

Commissioning and Procurement Executive Committee – 14 March 2023

Subject:	Use of public health grant allocation 2023/24		
Corporate Director/ Director:	Catherine Underwood - People Lucy Hubber - Public Health, People		
Portfolio Holder:	Councillor Linda Woodings - Adult Social Care and Health		
Report author and contact details:	Nancy Cordy, Senior Public Health Strategy and Service Improvement Manager, Public Health Nancy.cordy@nottinghamcity.gov.uk		
Other colleagues who have provided input:	Lisa Lopez, Public Health Commissioning Lead Lucy Hubber, Director of Public Health		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 or more
taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Total value of the decision: TBC – at the time of writing, the public health grant allocation for 2023/24 has not been confirmed, although it is assumed to be circa £35m (in line with 2022/23 allocation)			
Wards affected: All			
Date of consultation with Portfolio Holder: 13 February 2023			
Relevant Council Plan Key Outcome:			
Clean and Connected Communities			<input type="checkbox"/>
Keeping Nottingham Working			<input type="checkbox"/>
Carbon Neutral by 2028			<input type="checkbox"/>
Safer Nottingham			<input type="checkbox"/>
Child-Friendly Nottingham			<input type="checkbox"/>
Healthy and Inclusive			<input checked="" type="checkbox"/>
Keeping Nottingham Moving			<input type="checkbox"/>
Improve the City Centre			<input type="checkbox"/>
Better Housing			<input type="checkbox"/>
Financial Stability			<input type="checkbox"/>
Serving People Well			<input type="checkbox"/>
Summary of issues:			
<p>Along with all other unitary / upper tier authorities, Nottingham City Council receives an annual public health grant allocation from the Department of Health and Social Care (DHSC). The public health grant allocation for 2023/24 is still to be confirmed but is expected to be circa £35m. The public health grant is ringfenced and must only be used where the main and primary purpose is public health. The public health grant conditions set out a range of prescribed and non-prescribed public health activity against which public health grant expenditure must be reported.</p> <p>On average, people in Nottingham are less healthy than those in other parts of the East Midlands region or when compared to the England average. Nottingham’s communities have wide ranging health and wellbeing needs, and these can vary significantly between different groups.</p> <p>The public health grant must be invested both eligibly, but also efficiently, to address identified health and wellbeing needs and ensure the greatest possible positive impact on the health and wellbeing of Nottingham’s people.</p>			

This report sets out the planned use of Nottingham's public health grant allocation 2023/24 for the approval of Commissioning and Procurement Executive Committee, alongside the public health commissioning framework which shapes and guides the use of the public health grant allocation, and sets out the processes through which ongoing eligibility and best value is assured.

Exempt information: None

Recommendations:

- 1** To approve the receipt of the public health grant allocation (estimated circa £35m) for Nottingham City in 2023/24, and note the associated grant conditions and reporting requirements.
- 2** To approve the allocation of public health grant funding to wider council services as set out in table 1, to enable the delivery of additional activity which will contribute to improved health and wellbeing for Nottingham's residents.
- 3** To note and approve the planned use of Nottingham's public health grant allocation (as set out in table 2) in order to improve the health and wellbeing of Nottingham's population, in line with agreed relevant strategies and plans (both system-wide and internal Council) and in line with the refreshed Public Health Commissioning Framework.
- 4** To approve the refreshed Public Health Commissioning Framework (as detailed in Appendix 1)
- 5** To note the current public health reserve balance, and to endorse the sustainment of public health grant reserve at no less than 3% of the total value of the annual public health grant allocation.

