



The Association of Directors of Public Health

Fair funding review: a review of relative needs and resources

The Association of Directors of Public Health (ADPH) is the representative body for Directors of Public Health (DsPH) 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. The whole of the local authority spend has the potential to impact the public's health and so it is particularly important that funding formulas are appropriate and can meet population need. Although the funding of public health is out of scope of this consultation, we would like to see it funded equitably and recommend that the Government accepts the Advisory Committee on Resource Allocation's (ACRA) proposals on funding for public health once they have been formalised. In general, any changes to the local government finance system need to consider health inequality and consider ways in which this can be mitigated.

1) What are your views on the Government's proposals to simplify the relative needs assessment by focusing on the most important cost drivers and reducing the number of formulas involved?

A clearer funding formula will enable more transparency however it is important the reduction or calculation of the 'most important' cost drivers does not exclude other things that contribute to need. Meeting the needs of the local population is paramount and as we stated in our previous consultation response, a formula that can do this effectively may be more likely to be complex. We support the basic principles of the cost drivers (relevance, objectivity, distinctive, stable and future proof) but feel that another basic principle should be added around a commitment to equity.

2) Do you agree that the Government should use official population projections in order to reflect changing population size and structure in areas when assessing the relative needs of local authorities?

Yes. We welcome the recognition that the government should attempt to reflect future need of an area.

3) Do you agree that these population projections should not be updated until the relative needs assessment is refreshed?

Yes, as this will reduce the risk of projections becoming outdated.



4) Do you agree that rurality should be included in the relative needs assessment as a common cost driver?

Yes, given the research carried out and evidence generated by LG Futures which indicates that rurality results in extra cost for a local authority in delivering services. Rurality should be included as cost driver but what is more important is the weight it is given compared to other covariates. It is important to weight the measure appropriately alongside other measures (e.g. deprivation) and recognise that rurality in and of itself may not be a good proxy measure for need.

5) How do you think we should measure the impact of rurality on local authorities' 'need to spend'? Should the relative needs assessment continue to use a measure of sparsity or are there alternative approaches that should be considered?

Sparsity may not be the best proxy measure for need. Other measures which consider how much population deprivation is exacerbated by rurality need to be considered.

6) Do you agree that deprivation should be included in the relative needs assessment as a common cost driver?

Yes. Deprivation is closely linked with a wide range of health inequalities and data show that there is a large gap in healthy life expectancy between more deprived and less deprived areas. This is very likely to result in additional costs to local authorities in delivering services.

7) How do you think we should measure the impact of deprivation on 'need to spend'? Should the relative needs assessment use the Index of Multiple Deprivation or are there alternative measures that should be considered?

We support the use of the Index of Multiple Deprivation as this is a multi-dimensional measure which considers varied types of deprivation. We welcome the recognition in the consultation document that the current deprivation adjustments are based on a narrow measure (income deprivation) and that much broader measures of deprivation are more appropriate for accurately measuring need.

8) Do you have views on other common cost drivers the Government should consider? What are the most suitable data sources to measure these cost drivers?

Population mobility needs to be considered; this is particularly an issue in the south east of England, where populations can be transient.

9) Do you have views on the approach the Government should take to Area Cost Adjustments?

No comment.

10) a. Do you have views on the approach that the Government should take when considering areas which represent a small amount of expenditure overall for local government, but which are significant for a small number of authorities?

There should be recognition in developing a funding formula that there are some eventualities which will require extra funding (e.g. emergency situations) which cannot be foreseen and planned for. The funding formula should account for needs which are unpredictable to ensure that in the event of an



emergency, there is a robust response mechanism which is not delivered at the detriment of other services.

10) b. Which services do you think are most significant here?

As above - emergency and major incident response, for example flooding situations.

11) a. Are there other service areas you think require a more specific funding formula?

Public health requires a more specific funding formula and much work has gone into the development of this formula by the ACRA. We hope the Government will consider accepting the recommendations of ACRA and adopt a specific formula for the calculation of the resource necessary to improve and protect the public's health in a local area.

11) b. Do you have views on what the key cost drivers are for these areas, and what the most suitable data sets are to measure these cost drivers?

As above.

12) How do you think the Government should decide on the weights of different funding formulas?

This is a complex topic and we would welcome further discussions with ADPH to look in more detail at how formulas should be weighted.

13) Do you have views about which statistical techniques the Government should consider when deciding how to weight individual cost drivers?

A technique which relies less on previous expenditure would be more robust.

14) Do you have any comments at this stage on the potential impact of the options outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.

No comment.

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