

Royal Society for Public Health's response to the Department for Communities and Local Government consultation: Self-sufficient local government – 100% business rates retention

The Royal Society for Public Health (RSPH) is an independent, multidisciplinary charity dedicated to the improvement of the public's health and wellbeing. We have a membership of over 6000 members working across the breadth of public health, from health promotion and food safety to environmental health and pest control.

Our vision is that everyone has the opportunity to optimise their health and wellbeing, and we seek to achieve this through our qualifications, conference and training programmes and policy and campaign work.

Response overview:

- The movement of public health to local authorities in 2013 was a landmark moment for the localism agenda.
- The Health and Social Care Act 2013 was lauded as a unique opportunity to take a whole-system approach to improving health and wellbeing, embedding public health across the full spectrum of local government responsibility.
- Local authorities have an unparalleled understanding of their local areas and are, therefore, ideally placed to develop effective solutions to tackle the issues in their local area. Since 2013, we have indeed seen many examples of innovation at the local level.
- The strengthening of local government responsibility and greater devolution, proposed as part of the 100% business rates retention, is therefore to be welcomed as a further opportunity to develop locally driven services.
- This must not however, be at the cost of greater financial constraints for local authorities and the exacerbation of regional inequalities. The move to 100% business rates retention is not without risk, and it is vital that we strike the right balance between incentivising growth and ensuring that less affluent local authorities are not disadvantaged by the system.
- The RSPH welcomes this consultation and calls on Government to carefully consider the views of local authorities in the development of these new arrangements. It is also vital for Government to closely monitor the findings from the various pilot areas, particularly with regard to the abolition of the growth levy, to ensure that any unintended consequences are mitigated.

- Please note, we have not responded to each question individually, but instead provide our response to the consultation in the sections below.

Greater devolution: public health grant

- The Spending Review of November 2015 included a game-changing announcement for local authorities, namely that local authorities will retain 100% of the business rates raised locally. An increase from the 50% retention in place since 2013.
- This alteration to the current system is intended to be 'fiscally neutral', and will consequently, entail the transfer of additional responsibilities or services to local government. One candidate for such a transfer is the public health grant following the end of the ring-fence in 2018.
- This new approach is grounded in an attempt to incentivise business growth, with the abolition of the above-target growth levy. This is an important aim, with potentially wide-ranging benefits for communities from job creation to the revitalisation of the local area.
- However, this must not be at the cost of further strain to public health budgets, consequent impact on public health outcomes and the exacerbation of regional health inequalities.
- Health inequalities have grown and it will be important that the new funding system for local authorities can ensure that the gap is closed. It is also crucial that local authorities remain accountable and success is measurable.
- The NHS Five Year Forward View recognised the vital importance of prevention for the future sustainability of the NHS and the wider health care system, calling for a 'radical upgrade in prevention and public health'.
- However, counter-intuitively, in recent years, public health has faced growing financial pressures, with many services experiencing cuts or even decommissioning.
- At a time of growing avoidable, lifestyle-related illness and a healthcare system increasingly unable to keep up with this demand, public health budget cuts are financially short-sighted.
- In the future, when local authorities have autonomy and control over the sources of their income, in parallel with the responsibility for public health outcomes through their Health & Wellbeing Boards, then there is justification also for local government to take control over budgets used to commission the development of public health research, guidelines and quality standards currently funded through NIHR and NICE.
- Growth is not evenly distributed across England, with growth particularly concentrated in urban centres like London. The proposed system of 100% rate retention will therefore, benefit areas of high growth, whilst less affluent areas with lower rates of growth, who typically experience poorer health outcomes, will be placed at a disadvantage. A safety net must be put in place to safeguard against this effect.

Business rates system:

- It is crucial that the new system of business rates retention seeks to minimise instability for local authorities. Local authorities must be provided with certainty over their funding levels, enabling them to plan over the longer term.
- To achieve this, we agree that a system of fixed reset periods, no more than every 5 years and a continuation of a top-up and tariff arrangement is a sensible way forward. In addition, the fixed reset period has the additional benefit of providing an incentive for growth, whilst reducing the potential disparity between local authority areas in terms of funding.
- We would also support moves to minimise risk for local authorities by moving riskier hereditaments off local lists and pooling risk at a regional level.
- In addition, it is vital that this transition is not met with increased financial pressures and uncertainty for the public; we therefore, agree that the new burdens doctrine should continue post-2020.

Thank you for the opportunity to respond to this consultation. For more information, please contact Emma Lloyd, Policy and Research Manager RSPH – elloyd@rsph.org.uk