Report to Policy Committee

Author/Lead Officers of Report: (Bethan Plant, Health Improvement Principal, Public Health, Kayleigh Inman, Senior Finance Manager & Anna Beeby, Assistant Finance Manager)

Tel: 07791212302: Bethan Plant

Report of:	Greg Fell – Director of Public Health & Integrated Commissioning
Report to:	Strategy & Resources Policy Committee
Date of Decision:	20th November 2023
Subject:	Public Health Grant Allocation 2023/24

	Yes		No	
Has an Equality Impact Assessment (EIA) been undertaken?	Yes	**Yes**	No	
If YES, what EIA reference number has it been given? **2387**				
Has appropriate consultation taken place?	Yes	**Yes**	No	
Has a Climate Impact Assessment (CIA) been undertaken?	Yes		No	**No**
Does the report contain confidential or exempt information?	Yes		No	**No**

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

*"The (**report/appendix**) is not for publication because it contains exempt information under Paragraph (**insert relevant paragraph number**) of Schedule 12A of the Local Government Act 1972 (as amended)."*

Purpose of Report:

This report:

- Describes how the ring-fenced Public Health Grant is allocated.
- outlines the purpose, scope, and progress of the Public Health Grant Review
- seeks approval of a recommended approach to grant expenditure in relation to contract spend and inflation, particularly in relation to staffing costs

Recommendations:

Strategy and Resources Policy Committee are recommended to:

- note the current allocation of Public Health Grant, the uplift in the Public Health Grant for 2023/2024 and the accompanying technical guidance and note the progress of Public Health Grant Review;
- approve the principle that, as set out in this report and in accordance with the principles set out in the technical guidance, some of the uplifted grant should be used to increase payments for services commissioned from NHS bodies from the Public Health Grant, wherever contractual arrangements allow, by 3.5%
- approve the principle that, as set out in this report, some of the uplifted grant should be used to increase payments for services commissioned from VCF bodies from the Public Health Grant, wherever contractual arrangements allow, by 3.5%

<table>
<tr><th colspan="3">Lead Officer to complete:-</th></tr>
<tr><td rowspan="4">1</td><td rowspan="4">I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</td><td>Finance: Kayleigh Inman, Senior Finance Manager</td></tr>
<tr><td>Legal: Patrick Chisholm, Service Manager</td></tr>
<tr><td>Equalities & Consultation: Bashir Khan, Equalities Officer</td></tr>
<tr><td>Climate:</td></tr>
<tr><td></td><td colspan="2">Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</td></tr>
<tr><td>2</td><td>SLB member who approved submission:</td><td>Greg Fell</td></tr>
<tr><td>3</td><td>Committee Chair consulted:</td><td>Tom Hunt, Leader</td></tr>
<tr><td rowspan="3">4</td><td colspan="2">I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.</td></tr>
<tr><td>Lead Officer Name:
Bethan Plant</td><td>Job Title:
Health Improvement Principal</td></tr>
<tr><td colspan="2">Date: 8th November 2023</td></tr>
</table>

1. PROPOSAL

Local authorities receive an annual ringfenced public health grant from the Department of Health and Social Care (DHSC). The core condition of this grant is that it should be used only for the purposes of the public health functions of local authorities' (ADPH and PHE 2016). These functions include mandated/prescribed and non-mandated/non-prescribed activities (see appendix 1 for further explanation). Its allocation should also align with the Sheffield Health & Wellbeing Board priorities.

The Public Health grant is one of the 5 main responsibilities of the Director of Public Health (DPH).

The Director of Public Health and Section 151 officer must certify annually that the grant has been spent in line with the terms and conditions. This is checked by the regional Director of Public Health (RDPH) and the Office of Health Improvement and Disparities (OHID).

There is the possibility that the Secretary of State may reduce, suspend, or withhold a Local Authorities grant allocation or require the repayment of the whole or any part of the grant monies if they are not allocated and spent correctly.

To ensure that the DPH and Section 151 officer can sign off the spend of the grant we need to make sure that Public Health Grant spend meets the technical requirements and conditions for its use.

