Report to CABINET

Proposal for the use of Section 31 grant funding to support stop smoking services

Portfolio Holder:

Officer Contact: Dr Rebecca Fletcher, Director of Public Health

Report Author: Dr Lois Hall-Jones, Consultant in Public Health
Ext.

20th July 2026

Reason for Decision

For 2026/27, funding for smoking cessation is ringfenced in the Section 31 Public Health Grant. We are required to allocate £680,030 of this grant to smoking cessation services. In addition to the £356,960 included in core funding of the integrated health improvement service Your Health Oldham, it is proposed that an additional £323,070 is provided to the same service.

Executive Summary

Tackling smoking is one of the most evidence-based and effective interventions that we can take to prevent ill health. Reducing smoking prevalence would have a significant impact on improving population health, reducing demand on health and social care services and tackling health inequalities.

As part of their plans to create a smokefree generation, in 2024 the government began investing an additional £70 million per year to support local authority led stop smoking services and support. The funding has been provided through a dedicated Smoke Free Generation Grant (Section 31).

In 2024, Oldham Council took the decision to accept additional funding from a Section 31 grant (Smoke Free Generation Grant) to reduce smoking prevalence, on an annual basis

between 2024/25 and 2028/29. This cabinet decision specified that the additional funding would be used to bolster additional smoking cessation services provided by Your Health Oldham, with a new focus on priority groups. It was acknowledged that there may be some variation in amount received year by year during the 5 year period, based on smoking prevalence data.

Oldham Council currently commission ABL Health Ltd (Your Health Oldham) to deliver our community stop smoking service, as part of an integrated Health Improvement and Weight Management Service. The specialist Stop Smoking Service is responsible for direct provision of stop smoking support to key target groups including, but not limited to, routine and manual workers, care leavers/looked after children, people with poor mental health including drug and alcohol dependencies, people with long term conditions, people recently discharged from hospital and those living in the most deprived areas of the borough.

The Smoke Free Generation Grant has been allocated to Your Health Oldham in 2024/25 and 2025/26 as a grant in addition to their core contract. The additional funding has been used to bolster smoking cessation services, increase referrals, and target priority groups who are most at risk of tobacco-related harm including routine and manual workers, those from Black and other ethnic minority communities, LGBTQ+ community, those with long term conditions and those living in the most deprivation.

For 2026/27, funding for smoking cessation is ringfenced in the Section 31 Public Health Grant, rather than being allocated as a separate grant. We are required to allocate £680,030 of this grant to smoking cessation services.

It is therefore proposed that an additional £323,070 is allocated to Your Health Oldham in addition to the core contract, to bolster smoking cessation services and target priority groups. This would bring total spend on smoking cessation to the minimum requirement of £680,030.

Public Health Grant funds, including ringfencing for smoking cessation, is recurrent. Therefore, it is also proposed that in future years, decisions regarding the spend of Section 31 grant funds ringfenced for tobacco control and smoking cessation are delegated to the Director of Public Health for Oldham Council.

Recommendations

1: To allocate an additional £323,070 to ABL (Your Health Oldham) by a route advised by the procurement team.

2. From 2027/28 onwards, decisions regarding the spend of Section 31 public health grant funds ringfenced for tobacco control and smoking cessation are delegated to the Director of Public Health for Oldham Council.

Proposal for the use of Section 31 grant funding to support stop smoking services

1 Background

1.1 Smoking is one of the biggest causes of death and illness in the UK. Every year around 76,000 people in the UK die from smoking, with many more living with debilitating smoking related illnesses. Smoking increases one's chances of developing more than 50 serious health conditions. Often resulting in higher mortality rates and more years spent in poor health due to long term conditions. Smoking is a modifiable risk factor, with strong connections to wider socio-economic determinant of health, that affects three of the major killers in Oldham, which are circulatory disease, cancer, and respiratory disease.

1.2 Tobacco in cigarettes is the most used form in the UK but there are other forms as well such as snuff and shisha which are used. The UK has made considerable progress in reducing the harms related to tobacco. Smoking rates have fallen, both nationally and locally, over the last few decades but smoking remains the single greatest cause of preventable death, disability, ill-health and social inequality for local people.