1. Reasons for recommendations

- 1.1 Recommendation 1 – At the time of writing the public health grant allocations for 2023/24 have not been published. It is expected, in line with recent trends that the allocation will not be dissimilar to the previous year and it is therefore estimated that the value of the grant will be circa £35m. The grant is ringfenced for use on public health functions, meaning that the main and primary purpose of all spend from the grant is public health. The local authority circular published alongside the grant allocation sets out the conditions that apply to the grant, as well as the reporting requirements.
- 1.2 Recommendation 2 - The conditions in which people are born, grow, live, work and age have a profound influence on health and health inequalities. Local authorities have a key role to play in shaping these conditions, and as a consequence also have a key role in terms of improving the health and wellbeing of their local population (in line with statutory duties). Public health grant funding contributes to a range of wider council services (see table 1) in order to enable the delivery of additional activity which improves health and wellbeing. Arrangements are in place to ensure effective ongoing joint working and a review of contributions to provide assurance that all public health grant expenditure is eligible within stated grant conditions.
- 1.3 Recommendation 3 and 4 - The Joint Strategic Needs Assessment, published on Nottingham Insight, identifies the health and wellbeing needs of the local population. This has informed the Integrated Care Strategy, the Joint Health and Wellbeing Strategy for Nottingham, the Strategic Council Plan and the Public Health Divisional

Plan. The Public Health Commissioning Framework sets out the principles and processes through which these Strategies and Plans, alongside other relevant drivers (including statutory duties and prescribed services) are translated in to commissioned services and activity. The planned use of the public health grant allocation in 2023/24 is assessed as being the most appropriate allocation of resource in order to ensure the delivery of prescribed and non-prescribed activity (as set out in public health grant conditions) as well as address the health and wellbeing needs of the local population, in line with agreed Strategies and Plans.

- 1.4 Recommendation 5 – Public health grant conditions state that any unspent annual public health grant should be carried forward into the next financial year as part of a public health reserve. In line with developing Council policy it is proposed to maintain a minimum public health reserves balance of no less than 3% of the annual public health grant allocation.. This is to ensure that the public health grant reserve is able to resource unforeseeable pressures and risks without impacting on the General Fund / MTFP.

2. Background

- 2.1 Local authorities (upper tier and unitary) are statutorily responsible for improving the health of their local population and reducing health inequalities, under the National Health Service Act 2006. Alongside this duty, a ring-fenced public health grant is provided, for expenditure where the 'main and primary purpose...is public health'. The public health grant allocation 2023/24 for Nottingham is expected to be circa £35m.
- 2.2 Nottingham City Council is required to ensure the provision of public health services in line with the terms and conditions of the public health grant. Local authorities have to provide an annual Statement of Assurance confirming that the amounts shown on the Statement relate to eligible expenditure on public health and that the grant has been used for the purposes intended. The returns must be certified by the authority's Chief Executive (or the authority's S151 Officer) and the Director of Public Health. The terms of the grant outline prescribed (services mandated in the NHS Act 2006) and non-prescribed services, which are required as part of the conditions of the grant). Local authorities must report forecasted and actual public health grant expenditure against these categories.
- 2.3 The population of Nottingham have a lower life expectancy when compared to regional and national averages. They can also expect to live a shorter proportion of their lives in good health (healthy life expectancy measure). People experiencing the greatest deprivation have the shortest life expectancy. The trend of other key outcomes, such as proportion of children living with overweight or obesity, are either plateauing or worsening. This demonstrates the important of focused investment in effective interventions that will have a positive impact on the health and wellbeing of the population.
- 2.4 The Joint Health and Wellbeing Strategy for Nottingham, agreed in March 2022, sets out four priority areas for collective action in order to improve health and reduce inequalities in Nottingham;
 - Smoking and tobacco control;
 - Eating and moving for good health;
 - Severe Multiple Disadvantage (SMD);
 - Financial wellbeing.

Public health grant is being invested to support the delivery of the Joint Health and Wellbeing Strategy priorities.

2.5 The planned use public health grant allocation 2023/24 is assessed as being an effective and efficient use of the resource available, in order to ensure;

- That all grant expenditure is eligible, as per public health grant conditions;
- The effective delivery of all prescribed/mandated public health services;
- The delivery of activity identified as being required in order to address the four priorities set out within the Joint Health and Wellbeing Strategy for Nottingham;
- The delivery of all activity within the Public Health Divisional and Service plans (also represented in the Strategic Council Plan).

