

Future challenges in local government: the next five years and beyond

Councillor Jonathan McShane, Cabinet Member for Health, Social Care and Devolution, London Borough of Hackney

13 July 2017

www.local.gov.uk



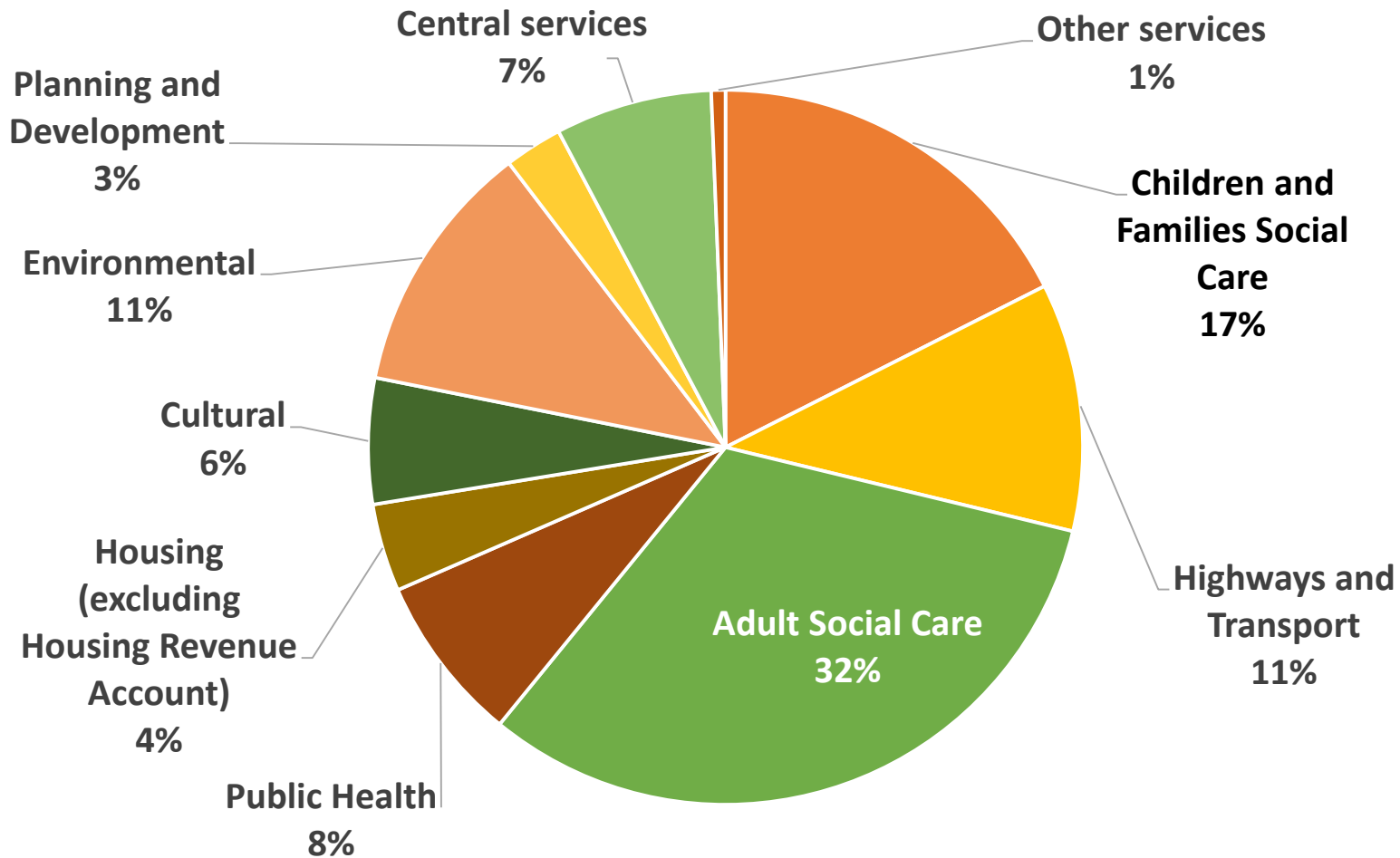
Local Government in Context

- 353 councils in England
 - 152 with public health duties
 - 201 districts
 - 9,000 town, parish and community councils
 - Over 12,000 statutory responsibilities for commissioning and/or delivering over 800 services
 - Over 2 million people employed
 - £95.5 billion in funding in 2015/16
-

