



The Association of Directors of Public Health

Business Rates Reform fair funding review: call for evidence on needs and redistribution: ADPH Response

Question 1: What is your view on the balance between simple and complex funding formulae?

ADPH believes that meeting the needs of the local population is of principal importance and so would favour a formula that would do this and so would be likely to be more complex.

Question 2: Are there particular services for which a more detailed formula approach is needed, and – if so – what are these services?

Public health services and programmes have particular needs which will depend on demography and deprivation but also on issues such as population and patient flows and rurality. Considerable work has already been undertaken to look at these needs through ACRA and an updated funding formula has already been drawn up. Whilst the latest ACRA formula has yet to be implemented the work already done will be helpful in addressing these specific public health issues.

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

A more sophisticated approach, based less on past expenditure, would be useful. It is important to have a proper needs based formula to define the regression; the principal concern is that this is needs based.

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

The principal concern should be the level of need based on criteria such as deprivation and demography.

Question 5: What other statistical techniques besides those mentioned above should be considered for arriving at the formulae for distributing funding?

Tools have been developed and used within health services planning, e.g. ACRA.

Question 6: What other considerations should we keep in mind when measuring the relative need of authorities?

There may be particular circumstances relating to the delivery of services such as rurality or the particular flow of people to use services in large urban areas. The nature of health services, which could be included within BRR, means that there is considerable movement between council areas.

Question 7: What is your view on how we should take into account the growth in local taxes since 2013-14?

The approach should be consistent with future treatment of retained business rates and it may be helpful for some growth to be kept and some included in the overall allocation.

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

Changes should not be of an extent that would put the health of the public at risk.

Question 9: If not, what are your views on how we should transition to the new distribution of funding?

There should be a pace of change to a new distribution which should be of a level that does not lead to sudden cuts, but that reaches new allocation within a realistic and scheduled timescale. ADPH would support growth in funding towards target; as was the position in the first two years of transition to local government.

Question 10: What are your views on a local government finance system that assessed need and distributed funding at a larger geographical area than the current system – for example, at the Combined Authority level?

This could be appropriate, but it may be difficult both technically and politically for allocation to be done at a local level and it may not be the best way to meet local needs.

Question 11: How should we decide the composition of these areas if we were to introduce such a system?

No comment from ADPH.

Question 12: What other considerations would we need to keep in mind if we were to introduce such a system?

Sharing resources across different agencies may be just as important, or more important than local government resources across boundaries and consideration should be given to how allocations can be linked across organisations, especially the NHS.

Question 13: What behaviours should the reformed local government finance system incentivise?

There are opportunities in the reforms to improve the health of the population through incentivising health outcomes. Investment in the common good and wellbeing of the local community, regardless of the budget from which funding comes, and promotion of health-creating environments could provide a step change in health.

Question 14: How can we build these incentives in to the assessment of councils' funding needs?

There could be funding incentives for pooled budgets and for specific outcomes.

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