

Report to Cabinet

17 March 2021

Subject:	Water Fluoridation - Payment of operating costs
Cabinet Member:	Cabinet Member for Living Healthy Lives, Cllr Farut Shaeen
Director:	Director of Public Health, Lisa McNally
Key Decision:	Yes
Contact Officer:	Consultant in Public Health, Paul Fisher paul_fisher@sandwell.gov.uk

1 Recommendations

- 1.1 That approval be given to make any exemptions to the Council's Procurement and Contract Procedure Rules and to not enter into a contract for the provision of water fluoridation.
- 1.2 That the Director of Public Health be authorised to pay Public Health England for future water fluoridation operating costs up to a maximum of £1,000,000 starting with the 2020/2021 costs.


2 Reasons for Recommendations

- 2.1 There is only one process for payment of water fluoridation operating costs so there is no possibility to go out to competitive procedure.






- 2.2 Sandwell Metropolitan Borough Council pay Sandwell’s contribution to Public Health England (PHE) for Water Fluoridation operating costs. There is no contract between SMBC and PHE regarding the payment of operating costs for water fluoridation; however, the relationship is one set out in legislation. These are the Water Industry Act, 1991, as amended and the relevant section is 88H, and detail is given in the Health and Social Care Act 2012 section 36:
<http://www.legislation.gov.uk/ukpga/2012/7/section/36/enacted>
- 2.3 The annual costs of water fluoridation are approximately £160,000. A £1,000,000 limit should allow these costs to be covered for the next 5-6 years.
- 2.4 It is believed value for money is being obtained because PHE regularly meets with the water companies three times every year; in these meetings the operating costs of the schemes are challenged. The Local Authorities, such as Sandwell, who receive fluoridated water are invited to these meetings. PHE advise they robustly challenge these costs prior to paying the water companies water fluoridation operating costs and invoicing SMBC thereafter (see paragraph 4.9 for more details).
- 2.5 Water fluoridation is a cost-effective measure to improve oral health and reduces disparities in dental decay between high and low socio-economic status groups.

3 How does this deliver objectives of the Corporate Plan?

	<p>Best start in life for children and young people</p> <p>Oral health is an important aspect of a child’s overall health status and of their school readiness. Tooth decay is the most common oral disease affecting children and young people in England, yet it is largely preventable and water fluoridation is a key way of preventing such disease.</p>
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	<p>People live well and age well</p> <p>Good oral health is essential to good general health and achieving a good quality of life.</p>
	<p>Strong resilient communities</p> <p>Poor oral health impacts not just on the individual's health but also their wellbeing and that of their family.</p>
	<p>A strong and inclusive economy</p> <p>Economic evaluations show that water fluoridation represents a cost effective use of communities' resources</p>

4 Context and Key Issues

- 4.1 Community water fluoridation (CWF) is considered one of the ten greatest public health achievements of the twentieth century and is the cornerstone strategy for the prevention and control of dental caries in many countries.
- 4.2 Good oral health is essential to good general health and achieving a good quality of life. Poor oral health impacts not just on the individual's health but also their wellbeing and that of their family. Oral health is an important aspect of a child's overall health status and of their school readiness. Tooth decay is the most common oral disease affecting children and young people in England, yet it is largely preventable. Further information about oral health can be found in Appendix A: Children's Oral Health Overview.
- 4.3 All tap water supplied in Sandwell has been artificially fluoridated to the optimum level since 1986. The original agreement was signed on 10 February 1982 by Severn-Trent Water Authority & Sandwell Area Health Authority and 30 March 1982 by The South Staffordshire Waterworks Company and Sandwell Area Health Authority, to raise the fluoride content of water supplied to consumers. Public health funds this fluoridation and it is believed it is one of the reasons tooth decay in children in Sandwell is in line with the national average, despite the population having a higher prevalence of a number of risk factors.