All expenditure will be in line with the principles and processes set out in the appended Public Health Commissioning Framework (Appendix 1). The Public Health Commissioning Framework aims to ensure that public health grant is used in a way which;

- Is based on a solid understanding of health and wellbeing needs;
- prioritises prevention;
- delivers best value, including a process for continuous improvement.

2.6 Planned public health grant expenditure can be separated in to one of three broad categories; (i) wider council services, (ii) public health commissioned services, (iii) staffing and support. The following sections consider each of these in turn and set out the proposed use of the public health grant allocation in relation to this category during 2023/24.

Wider Council Services

2.7 Following a review of public health grant expenditure in summer 2021 the use of public health grant to enable the delivery of additional activity which supports health and wellbeing was agreed as part of the public health transition plan, and included with the Medium Term Financial Plan. Service level agreements set out the purpose of the public health grant allocation and the arrangements for joint working.

Table 1: Public health grant allocated to wider Council services (2023/24)

Finance & Resources	Comms & Marketing	£73,000
	Constitutional Services	£17,000
	Employee Wellbeing	£40,000
	Emergency Planning	£33,000
	Procurement	£78,763
	Support services – various	£207,000
Communities, Environment & Resident Services	Leisure Services	£1,000,000
	Sports Development	£59,000
	Parks & Open spaces	£276,000
	Libraries	£377,000
	Domestic violence services	£1,011,537
	VCS Grants Programme	£328,000
	Financial vulnerability grant funded services	£405,000
	Resident development	£50,000
	Trading Standards	£34,890 tbc

	Crime & Drugs Partnership staffing	£103,000 tbc
People	Sex & relationships education	£37,000
	Healthy schools	£151,643 tbc
	Children's centres	£1,108,000
	Youth & play services	£426,000
	School swimming	£50,000
	Colwick adventure centre	£50,000
	ASC Prevention	£150,000
	Targeted CAMHS	£455,035
	Contracts/payments	£163,353
Growth & City Development	Planning	£105,000
	Nottingham Futures	£281,000
	TOTAL	£7,070,221

Public health commissioned services

- 2.8 Public health commission a wide range of activity in order to address the health and wellbeing needs of Nottingham communities, and improve outcomes for residents.
- 2.9 The Public health commissioning framework (Appendix 1) details the commissioning intentions for the forthcoming year. Highlights include the;
- Conclusion of the tender process for alcohol and drug use services (across three lots) and mobilisation of new contracts (intended start date of 1 October 2023);
 - Completion of Integrated sexual health services commissioning review (for services from 1 April 2024 onwards);
 - Completion of Integrated wellbeing services commissioning review (for services from 1 April 2024 onwards);
 - Commissioning of a new oral health promotion services (intended start date of 1 October 2023);

Table 2 provides a summary of planned use of the public health grant allocation in 2023/24 on public health commissioned services. Approval is sought for all public health grant expenditure in accordance with the local authority's constitution and decision making/governance processes.

Table 2: Public health commissioned and grant funded services (2023/24)

		Budget allocated – 23/24	Approval route
Health Improvement			
Children's public health services	Best start in life (contract)	£10,430,613	CPEC – November 2022
	Best start in life investment as per Transition Plan	£500,000	TBC
Smoking and tobacco control	Smoking cessation service	£310,000	DD4069
	Behavioural insight research	£37,500	DD4853
	Smoking/tobacco investment as per	£377,610	TBC

