

Report of Cambridgeshire and Peterborough Clinical Commissioning Group OSC Liaison group.

5th November 2013

1. CCG financial position.

A significant predicted end of year funding shortfall has recently been identified which could have serious consequence. This comes on top of a recent £50 million reduction announced at the beginning of the year which necessitated a 'rebasement exercise' to make the books balance. The CCGs have a statutory duty to break even so theoretically being in deficit at the end of the year could result in Government intervention. There are attempts to try and reduce the deficit through fairly minor things such as:

- Further service savings
- Improvements in prescribing practice
- review of some existing small contracts especially in relation to joint funding
- promotion of payment by results
- review of enforcement of clinical thresholds that trigger hospital interventions

It is unlikely that the gap will be met and the CCG are expecting to have outside support brought in.

Out of about 224 CCGs about 20-30 are in a similar position. Generally these seem to be CCGs which did not hold surpluses and which in quite a few circumstances were managing expensive teaching hospitals in their patches. On top of this we have received less money now that there has been clarity over what the responsibility of the CCG is and what specialist services are to remain with NHS England. There was a grey area between the two which has hit us especially hard because so much specialist provision is made in our region.

A decision will be made in the next couple of weeks about the future 2 years' funding. It is hoped that a move will be made towards 'formula funding' which will serve us better in this region.

Bridget Smith