



The Association of Directors of Public Health

What Good Public Health Spending Looks Like in England

Background

Directors of Public Health (DsPH) have a statutory duty to improve and protect the health of the population and reduce health inequalities. DsPH can discharge this duty through a number of [responsibilities](#), including providing independent, expert advice to the local system, providing strategic leadership (such as developing integrated care strategies) and ensuring suitable services or interventions, identified through understanding population outcomes.

The [Health and Social Care Act 2012](#) introduced a duty that stated ‘each local authority (LA) must take such steps as it considers appropriate for improving the health of the people in its area.’ This duty applies across the strategic and operational delivery of all LA services, regardless of the funding source.

When exercising their public health functions, Upper Tier and Unitary Local Authorities (UTLAs) are required to have regard to the guidance from the Secretary of State; in particular, the Department of Health and Social Care’s (DHSC) Public Health Outcomes Framework (PHOF).ⁱ In practice, this means that the strategic investments and delivery should be clearly linked to an assessment of population need, based on identified outcomes. This is underpinned by the requirement to publish a joint strategic needs assessment (JSNA) and joint local health and wellbeing strategy (JLHWS) that should guide the subsequent investment plans.

Since public health moved into UTLAs in 2013, UTLAs have received a ring-fenced public health grant (PHG) to support the delivery of public health functions. The grant should be used where the main and primary purpose of the spend is public health.ⁱⁱ The DPH, together with the Chief Executive or Section 151 officer, is responsible for providing the Ministry of Housing, Communities and Local Government with forecast (Revenue Account (RA) return) and reports (Revenue Outturn (RO) return) to confirm eligible spend.

Each local area uses the PHG in different ways to support the delivery of these responsibilities. Over time, small variances in decision making have accumulated so that there can be significant differences in both strategic approach and investment in each local authority. Public health being in local government in England has the benefit of enabling leadership and decision making appropriate to population needs, as well as being closer to influencing the wider determinants of health.

This publication sets out features of what good public health spending looks like. It provides a framework for thinking about eligible use of the grant and some ideas for comparing investments. It is important to remember that the grant is just one way that public health teams have an impact in local systems.

Vision

To support improving and protecting the health of the population through efficient investment in effective services and interventions.

Principles

- Adherence to statutory requirements to ensure eligible use: public health spending should correspond to the PHG spending conditions and statutory duties of UTLAs and DsPH as outlined in legislation.
- Investments are proportional to the public health outcomes: when the PHG is invested in services that confer some public health benefit (but it is not the main and primary purpose) the level of investment should be proportionate to the impact on outcomes.
- Monitor, evaluate and review the use of the grant: investments should have the outcome measures described and these should be regularly reviewed.
- Support the delivery of the best value: eligible use of the grant which supports the concepts of economy, efficiency and effectiveness.
- Ensure proper governance of the grant: LAs should ensure appropriate oversight of the PHG, including timely completion of RA/RO returns and notifications of significant changes in the use to the Office for Health Improvements and Disparities (OHID).