1.3 Four in five cancers are caused by tobacco use, and 90% of lung cancer is directly attributable to smoking. Up to two out of three lifelong smokers will die from smoking and smoking accounts for 1 in 6 deaths in England, with huge inequalities existing across areas and populations. In Oldham, 600 deaths and over 3,700 hospital admissions each year are attributable to smoking. On average, for every smoker who dies another thirty are suffering serious smoking-related diseases. Non-smokers are also at risk of harm through second-hand smoke exposure, especially vulnerable adults, children, and babies.

1.4 The benefit of a person stopping smoking is considerable to the NHS, social care and other public services. Smoking accounts for approximately 5.5% of the NHS budget. Admissions to hospital due to smoking related conditions represent a large demand on NHS resources. On average, smokers have difficulty carrying out everyday tasks like dressing, eating and walking across a room, seven years earlier than never smokers and need care support ten years earlier than never smokers. Action on Smoking and Health (ASH) estimate that the total additional spending on social care in Oldham as a result of smoking for adults aged 50 and over in 2021 was £5,960,600. This includes the costs of care for 425 individuals receiving home-based care, and 87 individuals receiving state-funded residential care.

1.5 Tobacco has a detrimental impact on the economy as well due to the number of working age people becoming ill from tobacco related causes. In Greater Manchester this contributes to the 30% productivity gap due to ill health. Smoking is an expensive addiction, with each spending on average £2,451 a year on tobacco. Whilst smoking is not a root cause of poverty, the addiction, associated ill-health and loss of income it causes can significantly exacerbate and lock people and families into an intergenerational cycle of poverty and disadvantage, resulting in the widening of health inequalities. The pandemic, and now the cost-of-living crisis, has not only

shone a light on these health inequalities but exacerbated them. In Oldham, the cost per quitter for the local authority commissioned specialist stop smoking service was £490 in 2019/20, which was less than the regional average and similar to the England value (£484).

1.6 The Marmot Review reported that smoking remains responsible for around half the difference in life expectancy we see between our poorest and most affluent communities. Smoking is far more common among routine and manual workers and people with lower incomes and is transmitted across generations due to social-norms and addiction. The more disadvantaged someone is, the more likely they are to smoke and suffer from smoking-related disease and premature death. Smoking rates are also higher among people with mental health conditions, those living in social housing, prisoners, looked-after children and care leavers, and LGBTQ+ people. Therefore, smoking is the single biggest preventable cause of health inequalities.

1.7 Tackling smoking is one of the most evidence-based and effective interventions that we can take to prevent ill health. Reducing smoking prevalence would have a significant impact on improving population health, reducing demand on health and social care services and tackling health inequalities. However, smoking is an addiction most smokers were trapped into as children and young people. Two thirds of those who try smoking go on to become regular smokers, only a third of whom succeed in quitting during their lifetime. Most smokers want to quit and many more regret ever having started. Therefore, whole system action is needed to support those who want to quit and prevent people from starting smoking in the first place.

2. Current Position

2.1 National Position

2.2 In 2019, the Tobacco Control Plan for England, *Towards a Smokefree Generation*, set out the Government's ambition for England to be Smokefree by 2030 (achieving smoking prevalence of less than 5%). The initial objectives of the tobacco control plan were to:

- reduce the number of 15-year-olds who regularly smoke from 8% to 3% or less
- reduce smoking among adults in England from 15.5% to 12% or less
- reduce the inequality gap in smoking prevalence, between those in routine and manual occupations and the general population
- reduce the prevalence of smoking in pregnancy from 10.7% to 6% or less

2.3 Achieving the Smokefree 2030 ambition is identified as an essential step towards increasing healthy life expectancy by five years by 2035, reducing health inequalities and levelling up the nation as set out in the statement made in January 2023 regarding the Major Conditions Strategy, the Government's plan to tackle preventable ill-health and mortality in England.

2.4 In June 2022, the independent review by Dr Javed Khan into the government's ambition to make England smokefree by 2030 was published. The review provided independent, evidence-based advice to inform the government's approach to reduce the number of people taking up smoking and helping smokers to quit. The review

made 15 recommendations for government to achieve a smokefree society. This included 4 critical recommendations:

- Urgently invest £125 million per year in a comprehensive smokefree 2030 programme. Options to fund this include a 'polluter pays' levy.
- Increase the age of sale by one year, every year.
- Offer vaping as a substitute for smoking, alongside accurate information on the benefits of switching, including to healthcare professionals.
- For the NHS to prioritise further action to stop people from smoking, by providing support and treatment across all of its services, including primary care.

