The government’s Spending Review sets out plans to reduce central government funding for local authorities by over a quarter over the next four years. The scale of this reduction will inevitably mean cuts to services but Cheshire West and Chester Council (CWAC) is determined to try and protect those in greatest need.

For Public Health nationally, this means annual real-term reductions of 3.9% in councils' public health budgets over the next five years. According to the King’s Fund this adds up to a real-terms reduction of at least £600 million in public health spending by 2020/21, on top of £200 million already cut from this year’s budget. Although we believe that devolving public health to local government is a positive step, the cuts announced in the Review will have a major impact on our prevention and early intervention services. These include combating our obesity problems, helping our residents to stop smoking and tackling alcohol and drug abuse. As much of CWAC’s Public Health budget pays for NHS services like sexual health, public health nursing, drug and alcohol treatment and health checks, these reductions will have a significant knock on effect on the NHS, leading to increased extra pressure on NHS and other services. These cuts represent a false economy, undermining the government’s commitments on prevention and the NHS five year forward view which was predicated on a ‘radical upgrade in prevention and public health’.

Locally, the impacts of the Spending Review are therefore likely to have:

- An impact on front-line services – both this year and in the future
- An impact on services commissioned from NHS providers – so directly impacting on NHS funding and services
- An impact on 3rd sector providers of NHS services and small local voluntary/community sector organisations
- Longer-term impact on Public Health outcomes and increased demand for NHS services
- Most of the Public Health budget is tied into contracted services (therefore there are legal impacts and potential financial fallout from having to break contracted services) – so there is limited ‘room for manoeuvre’
- Any reserves are largely allocated to ‘Council health spend’ - so impacting on wider health interventions
- Staffing may be affected - largely through a loss of vacant posts

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1 The Spending Review: what does it mean for health and social care?
Accessed 08.01.2015
### Budget modelling for Cheshire West and Chester ²

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Public health grant baseline / grant c’fwd from previous year</td>
<td>13.889</td>
<td>13.889</td>
<td>16.580</td>
<td>16.165</td>
<td>15.745</td>
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<tr>
<td>0-5 allocation</td>
<td>2.107</td>
<td>4.184</td>
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<tr>
<td><strong>Total grant</strong></td>
<td><strong>15.996</strong></td>
<td><strong>18.073</strong></td>
<td><strong>16.580</strong></td>
<td><strong>16.165</strong></td>
<td><strong>15.745</strong></td>
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<tr>
<td>6.2% reduction</td>
<td>0.992</td>
<td>1.121</td>
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<tr>
<td>Additional reduction (incremental)</td>
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<td>0.414</td>
<td>0.420</td>
<td>0.409</td>
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<tr>
<td><strong>Revised grant</strong></td>
<td><strong>15.004</strong></td>
<td><strong>16.580</strong></td>
<td><strong>16.165</strong></td>
<td><strong>15.745</strong></td>
<td><strong>15.335</strong></td>
</tr>
</tbody>
</table>

Additional reduction (on top of the 6.2% announced this year) is:

- 2016-17: 2.2%
- 2017-18: 2.5%
- 2018-19: 2.6%
- 2019-20: 2.6%

The Council’s ambition is to make Cheshire West and Chester a great place where residents can thrive, communities can flourish and everyone benefits from a prosperous local economy. To that end, we are working hard to protect the borough so that it remains a vibrant place where people choose to live, work and visit. But our ability to improve the public’s health and wellbeing, reduce demand on hospitals and health and social care services, will be compromised by the measures set out in the Spending Review. At the same time, we are keen to ensure that any income redistribution mechanism (the proposal to fund Public Health from Business Rates) reflects health needs and does not exacerbate health inequalities locally or nationally. The reduction in funding does mean that a more focused approach is necessary to address health inequalities locally in very specific and limited geographies; thereby reducing the proportionate universalism approach that Marmot advocates.

*25 January 2016*

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² Note: the figures in the table assume the % reductions on the current CWAC Public Health grant and do not take into account any changes in the ACRA formula or the pace of change for the formula change.