Birmingham City Council

Report to Cabinet

17 December 2019

Subject:	**PUBLIC HEALTH GRANT BUDGET UPDATE**
Report of:	**Director of Public Health**
Relevant Cabinet Member(s):	**Councillor Paulette Hamilton - Health & Social Care** **Councillor Tristan Chatfield - Finance and Resources**
Relevant O &S Chair(s):	**Councillor Pocock, Health & Social Care**
Report author:	**Dr Justin Varney, Director of Public Health**

Are specific wards affected? If yes, name(s) of ward(s):	☐ Yes	☒ No – All wards affected
Is this a key decision? If relevant, add Forward Plan Reference: 006762/2019	☒ Yes	☐ No
Is the decision eligible for call-in?	☒ Yes	☐ No
Does the report contain confidential or exempt information? If relevant, provide exempt information paragraph number or reason if confidential:	☐ Yes	☒ No

1 Executive Summary

1.1 Over 2019/20 the new Director of Public Health has been working with the Cabinet Member and Finance directorate to rebase the public health grant and ensure the Council has confidence that this ring-fenced grant is being spent in a focused way to meet the statutory public health functions of the Council and to protect and improve the health and wellbeing of the citizens of Birmingham. Through this exercise there has been some rebalancing of resource to increase the specialist capacity within the Council, provide assurance that the contracts are fit for purpose and realignment of some of the corporate pressures and contributions to other directorates to strengthen the positive population health impact.

1.2 The Public Health Grant is ring-fenced until 2021/22 and there is national commitment that the specific focused funding on public health services will continue but the source of this funding is unclear.

1.3 This report sets out the reprofiling of the public health grant budget in line with previous Cabinet decisions regarding contract variations and addressing capacity issues within the specialist team to ensure the Council can meet its statutory public health responsibilities.

2 Recommendations

That Cabinet

2.1 Accepts the reprofiling of the ring-fenced public health grant for 2020/21 in line with previous cabinet decisions regarding contract variations.

2.2 Accepts the Director of Public Health to provide formal assurance to cabinet member that grant is being discharged in line with PHE and NHE guidelines.

3 Background

3.1 Local authorities (upper tier and unitary) are responsible for improving the health of their local population and reducing health inequalities.

3.2 Local authorities receive an annual ring-fenced public health grant from the Department of Health. The core condition of this grant is that it should be used only for the purposes of the public health functions of local authorities

3.3 The local authority statutory duties for public health services are mainly outlined in the Health and Social Care Act 2012 legislation. They include the duty to improve public health through mandated and non-mandated functions. There are also existing public health duties for health protection which sit under different legislation such as the Public Health Act. Legislative measures for local authorities' responsibilities for dental public health are covered by separate statutory instruments (Section 5.2)

3.4 Local authorities' statutory responsibilities for public health services are set out in the Health and Social Care Act 2012. Section 12 of the 2012 Act introduced a new duty at Section 2B of the 2006 Act for all upper-tier and unitary local authorities in England 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

3.5 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.

3.6 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 as:

- Weighing and measuring of children through the National Child Measurement Programme
- Commissioning the NHS Health check assessment
- Commissioning of Sexual health services
- Provision of technical expert Public health advice service to clinical commissioning groups
- Protecting the health of the local population

3.7 Under the dental legislation Local Authorities have responsibility to:

- provide or secure the provision of oral health promotion programmes as deemed necessary for the area
- provide or secure the provision of oral health surveys to:
  - assess and monitor oral health needs
  - plan and evaluate oral health promotion programmes
  - plan and evaluate arrangements for provision of dental services
  - monitor and report on the effect of water fluoridation programmes
  - participate in any oral health survey conducted or commissioned by the Secretary of State so far as that survey is conducted within the authority's area.

3.8 In addition to the mandated functions there are additional public health services that are expected to be commissioned from the public health grant under 'conditions of the grant', these include:

3.9 *Drug & alcohol services* - Under the HSC Act 2012, local authorities have the duty to reduce health inequalities and improve the health of their local population by ensuring that there are public health services aimed at reducing drug and alcohol misuse.