2.5 In April 2023, the Government outlined 'The Next Eight Steps' towards Smokefree 2030. These included:

- stopping the growth of vaping among children,
- introducing new help for a million smokers to quit via a 'swap to stop' programme, offering vaping as a quit aid,
- increasing enforcement of illicit sales,
- expanding access to new treatments, including unblocking supplies to licensed medicines,
- backing joined-up, integrated approaches with a particular focus on stop smoking support in Mental Health services,
- rolling out a national incentive scheme to help pregnant women quit,
- consulting on new pack inserts using modern technology,
- ensuring Smokefree is at the core of the Major Conditions Strategy.

2.6 On the 4 October 2023, the government published its policy command paper; Stopping the Start: our new plan to create a smokefree generation which outlines plans to create a smokefree generation. It includes additional funding which will be made available to Public Health teams in local authorities to bolster their stop smoking services. The government also widely consulted on proposed changes to legislation to increase the age of sale to anyone born after the January 2009 and proposed measures to tackle youth vaping.

3. Oldham Position

3.1 Reducing smoking is one of the key priorities of Oldham's Health and Wellbeing Strategy and it is our ambition to work towards a smoke-free Oldham. Smoking is identified as a key challenge facing the system in the Oldham Integrated Care Partnership's Locality Plan and highlighted as one of the 18 core areas we need to improve and transform. High smoking rates and the need for improved support for self-management around smoking cessation were identified as key factors in the recent report by Carnall Farrar which identified priorities for addressing health and care demand and drivers of demand in Oldham.

3.2 In Oldham strategic tobacco control work has been driven through partnership working through the Oldham tobacco alliance. The Oldham Tobacco Alliance has been meeting regularly since it was launched in September 2021 and has made

considerable progress to date. The Tobacco alliance submitted a response to the government consultation on creating a smokefree generation. In which it contributed views from partners, services and residents on raising the age of sales, proposed measures to tackle youth vaping and subsequent enforcement.

4. Additional Funding: Stop smoking services

4.1 As part of their plans to create a smokefree generation, in 2024 the government began investing an additional £70 million per year to support local authority led stop smoking services and support[1]. The funding has been provided through a dedicated Smoke Free Generation Grant (Section 31).

4.2 The aim of this additional funding is to ensure there is a nationwide comprehensive offer to help people stop smoking across England and to increase the number of smokers engaging with effective interventions to quit smoking.

4.3 The funding aims to support people by:

- stimulating more quit attempts by providing more smokers with advice and swift support
- linking smokers to the most effective interventions to quit
- boosting existing behavioural support schemes designed to encourage smokers to quit (for example the 'swap to stop' scheme)
- building capacity in local areas to respond to increased demand
- strengthening partnerships in local healthcare systems

4.4 In 2024, Oldham Council took the decision to accept additional funding from a Section 31 grant to reduce smoking prevalence, on an annual basis between 2024/25 and 2028/29. This cabinet decision specified that the additional funding would be used to bolster additional smoking cessation services provided by Your Health Oldham, with a new focus on priority groups

4.5 It was acknowledged that there may be some variation in amount received year by year during the 5 year period, based on smoking prevalence data. During 2025/26, £315 789 was accepted from an OHID grant dedicated to smoking cessation. This was used in addition to core funding of Your Health Oldham to bolster smoking cessation services and target priority groups.

4.6 For 2026/27, funding for smoking cessation is ringfenced in the Section 31 Public Health Grant, rather than being allocated as a separate grant. We are required to allocate £680,030 of this grant to smoking cessation services.

[1] https://www.gov.uk/government/publications/local-stop-smoking-services-and-support-additional-funding

5. Stop smoking services in Oldham

5.1 Oldham Council currently commission ABL Health Ltd (Your Health Oldham) to deliver our community stop smoking service, as part of an integrated Health Improvement and Weight Management Service. Your Health Oldham provides specialist stop smoking support for people who live in Oldham or are registered with an Oldham GP, and offers evidence-based interventions including behavioural support and access to pharmacotherapy to support quit attempts.

