

AGENDA ITEM

REPORT TO HEALTH AND WELL BEING BOARD

28TH OCTOBER 2015

REPORT OF DIRECTOR OF PUBLIC HEALTH

UPDATE ON PUBLIC HEALTH GRANT CONSULTATION

SUMMARY

The paper describes the impact for the ring fenced PH grant for Stockton-on-Tees Council for 2016/17 if the recommendations of the Advisory Committee on Resource Allocation (ACRA) are implemented.

RECOMMENDATIONS

1. To ensure all partners are aware of the implications of the ACRA proposals, published by the Department of Health, and
2. To inform the Authority's response to the consultation exercise of the ACRA proposals.

DETAIL

1. The Health and Social Care Act 2012 is the legislation by which many Primary Care Trust's Public Health responsibilities were transferred to Local Government. Public Health responsibilities belonging to former PCTs that did not transfer to Local Government went to either NHS England or Public Health England.
2. Funding for Public Health was transferred to Local Authorities via a ring fenced Public Health grant. The grant for Stockton-on-Tees for 2015/16 is £13.067m and is subject to an in-year reduction of £897,000 as our share of the £200m reduction in the national pot for Local Authority ring fenced grants as part of the Chancellor of the Exchequer's financial plans. The final in-year reduction is not yet known nor is it known whether this is a recurring reduction in funding.
3. It should be noted that the current public health grant is not formula based rather it is the transfer value of public health services that the former PCTs had transferred to local government in 2013. The PCTs had based their funding decisions for public health services upon their knowledge and understanding of the local public health need and they prioritised their resources accordingly.
4. The Department of Health has published their latest version of the ACRA proposed target allocation formula for the Public Health Grant for Local Authorities for 2016/17. The consultation paper describes the proposed target allocation as a percentage of the entire national pot of the Public Health ring fenced grant for Local Authorities. It uses updated population data and has made some readjustments with regard to how it accounts for local public health needs.
5. The attached appendix has been produced by the Special Interest Group of Municipal Authorities Within the LGA (SIGOMA) and is their calculations on the cash

impact of the proposed new formula for 2016/17 for every upper tier local authority in England.

6. The appendix shows the cash value of the public health grant for Stockton-on-Tees is £13.067m for 2015/16 and that subject to the size of the national pot being the same the cash value for 2016/17 under the ACRA proposals is £12.057m, a reduction of £1.01m.
7. This does not take into account the in-year reduction of funding of £897,000 mentioned above, as it is unknown at this stage whether this will be applied in 2016/17.
8. The ACRA consultation document does not give any cash figures rather it describes the percentage share each upper tier local authority can expect to receive under the proposed formula. The consultation makes it clear that the size of the entire pot for the ring fenced public health grant for local authorities is not their decision but a matter reserved for ministers, as is the pace of change towards any new funding formula.
9. The total value of the ring fenced public health grant across the five Tees Valley Local Authorities is £56.032m for 2015/16. The total reduction in funding proposed by the implementation of this formula for 2016/17 is £9.38m (16.7% reduction).

FINANCIAL IMPLICATIONS

10. Detailed in the report, but in summary there is potential reduction in the ring fenced public health grant of £1.01m for 2016/17. In addition, it is not year known whether this year's reduction in funding is recurring.

LEGAL IMPLICATIONS

11. None directly from this report

CONSULTATION

12. This is response to national consultation by the Department of Health.

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