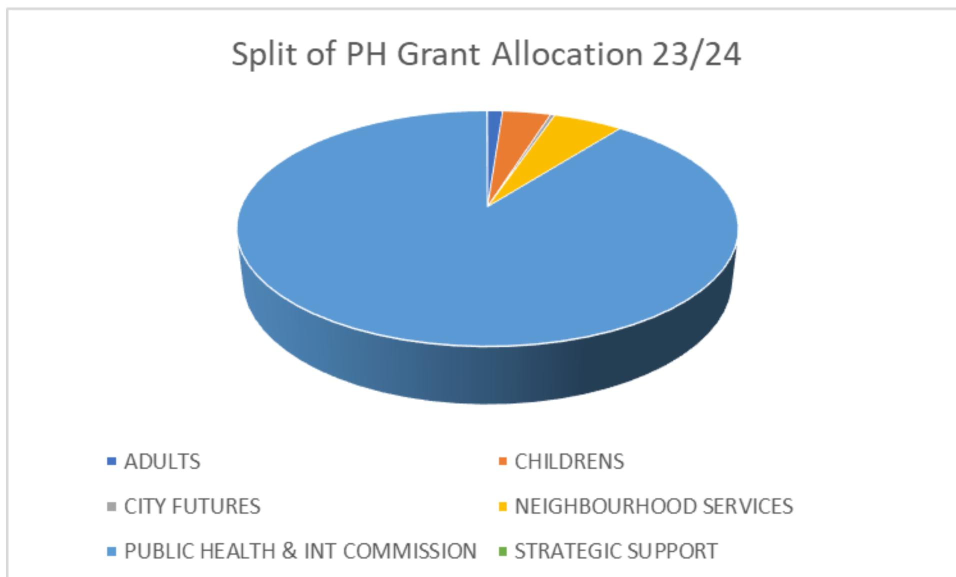
1.1 Current Public Health Grant Spend

The grant award for 23/24 is £36.4m.

Following the transfer of Public Health functions from the NHS to LAs in 2013 there has been an annual budget planning process which allocates the grant.

Figure 1A provides a high-level overview of how the Public Health Grant is allocated across SCC Directorates.

Figure: **1A: Public Health Grant Allocation by SCC Directorate**



Directorate	Permanent Public Health Grant Budget Allocation (£000)
Adults	£423.6
Childrens	£1,343.8
City Futures	£126.6
Neighbourhood Services	£1,946.7
Public Health & Int Commissioning	£32,521.2
Strategic Support	£19.5
Grand Total	£36,381.4

For 2023/24 there is £808k of Public Health Grant to be allocated to services covering the potential contract uplifts, once allocated the split can be seen below.

Figure 1B: Indicative split of Public Health Grant Spend 23/24

	£000s
NHS Providers spend	21,568
VCS Providers Contract spend	5,869
SCC Staff	5,495
Health Protection contingency	1,000
Other contract/non contract spend	2,449
Grand Total	36,381

1.2 <u>Public Health Grant Review</u>

A review of the Public Health grant spend (consisting of 3 phases) is underway to assess the historical allocations and confirm that spend meets technical guidelines.

As part of our SCC Delivery Plan, it was agreed to:

> ‘Produce an overview of spend against the Public Health Grant, including a Public Health Contract List identifying all areas where Public Health Grant is allocated, to provide the basis for a review of Public Health delivery focused on outcomes.’

This process is underway, and our Public Health service plan identifies as a priority that we will work to strategically review allocation of the grant and determine if we are correctly following the technical requirements for its allocation.

Aligning Integrated Commissioning and Public Health provides an opportunity to establish new systems and processes to improve oversight, financial reporting, and performance monitoring of the Public Health Grant.

To date the review has:

- Established a contract list and identification of individual business units (BU) where Public Health Grant is allocated (Phase 1).
- Required BU managers to identify how the allocation of the Public Health

Grant they receive and spend meets Public Health outcomes (Phase 2)

- Allowed the early developments of a Public Health workforce plan which fits alongside Public Health priorities and identifies where capacity is required.
- Identified key areas where further scrutiny of the public health grant allocation is required (Phase 3) to ensure fit with technical requirements and Public Health functions.
- Enabled some corporate decisions and agreement with partners (e.g. NHS) to determine future commissioning arrangements for key mandated/prescribed and non-mandated Public Health functions.

Phases 1 & 2 of the review have been completed and recommendations have concluded:

- The requirement for a centralised Public Health function has been identified. This will include establishing robust Public Health grant management processes providing capacity and infrastructure that will link spending of the grant to outcomes (including appropriate performance monitoring systems and transactional finance management of the grant). Its purpose is to provide greater assurance through robust monitoring and scrutiny systems.
- Further in-depth reviews (Phase 3) are required to determine how the Public Health grant allocation provided internally across Early Years (including parenting), within Family Intervention Service (FIS) are utilised.
- Work with Integrated Commissioning is required to explore commissioning approaches and oversight to develop consistent agreed standards.
- To further review in greater depth (Phase 3) the allocation of grant going to 'Registration Regulation' and overall spend across the VCF sector and Housing Independence Service.

