FSRH submission to the Department of Communities and Local Government’s Consultation: Self-sufficient local government: 100% Business Rate Retention

FSRH welcomes the opportunity to respond to this consultation on proposed 100% Business Rate Retention.

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.

Whilst FSRH acknowledges the broad scope of this consultation, in its capacity as a speciality sexual and reproductive healthcare (SRH) 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 vital public health interventions, including sexual and reproductive healthcare.

Ultimately, FSRH urges the Government to see public health through the same healthcare lens 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. In order to promote health equity, NHS sustainability and enable local governments to carry out their mandated public health duties whilst achieving self-sufficiency, the Public Health Grant must be afforded the same protection as the NHS budget.

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Summary of Recommendations

- The public health budget should not be funded by retained business rates FSRH strongly believes that the public health budget, as an integral healthcare spend, should be afforded the same Government protection and central control as NHS spending.

- 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.

- 100% business rate retention would confuse the lines of local and national accountability for public health, particularly impacting on the mandate for Public Health England.

- FSRH recommends that, in the event of 100% business rate retention, the Government should produce a clear accountability structure in which the responsibilities for all key national and local bodies are set out.

- FSRH urges the Government to mandate all local authorities to allocate a set amount of their retained taxes for public health to ensure that the provision of public health interventions remains in line with local need.
Question 1: Which of these identified grants/responsibilities do you think are the best candidates to be funded from retained business rates?

Fundamentally, FSRH believes that the Public Health Grant must not be funded by 100% business rate retention. We believe that in order to tailor local government funding to adequately meet varying local health need across England, the Public Health budget should be centrally controlled and afforded parity of esteem as a vital healthcare spend that is afforded the same protection as the NHS budget.

Compounding health inequalities

Whilst FSRH acknowledges that this consultation does propose equalising mechanisms to address relative need i.e. system resets and a safety net, 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 in 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.

In terms of SRH, the recent third National Survey of Sexual Attitudes and Lifestyles (Natsal-3)\(^1\) demonstrates that there are strong associations between unplanned pregnancy and women from socio-economically deprived backgrounds, as well as women with low educational attainment, depression and potentially harmful health behaviours, which are characteristics typically associated with women pertaining to this demographic. In light of this clear link between socio-economic deprivation and the increased prevalence of intended pregnancy, FSRH is concerned that 100% business rate retention risks increasing this trend by restricting funding for SRH interventions in areas with an existing high unmet need for contraception.

NHS Sustainability and financial efficiencies

Funding local public health budgets through 100% business rate retention means that health spend may be determined by local affluence as opposed to anticipated health need. This risks exaggerating unmet public health need and may lead to higher future treatment costs.

In this sense, the move to business rate retention as a funding model for public health does not support the Government’s widely cited desire shift to new models of care focussed on prevention rather than demand. Nor does this funding model take heed of the Health Select Committee’s recent recommendation that the Government must commit to protecting funding for public health as reductions and variations equate to a false economy.\(^2,3\) Rather, funding public health through business rate retention risks perpetuating the demand for treatment and increasing long-term pressures on NHS resources and sustainability.

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1. Natsal-3 is one of the world’s most comprehensive scientific studies of sexual behaviour in which 15,000 adults aged 16-74 years participated in interviews between September 2010 and August 2011
3. In this report, the Health Select Committee sets out as its first recommendation that: “40. Cuts to public health are a false economy. The Government must commit to protecting funding for public health. Not to do so will have negative consequences for current and 17 ADPH, Impact of funding reductions on public health, February 2016 Public health post–2013 25 future generations and risks widening health inequalities. Further cuts to public health will also threaten the future sustainability of NHS services if we fail to manage demand from preventable ill health.”
In the context of sexual and reproductive healthcare, FPA’s report *Unprotected Nation 2015*[^4], which estimates the financial and economic impacts of restricted sexual and reproductive health services, forecasts grave cost implications for the NHS if unintended pregnancies increase. If current access to contraception worsens, over the 2015-2020 period the expected increase in healthcare expenditure is estimated to amount to an additional £1.178 billion in health service costs. This figure only spans the maternity service costs associated with unintended pregnancy (abortion, miscarriage, still births, live births), not taking into account future health costs associated with maternal and child health outcomes. This snapshot succinctly illustrates the way in which SRH funding, and that of other proven public health interventions, must be protected and not opened up to variance.

**Risking the longevity of public health successes**

FSRH believes that removing protection for public health funding threatens the long term impact and continued successes of well-established public health strategies. FSRH is concerned that unprotected public health funding will necessitate a de-prioritisation of funding for contraception, which risks undoing the success of the Teenage Pregnancy Strategy[^5]. The Government has, justifiably, widely celebrated the Teenage Pregnancy Strategy, its 51% reduction in teenage conceptions over 16 years, the continued year-on-year decrease in teenage conception rates and its adoption by the WHO as a global blue print. In this context, FSRH urges the Government to continue to protect public health funding to maintain and improve upon this downward trend in teenage conception rates.

**Wider value for local government**

Likewise, funding that meets local demand for public health interventions has a wider role in facilitating self-sufficiency across local government by avoiding increased public expenditure and freeing up resources that can be invested in other areas.