Key features of what good looks like

Eligible use

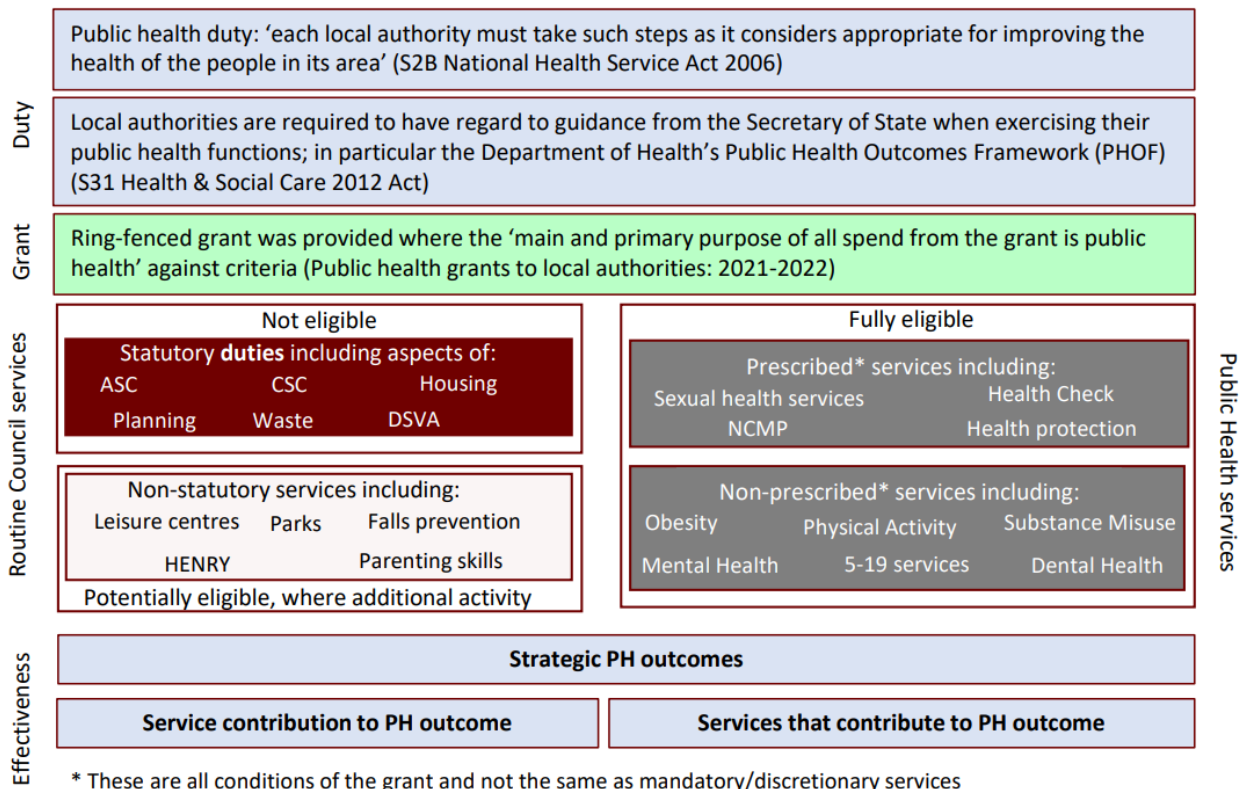
LAs have a legal duty to improve the health of the population and may do this across the full range of services that they provide (see the 'duty' section in infographic below). However, just because an activity contributes to improving the health of the population does not make it automatically eligible for funding through the PHG.

The criteria for the use of the PHG is distinct (see the 'grant' section of the infographic).ⁱⁱⁱ You should be able to demonstrate that the primary purpose of investment will improve public health outcomes (for example by using PHOF and JSNA).ⁱⁱⁱ

A broad list of reporting categories is specified in the PHG conditions (the 'fully eligible' sections). It is important to note that prescribed/non-prescribed services are not the same as mandatory/discretionary.

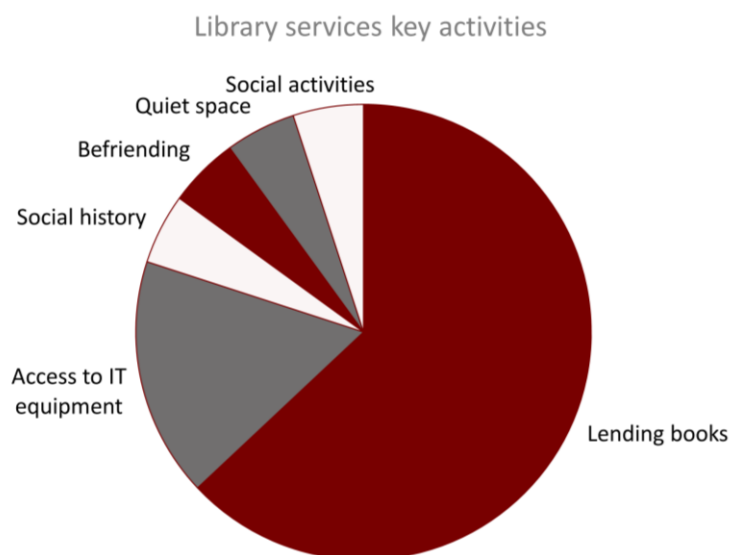
- Prescribed means that the type of intervention is not optional but the model of delivery is at local discretion eg NHS Health Checks must be provided but can be delivered as best meets the needs of the population.
- Non-prescribed means that interventions aligned to population need are expected to be provided and the model of delivery is completely at local discretion.

