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To: SHA Directors of Finance in Strategic Health
Authorities in England
Medical Directors in Strategic Health Authorities
in England
Deputy Directors of Finance in Strategic Health
Authorities in England

Cc: Cancer Networks

Interim Cancer Drugs Funding

You will have seen the Secretary of State for Health's announcement on additional in-year funding for the NHS to support improved access to cancer drugs. This funding will be in place from October 2010 and this letter sets out further details to assist you with planning.

The Government has set out its plans to establish a Cancer Drugs Fund from April 2011, as a means of improving patient access to cancer drugs prior to the anticipated reform of arrangements for branded drug pricing from 2014. We will be consulting on proposals for its establishment later this year before confirming final details of the Fund after the Spending Review.

In the interim, £50m has been identified from Department of Health central budgets to support improved access to cancer drugs during 2010/11 in advance of the establishment of the Fund. This funding will be allocated at a regional level, through SHAs.

To assist you with planning, Annex A provides an indication of the likely allocation of resources by SHA region, based on weighted capitation. The precise level of funding for each SHA region will be confirmed before 1 October. Confirmation of the allocations will also detail any monitoring arrangements which may also be put in place.


This in-year funding is over and above that included in PCT allocations and should be used to fund new activity. It should support treatment for patients who have been unable to access a clinically-recommended treatment following consideration by their PCT. A set of principles to guide use of the funding is at Annex B.

You will need to work with Cancer Networks and PCTs in your region to ensure that you have appropriate arrangements in place by October to manage this funding. Decisions on the use of the funding should be made on the advice of a clinically-led panel, considering either funding policies or individual cases as appropriate. This panel should provide a framework for clinicians and commissioners in each SHA to work together to reach agreement on the use of the available funds. Where

arrangements already exist at SHA level it would of course make sense to build on these.

When the proposals for the Cancer Drugs Fund are published for consultation later this year, it would be very helpful to have responses from the NHS so that we can refine the arrangements in light of early experience.

If you have any queries about his letter please contact Margaret Stanton or Gillian Baker in the first instance (Margaret.Stanton@dh.gsi.gov.uk tel. 0113 254 5636 / Gillian.Baker@dh.gsi.gov.uk / tel. 0113 254 6787).

A handwritten signature in black ink that reads "Bruce Keogh." The signature is written in a cursive style and is underlined with a single horizontal stroke.

Sir Bruce Keogh
NHS Medical Director
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ANNEX A – Guidance on distribution of additional resources

Strategic health authorities will need to put in place appropriate arrangements to manage distribution of resources. The following principles should inform this activity:

- This is additional funding for new activity. It is intended to enable individual patients to receive clinically-recommended treatments they have been unable to access following full consideration of funding options by their PCT.
- Existing PCT funding routes should have been adequately explored and exhausted before a call is made on SHA funds. This includes exploring PCT processes for considering individual / exceptional funding requests.
- Arrangements should support timely decision-making, bearing in mind the 31 day cancer treatment standard.
- Decisions on the appropriate use of resources should be made by a clinically-led panel which brings together providers and commissioners.
- The primary focus of the funding is on improving access to cancer drugs, which can include radiopharmaceuticals.
- The Fund is intended to pay for the purchase of medicines - PCTs are expected to meet the associated service costs related to provision of these medicines.
- Decisions on use of this funding for “off-label” use of medicines should form part of the remit of the clinically-led panels at SHA level.

Annex B - indication of the likely allocation of resources by SHA region based on weighted capitation.

SHA	Weighted Capitation Formula (unified weighted population)	
	£ (total £50 Million)	% share (of £50Million)
North East SHA	2.8m	6%
North West SHA	7.4m	15%
Yorkshire and the Humber SHA	5.3m	11%
East Midlands SHA	4.2m	8%
West Midlands SHA	5.4m	11%
East of England SHA	5.2m	10%
London SHA	7.6m	15%
South East Coast SHA	3.9m	8%
South Central SHA	3.4m	7%
South West SHA	4.8m	10%