

Based on current plans set in place before the General Election 2017 the next three years will be financially challenging for CCGs. Rising inflation, along with a growing and ageing population, will see the value of the commissioning pound shrink, whilst funding pressures will increase during this period. CCGs are nevertheless willing and able to continue delivering high-quality care for patients while transforming their local health system for the better. They have always had to make difficult decisions. Below we set out why action is needed to stop these from becoming impossible choices – and why additional funding promised to the NHS in the lead up to the election is needed sooner, not later.



The population is increasing faster and inflation rising higher than the money is currently growing. While on paper the funds allocated to CCGs are going up, the value of the CCG pound is shrinking, meaning what they can get with the money they have diminishes by £330m in 2019/20 when compared to 2016/17.

THE FACTS

From 2017/18 until 2019/20 CCG core allocations are due to increase on average by 2% each year across England.

But when inflation is applied the real terms increase is only 0.6% per year. With adjustments for population growth, the value of the national CCG budget shrinks by 0.48% – or £330m – by 2019/20 compared to 2016/17.

So, while being expected to do more, on average CCGs will have £5.72 less to spend per person in 2019/20 than in 2016/17.

On top of this shrinking value, clinical commissioners are experiencing further direct and indirect funding pressures, including:

- increasing demand for services
- an ageing population with an increase in more complex and long-term conditions
- the impact of changes to NHS tariff prices
- implementing innovative approaches and using new technology
- rising costs of NHS funded nursing care.

WHAT DOES THIS MEAN?

In real terms current spending plans mean CCGs will have less money available per person. They will need to make increasingly tough choices to continue delivering the best possible healthcare locally, while bringing about transformative change.



WHAT NEEDS TO HAPPEN?

Firstly, the additional money promised pre-election must be allocated into CCG budgets in the next two years. This will be a real help – but won't be enough to fully alleviate the pressures or mean that the NHS doesn't need to transform to meet changing population needs.

CCGs are working with others across the health and care system to continue commissioning the right local services. They are determined to meet efficiency targets, deliver on the CCG Improvement and Assessment Framework and continue supporting the delivery of high-quality patient care.

But, to stop the slide from already difficult decisions into impossible choices, clinical commissioners, along with their partners across health and care, need:

- realism about what the NHS can deliver
- support for local decision-making on how to allocate resources, with recognition this will include doing things differently to improve patient care, and optimise cost-effectiveness
- ring-fenced funding for transformation to ensure financial sustainability in the long term.