



The Association of Directors of Public Health

100% Business Rates Retention: Further consultation on the design of the reformed system

The Association of Directors of Public Health (ADPH) is the representative body for Directors of Public Health (DPH) in the UK. It seeks to improve and protect the health of the population through collating and presenting the views of DsPH; advising on public health policy and legislation at a local, regional, national and international level; facilitating a support network for DsPH; and providing opportunities for DsPH to develop professional practice.

The Association has a rich heritage, its origins dating back 160 years. It is a collaborative organisation working in partnership with others to maximise the voice for public health.

Introduction

ADPH welcomes the opportunity to respond to this consultation on the design of the reformed business rates system. We support in principle the move towards Business Rate Retention (BRR) and that public health funding will be absorbed into this system with the ring-fence removed.

We would stress the importance of continued and increased investment in public health whatever the system may look like, as has recently been recommended by Select Committees of both the House of Commons and House of Lords. Whilst our members are split over the efficacy of the ring-fence, they are united in their concerns that what replaces it should enable public health to be funded appropriately so that local authorities can properly carry out their duty to improve and protect their population's health.

Removal of the ring-fence may help Directors of Public Health to influence the whole of a local authority's spending to better the public's health, and help us to move towards health in all policies. There is an opportunity for public health in the new system to help drive the inclusive growth agenda, establish better links with businesses and local employers and position itself as a key partner in activities centred around regeneration and local growth. However, there are still many issues and questions surrounding the design of the new system that it is important to address imminently. This consultation is a narrow exercise which does not ask the questions that are most important for Directors of Public Health, such as those related to the potential impact on health inequalities.

Areas that have a lesser capability to raise business rates incomes, such as rural areas and areas with lower rates of economic growth, will be put at risk of reduced public health funding when the likelihood is that they will have greater public health needs due to the income inequalities experienced by their populations. Progress is not being made in tackling health inequalities and it is hard to see how the move to the new system will trigger this progress. In the ten years between 1999-2003, and 2009-2013, there was little change in the difference in life expectancy between the most and least deprived areas in England.¹ We are concerned that the implementation of 100% BRR may have a

¹Office for National Statistics, 'Inequality in Health and Life Expectancies within Upper Tier Local Authorities: 2009 to 2013', November 2015

<http://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/bulletins/inequalityinhealthandlifeexpectancieswithinuppertierlocalauthorities/2009to2013>



negative impact upon investment in prevention, which is key if the government is to make a reality the vision laid out in the NHS Five Year Forward View.

There is also a need for clarity around the government's approach to mandation of public health services and how this will enable the functionality of the reformed system. ADPH feels it is vital that a full review of mandated services is carried out as soon as possible. Key to this review should be collaboration to design a new assurance mechanism for public health that is fit for purpose. It may be necessary to adjust the Public Health Outcomes Framework to align with the reformed system.

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

Regular resets are important for protecting services in those areas with lower rates of economic growth or which have suffered a decline in revenue from business rates over the previous period. It is vital that resources for public health are aligned to need rather than the ability to generate business rates. Resets should consider the public health needs of the local population and how these may have changed over time considering not just economic prosperity in an area but population growth or decline and the demographics of the area e.g. the age of residents. The recent ACRA formula should be used to support the setting of appropriate targets.

Members have commented that their preference would be for 3 year reset periods, which would help to mitigate risks due to changes between reset periods.

2. What are your views on how we should measure growth in business rates income over a reset period?

ADPH has no view on how growth should be measured.

3. What are your views on the government's plans for pooling and local growth zones under the 100% Business Rates Retention system?

There are clear advantages to cross-boundary working in public health and pooling may help to achieve this. However, it is difficult to implement smooth and effective change and bring together partners effectively when action is top-down. The designation of pools of local authorities without their consent would not be an effective way to drive change. It is not currently clear how the 100% BRR system will compensate for the fact that many people travel to work, and therefore do not work in the area in which they live. This issue needs to be further explored.

4. How can we best approach moving to a centrally managed appeals risk system?

No comment.

5. What should our approach be to tier splits?

Public health is the statutory responsibility of top-tier level authorities and the resources should follow the responsibility. However, some activities to promote public health are best carried out at district level and there needs to be the flexibility for these activities to be funded. This should be the responsibility of the upper tier authority to negotiate with the district councils.



6. What are your views on proposals for a future safety net under the 100% Business Rates Retention system?

ADPH is pleased that the principle of the safety net is being integrated under the reforms. The pilots should be used to inform whether a 97% baseline funding level safety net works well, with a proper evaluation and review system worked in to ensure the system is functional.

7. What are your views on proposals for the central list?

ADPH has no view, but a range of properties and ratepayers on the central list from both rural and urban areas is key.

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