

REPORT TO CABINET

14th May 2026

REPORT OF CORPORATE MANAGEMENT TEAM

CABINET DECISION

Health and Adult Social Care - Lead Cabinet Member - Cllr Pauline Beall

Public Health Grant Spend

Summary

Through an outcome-based review, £1m of the public health grant has been identified to realign to other areas of the Council. The work builds on existing joint working between Public Health and other services across the Council. Working with Finance, the proposed Council areas to receive realigned funding have been identified. Further work is commencing on specific public health indicators to be achieved through discussion with the relevant service areas. To satisfy Department of Health and Social Care (DHSC) assurance requirements, service level agreements will articulate joint working in each Council area, use of funding and indicators which must demonstrate specific public health added value.

Reasons for Recommendation(s)/Decision(s)

Public health funding supports activity across a range of Council areas, to support a cross-Council approach to delivering health and wellbeing outcomes. It is important that this process is undertaken in-line with national parameters for grant spend and national assurance mechanisms, while maximising the opportunity to improve local outcomes. The work is undertaken as part of Council-wide outcomes-based review activity, aiming to maximise efficiency and address the Council's financial position. Areas receiving public health funding will in turn release the equivalent amount from their budgets to contribute to Council-wide efficiencies.

Recommendations

Cabinet is invited to:

1. Note the update on delivering the Public Health grant outcomes-based review
2. Note the wider Council areas where public health funding is planned to be realigned, to achieve public health outcomes
3. Note the mechanism for evidencing outcomes and spend to satisfy national assurance requirements

1 Detail

Public health grant outcomes-based review

1.1 Through the Public Health review of grant spend, £1m public health grant funding has been identified for 2026/7 as required. Budget planning will maintain this for 2027/8 and 2028/9, mindful of potential national changes.

National assurance process

1.2 DHSC has implemented a new strengthened national assurance process, regarding spend of the Public Health grant (**Appendix 1**). To satisfy the assurance process, written evidence in the form of service level agreements (SLAs) is required to demonstrate specific added value through use of the Public Health grant in achieving Public Health outcomes. National guidance stipulates areas / activity the grant cannot be used for, including other areas of Council statutory activity. Through this process, DHSC also seeks to determine there is an appropriate balance between funding Public Health core services, and wider Council activity supporting Public Health. All areas across Tees Valley and the North East are putting or have put SLAs in place. Comparison across Councils on wider use of the grant has limited value due to: nationally recognised variation in spend captured in budget reported outturn (RO) categories; and significant variation in set-up, scope and ways of working of wider Council services.

Planned use of Public Health grant

1.3 Public Health already works closely with a wide range of Council areas and public health funding is used across these services. In 2025/26 a total of £4.2m expenditure across other Council services and central overheads is forecast to be funded via public health, with £3.5m being funded through the public health grant and £0.7m funded through public health reserves (**Appendix 2**).

1.4 The Council areas receiving public health funding have been reviewed through joint working with Finance, to ensure that they are in line with the DHSC assurance requirements and to make sure that the funding can continue through public health grant funding as the public health reserve is drawn down. Some of the existing public health contributions will be reduced and others will increase. The exact amounts of funding for each service will be determined once public health indicators have been specified, to ensure the funding reflects joint working and public health added value but will include:

- Trading standards, enforcement
- Employment & training, inclusive growth, economic and place development
- Parks and green space, active travel
- Homelessness (complex lives) and communities, engagement & consultation
- Workplace health

The public health outcomes linked to these areas are detailed at **Appendix 3**.

1.5 Some areas currently funded by Public Health have historically been funded through reserves; these are now being covered through core Public Health grant. The total contribution will increase from £4.2m to £4.5m and this will be funded in full from the Public Health grant in future years. Therefore, the Public Health grant contribution will increase from £3.5m in 2025/26 to £4.5m from 2026/27 (**Appendix 4**). If £1m of the Public Health grant was not used in this way to fund other services providing public health outcomes then this would create a budget pressure the Council would have to meet from elsewhere.

1.6 Discussions will now take place with relevant Directors / Assistant Directors to maximise joint working through the proposed spend, to deliver specific public health indicators. Service Level Agreements (SLAs) will be required for all the spend across areas of the Council beyond Public Health, including both existing areas of spend and proposed new areas.

1.7 Discussions are ongoing with neighbouring Local Authorities to share good practice regarding SLAs, to inform our local approach. The SLA will be tested in one or two service areas, in conversation with the Assistant Director / service lead. It is proposed Public Health indicators in the SLA will mirror and complement existing indicators wherever possible and that they will be built in to reporting mechanisms working with the corporate performance team.

2 Community Impact and Equality and Poverty Impact Assessment

2.1 A joined-up approach to the key areas proposed will build on existing work between public health and various other areas of the Council, to achieve common objectives. It will help to better specify these objectives, draw out the opportunity to improve health and wellbeing and address inequalities, and maximise efficient use of resources. The approach outlined above will support the Council's design principles, particularly reducing inequality and prioritising prevention across the organisation. Joint work to maximise resource and outcomes will support efficiency and be rooted in intelligence and evidence of what works in improving health and wellbeing and addressing inequality.

2.2 Any change to ways of working or services as part of the broader Council transformation work, will be subject to a specific Equality and Poverty Impact Assessment (EPIA). EPIAs have been undertaken for the services where funding has been reduced or stopped, in order to identify the £1m for realignment. Mitigating actions are being implemented wherever possible.

