



The Association of Directors of Public Health

Self-sufficient local government: 100% Business Rates Retention: ADPH Response

Question 1: Which of these identified grants / responsibilities do you think are the best candidates to be funded from retained business rates?

ADPH would like to see any changes in grants and responsibilities take account of the need to improve health and reduce health inequalities for the long term social and economic benefit of the country. There would be a concern for the transfer of any funding where there was a significant risk of funding reduction, especially with the potential to harm the health and wellbeing of the most vulnerable in society. We would like to see an assurance mechanism in place (should the Public Health Grant be included within retained business rates) to ensure public health outcomes are at least maintained if not improved. There is a danger that the urgent takes precedent over the important and investment in prevention is reduced. Most of the Public Health Grant is used to fund direct health and wellbeing services such as those for drug and alcohol treatment and sexual health. These services are often provided by NHS Trusts and NHS independent contractors. They will be seen by the public as health services and any cuts to these services as a reduction in the NHS offer. There is a risk that moving the Public Health funding stream away from the Department of Health to business rate retention further distances the services from other health services and reduces the possibilities for shared financial arrangements. While economic growth does need a healthy workforce, the need for the services for which the Public Health Grant is principally used is not directly linked with economic growth and indeed a decline in the local economy and local business rates is likely to lead to a greater need for services. The rationale for including the Public Health Grant within business rate retention has not been clearly explained nor the potential benefits adequately articulated.

Question 2: Are there other grants / responsibilities that you consider should be devolved instead of or alongside those identified above?

No, but ADPH would support suggestions where it is believed health and wellbeing could be improved through transfer. In addition, an overall move to pooling of budgets across sectors including the health sector and the further development of place based budgeting would be welcome.

Question 3: Do you have any views on the range of associated budgets that could be pooled at the Combined Authority level?

There are some services, such as sexual health, that can be pooled at a higher level based on catchment areas

Question 4: Do you have views on whether some or all of the commitments in existing and future deals could be funded through retained business rates?

No

Question 5: Do you agree that we should continue with the new burdens doctrine post- 2020?

Implementation of the New Burdens doctrine is an important financial safeguard for local budgets and this should continue.

Question 6: Do you agree that we should fix reset periods for the system?

It is vital that there is a reset within the system in order to protect services in areas with less economic growth or a local decline. For public health services this is especially important since the need for

public health intervention is likely to be highest where growth is lowest. In addition to resets there should be robust mechanism to protect areas which experience a sudden decline.

Question 7: What is the right balance in the system between rewarding growth and redistributing to meet changing need?

Since the links between public health activity and increased economic growth are limited, ADPH believes that public health funding should be redistributed based primarily on the basis of meeting need. In terms of resetting it is also important to maintain the continuity of services that may face difficulties with sudden reductions in funding.

Question 8: Having regard to the balance between rewarding growth and protecting authorities with declining resources, how would you like to see a partial reset work?

A partial reset would need to take into account local public health needs and how these have changed over time and also continue to fund services that have developed through growth. ADPH would support a reset that incorporated the principles of a needs based allocation and allocated elements of the redistribution specifically on health needs.

Question 9: Is the current system of tariffs and top-ups the right one for redistribution between local authorities?

A redistribution system needs to be put in place that is based on need and in regard to specific public health spending takes issues such as a needs based formula into account.

Question 10: Should we continue to adjust retained incomes for individual local authorities to cancel out the effect of future revaluations?

Yes, that would be a fair approach.

Question 11: Should Mayoral Combined Authority areas have the opportunity to be given additional powers and incentives, as set out above?

This could be potentially beneficial, but areas without a combined authority elected mayor would potentially be missing out on this opportunity.

Question 12: What has your experience been of the tier splits under the current 50% rates retention scheme? What changes would you want to see under 100% rates retention system?

ADPH has no comment on past experience, but in the future it would be important to get the correct balance for services delivered at different tiers. While the Public Health Grant goes to top tier authorities, many activities to promote public health are best undertaken at a district level in two-tier areas.