Local Government finance:

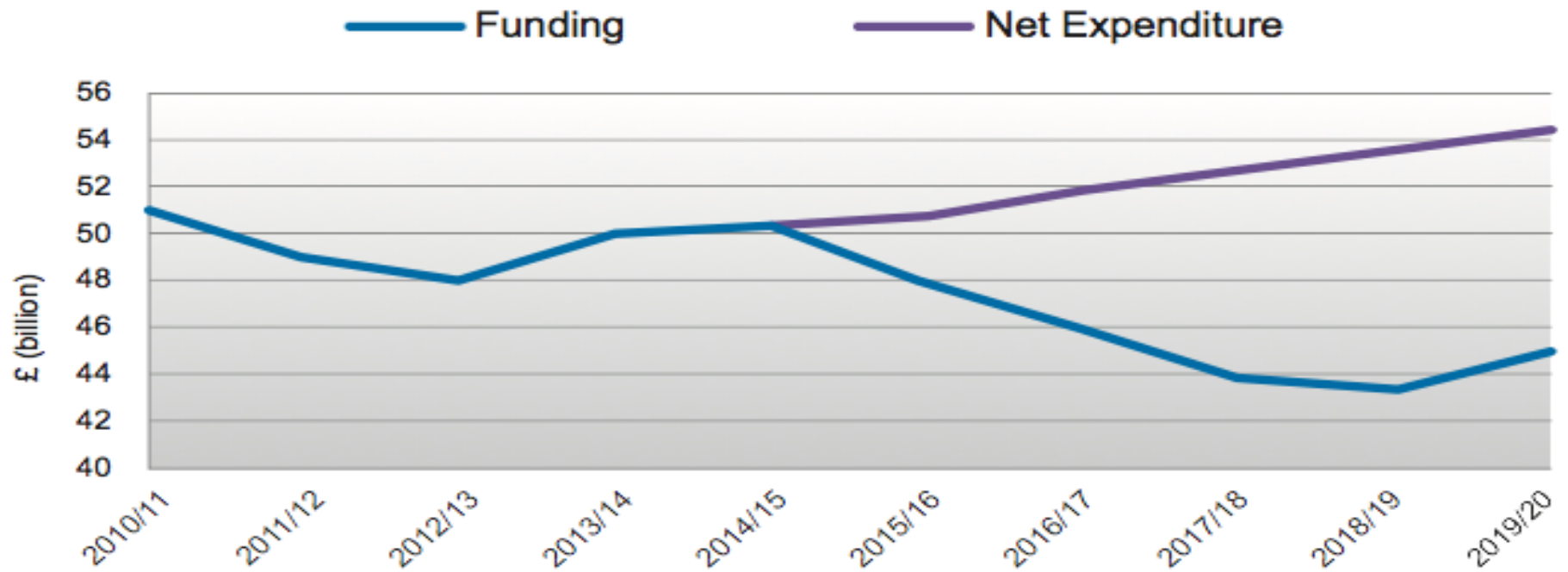
- Local authorities must set a balanced budget
 - Councils have had a 40 per cent real terms cut to funding since 2010/11
 - 75p in every £1 of core government funding to councils cut by 2020
 - In 2015-16 budgeted expenditure by local government was £95.5 billion, a 3.4 per cent decrease from 2014-15
 - Councils face an overall £5.8bn funding gap by 2020
 - Social care is the largest proportion of spending
 - **Public Health** is the fourth largest proportion of LA spending
-