The PHG should not be used where there is a statutory duty of the council (see the 'not eligible' section of the infographic). To determine what falls into this category, a useful test is to ask 'would this investment substantially change if the LA was no longer responsible for public health functions?'. Additionally, there are some services provided by the council where the PHG investment may be eligible (see the potentially eligible section). This section is where the concept of proportionality is particularly relevant (see below).



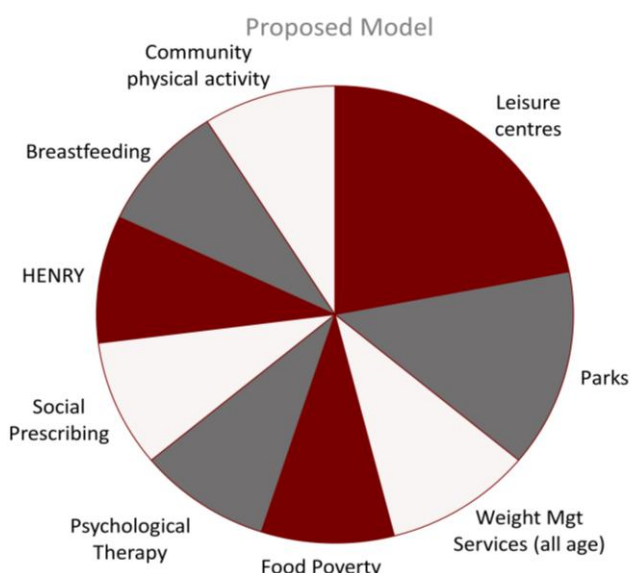
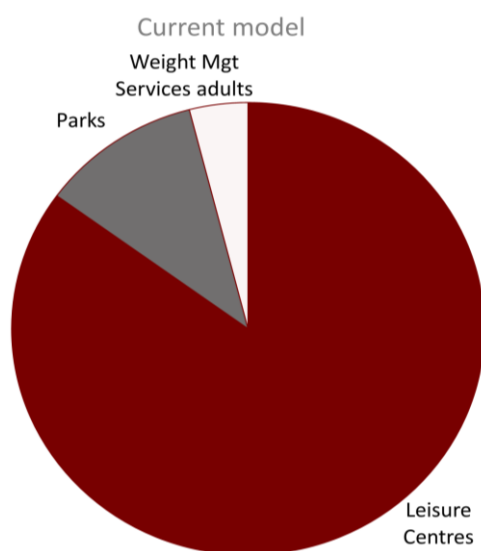
Proportionality

The spending on LA services should be proportionate to their contribution to public health outcomes. It is important to keep in mind that just because the service is provided and confers some benefits, it does not mean that it is eligible or a priority for PHG investment. As described in the guidance on [Local Authority Charging for Public Health Activity](#), ‘Where a service has a number of purposes, local authorities should consider the primary purpose – if health improvement is only an incidental effect or ancillary purpose, the service should continue to be carried out under other local authority powers.’^{iv}



Eligible investment: Considering the extent to which a service contributes to an outcome. Library services contribute to health and wellbeing but it is not their primary purpose.

The PHG investment is aligned to local needs (such as through the JSNA) and effectiveness is measured by the impact of interventions on population outcomes. Eligible investment can be considered by the extent to which a service contributes to the outcome (eg wellbeing represents a small proportion of what a library service provides) and by how many services contribute to an outcome (eg council leisure centres are only one of many services that contribute to increasing physical activity and reducing obesity rates). PHOF and Fingertips can provide useful guides to local areas where variations in outcomes could be explored.



