Public health allocations, 2015/16 to 2020/21, England

This supplementary note is being shared further to Anita Charlesworth’s appearance before the Health Select Committee on 23 February.

As part of the recent Comprehensive Spending Review, the government announced that the public health system would be asked to ‘[deliver] average annual real-terms savings of 3.9% over the next 5 years’. The Department of Health’s ‘Public Health Ring-Fenced Grant 2016/17 and 2017/18’ circular sets out the pattern of this reduction. It also sets out each local authority’s allocation for 2016/17 and 2017/18.

The reduction of public health allocations over the next five years will be significantly front-loaded. Real terms reductions in the first four years (-3.8%, -4.2%, -4.4%, -4.6%) are offset by a lower reduction in the last year of -2.2%.

Public health grant settlement for 2016/17 to 2020/21, England (adapted from the Department of Health circular)

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<tbody>
<tr>
<td>SR Settlement (£bn)</td>
<td>3.46</td>
<td>3.38</td>
<td>3.30</td>
<td>3.22</td>
<td>3.13</td>
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<tr>
<td>Total Allocation (£bn)</td>
<td>3.47</td>
<td>3.39</td>
<td>3.30</td>
<td>3.22</td>
<td>3.13</td>
<td>3.13</td>
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<tr>
<td>Cash growth</td>
<td>-2.2%</td>
<td>-2.5%</td>
<td>-2.6%</td>
<td>-2.6%</td>
<td>0.0%</td>
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<tr>
<td>Real terms change</td>
<td>-3.8%</td>
<td>-4.2%</td>
<td>-4.4%</td>
<td>-4.6%</td>
<td>-2.2%</td>
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<tr>
<td>Real terms allocation (£bn)</td>
<td>3.47</td>
<td>3.33</td>
<td>3.25</td>
<td>3.16</td>
<td>3.07</td>
<td>3.07</td>
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In terms of spending, this shows a cash terms reduction from £3.47bn in 2015/16 to £3.13bn anticipated in 2020/21. Applying the real terms change suggests that this is a real terms reduction from £3.47bn to just over £3bn.

Real terms change in public health grant settlement for 2016/17 to 2020/21, England (drawing on data from the Department of Health circular and the Health Foundation’s own deflation of the figures)
The indicative reductions in allocations are shared equally, with almost all (150 of 152) local authorities receiving a cash terms reduction of 2.46% to 2.47% from 2016/17 to 2017/18. This represents a cash reduction of between £2.4m and £0.0m for local authorities. It is unclear what the effect of this will be on inequalities. In 2014/15, 41 out of 152 local authorities received more than 20% above (28 local authorities) or below (13 local authorities) their target funding allocation (ie the amount that would be their fair share taking account of relative needs).\(^{iii}\) Spreading the reductions equally across all local authorities will not address these underlying inequalities in the amount received relative to need.

The circular also confirmed the news in the Comprehensive Spending Review that the ring-fence for use on public health functions, would continue for at least two more years, although it does not commit to it continuing beyond then. In the context of reduced spending on public health, and as set out by the Public Accounts Committee\(^{iv}\), if the ring fence is lifted the Department of Health ‘needs to implement other levers to protect investment in public health’.

The *Five Year Forward View* sets out that ‘the future health of millions of children, the sustainability of the NHS, and the economic prosperity of Britain all now depend on a radical upgrade in prevention and public health’. Front-loaded, significant reductions in public health allocations do not appear to be consistent with this vision.

February 2016


http://www.publications.parliament.uk/pa/cm201415/cmselect/cmpubacc/893/89302.htm