FSRH submission to the Department of Communities and Local Government’s Consultation: 100% Business Rates Retention. Further consultation on the design of the reformed system

FSRH welcomes the opportunity to respond to this consultation on the design of the reformed Business Rate Retention system. The Faculty of Sexual and Reproductive Healthcare (FSRH) is the largest UK professional membership organisation working at the heart of sexual and reproductive health (SRH), supporting healthcare professionals to deliver high quality care, including contraception.

We provide national qualifications in sexual and reproductive healthcare, standards and evidence-based clinical guidance to improve sexual and reproductive healthcare in the UK in whatever setting it is delivered.

In its capacity as a sexual and reproductive healthcare organisation, FSRH will be considering the proposals for 100% business rate retention in so far as it will impact on the distribution of public health budgets and the delivery of public health interventions, including sexual and reproductive healthcare.

Summary
- FSRH believes that funding public health through retained business rates risks compounding health inequalities, negatively impacting on the success of well-established public health strategies.
- FSRH welcomes the emphasis throughout the consultation document on designing a business rate retention system that attempts to balance growth whilst addressing unmet local needs.
- FSRH believes that if the Government implements its proposal to devolve the Public Health Grant, redistribution of local rates to meet changing health needs should always take priority over rewarding growth of individual local authorities.
- FSRH also believes that this document fails to sufficiently acknowledge that the Public Health Grant, which under these proposals will be funded from 100% business rate retention, should be prioritised as a cost-effective, fundamental healthcare spend that includes responsibility for clinical services
- FSRH urges the Government to treat public health in the same way as NHS-funded interventions and, as such, afford the public health grant the same priority.

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Question 1: What are your views on the proposed approach to partial resets?

FSRH believes that funding public health through retained business rates risks compounding health inequalities, increasing pressure on the NHS, including its long-term sustainability, and negatively impacting on the success of well-established public health strategies. However, FSRH welcomes the partial resets proposal with a view to finding the right balance between redistributing rates to meet changing relative need while using the system to provide an incentive for longer term growth. As it stands, the proposal to recalculate business rates at the point of reset, which allows a share of the growth achieved by an authority to be retained, is likely to incentivise growth. The remaining share of growth which would go back into a “redistributable pot”, as well as the reset of baseline funding levels that takes into account an updated assessment of relative need, are steps towards recognising and addressing the significant risk that business rate retention poses to local health outcomes due to variance in local tax yield.

Nevertheless, FSRH believes that if the Government implements its proposal to dissolve the Public Health Grant, redistribution of local rates to meet changing health needs should always take priority over rewarding growth of individual local authorities. In this scenario, FSRH would argue that the system should be reset, in full, on a fixed basis, so as to ensure certainty of healthcare funding for local authorities and avoid restricted service delivery of core public health services. Bearing this in mind, FSRH urges the Government to treat public health in the same way as NHS-funded interventions and, as such, afford the public health grant the same level of protection.

To ensure public health investment, FSRH believes the Government should mandate local authorities to allocate a set amount of their retained local taxes on public health interventions following a local public health needs assessment of public health outcomes and indicators. This mechanism would not only ensure certainty of funding that is in line with anticipated health need, but also allow national bodies to scrutinise local spending on, and the commissioning, of public health services, holding local authorities to account for their public health spend.

In sum, whilst FSRH acknowledges that this consultation does propose equalising mechanisms to address relative need, we believe that devolving the Public Health Grant and transitioning to a funding mechanism that will naturally deliver variance of yield between localities is not conducive to ensuring the stability of the healthcare system or the ‘radical upgrade in prevention and public health’ that is set out as a core pillar of the NHS Five Year Forward View. Instead, we believe this funding mechanism risks disadvantaging socio-economically deprived areas whose relative need may grow faster than local tax resource, further compounding health inequalities.

Finally, in terms of sexual and reproductive healthcare, access to contraceptive information and services is a key right rooted in basic human rights. Therefore, redistributing funding to meet changing sexual and reproductive healthcare need and ensuring that local authorities have sufficient funds to deliver essential sexual and reproductive healthcare services must always take priority over considerations of rewarding growth. Applying a human rights-based approach to the provision of contraceptive services facilitates the

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2 World Health Organization (2014) Ensuring human rights in the provision of contraceptive information and services: guidance and recommendations Available at: http://apps.who.int/iris/bitstream/10665/102539/1/9789241506748_eng.pdf?ua=1
fulfilment of obligations by the State and promotes the full realisation of women’s fundamental rights.

**Question 3: What are your views on the Government’s plans for pooling and local growth zones under the 100% Business Rates Retention System?**

While the current pooling system is set up to achieve greater economic growth for an area, it can also compound health inequalities when local authorities are perceived to be high risk and excluded from the pools. Therefore, FSRH welcome the proposal for the Secretary of State to stipulate working partnerships/pooling between local authorities where appropriate.

Further, FSRH believes that there is an opportunity for central Government to promote good practice and establish that any growth in pools be used on public health interventions which have been shown to be cost effective, including contraception. This is an important consideration given that the proposed local growth zones- as a new reward for local authorities outside of the reset system- might further compound income inequality across local authorities and pools. This is especially true when such local growth zones are framed as an “opportunity” for local authorities to be responsible for their own “growth-related financial decisions”, thereby removing central Government’s responsibility for investing and acting as an equalising arbitrator of income flux to local authorities.

FSRH is also concerned that in removing protected funding for public health, the Government risks allowing the allocation of funds for public health interventions to be determined by the appetite of individuals at a local level, ultimately risking the politicisation of funding for public health. This poses a significant risk for sexual and reproductive healthcare interventions in particular, which often divide personal opinion and can sometimes be seen as a politically unpalatable agenda to support. Therefore, in order to ensure adequate funding for public health interventions, FSRH urges the Government to continue to protect the levels of expenditure on public health.