Eligible investment: Considering how many services contribute to an outcome. In terms of reducing obesity rates and increasing levels of physical activity, leisure centres are a component, but not the only piece of the puzzle.

Monitor, evaluate and review

To evaluate local public health spending, the following questions should be asked:

- What is public health required to do?
- How is the PHG currently being spent?
- Is the grant delivering the best value (eg in comparison to others/ in terms of progress on outcomes)?
- Who are the stakeholders? How can partnerships be built to enable the best outcomes?
- What is the role of public health? How can public health add value through the eligible use of the public health grant (through the lens of a health in all policies approach)?

Establishing best value

According to the Local Government Act 1999, 'A best value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness'.^v

Economy	The strategic allocation of the PHG and other grant funds to eligible service provision to support delivery of key outcomes, in line with population need, commissioning framework and national guidance.
Efficiency	Service models and commissioned services are reviewed to ensure that the council uses its resources well and productively, minimises waste and duplication and seeks to continuously develop to deliver improved outcomes. This includes maximising investment in the public health workforce to ensure delivery of statutory duties, including public health expertise
Effectiveness	Ensuring investment of public health funds deliver improvements in key public health outcomes, supported, and informed by evidence and quantitative and qualitative intelligence.

Best value provides a useful lever for reviewing and amending previously established uses of the PHG and shifting investment to focus on the greatest impact, whilst supporting a corporate statutory duty. Annex A of the PHG specifically states that a LA must be satisfied the arrangements provide value for money.ⁱⁱⁱ

The RA returns are a useful source of headline comparison for efficiency and economy.^{vi} It is important to take account of the variation in per capita funding between LAs (at the extreme, some areas get six times as much as others).^{vii} Like-for-like comparisons are difficult to complete and can be time-consuming and unhelpful. Sharing of good practice through networks and sector-led improvement (SLI) activities is much more worthwhile and supports practice improvement.

Data and evidence should be used to evaluate effectiveness and to understand whether public health spending is delivering improvements in key public health outcomes. It is especially important to evaluate service access and understand whether the service can reach vulnerable and targeted populations and reduce health inequalities.

Governance

Each UTLA will have a slightly different approach to appropriate governance of the PHG. Good governance will include:

- A strategic framework, endorsed by political leadership. Examples of this might be the JLHWS or a council-led public health strategy.
- Regular reporting to a formal council committee on the use and impact of the grant. For example, this might be an annual report to note the allocation and commissioning intentions.
- An officer process for agreeing operational use of the grant, in order to be able to demonstrate and justify reasons for decisions. It can be useful for officers to consider three key elements:
 - Is the funded activity in line with the grant determination categories and does the funded activity clearly meet the purpose of the grant?
 - What governance does this need to go through? eg operational decision, committee etc
 - Is this the best alternative use of the resources?
- All planned routine investments should be through contracts (external), service level agreements (internal) or agreed partnerships agreements (such as the [NHS Act 2006, Section 75](#)). These should have outcomes clearly stated, regular monitoring agreed and a clear description of the associated activity expected.
- Timely completion of the Revenue Account (RA) and Revenue Outturn (RO) returns.

DsPH may wish to undertake a review of the total use of PHG to ensure suitable compliance and best use. Several models have been developed by DsPH to focus on eligibility (eg Nottingham model) or on priority setting (eg West Berkshire model). The Nottingham model (see the previous section on eligibility) determines where focus areas are through eligibility (see the previous section). Eligibility is determined by considering 'duty' (both of the LA and DsPH), the grant purpose, and strategic public health outcomes. In contrast, the West Berkshire model determines where focus areas are using a prioritisation framework known as a Multi-criteria Decision-Making criteria Decision- Analysis (MCDA). It considers potential value, current programmes, existing budget to consider the feasibility of a programme.

