Future challenges in local government: the next five years and beyond

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Local Government in Context

- 353 councils in England
  - 152 with public health duties
  - 201 districts
  - 9,000 town, parish and community councils
- Over 12,000 statutory responsibilities for commissioning and/or delivering over 800 services
- Over 2 million people employed
- £95.5 billion in funding in 2015/16
Local Government finance:

• Local authorities must set a balanced budget
• Councils have had a 40 per cent real terms cut to funding since 2010/11
• 75p in every £1 of core government funding to councils cut by 2020
• In 2015-16 budgeted expenditure by local government was £95.5 billion, a 3.4 per cent decrease from 2014-15
• Councils face an overall £5.8bn funding gap by 2020
• Social care is the largest proportion of spending
• **Public Health** is the fourth largest proportion of LA spending
Budgeted expenditure by councils in 2015/16

- Adult Social Care: 32%
- Children and Families Social Care: 17%
- Highways and Transport: 11%
- Cultural: 6%
- Environmental: 11%
- Housing (excluding Housing Revenue Account): 4%
- Public Health: 8%
- Planning and Development: 3%
- Central services: 7%
- Other services: 1%
Local authority income against expenditure 2010/11 to 2019/20
Source: LGA, Future funding outlook for councils 2019/20, Interim 2015 update
Local Government Spending: Patterns

The chart illustrates the spending per person on various categories from 1997-98 to 2014-15. The categories include:

- Social care
- Transport
- Culture, environment, and planning
- Total

The spending trends show an increase in some categories, particularly transport, during the early 2000s, followed by a peak around 2008-09 and a subsequent decline.
Public Health Funding

– The total public health budgeted spend in 2017/18 is £3.4 billion compared to £3.49 billion budgeted spend in 2016/17 (down 2.4%).
– £531m less to spend on public health services by 2020
– Public health grant: £84 million less in 2017/18. This follows a £77 million reduction in 2016/17 and a £200 million in-year cut in 2015/16.
– PH contribution much more than the mandated services
– Spend on sexual health services £611m in 2016/17 (£644m in 2013/14)
OBR Forecast for Main Sources of Local Government Funding

<table>
<thead>
<tr>
<th>Year</th>
<th>Central Government Grants</th>
<th>Council Tax</th>
<th>Retained Business Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>64%</td>
<td>24%</td>
<td>11%</td>
</tr>
<tr>
<td>2015-16</td>
<td>62%</td>
<td>26%</td>
<td>12%</td>
</tr>
<tr>
<td>2016-17</td>
<td>60%</td>
<td>28%</td>
<td>12%</td>
</tr>
<tr>
<td>2017-18</td>
<td>58%</td>
<td>29%</td>
<td>13%</td>
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<tr>
<td>2018-19</td>
<td>56%</td>
<td>30%</td>
<td>13%</td>
</tr>
<tr>
<td>2019-20</td>
<td>55%</td>
<td>31%</td>
<td>13%</td>
</tr>
<tr>
<td>2020-21</td>
<td>55%</td>
<td>32%</td>
<td>13%</td>
</tr>
</tbody>
</table>

£ billion
Percentage change in budgeted spend between 2016-17 and 2017-18

-20%  -15%  -10%  -5%  0%  5%  10%  15%

- Substance misuse
- Sexual Health Services
- Children 5–19 public health programmes
- Smoking and tobacco
- Obesity
- Physical Activity
- NHS health check programme
- Public health advice to NHS commissioners
- Health protection - Local authority role in...
- National child measurement programme
- Miscellaneous
- Health at work
- Public Mental Health
Key concerns – public health

• Need to be put back on a sustainable financial footing
• Fragility of the provider market
• Workforce recruitment, retention and development
• Integration and efficiencies can only take you so far.
• Importance of prevention within STP
• Uncertainty over the ring-fence and the move to 100% BRR
Key opportunities – public health

- Sustainability of health and social care depends on changing our approach
- We have evidence to support the business case for investing in public health
- Turn rhetoric around prevention and early intervention into reality
- Health improvement must be everyone’s business