5.2 The specialist Stop Smoking Service is responsible for direct provision of stop smoking support to key target groups including, but not limited to, routine and manual workers, care leavers/looked after children, people with poor mental health including drug and alcohol dependencies, people with long term conditions, people recently discharged from hospital and those living in the most deprived areas of the borough.

5.3 The Smoke Free Generation Grant has been allocated to Your Health Oldham in 2024/25 and 2025/26 as a grant in addition to their core contract. The additional funding has been used to bolster smoking cessation services, increase referrals, and target priority groups who are most at risk of tobacco-related harm including routine and manual workers, those from Black and other ethnic minority communities, LGBTQ+ community, those with long term conditions and those living in the most deprivation.

6 Commissioning Arrangements: Core Contract and Additional Funding

6.1 Your Health Oldham is an integrated health improvement service which provides weight management support as well as smoking cessation support. The contract with ABL Health began in January 2021 and was extended in January 2026 for a further 2 years, ending in December 2027.

6.2 The service is collaboratively commissioned with the ICB. The current contract value is £1,099,524 per Anum, after being increased from £970,000 for the financial year 2025/26. Oldham Council's contribution to the total £1,099,524 is £836,000 per Anum.

6.3 Of the £836,000 contributed by Oldham Council for the health improvement service, £356,960 is allocated to smoking cessation.

6.4 The Smoke Free Generation Grant money received by Oldham Council from OHID for 2024/25 and 2025/26, has been allocated to ABL Health in the form of a grant:

2024/25 - £321,524

2025/26 - £315,789

6.5 For 2026/27, £680,030 has been ringfenced for smoking cessation in Oldham's Section 31 Public Health Grant. This requires £323,070 to be allocated to smoking cessation in addition to the allocation within the core health improvement contract.

7 **Options/Alternatives**

7.1 Option 1: To allocate an additional £323,070 to ABL (Your Health Oldham) by a route advised by the procurement team.

7.2 Option 2: To allocate the additional funding to another provider of smoking cessation services, which is not recommended. Your Health Oldham is a high-performing service which delivers positive outcomes for the health and wellbeing of Oldham residents, and to procure an additional service would not represent good use of resources.

7.3 Option 3: To fail to award additional funding to smoking cessation, which would leave Oldham Council in breach of the Section 31 Public Health Grant conditions by failing to spend the ring fenced amount

8 **Preferred Option**

8.1 Option 1: To allocate an additional £323,070 to ABL (Your Health Oldham) by a route advised by the procurement team

9 **Consultation**

9.1

9 **Financial Implications**

9.1 The preferred option is to allocate an additional £323,070 to ABL (Your Health Oldham) through a contract modification

9.2 As this additional funding will be used to expand delivery of the existing smoking cessation service already provided under the current contract, it satisfies the requirements of the PSR test. Procurement has confirmed that the cumulative value of contract modifications remains within the 25% threshold.

9.3 This investment will enhance smoking cessation provision and enable targeted interventions for priority groups, increasing total expenditure on smoking cessation to the required minimum level of £680,030.

9.4 This expenditure is included within the 2026/27 Public Health Plan and will be fully funded through the Section 31 Smoke Free Generation Grant, with no adverse impact on the Public Health budget.

9.5 Section 31 grants are awarded to local authorities subject to compliance with specified grant conditions, including the minimum spending requirement. Failure to meet the minimum threshold of £680,000 may result in OHID withdrawing the associated Section 31 grant funding.

9.6 The report also seeks approval that, from 2027/28 onwards, decisions regarding the allocation of Section 31 public health grant funds ringfenced for tobacco control and smoking cessation will be delegated to the Director of Public Health for Oldham Council

Mohammed Rahim (Accountant)

10 **Legal Implications**

10.1 As these are healthcare services, the proposed contract modification must comply with the PSR. Under the PSR, the Council can modify an existing contract without a new tender exercise, provided the cumulative value of all modifications remains below the 25% statutory threshold and the modification does not materially alter the character of the contract. Because the additional funding is being used to scale up the exact same smoking cessation service already provided under the contract, it satisfies this test. Procurement has confirmed that the cumulative modifications currently fall within the 25% limit.

As the lead commissioner, the ICB will need to verify the final contract figures and publish the mandatory PSR modification notices to the market. Legal Services will be on hand to review the final Section 31 grant agreement and/or determination letters to confirm any specific funding conditions, liaising with the ICB as necessary to ensure these obligations are accurately mirrored and passed down into the provider's contract terms.

