target figures in the allocations table, and as the basis for the distribution of new funding now available for 2018/19.

We will shortly publish a set of updated technical spreadsheets to provide more detail on these calculations at CCG level.

Boundary changes and practice transfers between CCGs

Allocations are set for the 195 CCGs expected to be in place from 1 April 2018. This includes planned mergers as well as mergers and boundary changes which have taken place since December 2015.

New population inputs

Changes to population size and the age/gender mix of a CCG's population will affect the results of the allocation formulae. Population data have been updated as follows:

- October 2017 GP registrations form the basis of the target allocations instead of October 2015 registrations.
- October 2017 registered populations are projected forward to 2018/19 using the latest available subnational ONS population projections (2014-based sub-national population projections (SNPP) instead of the 2012-based SNPP).

Updated data

A small number of data updates and improvements have been reflected in the target allocation calculations:

- *Maternity*. The numbers of births, which form a basis of the target shares for maternity services, have been updated from 2014 to 2016 and now use more accurate and complete ONS data.
- *Health inequalities*. Data on early mortality (standardised mortality ratios for those aged under 75, SMR<75) are used in the health inequalities/unmet need adjustment. SMR data at small area (MSOA) level are now available for the years 2011-2015, whereas data for 2008-2012 was used in the previous set of published allocations.
- *Market Forces Factor*. The purchaser provider matrix which feeds into each CCG's MFF index has been updated. The figures remain very similar, with only three CCGs affected at the margins.
- *Expenditure weights*. The expenditure weights, used to assign the shares of each formula within target allocations, have been updated from 14/15 data to 16/17 data and are broadly similar.

Unchanged components

All the allocation formulae used to calculate target shares for CCG core services remain the same.

Where a GP practice has previously been assigned an age-sex related need index, this has been used again in this update. Where a new GP practice has opened since the formulae were developed, the CCG average values have been assigned for that practice.

Annex B: Guide to the technical allocation sheet

2017/18

Column 1 shows the allocation published in January 2016

Column 2 shows the allocation after adjustment for:

- Locally agreed transfers and agreed recurrent funding changes (to month 8)
- HRG4+ adjustments (as published December 2017)
- Specialised identification rules (IR) adjustments (as at month 9)
- NHS Property Services market rents adjustments (programme element only)
- Recurrent transfers for GP access funding are excluded as only those CCGs participating in 2017/18 have received funding, and it would distort the results to include this funding in the distance from target calculations.

Column 3 shows the distance between this adjusted baseline allocation and the target allocation, based on the updated analysis described in Annex A.

Column 4 shows the October 2017 registered population for the CCG.

2018/19

Column 5 shows the CCG programme allocation published in January 2016, and column 6 updates for the set of adjustments listed above.

Column 7 shows the CCG's share of the new funding allocated in this exercise.

Column 8 shows this additional allocation as a proportion of adjusted allocation. This figure varies slightly between CCGs depending on distance from target (the new money is allocated in proportion to target allocation rather than actual allocation).

Column 9 shows the final allocation taking account of the initial allocation, adjustments and new funding.

Columns 10-12 express this allocation and the CCG's resulting funding growth compared to 2017/18 as a percentage growth and on a per capita basis.

Column 13 shows the closing distance from target for 2018/19; an estimate of how close that CCG's funding is to the fair shares formula result on the actual total allocation.

Column 14 shows the estimated registered population assumed for allocation purposes.

Columns 15-16 add back the 2017/18 GP access allocation transfers in order to reconcile to a position including all recurrent adjustments. The reason for their exclusion is described above. This does not include any additional funding for GP access which may be allocated during 2018/19, which will be notified separately in due course.