

Date 10 January 2013

Dear colleague,

We are writing to inform you that today we have published the 2013-14 and 2014-15 ring-fenced grants to local authorities for their public health responsibilities. Announcing allocations for the next two years will provide you with greater certainty of future resources enabling you to plan for initiatives that may be better delivered across more than one year.

This Government has an ambitious vision to help people live longer, healthier and more fulfilling lives, and to improve the health of the most vulnerable fastest. Local leadership is critical to achieving this vision. Supported by your Director of Public Health, you will be the local leader of the new public health system. You are best placed to understand the needs of your community and it will be your responsibility to tackle the wider determinants of health at a local level, putting people's health and wellbeing at the heart of everything you do - from adult social care to transport, housing, planning and environment. The money you receive will allow you to transform the lives of local people through commissioning a wide range of innovative services.

The allocation covers both services mandated through regulation and all other services that you may wish to commission locally. These will be prioritised according to need in your area and we have left it for you to decide what proportion of spending should be devoted to different services. Currently, on average, about one third of spending is connected to mandated services, leaving a significant opportunity to commission services that meet the needs of your population. Services not currently covered by the mandating regulations include obesity, smoking cessation and substance misuse. This is a major opportunity for you to work with local partners, such as the voluntary sector, Police and Crime Commissioners and the private sector, to deliver these critical services resulting in better outcomes for your population.

Despite difficult financial circumstances, we are pleased to inform you that we have been able to provide an above inflation growth representing a major investment in health and the prevention of illness. In each year every local authority will see real terms growth. This is on top of an updated 2012-13 baseline that is now just over £2.5 billion, significantly above the estimate of £2.2 billion that we published in February last year.

You can find the allocations, broken down to individual council, here - <http://www.dh.gov.uk/health/2013/01/public-health-budgets/>

Where egregious errors in the estimated baseline have been noted, or if they become apparent during 2013-14, we will look to local partners to use their commissioning flexibilities to manage the pressure resulting from the mis-allocated resources. If local commissioners can present clear evidence of such an error then we will look at making appropriate adjustments to the 2014-15 allocations.

The allocation is built on the advice of the independent Advisory Committee on Resource Allocation (ACRA). ACRA's interim recommendations went through an intensive engagement during the summer, generating some important changes that we believe will be welcomed by the public health and local government communities.

Attached to this letter is the Grant Circular which sets out the broad context for the reforms and the grant's purpose. Also included is the Grant Determination which contains the Conditions that will govern the use of the grant. This covers both the financial control requirements and the reporting arrangements that will apply to the ring-fenced public health grant from April 2013. In addition, full details of the public health ring-fenced grants, the Grant Circular and reporting conditions can be found on the Department of Health website along with ACRA's final recommendations and supporting papers.

Yours sincerely,



Jeremy Hunt
Secretary of State for Health



Duncan Selbie
CEO, Public Health England