Pamela Nsofor (solicitor)

11. **Co-operative Implications**

11.1

12 **Human Resources Comments**

12.1

13 **Risk Assessments**

13.1

14 **IT Implications**

14.1 None

15 **Property Implications**

15.1 None

16 **Procurement Implications**

16.1 This will be a PCR2015 contract, however as it would now sit within PSR, it should be modified in line with PSR guidance. The original contract was 970k x 7 (5+2) years = £6,790,000

Inflation?
25/26 extra £129,520
26/27 extra £129,520
27/28 extra £129,520
Total = £388,560

Smokefree Generation Grant
2024/25 - £321,524
2025/26 - £315,789
2026/27 - £323,070
Total - £960,383

Combined total: £1,348,943

Based on original contract value of £6,790,000 then 25% (PSR modification) would be £1,697,500, so with all amounts combined we are still within the 25% based on the information provided to me.

The ICB are lead on this and would need to confirm that no more than 25% is/has been added to this contract from the original value. They would complete any modification to the contract and notices to the market.

James England – Procurement Manager

17 **Environmental and Health & Safety Implications**

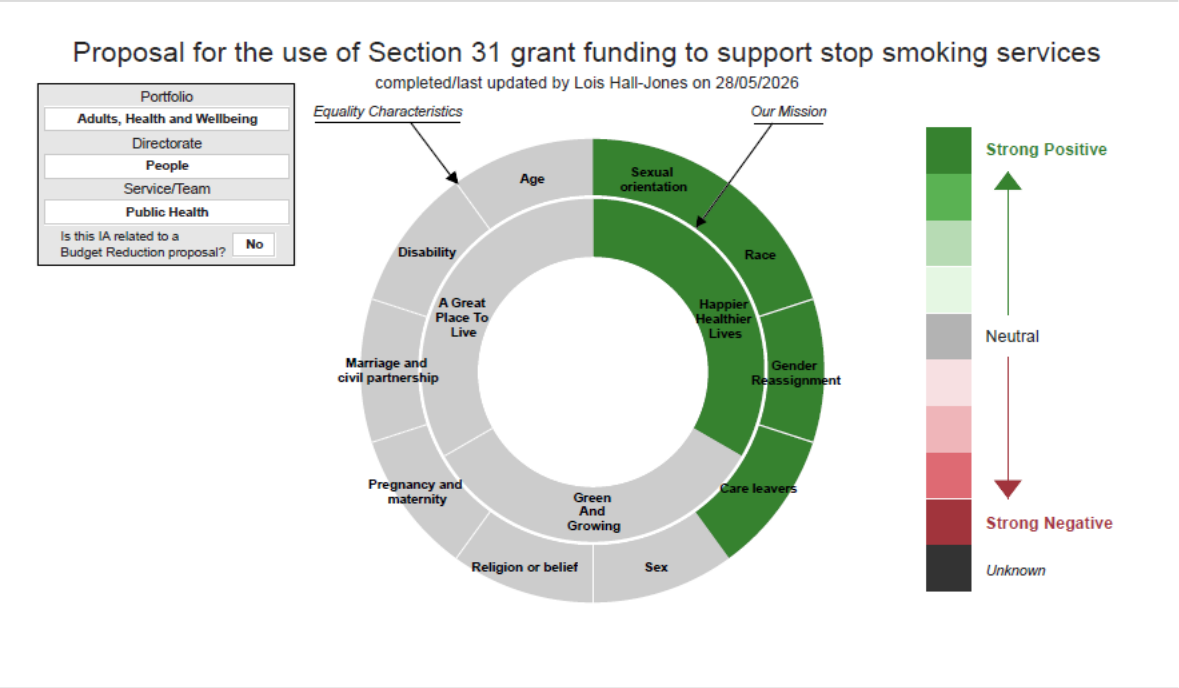
17.1 None

18 **Community cohesion, including crime and disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998**

18.1 None

19 **Equality Impact – including implications for Children and Young People**

19.1



20 **Key Decision**

20.1 Yes

21 **Key Decision Reference**

21.1 HSC-08-26.

22 **Background Papers**

22.1 Cabinet Report: Proposal for use of additional Smokefree Generation funding (26th Feb 2024)

23 **Appendices**

23.1