The final phase of the review (Phase 3) will be completed by the end of March 2024 and findings will be reported back to the Strategy & Resource committee.

1.3

2023/24 Public Health Grant to Local Authorities

The (DHSC) have confirmed 2023/24 Public Health Grant allocations to Local Authorities with the headline details being:

- In 2023/24, all local authorities will receive a cash term increase of 3.3%, while indicative 2024/25 allocations suggest a 1.3% cash terms increase for all councils. DHSC states that this is a real terms protection of council public health funding.
- The allocations include local government funding of £1.4 million a year (national) for their enforcement duties under the Botulinum Toxin and Fillers (Children) Act 2021 - this is worth 0.04% of all authorities' 2023/24 allocations.
- Excluding this funding, using the Government's own terms, the 'core public health grant' increases are 3.2% and 1.3% for 2023/24 and 2024/25, respectively.
- The ring-fenced grant allocation for Sheffield in 2023/24 is **£36,381,431** – further detail can be found at: [Public health grants to local authorities: 2023 to 2024 - GOV.UK (www.gov.uk)]

There is an expectation by DHSC that the Public Health Grant will need to cover

pay pressures for 2023/24, including the impact of NHS pay settlements. Ongoing funding for this pressure will be managed through local authority commissioning streams. This means that where Public Health Grant is used to commission NHS providers, Sheffield City Council (SCC) is required to consider the financial implications and agree a corporate position with commissioned providers across all sectors.

1.4

23/24 Public Health Grant Allocation – Inflation & Pay Awards

It is recommended that, in accordance with the technical guidance that accompanied the 23/24 Public Health Grant, it is agreed by the Committee that part of the uplift provided to the Council should be used, where it is legally possible to do so, to provide a 3.5% uplift to NHS providers who provide services commissioned from the Public Health Grant.

It is also recommended that it is agreed by the Committee that part of the grant uplift provided to the Council should be used, where it is legally possible to do so, to facilitate a commensurate increase in contractual payments to VCF providers delivering public health activities funded by the Public Health Grant.

This would ensure that the Public Health Grant uplift was not being used to differentially protect the NHS and results in all providers, both NHS and VCF sector, being treated the same.

This statement of principle complies with the national guidance. The guidance outlines that there is an expectation for SCC to increase contract costs for NHS providers funded by the Public Health Grant up to 3.5% (in line with the increase received in our Public Health Grant allocation). Note: whilst the technical guidance refers to the uplift being intended to help address pressures arising from the NHS pay settlement it does not cover the entire pay award.

Impact for Sheffield City Council

1.4a

If SCC provide for inflationary uplifts across the board to all NHS and external VCF providers of the same amount (suggested 3.5%) to cover pay award costs, the financial implications of this are:

3.5% NHS pay uplift	£687,185
Public Health related VCFS pay uplift @ 3.5%	£120,433
Total Provision	£807,618

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 The allocation of the ring-fenced Public Health Grant has a significant impact for children, young people and adults who live, work and learn in the city of Sheffield. The approach taken in the allocation of the grant and how it is spent contributes to reducing inequalities and aligns with the Marmot principles. The grant also funds mandated services including the universal 0-19 Healthy Child Programme available to all children living in the city and Sexual Health Services, Substance

Misuse and Alcohol Services which are also accessed by Sheffield residents.

3. HAS THERE BEEN ANY CONSULTATION?

The allocation of the Public Health Grant follows the principles and priorities outlined in our cities Health & Wellbeing Strategy. This strategy aligns with implementation of the Marmot principles and consultation has been undertaken with partners and the public to agree our statutory Health & Wellbeing Strategy priorities.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

4.1.1 Decisions need to consider the requirements of the Public Sector Equality Duty contained in Section 149 of the Equality Act 2010.

4.1.2 This is the duty to have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

4.1.3 The Equality Act 2010 identifies the following groups as a protected characteristic: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation.

4.1.4 A full Equality Impact Assessment (EIA) has been completed. This has identified the following implications: Using the Marmot principles and following our Health and Wellbeing Strategy ensure that race, disability, poverty, faith and sex are considered and priorities for how groups with these protected characteristics have access to services funded through the Public Health Grant.

4.2 Financial and Commercial Implications

4.2.1 The allocation of the Public Health Grant is in line with national DHSC/OHID technical requirements.

4.2.2 A 3.5% inflationary uplift is proposed to NHS contract providers in line with technical guidance. This is expected to cost £687k across three Trusts.

