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## Report of Amanda Healy, Director of Public Health, Durham County Council

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### Purpose of the Report

- 1 To highlight to Board members the risk to future public health funding and the potential impact on activities related to the health and wellbeing of Durham residents.

### Background

- 2 The original Public Health Grant that transferred into Durham County Council in 2013 was £44.5 million, reflecting the spending levels of our local health economy at that time, and the priority given to public health in County Durham due to the significant health inequalities we face.
- 3 Since that time, and despite taking on additional responsibilities relating to health visiting, the public health grant has been subject to reductions amounting to 12.8%.
- 4 Whilst these reductions have been extremely challenging, the public health team with its partners has continued to deliver successful health improvement programmes such as those relating to levels of smoking (which have dropped from 22% to 14.3%) as well as a range of vital services such as those relating to drug and alcohol recovery services.

### Current Situation

- 5 However, discussions have been taking place at Fair Funding meetings with regard to how public health monies may in future be included within Business Rates and that there may be further reductions to public health funding based upon a new formula being determined by the Advisory Committee in Resource Allocation (ACRA). Should this new formula be applied, modelling suggests that all Local Authorities in the North Est would see a reduction in their funding, with Durham County Council being most affected and facing a reduction of over £19 million, or almost two fifths of its current public health budget. This would have a **major** impact on public health across the County.
- 6 The modelling also shows that some authorities will gain significantly under the ACRA formula. These include Surrey County Council benefiting by around £14m and Hertfordshire by around £12.6m, even though the health of their local populations are significantly better than County Durham.

- 7 Reducing investment in public health activities will result in Durham County Council having to scale back work in vital areas to a point where they will be unable to meet identified need in our communities. There will also be a significant risk to the Council's overall funding position as well as a 'knock-on' risk to other organisations who rely on public health funding such as the NHS, Police, and the Voluntary and Community Sector.
- 8 At the current time, there remains a lack of clarity about the implementation of these proposals and there are considerable implications for the timing of decisions on key contracts and services.
- 9 We are acting to highlight our concerns with elected members, MPs, key partners and officials in Public Health England, seeking their support through lobbying activities. A template letter has been prepared for partners to use in order to raise concerns with the Secretary of State for Health.
- 10 We are also contacting other Local Authorities, predominantly in the North of England who find themselves in a similar situation in facing reductions in their public health grant, developing alliances and considering what collective action we may take through sharing information and lobbying activities.

## **Recommendations**

- 11 Members of the Health and Wellbeing Board are recommended to:
  - a. Note the concerns highlighted in this report;
  - b. Endorse the activities being co-ordinated by the Director of Public Health, and
  - c. Actively support these activities by raising concerns personally through appropriate channels.

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**Contact: Amanda Healey, Director of Public Health**  
**Tel: 03000 264323**

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## **Background papers**

Draft letter to Secretary of State, attached as Appendix 2

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## **Appendix 1: Implications**

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**Finance** – There are major financial risks to the potential grant reductions amounting to £19million

**Staffing** – Should the grant be reduced, we will need to consider the impact on staff. It is likely that reductions will affect commissioned services in the first instance, although redundancies for staff both working in public health and other teams in the Council cannot be ruled out.

**Risk** – should there be a reduction in the grant, there are a number of risks to staffing and services that would need handling.

**Equality and Diversity / Public Sector Equality Duty** – The impact of grant reductions on equality and diversity and the public sector equality duty would need to be considered.

**Accommodation** – not applicable

**Crime and Disorder** – not applicable

**Human Rights** – not applicable

**Consultation** – not applicable

**Procurement** – there would be an impact on commissioned services which would need to undergo a full review and decisions made on which services would be scaled back or decommissioned.

**Disability Issues** – not applicable

**Legal Implications** – legal opinions may be required as part of any decommissioning of services or redundancies of staff

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## Appendix 2: Draft letter to Secretary of State for Health

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Dear

### Future Public Health Funding

I am writing to highlight the serious concerns I have regarding the future allocation of public health funding in Durham, via the Public Health Grant.

The original Public Health Grant that transferred into Durham County Council in 2013 was £44.5 million, reflecting the spending levels of our local health economy at that time, and the priority given to public health in County Durham due to the significant health inequalities we face.

Since that time, and despite taking on additional responsibilities relating to health visiting, the public health grant has been subject to two reductions amounting to 12.8%.

Whilst these reductions have been extremely challenging, the public health team with its partners has continued to deliver successful health improvement programmes such as those relating to levels of smoking (which have dropped from 22% to 14.3%) as well as a range of vital services such as those relating to drug and alcohol recovery services.

I understand that discussions are taking place at Fair Funding meetings with regard to how public health monies may in future be included within Business Rates and that there may be further reductions to public health funding based upon a new formula being determined by the Advisory Committee in Resource Allocation (ACRA). Should this new formula be applied, modelling suggests that Durham County Council would face a reduction of over £19 million or almost two fifths of its current public health budget. This would have a **major** impact on public health across the County.

The modelling also shows that some authorities will gain significantly under the ACRA formula. These include Surrey County Council benefiting by around £14m and Hertfordshire by around £12.6m, even though the health of their local populations are significantly better than County Durham.

It is inconceivable that consideration can be given to transferring funding from County Durham to much more prosperous areas that have significantly better health outcomes. Reducing investment in public health activities will result in Durham County Council having to scale back work in vital areas to a point where they will be unable to meet identified need in our communities. There will also be a significant risk to the Council's overall funding position as well as a 'knock-on' risk to other organisations who rely on public health funding such as the NHS, Police, community and voluntary sector.

At the moment, there remains uncertainty about the future of the Public Health Grant, and I would urge you to intervene and:-

- Continue the allocation of the current Public Health Grant
- Ensure a tailored distribution of public health funding within BRR
- Review the ACRA formula to remove the proposed unfair redistribution of public health funding.

At a time when the importance of prevention is being highlighted through your *Prevention is Better than Cure*, Strategy, it would seem incongruous to remove funding from those very services working directly to address the social determinants of health in the most disadvantaged areas. I trust that you will look into this matter accordingly and I look forward to hearing from you at your earliest convenience.

Yours sincerely