FSRH submission to the Department for Communities and Local Government’s Fair Funding Review: Call for evidence on Needs and Redistribution.

FSRH welcomes the opportunity to respond to the Fair Funding Review.

The Faculty of Sexual and Reproductive Healthcare (FSRH) is the representative body for over 15,000 doctors and nurses working in sexual and reproductive healthcare, supporting healthcare professionals to deliver high quality care including contraception. We provide national qualifications in sexual and reproductive healthcare, clinical standards and evidence-based clinical guidance to improve sexual and reproductive healthcare for the UK in whatever setting it is delivered.

Ultimately, FSRH urges the Government to treat public health in the same way as NHS interventions and recognise the significant risk that business rate retention poses to local health outcomes due to variance in local tax yield. FSRH believes that, as a vital healthcare spend, the Public Health Grant should not be funded by 100% business rate retention.

However, in the event that the public health grant is replaced by 100% business rate retention, FSRH would like to take this opportunity to outline its views on how best to measure relative need in public health and SRH to ensure equitable distribution of funding.

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**Question 3: Should expenditure based regression continue to be used to assess councils’ future funding needs?**

FSRH believes expenditure based regression should not be used to assess the relative need of councils and determine their future funding. Previous patterns of spending on services are not necessarily indicative of actual need or unmet need.

In terms of determining council’s future public health funding, expenditure based regression risks compounding health inequalities by effectively capping budgets. Under this formula, local authorities with the least income will not receive sufficient funds to address existing health inequalities as their funding will remain at the same level as previous years. In light of this, FSRH would like to underline that the Health and Social Care Act (2012) enshrined in legislation specific duties for those commissioning health services (e.g. local authorities) with regard to working to reduce health inequalities. Consequently, expenditure-based regression can be seen as a formula that could prevent local authorities with previously low public health spending from carrying out their mandated duties to reduce health inequalities.

In addition, relying on expenditure-based regression to assess future public health funding need, risks overlooking the crucial fact that £200million was cut from the public health budget in 2015, with a year-on-year cut of 3.9% expected each year until 2020. FSRH recommends a full assessment of the impact of these cuts on health outcomes before adoption of an expenditure-based regression formula.

To ensure equitable distribution of funding, FSRH believes that councils’ future public health funding needs, should be calculated using the non-expenditure-based regression formula - where indicators of need are calculated using key service and outcome statistics including rates of unwanted pregnancy. To ensure that relative public health need is adequately assessed in the context of ongoing public health cuts, FSRH urges the Government to use data collection from 2016 onwards to inform their assessments, so as to accurately capture current public health need following cuts to service spending. Details of the measures we believe should be used to inform a non-expenditure-based regression formula are outlined in our response to Question 4.

**Question 4: What other measures besides councils’ spending on services should we consider as a measure of their need to spend?**

FSRH believes that an area's position on the Index of Multiple Deprivation should be used as a key indicator of public funding health need as it is widely recognised that health outcomes generally worsen in line with socio-economic disadvantage. In addition, the Public Health Outcomes Framework presents a robust measure of public health outcomes across different localities, and will provide a good indication of actual and unmet relative need that must be addressed with future funding calculations.

In terms of assessing a councils’ need to spend on sexual and reproductive health services, FSRH believes Public Health England’s Sexual Health Health Profiles should be used to inform assessments of relative and unmet need. This tool monitors sexual and reproductive health outcomes from across England, by locality and is able to statistically benchmark areas against the rest of England, clearly indicating relative unmet need for sexual and reproductive healthcare and in turn the need for future funding.

**Question 8: Should we allow significant step-changes in local authorities' funding following the needs assessment?**

If, as the consultation document proposes, 100% business retention is implemented by the end of this Parliament, FSRH believes the public health ringfence should be protected until
this point and phased out in order to avoid the risk of reductions to socio-economically deprived areas and the negative impact on health outcomes/equalities this may cause.

In addition, once 100% business rate retention is implemented, FSRH believes there should be a system of floors and ceilings to protect the provision of public health interventions, which ensures that no local authority can see their funding fall by more than a set percentage each year.

**Conclusion**

Fundamentally, FSRH believes that public health should not be funded by 100% business rate retention and that the Government should ensure public health funding, akin to the protection it affords the NHS budget.

However, if 100% business rate retention is implemented at the end of this Parliament as proposed, it is paramount that expenditure-based regression is not used to assess the relative public health need of councils and determine their future funding. Instead, funding should be determined by a non-expenditure regression formula that duly considers indicators of relative need such as key service and outcomes statistics (i.e. those which are provided through the Index of Multiple Deprivation, Public Health Outcomes Framework and PHE’s Sexual Health Profiles).

Until the implementation of 100% business rate retention, FSRH believes that the Government should retain the public health ring fence and phase the ring fence out gradually, with a system of floors and ceilings to diminish its potential negative impact on health outcomes and equality.