3.10 *Healthy child programme (0-19yrs)* - The transfer of the 0-5 Healthy Child Programme commissioning responsibility was the last part of the transfer of the public health grant commissioning responsibility from the NHS to local authority. At the request of, and in partnership with, local government a model service specification for Healthy Child Programme 0-19 was developed and published on 20 January 2016. This includes the health visiting 'transformed model' HV456 and similar guidance for the school nursing services contribution from 5-19. Both health visiting and school nursing services are 'four level' including working with communities, universal services, universal plus (extra help/early intervention), universal partnership plus (multiagency support for complex needs). For health visiting services, five universal health reviews are mandated by Parliamentary regulation for 18 months from October 2015.

4 The Birmingham Public Health Ring-Fenced Grant

4.1 Since 2015/16 there has been an annual reduction in the grant allocation, equating to just under a 14% reduction in the allocation per head of population between 2015/16 and 2020/21.

Year	Total PH Grant Value (£000s)	Contribution per head (£)
15/16	97,782	88
16/17	95,571	85
17/18	93,215	82
18/19	90,818	80
19/20	88,420	77
20/21	88,420	76

4.2 The Council makes an annual report return to Public Health England on spend against the ring-fenced grant which is broken down by category of spend. The assurance statement is sign off by the Chief Executive and Director of Public Health (DPH).

4.3 The DPH has been working with finance through the budget setting for 2020/21 to clarify the budget lines and cost centres. During this period there has also been realignment of some of the contributions to other directorates within the Council and plans to rebase the contribution to corporate services in line with the Division moving to Partnership, Insight and Prevention Directorate.

4.4 The Director of Public Health has also benchmarked spend and performance of the mandated services to ensure that there is appropriate investment and ensure that the current contracts are fit for purpose.

4.5 A series of internal audits, including health inequalities and the Joint Strategic Needs Assessment, have highlighted concerns about the public health specialist mandatory advice functions, which reflects the small size of the specialist team and through the rebasing exercise the public health division is being expanded.

5 The 2020/21 Public Health Grant Budget

5.1 The rebasing of the budget ensures that the Council has appropriate specialist public health support to deliver its mandatory functions, can commission effective public health services and support the Council to achieve its ambitions.

5.2 The core budget segments planned for 2020/21 are:

	2019/20 Current Budget £'000s	2019/20 Forecast Outturn £'000s	2020/21 Plans / Allocation £'000s
EXPENDITURE			
Public Health Division Staff Cost	2,780	2,013	3,054
Public Health Division Running Costs (Equip/Licences)	1,625	600	500
Mandated Public Health Services • Sexual & reproductive health services • NHS Health Checks • Health Protection • National Child Measurement Programme (including School Nursing Services) • Specialist support to NHS commissioning	19,688	21,021	19,379
Recommended Public Health Services • Smoking cessation • Substance misuse treatment • 0-5 early years health & wellbeing • Fluoridation	50,133	50,845	49,423
Additional Public Health Functions/Services • Public Mental Health • Whole system approach to obesity prevention • Infectious disease prevention • Health & Wellbeing Board & Forums	175	763	1,145
Public Health through other directorates			
Neighbourhoods • Wellbeing Leisure Services (inc. Be Active Plus) • Welfare Advice Service	4,330	3,750	3,475
CYP - Support for Strategic Commissioning	0	150	150
Adult Social Care	8,846	8,846	8,506
Corporate & Other Services Recharge	4,093	4,093	1,793
Total Expenditure	*91,670*	*92,081*	*87,425*
INCOME			
Public Health Grant Additional income generated by Public Health	(88,420) (12)	(88,420) (203)	(88,420) (75)
Total Income	*(88,432)*	*(88,623)*	*(88,495)*
Variance - Drawdown from / (Contribution to) Reserves	3,238	3,458	(1,070)
- Estimated increase in Grant (Note 1)			(2,398)
Revised Variance - Drawdown from / (Contribution to) Reserves			**(3,468)**

Note1 – Central Govt announced an increase to PH Grant - provisional figure used, awaiting formal notification from PHE.

5.3 The budget setting is based on the agreed contract values. The reduction in mandated and recommended services reflects existing contract agreements. The reductions in the budget for mandated and recommended services reflects the planned contract value reductions which were previously agreed in 18/19 and come into effect in 20/21. Through the budget realignment we have taken account of this projecting forward for the next three years and taking account of anticipation contract pressures due to growth in the population.

