

Appendix 1: Details of how the public health ring-fenced grant is calculated

1. The 2013/14 allocation of the PHRFG for each Local Authority was based on a detailed baseline exercise which established how much their Primary Care Trust had spent on public health in 2012/13, prior to dissolution in April 2013. The baseline figure was then increased by 5.5%, reflecting a national decision to support prevention, in recognition of the need to tackle the rising tide of avoidable ill-health.
2. Accompanying this, a national formula, based on population size and deprivation, was introduced to calculate a target allocation for the PHRFG. Actual allocations of the PHRFG for 2014/15 and 2015/16 were determined by the baseline allocation in 2013/14, adjusted to bring each Local Authority closer to its target allocation. In Worcestershire, our allocation in 2014/15 was £26.5m compared to a target allocation of £21.6m; in 2015/16 our initial allocation was £26.5m.
3. In many areas, adjustments to allocations between Local Authorities and CCGs took place following challenges to the accuracy of baselines. No adjustments were made in Worcestershire, although we did agree to pick up the cost of a small number of NHS services during 2013/14, 2014/15 and into 2015/16 in recognition that funding had been included in the PHRFG. As both PHRFG and CCG allocations have moved away from the 2013/14 baseline towards formula based allocations this arrangement needs to be reviewed as funding within the PHRFG is limited to our public health duties and funding for NHS duties is within CCG allocations.
4. In 2015/16, a new PHRFG Health Premium Incentive scheme has been set up to incentivise high performance on two specific priorities. One is nationally set, and uses the indicator on successful completion of drug treatment. The second is cumulative proportion of the eligible population who received a Health Check. The total national fund available for this performance payment is £5m.