

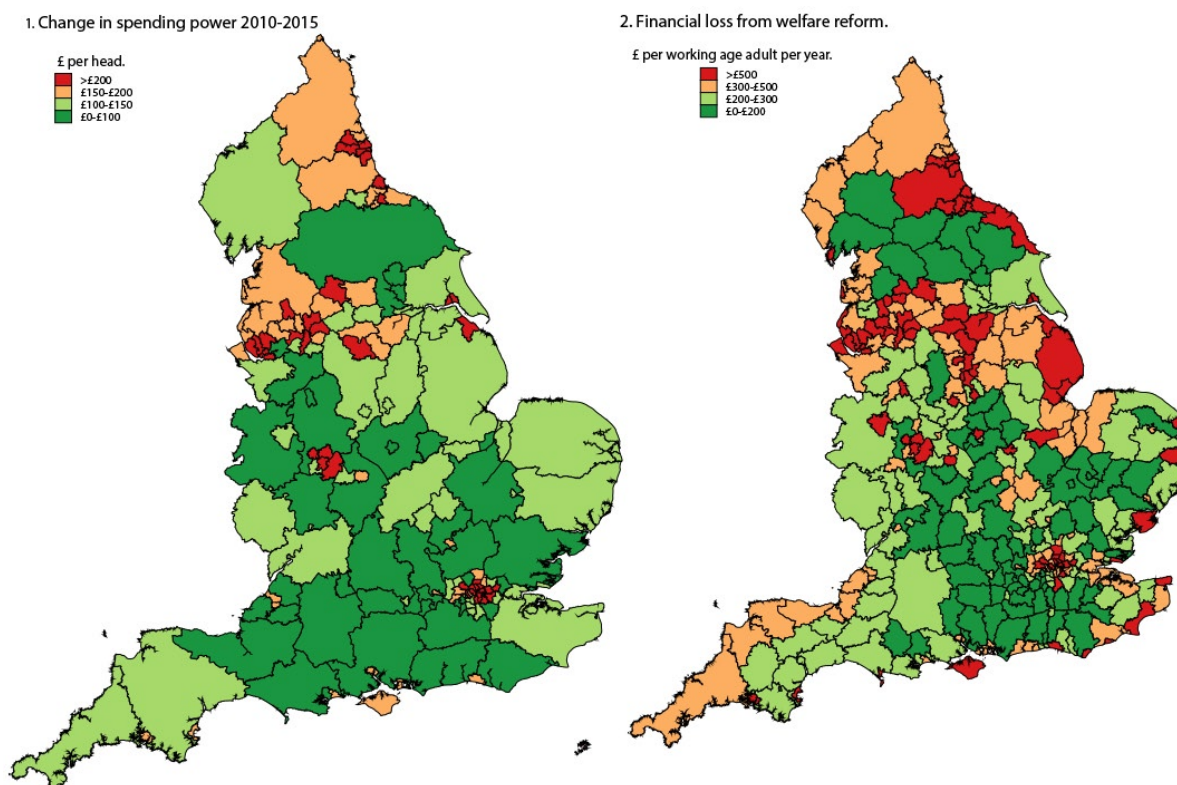
## 2.2 Action on health inequalities in an age of austerity

The capacity for local government to influence the health and well-being of the places they represent is limited by a programme of austerity that is hitting councils hardest in some of the poorest parts of the North. In 2013 the Government allocated a ring-fenced public health budget to local authorities. The Secretary of State for Health at the time said this should be used to tackle 'poverty-related health need'.<sup>10</sup> This 'public health grant' represents approximately 3% of local government expenditure and only 1% of the combined local expenditure of the NHS and local government in an area.<sup>11,12</sup> This in itself would be

inadequate to address the health effects of poverty, but given that this grant was transferred to councils at a time when their core budgets are being cut by nearly 30%, it is difficult to see how, in these circumstances, local government can have an impact on health inequalities. In fact these cuts are likely to make health inequalities worse because they are disproportionately hitting the poorest areas with the worst health outcomes hardest (see Figures 1 and 2). On top of these cuts to local authority budgets, more deprived areas are experiencing large financial losses due to welfare reform with the three regions of northern England losing an estimated £5.2bn a year<sup>13</sup> This has an impact not just on the individuals and families facing reduced incomes from welfare benefits, but also represents a large loss to the local economy (see Figure 1).

**Figure 1: Map of change in local authority spending power and financial losses from welfare reform for each council in England.**

*Map shows that cuts in council funding and financial losses from welfare reform are greatest in the North*



Sources: 1. DCLG - Local government financial settlement, 2. Beatty and Fothergill 2014