4.2.3 To award a 3.5% uplift to the VCF sector delivering public health activities, would cost £120k. Provision of £808k has been set aside from the Public Health Grant allocation.

4.2.4 Any NHS contractors, or VCF providers funded via General Fund will not receive any inflationary uplifts unless this is agreed through Business Planning. Some of the providers who provide services funded by the Public Health Grant do have other contracts with the Council funded from the general fund.

4.3 Legal Implications

4.3.1 As explained elsewhere in the report, SCC commissions both NHS and VCF providers to undertake some of its public health functions and these arrangements are funded through the Public Health Grant. There are a variety of different types of contractual arrangement in place. The proposal in relation to the uplift is that regardless of the exact contractual obligations, SCC will where it is legally permissible to do so, in effect pass on the benefit of the increase in the grant to the providers; as this was the purpose behind this part of the increase in the grant.

4.3.2 The technical guidance issued to accompany the latest grant allocation makes it clear that Local Authorities are expected to pass on this element of the increase to NHS providers. There is not the same clear expectation in relation to VCF providers but in view of the fact that they will have faced similar cost increases and the element of the grant through which the activity is funded has increased by the same amount, it would not be inappropriate to apply the same approach as that applied to NHS providers to VCF providers where the Public Health Grant Fund is the source of the funding.

4.3.3 In general terms, Local Authorities' statutory responsibilities for public health services are set out in the Health and Social Care Act 2012. The Act conferred new duties on local authorities to improve and protect public health. Local authorities have had a new duty to take such steps as they consider appropriate for improving and protecting the health of the people in their areas. The actions of reviewing how the Public Health Grant is managed, and measures to pass on increases to providers facing the additional costs which have prompted those increases, will contribute towards the fulfilment of those responsibilities.

4.4 Climate Implications

4.4.1 There are no climate implications arising directly from the recommendations in this report.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Strategy and Resources Policy Committee could decide to provide a 3.5% increase only to the NHS in line with technical guidance. This is not recommended.

5. REASONS FOR RECOMMENDATIONS

5.1 The recommendations are consistent with the technical guidance issued by the Department for Health and Social Care alongside the grant settlement. They also ensure parity of treatment between different providers delivering services funded from the Public Health Grant.

Appendix 1

Local authority public health responsibilities

Local authorities' statutory responsibilities for public health services are set out in the Health and Social Care Act 2012. The Act conferred new duties on local authorities to improve and protect public health. It abolished primary care trusts and transferred much of their responsibility for public health to local authorities from 1 April 2013. From this date local authorities have had a new duty to take such steps as they consider appropriate for improving and protecting the health of the people in their areas. Furthermore, regulations made under Section 6C of the NHS Act 2006 require local authorities to take particular steps in the exercise of their public health functions, or aspects of the Secretary of State's public health functions, for example, Regulation 8 is a function of the Secretary of State delivered locally.

Part 2 of the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 (SI 2013/351) makes provision for the steps to be taken by local authorities in exercising their public health functions. These regulated functions are often referred to as the '**mandated functions'**. Legislative measures for local authorities' responsibilities for dental public health are covered by separate statutory instruments.

Section 2B of the 2006 Act for all upper-tier and unitary local authorities in England is to take appropriate steps to improve the health of the people who live in their areas. These may include:

- carrying out research into health improvement, providing information and advice (for example giving information to the public about healthy eating and exercise)
- providing facilities for the prevention or treatment of illness (such as smoking cessation clinics) · providing financial incentives to encourage individuals to adopt healthier lifestyles (for instance by giving rewards to people for stopping smoking during pregnancy)
- providing assistance to help individuals minimise risks to health arising from their accommodation or environment. Alongside the mandated functions are a range of public health services (for example: tobacco control, weight management, behavioural and lifestyle campaigns). The commissioning of these services is discretionary, guided by the Public Health Outcomes Framework, the local joint strategic needs assessment and the joint health and wellbeing strategy.

The general duty to improve public health includes the provision of facilities for the prevention or treatment of illness. What this means in practice, public health outcomes are maintained or improving. Local authorities use the Public Health Outcomes Framework, joint strategic needs assessment and the joint health and wellbeing strategy to guide their commissioning of all public health services. These services can be shown to be safe, effective and have a good service-user experience.

The key mandated functions are defined in Part 2 of the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013, summarised below:

- Weighing and measuring of children
- Health check assessment
- Conduct of health checks
- Sexual health services
- Public health advice service
- Protecting the health of the local population