	Transition Plan		
Eating & Moving for Good Health	Adult Weight Management Services (x 5)	£346,269	DD4796 DD4797 DD4798
	Eating & Moving for Good Health investment as per Transition Plan	£622,731	TBC
NHS Health Checks		£141,750	DD4842
Oral Health Improvement		£150,000	Portfolio holder decision in progress
Inclusion Health			
Drug & alcohol use services	Adults (Q1/Q2)	£1,864,202	CPEC – July 2022
	Criminal Justice (Q1/Q2)	£353,026	CPEC – July 2022
	Children, young people & families (Q1/Q2)	£178,897	CPEC – July 2022
	Harm reduction/needle exchange (Q1/Q2)	£67,338	CPEC – July 2022
	Shared Care (GPs)(Q1/Q2)	£70,500	CPEC – July 2022
	Supervised Consumption (Pharmacies)(Q1/Q2)	£131,212	CPEC – Nov 2022
	New services – Lot 1, Lot 2, Lot 3 (Q3/Q4)	£3,139,943	CPEC – July 2022, Nov 2022
	Additional drug & alcohol use services	£716,014	Various
Mental health & wellbeing	Mental health investment as per Transition Plan	£395,087	TBC
Refugee & asylum seeker health	VCS grant funding	£51,939	CPEC – Dec 2022
Health Protection, Knowledge and Intelligence			
Sexual health services	Integrated Sexual Health Service	£3,849,377	CPEC – June 2015
	Online sexual health services	£563,189	DD4814
	Condom distribution	£49,615	DD4739
	Sexual health harm reduction	£87,262	
	Out of Area	£120,000	
	LCPHS - GP's/Pharmacies	£325,945	
Health Protection	Infection Prevention & Control service	£39,581	DD3367
Public health intelligence	Knowledge, Evidence & Insight	£16,225	DDM in progress

	Service		
	Contribution to System Analytic and Intelligence Unit (SAIU) for JSNA dashboards	£20,000	
	TOTAL	£24,955,825	

Staffing and Support

The public health service review completed in Winter 2021 (as required by corporate service planning processes) identified that the public health team did not have the required size, skills or structure to deliver an effective public health function. A workforce plan was agreed in response to the issues identified, seeking to;

- Consolidate the public health function, aligning resource to responsibility,
- Establish clear reporting lines within agreed public health portfolios
- Have a consistent and coherent structure, providing viable opportunities for progression from entry-level up to Director
- Grow the public health technical skills and expertise of the team

Table 3 provides an overview of staffing arrangements which are funded by the public health grant.

	Director of Public Health (Statutory Officer) 1fte					TOTAL
	Health Improvement	Inclusion Health	Health Protection, Health Intelligence	Healthy Communities	Strategy & service improvement	
Consultant in Public Health (SLMG2)	1fte	1fte	0.8fte	0.8fte		3.6fte
Public Health Principal (SLMG4)	1fte	1fte	1fte			3fte
Senior Public Health Manager (K)	1fte	1fte	2fte	1fte	1fte	6fte
JHWS Programme Manager (J)	1fte	0.6fte				1.6fte
Public Health Commissioner (J, I, H)	2fte	2fte	1fte			5fte
Public Health Manager (I)	3fte	4fte	3fte			10fte
Public Health Practitioner (G)		1fte	3fte	4fte	1fte	9fte
Leadership Support Officer (E)					2fte	2fte

Public health reserves

The public health grant conditions state that if at the end of the financial year there is any underspend, local authorities may carry these over as part of a public health reserve, into the next financial year. In using those funds in future years, local authorities still need to comply with all other grant conditions (main and primary purpose of spend is public health).

At the time of writing the balance of the public health reserve stands at £2.001m. It is proposed that the public health reserve balance should at no point be less than 3% of the annual public health grant allocation. This is to ensure that the public health grant reserve is able to resource unforeseeable pressures and risks without impacting on the General Fund / MTFP.

Over and above this minimum amount the public health grant reserve can be used to support innovation that requires non-recurrent funding, providing the activity is in line with grant conditions. £800,000 of public health grant reserve has been committed to supporting the commissioning of mental health reablement services as part of the adult social care transformation programme (subject to CPEC approval). All decisions relating to use of the public health grant reserve will be formally approved as required by the Council's constitution.