5.4 There has been work undertaken to rebalance the team running costs which has reduced the projected spend in 19/20 from £1.6m to £0.600m in 19/20 and to a stabilised £0.500m in 20/21.

5.5 The increase in capacity in the Public Health team capacity reflects an increase of 29 WTE (whole time equivalent) from the current 40 WTE. We have benchmarked the size of the specialist team against neighbouring authorities and the average is approx. 20 WTE/200K citizens, however there are economies of scale and hence the expansion is not a pro-rata growth against this benchmarking.

5.6 In expanding the team there has been a specific focus on creating new opportunities and pathways to employment to support social mobility and so 10 of these posts are 12 month fixed term graduate intern roles and 2 are fixed term Pathways to Work roles which we are developing with PURE to support entry to the job market. These roles will provide surge capacity around delivery projects such as the Global Healthy City Partnerships project and the National Obesity Trailblazer Programme, this also allows flexibility in the future based on service need.

5.7 The remaining 17 posts are to increase the specialist public health capacity to support the delivery of the mandated and recommended functions of the team. The key areas of growth are:

- **Knowledge, Evidence & Governance function**, who are responsible for providing joint strategic needs assessment and other public health intelligence, will expand by 5WTE (whole time equivalent), from 9WTE to 14 WTE. This will strengthen the Council's ability to develop a strong and coherent JSNA and improve the public health briefings that support the Council's work.
- **Health Protection function** will expand by 4WTE, from 2WTE to 6WTE, and this includes two joint Environmental Health Officer posts to ensure we are meeting our statutory responsibilities in this space and address the challenges highlighted in the health protection report to the Health and Wellbeing Board earlier in the year.
- **The Children and Young People's team** will expand from 2WTE to 4WTE to improve the public health specialist support to the healthy child programme

alongside investment in a separate dedicated children's strategic commissioning function to improve contract management of the two 0-19yr health and wellbeing contracts.

- **Both the Communities team and the Inequalities team** will expand by 5WTE across the two teams to bring them to a total headcount of 11WTE to support delivery of work to address health inequalities in the city and improve our evidence-based approach to equality and communities, this includes a joint post with Arts & Culture.
- Finally, **the Places team** will expand by one post, from 4WTE to 5WTE, to deliver the work on food and physical activity which underpins our approach to creating a healthier active city and deliver a long-term strategy to reduce childhood obesity.

This expansion should ensure that the team is fit for purpose for a city of the size and complexity of Birmingham.

5.8 Further work is on-going to define the specific contribution to other directorate public health functions and this will be supported by internal Memorandum of Understanding agreements setting out the outcome/impact of funding of other directorate functions in line with the grant, as is in place for Neighbourhoods.

6 Options considered and Recommended Proposal

6.1 The Director of Public Health has worked with Corporate Finance and Public Health England (PHE) to ensure that the Public Health Grant is being spent in an appropriate way to impact on the health and wellbeing of the population.

6.2 The rebalancing of the grant enables investment into actions that will address health inequalities and wider determinants of health such as the food environment as well as deliver services in evidence-informed ways that will improve the health of citizens effectively and at scale.

6.3 This rebasing of the Grant provides the most robust way of ensuring that the grant is being spent in an effective way to address the health and wellbeing challenges facing the city at scale and ensure that the grant is brought back within the allocation ahead of 2021.

7 Consultation

7.1 The Director of Public Health has benchmarked spend on mandated services against the core cities and reviewed outcomes of commissioned services against core cities (Appendix 1). The team have worked with Public Health England to ensure that the alignment of the budget is in line with national expectations of the spend against the ring-fenced grant.

7.2 The significant value contracts of spend within the grant e.g. sexual and reproductive health services, drug and alcohol services have been brought separately to Cabinet where appropriate for roll-forward or tendering processes.

7.3 As this is a ring-fenced grant with specific mandated and recommended services there is no requirement for specific consultation on the funding allocations within the grant.

7.4 Where services were decommissioned from grant funding in previous years there was consultation e.g. changes in commissioning of children and young people's drug and alcohol services, and these informed the commissioning decisions.