Question 13: Do you consider that fire funding should be removed from the business rates retention scheme and what might be the advantages and disadvantages of this approach?

ADPH would want a similar approach taken to fire and rescue services as other services

Question 14: What are your views on how we could further incentivise growth under a 100% retention scheme? Are there additional incentives for growth that we should consider?

ADPH has no view on this.

Question 15: Would it be helpful to move some of the 'riskier' hereditaments off local lists? If so, what type of hereditaments should be moved?

ADPH has no view on this.

Question 16: Would you support the idea of introducing area level lists in Combined Authority areas? If so, what type of properties could sit on these lists, and how should income be used? Could this approach work for other authorities?

No comment from ADPH.

Question 17: At what level should risk associated with successful business rates appeals be managed? Do you have a preference for local, area (including Combined Authority), or national level (across all local authorities) management as set out in the options above?

No comment from ADPH.

Question 18: What would help your local authority better manage risks associated with successful business rates appeals?

No comment from ADPH.

Question 19: Would pooling risk, including a pool-area safety net, be attractive to local authorities?

Pooling risk would be potentially attractive.

Question 20: What level of income protection should a system aim to provide? Should this be nationally set, or defined at area levels?

The level should be high enough to avoid threat to important services.

Question 21: What are your views on which authority should be able to reduce the multiplier and how the costs should be met?

No comment from ADPH.

Question 22: What are your views on the interaction between the power to reduce the multiplier and the local discount powers?

No comment from ADPH.

Question 23: What are your views on increasing the multiplier after a reduction?

No comment from ADPH.

Question 24: Do you have views on the above issues or on any other aspects of the power to reduce the multiplier?

No comment from ADPH.

Question 25: What are your views on what flexibility levying authorities should have to set a rateable value threshold for the levy?

No comment from ADPH.

Question 26: What are your views on how the infrastructure levy should interact with existing BRS powers?

No comment from ADPH.

Question 27: What are your views on the process for obtaining approval for a levy from the LEP?

No comment from ADPH.

Question 28: What are your views on arrangements for the duration and review of levies?

No comment from ADPH.

Question 29: What are your views on how infrastructure should be defined for the purposes of the levy?

Preventative initiatives share many features with infrastructure projects in terms of initial costs and potentially delayed benefits. ADPH would like to see infrastructure extended to include prevention.

Question 30: What are your views on charging multiple levies, or using a single levy to fund multiple infrastructure projects?

No comment from ADPH.

Question 31: Do you have views on the above issues or on any other aspects of the power to introduce an infrastructure levy?

As in the answer to Q29, it would be helpful to change the definition of infrastructure to include preventative initiatives.

Question 32: Do you have any views on how to increase certainty and strengthen local accountability for councils in setting their budgets?

No comment from ADPH.

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?

Currently the funding and accountability for public health programmes comes through Public Health England (PHE). The role of PHE in any future accountability arrangements will need to be considered and clearly defined as part of any transition of the Public Health Grant. Whilst decisions on priorities should be made at local level the impact of some local decisions could have a detrimental effect on the health of the population at national level. It will therefore be important to consider whether some public health programmes should remain mandated (as now) and if so what accountability arrangements should be in place to support these. ADPH would support a review of mandation to include other appropriate assurance mechanisms to ensure there was the right balance between assurance and local flexibility.

Where programmes are not mandated PHE will still have a legitimate role in protecting and improving health outcomes and this balance of accountability without management or ability to influence funding will need to be clearly defined.

Question 34: Do you have views on whether the requirement to prepare a Collection Fund Account should remain in the new system?

No comment from ADPH.

Question 35: Do you have views on how the calculation of a balanced budget may be altered to be better aligned with the way local authorities run their business?

No comment from ADPH.

Question 36: Do you have views on how the Business Rates data collection activities may be altered to collect and record information in a more timely and transparent manner?

No comment from ADPH.

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