Compliance

In terms of assessment of how LAs are meeting the grant conditions, the beginning of the PHG allocation states that when assessing whether LAs have complied with these conditions, DHSC will continue to look at the primary purpose of LA's spending.

On behalf of the Secretary of State for Health and Social Care, Regional Directors and their teams will continue to monitor all PHG spend to provide the necessary assurance that the grant has been spent in accordance with grant conditions and take action where a LA fails to provide sufficient assurance – this could include independent audit and the reduction, suspension or withholding of payments where there is evidence of breach of the grant conditions. When assessing whether LAs have complied with the grant conditions, a risk assessment matrix will be used to form a judgement on whether expenditure is compliant:

- Is public health the primary purpose of the activity being funded (based on SeRCOP reporting)?
- Is the expenditure planned and agreed in advance with the explicit purpose of addressing an identified public health issue (are PH outcomes defined in the service specification)?

- Can the LA demonstrate a clear evidence-based link that the activity is expected to improve health outcomes?
- Is the spend clearly aligned with the LA's strategic plans and identified local priorities, such as those set out in the JSNA?
- Is there appropriate governance and decision making within the LA around allocating PH funding/budgets?
- Is the DPH supportive of the use of the PH Grant and involved in decisions around using the grant? Does the DPH have access to regular high-quality info and analysis and are they sighted on its use?
- Is there evidence that the LA reviews the cost effectiveness of the activities funded by the PH Grant and adjusts its future spending plans appropriately?

Resources

[Nottingham Eligibility Model \(Full\)](#)

[West Berkshire Prioritisation Framework \(Full\)](#)

[Public health ring-fenced grant financial year 2024 to 2025: local authority circular](#)

About ADPH

The Association of Directors of Public Health (ADPH) is the representative body for DsPH in the UK. It represents the professional views of all DsPH as the local leaders for the nation's health.

The Association has a heritage dating back over 160 years and is a collaborative organisation, working in partnership with others to strengthen the voice for public health. It seeks to improve and protect the health of the population through collating and presenting the views of DsPH; advising on public health policy and legislation at a local, regional, national and international level; facilitating a support network for DsPH; and providing opportunities for DsPH to develop professional practice.

About What Good Looks Like

The What Good Looks Like (WGLL) programme aims to facilitate the collective efforts of local organisations and wider society (the system) towards improvements in their population health outcomes. This publication represents the practical translation of the core guiding principles of the new Quality Framework for the Public Health system and features of what good public health spending looks like in England. It was developed collaboratively through the synthesis of existing evidence, examples of best practice, practitioners' experiences, and consensus expert opinions. It is intended to serve as a guide and will be iterative with regular reviews and updates when new evidence and insights emerge.

ADPH would like to acknowledge the contribution of:

- **Lucy Hubber, Director of Public Health – Nottingham City Council**
- **ADPH Workforce and Funding Policy Advisory Group**
- **ADPH Council**

References

- ⁱ Legislation.gov.uk, Health and Social Care Act 2012. 2012. Available [online](#). Last accessed: January 2025.
- ⁱⁱ Department of Health and Social Care, Public health ring-fenced grant financial year 2024 to 2025: local authority circular. 2024. Available [online](#). Last accessed: January 2025.
- ⁱⁱⁱ Annex A: determination under section 31 of the local government act 2003 of a ring-fenced public health grant to local authorities for 2024 to 2025. 2024. Available [online](#). Last accessed: January 2025.
- ^{iv} Department of Health, Guidance: local authority charging for public health activity. 2013. Available [online](#). Last accessed: January 2025.
- ^v Legislation.gov.uk, Local Government Act 1999. N.D. Available [online](#). Last accessed: January 2025.
- ^{vi} Department for Levelling Up, Housing and Communities, Local authority revenue expenditure and financing: 2024-2025 budget, England.. 2024. Available [online](#). Last accessed: January 2025.
- ^{vii} Department of Health and Social Care, Public health grants to local authorities: 2024 to 2025. 2024. Available [online](#). Last accessed: January 2025.