3 Corporate Parenting Implications

3.1 There are no direct implications for corporate parenting, though public health already works very closely with children's services and partners across the system to improve outcomes for children, young people and families. This includes a focus on early prevention activity to reduce the risk of children needing to be looked after, as well as support to children and families who have the greatest level of need and support to care experienced young people.

4 Financial Implications

4.1 The work is part of Council-wide outcomes-based review activity, aiming to maximise efficiency. The review has meant £1m of the Public Health Grant has been redirected to wider Council activity to improve health and wellbeing. Each allocation will be accompanied with a service level agreement that reports into Public Health outcomes as part of grant condition monitoring.

5 Legal Implications

5.1 The Public Health grant must be spent and evidenced in line with national requirements and assurance processes, which is subject to annual scrutiny through the DHSC.

6 Risk Assessment

6.1 There is a risk to population health and wellbeing, inherent in reducing opportunity to invest in early prevention as the core of public health delivery, particularly in an environment of increasing demand, complexity, socio-economic challenges in the community and pressure on services. It is appreciated that resource allocation decisions are taken in the context of the current financial challenge facing the Council and many other statutory agencies.

6.2 Should the public health grant not be used in an appropriate way with clear evidence, there is a risk to population health and wellbeing and a risk to the Council of challenge and follow up from DHSC. This risk is being managed through work to identify areas where clear public health added value can be achieved and evidenced.

7 Wards Affected and Consultation with Ward/ Councillors (refer to Concordat for Communication and Consultation with Members)

7.1 All wards are impacted due to the borough-wide nature of the services funded through and supported by Public Health. Should specific wards be likely to be particularly impacted in future, discussions will take place with the relevant ward Councillor.

8 Background Papers

N/A

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Appendices

Appendix 1: National DHSC assurance process

DHSC has implemented a new strengthened national assurance process, regarding spend of the Public Health grant, to ensure the grant is used in line with national parameters and the Health and Social Care Act (2021). This includes:

- National annual return on spend per (nationally determined) Reported Outturn (RO) category and letter of assurance signed by the DPH and section 151 officer
- Annual assurance meeting with DHSC and follow up written response from DHSC seeking further information as required. This must be supported by written evidence, usually through a service level agreement, setting out the specific public health added value gained through the funding, and progress against public health indicators achieved as a result
- Annual deep dive process on one of the RO categories followed by clarification questions as needed
- National peer review process (currently being commissioned)

Appendix 2: Existing spend across Council areas beyond core PH services

Council Service/Programme Area	2025/26
Director of Adults & Public Health	£294,000
Children & Families	£1,452,000
Leisure	£748,000
Fairer Stockton Team	£224,000
Environmental Health & Trading Standards	£186,000
Communities, Engagement, Homelessness Workplace Health	£237,000
Subtotal: Spend across Council areas beyond core PH services	£3,141,000
Central Overheads	£1,064,000
Gross Expenditure	£4,205,000
Public Health Grant	(£3,500,000)
Public Health Reserves	(£705,000)
Funding	(£4,205,000)
Net Expenditure	£0

Appendix 3: Planned use of Public Health grant from 2026/27

NB: Table sets out use of £1m of Public Health grant from 2026/27. Amounts are estimates and subject to change – exact amounts and specific metrics to be determined through SLA development.

Council area / service	Approx. investment (% total service budget line)	PH outcomes
Trading standards & enforcement	£165,000	Addressing harm reduction & substance misuse; food safety & healthier choices; protecting vulnerable people; reducing injury & harm; reducing violent crime; improving mental wellbeing & feelings of safety; improving community cohesion; addressing inequalities
Employment, training, inclusive growth, economic development & place development	£138,000	Improving mental health; reducing social isolation & loneliness; addressing health inequalities; reducing sickness absence; improving wellbeing through increasing employment; reducing demand on public services; improved community infrastructure (social value)
Parks & green spaces, active travel	£153,000	Improving mental wellbeing and physical health (obesity, cardiovascular disease etc.); supporting environmental health & improving air quality; addressing health inequalities; addressing loneliness & social isolation; connecting communities
Communities, engagement & consultation, homelessness (complex lives), workplace health & wellbeing advice (SBC)	£542,000	Understanding community assets & needs; informing and co-producing approaches and service models; supporting appropriate use of public services & reducing demand; improving community ownership & satisfaction; improving mental and physical wellbeing; addressing inequalities; lowering premature mortality risk; enhancing social determinants of health

Appendix 4:

Council Service/Programme Area	2025/26	Revision	2026/27
Director of Adults & Public Health	£294,000	(£72,000)	£222,000
Children & Families	£1,452,000	(£505,000)	£947,000
Leisure	£748,000	(£175,000)	£573,000
Fairer Stockton Team	£224,000	£0	£224,000
Environmental Health & Trading Standards	£186,000	£165,000	£351,000
Economic Development & Place Development	£0	£138,000	£138,000
Parks & Green Spaces, Active Travel	£0	£153,000	£153,000
Communities, Engagement, Homelessness Workplace Health	£237,000	£542,000	£779,000
Subtotal: Spend across Council areas beyond core PH services	£3,141,000	£246,000	£3,387,332
Central Overheads	£1,064,000	£49,000	£1,113,000
Gross Expenditure	£4,205,000	£295,000	£4,500,000
Public Health Grant	(£3,500,000)	(£1,000,000)	(£4,500,000)
Public Health Reserves	(£705,000)	£705,000	£0
Funding	(£4,205,000)	(£295,000)	(£4,500,000)
Net Expenditure	£0	£0	£0