- 4.4 By improving oral health for children, water fluoridation contributes to the council's Corporate Plan by: improving children's health and the health of the general population in a way that has been proven to be cost effective.
- 4.5 "The responsibility for making, varying or terminating fluoridation agreements with water companies was transferred to the secretary of state for health, to be exercised by him or her in accordance with the proposals of the affected local authority(ies) made in accordance with the legislation. The secretary of state has also become responsible for health monitoring and reporting. The functions of the secretary of state are largely exercised on his or her behalf by Public Health England (PHE), an executive agency of the Department of Health" (See background papers: "Improving oral health: a community water fluoridation toolkit for local authorities")
- 4.6 "PHE, on behalf of the secretary of state, is required to meet the reasonable capital and operating costs incurred by the water companies. Section 88H of the Water Industry Act 1991 gives the secretary of state the powers to require all local authorities affected by the arrangements to make payments to the secretary of state to meet any costs incurred by the secretary of state under the terms of the arrangements. At present PHE meets the capital costs of schemes and recovers only the operating costs from local authorities, but PHE will keep this arrangement under continuous review. The same provisions allow for determining the share of costs across local authorities where a scheme covers more than one authority. The operating costs may vary from year to year dependent upon:
- the amount of (fluoridated) water supplied in that year
 - the operational status of the fluoridation plants, including times out of operation or ongoing maintenance costs



- changes in unit cost of materials, particularly the fluoridation chemicals” (See background papers: “Improving oral health: a community water fluoridation toolkit for local authorities”)
- 4.7 PHE meet with the water companies three times every year; in these meetings the operating costs of the schemes are challenged and negotiated. PHE shares details of the financial breakdown with Local Authorities (LAs) and LA representatives are welcome at these liaison meetings.
- 4.8 In 2019/2020 the water fluoridation operating costs were £160,000.70. The cost for 2020/2021 is slightly lower at £156,778.22.
- 4.9 PHE advise they do receive an early estimate of likely costs from both water companies from May / June each year – at this point the water companies are able to supply a breakdown of the actual costs in the previous year and an early indication of the budget for the current year. PHE advise they robustly challenge these costs prior to paying the water companies water fluoridation operating costs and invoicing SMBC thereafter. PHE advise it is important to note that costs can vary significantly from year to year, and the costs are exacerbated where a balancing payment is in the water company’s favour.

5 Alternative Options

- 5.1 Sandwell shares fluoridation arrangements with a number of other LAs so one or several of the potentially affected LAs would need to commission a feasibility study to determine whether variation of the arrangements to remove Sandwell would leave the rest of the arrangements able to function (operable and efficient) or whether termination of the whole arrangements would be reasonably practicable. Once clear on these a proposal would then need to be developed by one or several of the LAs affected. The process for variation and termination are set out in PHE’s toolkit “Improving oral health: a community water fluoridation toolkit for local authorities” (see Background Papers in section 8)



5.2 The only alternative option would be to withdraw from the current agreement. This may not be possible unilaterally and may need the agreement of other local authorities that are also currently being supplied by South Staffordshire Water.

6 Implications

Resources:	Resource implications are limited to the payments made to Public Health England.
Legal and Governance:	All tap water supplied in Sandwell has been artificially fluoridated to the optimum level since 1986. The original agreement was signed on 10 February 1982 by Severn-Trent Water Authority & Sandwell Area Health Authority and 30 March 1982 by The South Staffordshire Waterworks Company and Sandwell Area Health Authority. Section 88H of the Water Industry Act 1991 gives the secretary of state the powers to require all local authorities affected by the arrangements to make payments to the secretary of state to meet any costs incurred by the secretary of state under the terms of the arrangements.
Risk:	Risk will be limited by regular contact with Public Health England to ensure costs are appropriate, to compare costs with previous costs and compare with other areas.
Equality:	Community water fluoridation is a universal intervention that reduces dental disease in the entire population, regardless of accessibility to a dentist, or the ability to pay for care. As the most deprived in a population are likely to have poorer oral health and benefit more from this intervention, health inequalities will be reduced.
Health and Wellbeing:	Good oral health is essential to good general health and achieving a good quality of life. Water fluoridation is a key strategy to improving the oral health of the population.
Social Value	Water fluoridation reduces the burden on the NHS and local health care services and helps to ensure health equality.



7. Appendices

Appendix A: Children’s Oral Health Overview.

8. Background Papers

PHE’s toolkit “Improving oral health: a community water fluoridation toolkit for local authorities”:

<https://www.gov.uk/government/publications/improving-oral-health-community-water-fluoridation-toolkit>