7.5 Where services are realigning provision in line with agreed funding reductions, they undertake consultation directly with citizens e.g. Change Grow Live consulted on move to four local hub model of service provision for drug and alcohol services.

7.6 This report has been discussed by the Director of Public Health prior to Cabinet with the Health and Social Care Scrutiny Chair and opposition members of the scrutiny committee.

8 Risk Management

8.1 This grant award is for ring fenced funding to support the Council to deliver the mandated public health functions and wider public health functions to protect and improve the health and wellbeing of the population.

8.2 The rebalancing of the grant, especially the expansion of the staff WTE, aims to address some of the capacity related risks in provision of the mandated and recommended public health functions of the Council.

8.3 Due to the size of the city Birmingham's use of the public health grant attracts more attention than other areas and there is shared recognition that this rebasing of the grant has been needed to ensure that the grant is being used effectively to improve health and wellbeing at a system level of the city.

8.4 The grant funding and its implementation is being overseen by the Director of Public Health and is subject to annual reporting to Public Health England.

9 Compliance Issues:

9.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

9.1.1 The Public Health Grant is being spent to address the Council's statutory responsibilities for public health as set out in the Health and Social Care Act (2012) and through supporting action to protect and improve the health of the population will serve all six strategic priority outcomes of the Council.

9.2 Legal Implications

9.2.1 The Public Health ring-fenced grant is related to the public health powers transferred to local government under the Health and Social Care Act (2012).

9.3 Financial Implications

9.3.1 The rebasing of the grant reduces the potential financial risks associated with the grant by ensuring that it is not overcommitted and is focused on delivering public health impact across the city.

9.3.2 The rebasing exercise has also resulted in the potential for the Division to make contribution into the Public Health Reserves at the end of 2020/21, at present this is estimated to be approximately £1.070m.

9.3.3 Additionally, following the Central Government announcement to increase the Public Health Grant in 2020/21 a provisional figure of approximately £2.398m has been anticipated for Birmingham. However, there is some risk around the value and is subject to formal notification from Public Health England. The assumption is for the increase to bring the grant allocation back to 2018/19 levels.

9.4 Procurement Implications (if required)

9.4.1 The majority of the grant is allocated to existing contracts or projects commissioned through finditinbirmingham. All 3rd party expenditure is undertaken in accordance with the Council's Procurement Governance Arrangements

9.5 Human Resources Implications (if required)

9.5.1 Through the rebasing there is a planned expansion of the public health specialist function in the division and strengthening of the commissioning support for 0-19yrs services, health protection, joint strategic needs assessment and support to NHS commissioners across the two clinical commissioning groups and multiple primary care networks and NHS trusts in the city, to ensure the Council is able to meet the mandatory functions.

9.5.2 It has been the lack of human resource that has been the most significant risk to the public health grant and the Council's statutory functions, and this has limited the ability of the city to move at pace to address the issues facing the city.

9.5.3 Expansion of the team will improve workload balance within the team and reduce some of the risks of over-reliance on single individuals in specific topic areas.

9.6 Public Sector Equality Duty

9.6.1 A full equality impact assessment is attached as an appendix to this report (Appendix 2).

9.6.2 The rebalancing of the grant spend enables more focused commissioning and delivery to address health inequalities and accelerate action on significant upstream drivers of health challenges such as the food environment.

10. Appendices

1. Public Health Grant Contract and Impact Summary

2. Equality Impact Assessment

Appendix 1: Public Health Grant Contract and Impact Summary

The Cabinet Member for Health and Social Care has established a quarterly dedicated contract briefing meeting to increase oversight of the Public Health Grant.

Public Health Grant funded contracts are overseen through the Public Health Contract Board chaired by the Director of Public Health. The Contract Board includes representation from Adult Social Care, Education and Skills, Neighbourhoods and Finance directorates and representation from Birmingham and Solihull and Sandwell and West Birmingham Clinical Commissioning Groups. Further members are invited based on the focus of the meeting.

This appendix provides an overview of the current position for the following mandated and recommended Public Health service contracts as of September 2019:

1 Early Years

2 School Health

3 NHS Health Checks

4 Stop Smoking Service

5 Sexual Health

6 Adults Substance Misuse

7 Young Peoples Substance Misuse

Where possible we have benchmarked spend and performance against Core Cities.