3. Other options considered in making recommendations

3.1 None.

4. Consideration of Risk

4.1 The use of the public health grant allocation 2023/24 as set out in this report is judged to be an eligible use of the public health grant, and fully in line with public health grant conditions. Forecasted and actual public health grant expenditure will be submitted to the Department for Levelling Up, Housing and Communities, and shared onwards with DHSC. This return must be accompanied by a statement signed by the Director of Public Health and the Chief Executive / S151 officer confirming that the grant has been spent in accordance with grant conditions. In assessing whether local authorities have complied with grant conditions DHSC will look at the primary purpose of the spend.

4.2 If the Director of Public Health or Chief Executive / S151 officer are not able to provide the assurance statement or for some other reason it is considered by DHSC that ineligible expenditure may have been incurred the authorities use of public health grant will be subject to additional scrutiny. If ineligible expenditure is identified, future public health grant allocations could be reduced and / or the local authority could be required to repay ineligibly used grant.

4.3 The Public Health Commissioning Framework (Appendix 1) sets out the processes through which it will be ensured that all public health grant expenditure is eligible within grant conditions, mitigating against the risk set out in 4.2.

5. Best Value Considerations

A best value assessment of the use of the totality of the public health grant was completed in Autumn 2022. This concluded that the reviews of public health grant investment and subsequent improvements in commissioning, grant management and staffing had addressed previously identified challenges.

- **Economy:** the review of the use of the ring-fenced public health grant ensures eligible use of the grant in the future. A revised Joint Health and Wellbeing Strategy, based on population need, agreed by the Health & Wellbeing Board ensures that spend is directed towards activity that will most improve health and wellbeing outcomes.
- **Efficiency:** Investments in wider council services are articulated in service level agreements and subject to annual review. A commissioning pipeline has been developed for commissioned services and reviewed at monthly multi-divisional PH programme board meetings. Revised service models and governance for substance use and sexual health services developed, and review of 0-19 services completed to ensure efficient use of contract sum.
- **Effectiveness:** Benchmarking for outcomes shows that Nottingham currently has significantly worse outcomes in all key domains. This is being addressed

through focused investment in public health interventions directly improving outcomes

6. Finance colleague comments

- 6.1 There is a statutory requirement to improve the health and wellbeing of the local population of Nottingham City via a ring-fenced Public Health grant. The report gives an overview of the Public Health grant for 2023/24.
- 6.2 The current **2022/23** Public Health grant allocation/budget is **£35.459m** and a similar budget is expected for 2023/24.
- 6.3 This report seeks approval for the receipt of and proposed allocation against the total value of the 2023/24 Public Health grant (summarised in the table below) which is anticipated to be c£35.459m based on the current 2022/23 grant value. This has been incorporated within the Medium Term Financial Plan (MTFP) and is in-line with the Public Health grant conditions.

Proposed use of 2023/24 Public Health Grant Allocation (based on 2022/23 allocation)	
Wider council services	£7,070,221
Public health commissioned and grant funded services	£24,955,825
Staffing & Support (and other)	£3,432,749
Total anticipated grant Allocation	c£35,458,795

- 6.4 As outlined, the Public Health Commissioning Strategy and Framework 2023/24 sets out the approach and key priorities (intentions) for the expenditure of the Public Health grant in 2023/24. The Framework outlines how the Council will assure itself that the Public Health grant is spent in support of strategic priority areas, maximising the positive impact on health and wellbeing outcomes for the Nottingham population and reducing inequalities in accordance with ring-fenced grant conditions whilst supporting best value.
- 6.5 Actual expenditure associated with the above proposed allocation of the 2023/24 Public Health grant will be subject to approval via the appropriate approval mechanism.
- 6.6 If the Public Health grant increases/reduces in future years the service will need to realign services within the funding available ensuring no financial pressures arise.
- 6.7 The report gives a full and robust financial breakdown based on the specific requirements to inform affordability and that all costs can be contained within the existing budget provision ahead of any 2023/24 budget announcement, this will ensure no financial pressures should arise.
- 6.8 Once the decision is approved, a budget virement will be posted to realign the budgets, supporting budget managers to robustly monitor the budget.
- 6.9 The Public Health actual grant costs will need to be closely monitored by the service to ensure they do not exceed the decision value. This

information will also be used for internal/external grant reporting purposes as required.