Budgeted expenditure by councils in 2015/16

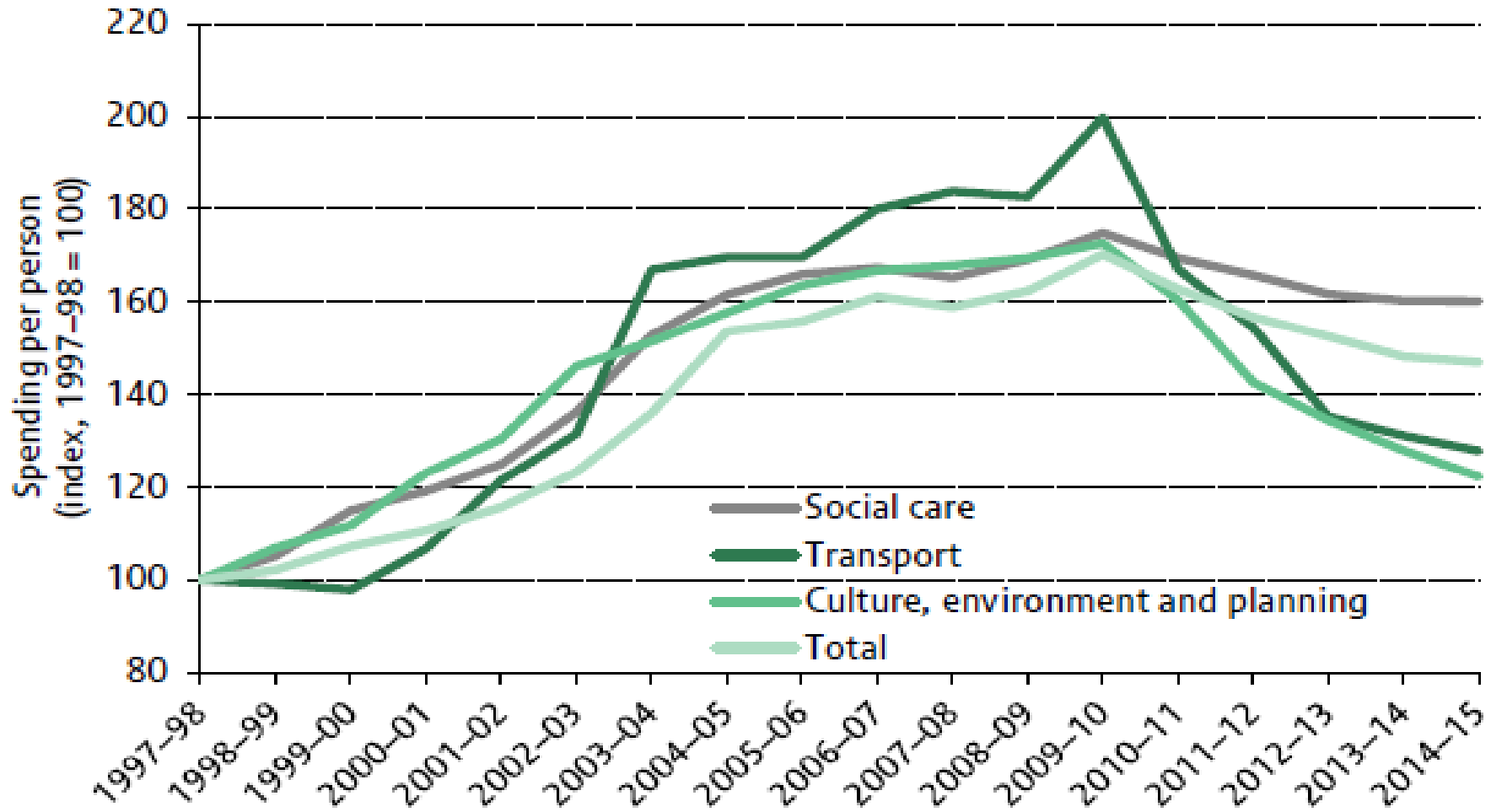


Local authority income against expenditure 2010/11 to 2019/20

Source: LGA, Future funding outlook for councils 2019/20, Interim 2015 update



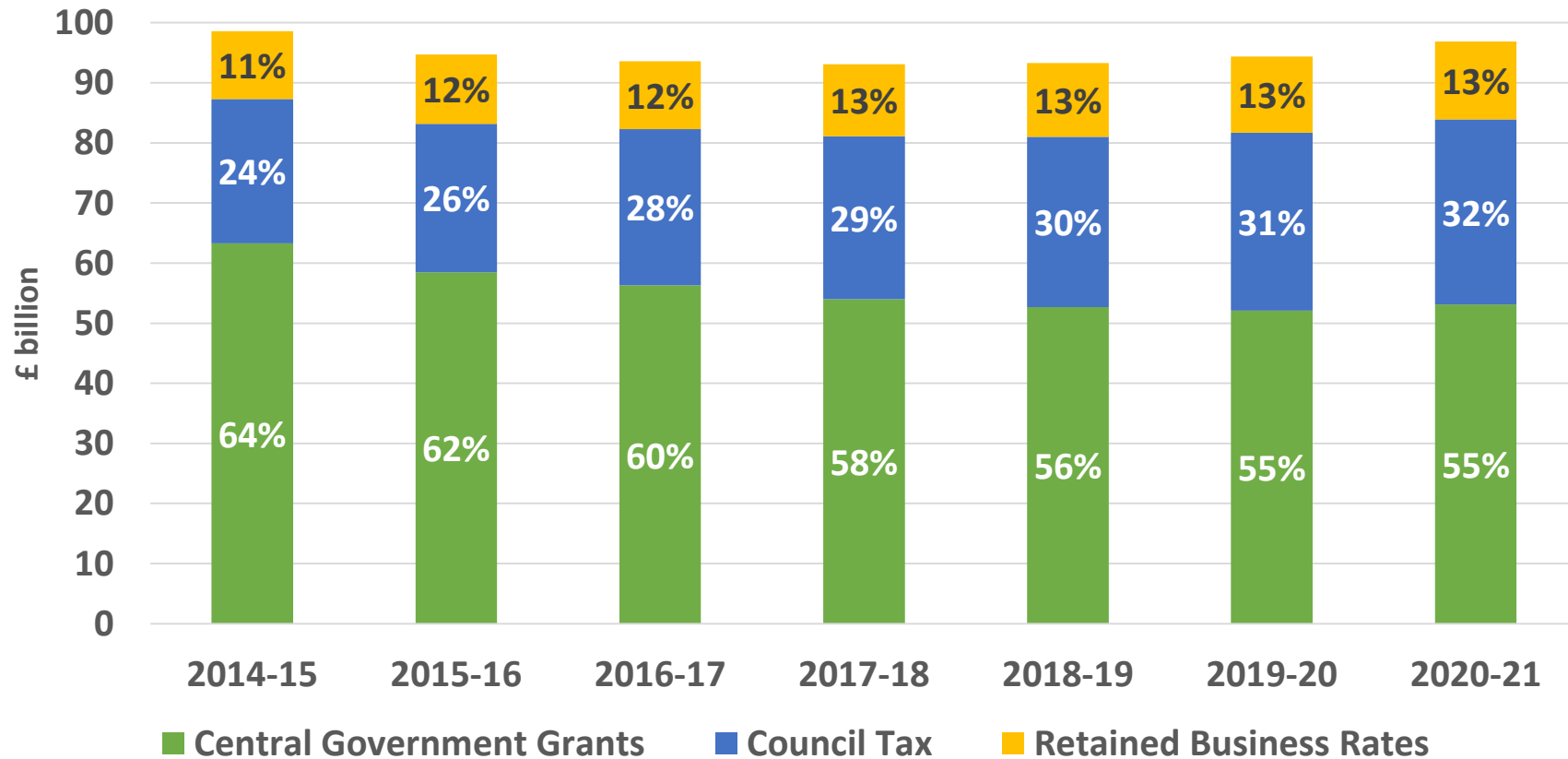
Local Government Spending: Patterns



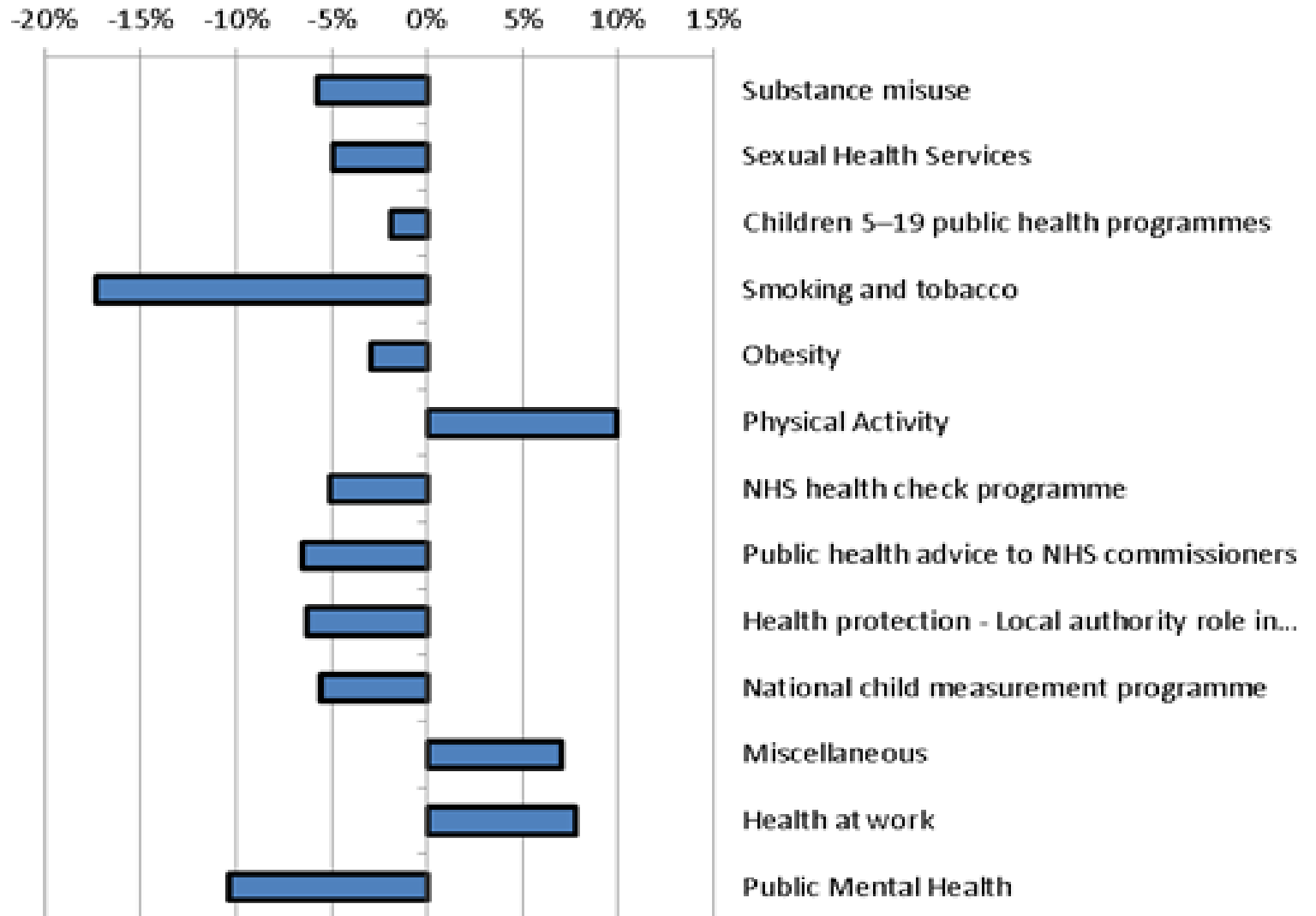
Public Health Funding

- The total public health budgeted spend in 2017/18 is £3.4 billion compared to £3.49 billion budgeted spend in 2016/17 (down 2.4%).
 - £531m less to spend on public health services by 2020
 - Public health grant: £84 million less in 2017/18. This follows a £77 million reduction in 2016/17 and a £200 million in-year cut in 2015/16.
 - PH contribution much more than the mandated services
 - Spend on sexual health services £611m in 2016/17 (£644m in 2013/14)
-

OBR Forecast for Main Sources of Local Government Funding



Percentage change in budgeted spend between 2016-17 and 2017-18



Key concerns – public health

- Need to be put back on a sustainable financial footing
 - Fragility of the provider market
 - Workforce recruitment, retention and development
 - Integration and efficiencies can only take you so far.
 - Importance of prevention within STP
 - Uncertainty over the ring-fence and the move to 100% BRR
-

Key opportunities – public health

- Sustainability of health and social care depends on changing our approach
 - We have evidence to support the business case for investing in public health
 - Turn rhetoric around prevention and early intervention into reality
 - Health improvement must be everyone's business
-