For example, it is estimated that if current levels of provision of, and access to, contraception are maintained, unintended pregnancy is expected to cost the UK’s social welfare, housing benefits and education budgets between £113 billion and £203 billion over the 2015-2020 period.[^6] This figure does not take into account cuts to the public health budget, which are likely to restrict access to contraception and may increase the rate of unintended pregnancy, in turn increasing public spend, particularly to the welfare budget.

In addition, evidence suggests that health, educational and financial outcomes for teenage mothers, young fathers and their children are far worse than for young people who do not have unintended pregnancy. For example, Public Health England’s *Framework for supporting teenage mothers and young fathers* illustrates that children born to teenage mothers have a 63% higher risk of living in poverty; men who were young fathers are twice as likely to be unemployed at 30; and teenage mothers have higher rates of poor mental health for up to 3 years after an unintended pregnancy.[^7] Local governments have to


increase their public expenditure in areas such as employment, mental health, and welfare, to address these worsened outcomes. Yet, if funding in prevention were stabilised and protected, local governments could avoid incurring many of these wider societal costs.

Local Authority Public Health Functions

Many local authorities are used to thinking innovatively to get more for less in a climate of austerity while working hard to fulfil their duties as set out in the Local Authorities Public Health Functions Regulations - maximising the wellbeing of the people in their locality and making improvements to public health. However, funding local public health budgets through 100% business rate retention risks variations and reductions in public health funding in a way that may prevent local authorities from exercising their legal duty to take necessary steps to improve local public health.

Further, a 2014 BMJ report Raiding the public health budget found that, a year into devolved public health responsibilities, some local authorities had been diverting public health funds to plug gaps in wider council services. In light of this, FSRH is concerned that without the protection of the public health ringfence, this trend will be given more scope to continue, allowing local authorities to divert funding away from key public health interventions as there will be no clear lines of accountability in terms of the allocation of funds for public health.

Politicism of funding

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 and centrally control the public health budget.

National leadership confusion

Further, as the recent Health Select Committee report Public Health Post-2013 highlights, at present there is confusion over the national system leadership of public health, with concerns over who does what in respect to the main health system leaders not least with regards to the Department of Health, Public Health England, and NHS England. FSRH believes that funding public health through business rate retention will further compound this situation by increasing the confusion surrounding the national function of PHE. Business rate retention would mean that PHE is no longer the accountable body in charge of distributing the public health grant. This would therefore necessitate a review of PHE’s mandate and supervisory roll over local authorities and public health as a whole.

Question 2: Do you agree we should fix reset periods for the system?

If the Government implements its proposal to devolve the Public Health Grant, FSRH believes that the system should be reset, in full, on a fixed basis in order to ensure certainty of healthcare funding for local authorities and avoid restricted service delivery of core public health services.

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8 BMJ (2014) Raiding the public health budget Available at: http://dx.doi.org/10.1136/bmj.g2274
Question 3: What is the right balance between rewarding growth and redistributing to meet changing need?
FSRH believes that if the Government implements its proposal to devolve the Public Health Grant, redistribution of local taxes to meet changing health need should always take priority over rewarding growth of individual local authorities. With this in mind, FSRH urges the Government to see public health through the same healthcare lens as it sees NHS funded interventions and, as such, afford the public health budget the same amount of protection by prioritising changes in relative health need.

Further, in terms of sexual and reproductive healthcare, access to contraceptive information and services is a fundamental human right, rooted in basic human rights protections9,10. 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.

Question 32: Do you have any views on how to increase certainty and strengthen local accountability for councils in setting their budgets?
If the Government funds public health through retained business rates, to ensure certainty of public health funding 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. 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.

Question 33: Do you have views on where the balance between national and local accountability should fall, and how best to minimise any overlaps in accountability?
As discussed in our response to Question 1, the implementation of 100% business rate retention will further confuse where local and national accountability lies for public health spending. FSRH believes that funding public health through business rate retention will compound an already confused situation11 by increasing the uncertainty surrounding the national function of PHE. Business rate retention would mean that PHE is no longer the accountable body in charge of distributing the public health grant and that local authorities are no longer obligated to spend an allocated amount on public health. This would therefore necessitate a review of PHE’s mandate and supervisory roll over local authorities and where the accountability for public health lies as a whole.

To minimise these perceived overlaps and gaps in accountability, the Government must produce a clear accountability structure in which the responsibilities for all key national and local bodies in regards to public health are set out.

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10 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
11 The APPG on Sexual & Reproductive Health found in its 2015 report, Breaking down the barriers that lines of accountability in the public health system “have never been clearly set out. This has led to a lack of proper oversight of the quality and outcomes delivered by commissioners”. http://www.fpa.org.uk/sites/default/files/breaking-down-the-barriers-exec-summary-appg-srhuk.pdf
**Conclusion**

FSRH believes that funding responsibilities for the Public Health Grant should not be funded by 100% business rate retention. Ultimately, funding public health, a vital healthcare spend, through 100% business retention risks a variance in yield that would not only negatively impact on health inequalities, but also NHS sustainability, local government financial efficiency and public health duties, as well as national leadership of the public health system as a whole.

If the Government implements its proposal to devolve the Public Health Grant, FSRH believes that the Government must prioritise the redistribution of funds to meet changing health needs and that the system should be reset, in full, on a fixed basis in order to ensure certainty of healthcare funding for local authorities.