6.10 The Public Health grant is subject to a number of external grant reporting processes which are detailed by the report author. It is essential that any expenditure is in line with the grant conditions and that reporting requirements are met to ensure no risk arises re this grant funding.

6.11 The Public Health Transition Reserves current balance is £2.001m, with a possible £1.256m in year increase (as at Period 10 2022/23). This would give an overall balance of £3.257m, for which plans are in discussion to utilise.

6.12 A 3% grant reserve of the current 2022/23 budget would be £1.064m.

Tracey Moore, Commercial Business Partner (Public Health) - 6 March 2023

7. **Legal colleague comments**

The Public Health Grant is paid in accordance with Section 31 of the Local Government Act 2003. The grant can be used for both revenue and capital purposes.

The purpose of the grant is to provide local authorities in England with the funding required to discharge prescribed Public Health functions where the main and primary purpose is the improvement of Public Health.

Subject to paragraph 5 of the Public Health Ring Fenced Grant circular 2021 the grant can only be used for meeting eligible expenditure incurred by Local Authorities' as set out in s.73B(2) of the National Health Service Act 2006.

The grant can be used to contribute to other sources of funding (including other LA funding) so long as the fund is used for the purposes outlined above and the authority must be satisfied that the functions have a significant effect on public health or are carried out in connection with the public health functions prescribed.

The arrangements must represent value for money.

It is the responsibility of the Chief Executive or the s.151 officer and the Director of Public Health to certify that, to the best of their knowledge, the amounts shown on the Return Outturn report that must be submitted to the Secretary of State that the Local Authority expenditure has been spent in accordance with the grant terms.

The Secretary of State may require a further external validation to be carried out by an appropriately qualified independent accountant or auditor of the use of the grant where the Revenue Outturn Report return fails to provide sufficient assurance to the Secretary of State that the grant has been used in accordance with these conditions.

In addition if the Local Authority identify or suspect that there is any financial irregularity in the use of the grant it is under a duty to report the same to the Department, explain what steps are being taken and to investigate the

suspicion and keep the department informed about the progress of the investigation

A failure to comply with the Grant conditions or provide the requisite level of assurance to the Secretary of State means that the Secretary of State may reduce, suspend or withhold grant payments or require the repayment of the whole or any part of the grant monies paid. Any such sum would be repayable to the Secretary of State or may be offset against any future amount due to the authority from central government.

Beth Brown, Head of Legal - 6 March 2023

8. Crime and Disorder Implications

8.1 Public health are a key member of the Crime and drugs partnership, in recognition of the significant contribution public health and community safety have to make to each other's agendas. The Director of Public Health is the Senior Responsible Officer for the Substance use oversight group, in line with responsibilities for the commissioning of alcohol and drug use services. Public health grant contributes to the delivery of non-statutory domestic violence services and community safety staffing.

9. Social value considerations

9.1 In line with the Council's Procurement Strategy and as set out in the Public Health Commissioning Framework, opportunities to maximise social value will be considered and factored into all services commissioned and procured with public health grant.

10. Regard to the NHS Constitution

10.1 Local authorities have a statutory duty to have regard to the NHS Constitution when exercising their public health functions under the NHS Act 2006. In making this decision relating to use of public health grant, we have properly considered the NHS Constitution as well as shared plans and priorities, in order to commission services that improve the health of the local community.

11. Equality Impact Assessment (EIA)

11.1 An EIA is not required.

12. Data Protection Impact Assessment (DPIA)

12.1 A DPIA is not required because this report does not relate to the collection or use of any personal / identifiable data.

13. Carbon Impact Assessment (CIA)

13.1 A CIA is not required.

14. List of background papers relied upon in writing this report

14.1 None.

15. Published documents referred to in this report

15.1 [Public Health ring-fenced grant 2022 to 2023: local authority circular.](#)