Public health funding in 2016/17 and 2017/18
Date: 11 February 2016

Introduction and references

1. This briefing gives the LGA’s views on the public health funding settlement for local authorities.

2. The following are recent key announcements and hyperlinks to accompanying documents:
   a. Public Health Funding Settlement
   b. Letter from Duncan Selbie, Chief Executive, Public Health England
   c. Spending Review announcement

Key Announcements

3. From the 2015/16 baseline of £3,465m (which includes 0-5 commissioning and takes account of the £200m savings) the reductions will be phased in at 2.2% in 16/17, 2.5% in 17/18, 2.6% in each of the two following years, and flat cash in 20/21. This translates into a further cash reduction of 9.7%.

<table>
<thead>
<tr>
<th>Year</th>
<th>England total (£m)</th>
<th>Year-on-year reduction (£m)</th>
<th>Year-on-year reduction (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>3,465</td>
<td>-77</td>
<td>-2.2</td>
</tr>
<tr>
<td>2016/17</td>
<td>3,388</td>
<td>-84</td>
<td>-2.5</td>
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<tr>
<td>2017/18</td>
<td>3,304</td>
<td>-85</td>
<td>-2.6</td>
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<tr>
<td>2018/19</td>
<td>3,219</td>
<td>-85</td>
<td>-2.6</td>
</tr>
<tr>
<td>2019/20</td>
<td>3,134</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020/21</td>
<td>3,134</td>
<td>-331</td>
<td>-9.7</td>
</tr>
<tr>
<td>Full period</td>
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4. As a result, the Government has confirmed that total public health spending in 2016/17 will be set at £3,388m and £3,304m in 2017/18.

5. Government will consult on options to fully fund local authorities’ public health spending from their retained business rates receipts, as part of the move towards 100 per cent business rate retention.

6. The ringfence on public health spending will be maintained until 2016/17 and 2017/18.

7. In their statutory financial returns to Government, councils will be required to report spending on public mental health separately.
LGA View

8. Councils will face significant spending reductions to their public health budget up to 2020/21.

9. It is disappointing that the public health funding announcement is so late. We are now just 6 weeks away from the start of the financial year and only now are councils being formally told how much money is being made available for councils to tackle costly public health issues such as sexual health, drug and alcohol services and obesity. Government must accept that delaying the announcement has made it extremely difficult for councils to plan effectively.

10. We are pleased that the Department of Health has listened to the LGA's call for a longer-term public health settlement, as this will provide councils with a greater level of certainty – although council-level allocations are only available for 2016/17 and 2017/18.

11. We are concerned that reductions to the public health budget will have a significant impact on the essential prevention and health protection services provided by councils. Given that much of the local government public health budget pays for NHS services, including sexual health, drug and alcohol treatment and NHS health checks, this will be a cut to the NHS in all but name.

12. At a time when the Government has issued its firm commitment to the NHS Five Year Forward View, with prevention put very much at its heart, to make significant cuts to the public health budget over the next five years sends entirely the wrong message and could undermine the objectives we all share to improve the public's health and to keep pressure off the NHS and Adult Social Care.

13. To put this in context, public health funding will be cut by 9.7 per cent by 2020/21 in cash terms of £331 million, on top of the £200 million cut in-year for 2015/16 announced in November 2015.

14. It is crucial that councils are given a free hand in how best to find the savings locally and we would seek government’s reassurance on this point. Anything less, will make the task of finding the reductions more difficult. Councils are best placed to decide how reduced resources should be used to meet our public health ambitions locally.

15. It is vitally important that this dialogue continues to address challenges which arise over the coming months and years, and to secure sufficient ongoing funding to ensure all local authorities can continue to meet their new public health responsibilities beyond 2015/16.

16. We have concerns about the new data reporting requirement regarding four additional reporting lines. These are the sixth new headlines to be added to the data returns over recent months. There is significant potential for data creep to set in, with additional administrative cost to councils to provide information that might be too granular for strategic purposes.