



Hampshire
County Council

Health and Adult Social Care Select Committee 24 January 2023 Budget Briefing 2023/24

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Presentation Outline

- Local Government Finance Settlement and Provisional Cash Limits
- Adults' Health and Care Revenue Budget
- Adults' Health and Care Capital Programme
- Key Directorate Challenges and Priorities

Local Government Finance Settlement

	December Report £m	LGF Settlement £m	Change £m
Increase in Social Care Grant	15.0	23.5	8.5
Decrease in Services Grant	(8.2)	(3.5)	4.7
Business Rates	16.0	13.0	(3.0)
Total change in resources	22.8	33.0	10.2

- The Council is £10.2m less worse off than previous forecasts reported to December Cabinet
- The reduction in Business Rates income reflects the change from RPI to CPI, however this is still a best estimate of the impact at this stage
- Whilst this is welcome news, this still leaves the Council with a predicted gap of at least £41m for 2023/24
- A full update on the Finance Settlement and budget position will be provided to Cabinet and Council in February

Local Government Finance Settlement – Adult Social Care Specific Grants

	2022/23 Allocation £m	2023/24 Allocation £m	Change £m
Integrated Better Care Fund, (IBCF)	31.3	31.3	0.0
Adult Social Care Discharge Fund	4.0	4.4	0.4
Market Sustainability Fund	3.2	11.1	7.9
Total change in resources	38.5	46.8	8.3

- In real terms the Directorate is worse off with no change to the IBCF, particularly with the current high level of inflation.
- The increase in the Adult Social Care Discharge Fund is lower than had been expected, (2022/23 allocation is for a 6 month period). This means that the overall resources available in 2023/24 is likely to be insufficient to meet the anticipated level of service.
- The Market Sustainability Fund increase, whilst most welcome, will come with additional responsibilities. For this reason it is assumed that the increase will not support any existing forecast pressure.

Provisional Cash limits

	All Directorates		Adults' Health and Care Directorate	
	£m	% Change	£m	% Change
2022/23 Non-Schools Cash Limit	910		445	
+ Base changes	55	+6%	19	+4%
+ Inflation	56	+6%	25	+6%
+ Growth and Pressures	98	+11%	59	+13%
2023/24 Cash Limit before savings	1,119	+23%	548	+23%
- SP2023 Savings	(80)	(9%)	-40	-9%
2023/24 Cash Limit after savings	1,039	+14%	508	+14%

- **Base changes:** Mostly additional but previously forecast grant income, including grant to meet SP2023 targets of which £14m relates to Adults' Health and Care
- **Inflation:** Includes £20.7m for 2022/23 pay award and £35.1m non-pay inflation. The £25m for Adults is almost double the normal allocation. This is still unlikely to be sufficient to meet the expectations of the market.
- **Growth and Pressures:** £36.7m relating to Children's Services (Social Workers, Home to School Transport, Children Looked After), and £58.5m relating to Adults Care packages. This represents £45m more than has ordinarily been allocated annually. There is a significant risk that this may still be insufficient as forecasts indicate a further growth pressure of up £14m is likely in 2023/24.

Provisional Cash Limit assumptions

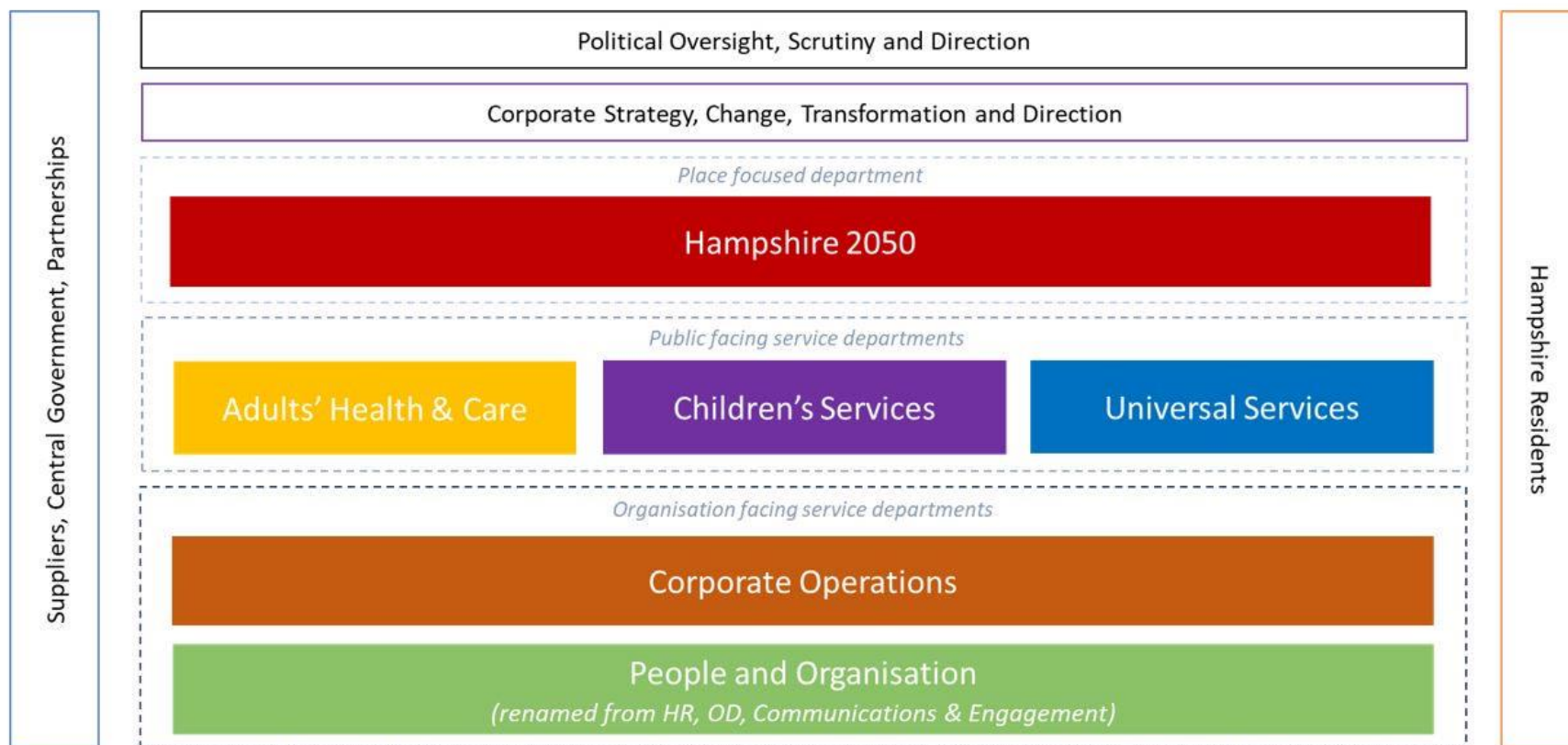
The Revised Provisional Cash Limits:

- Assume £23m outstanding Tt2021 savings will be achieved or cash flowed from the Directorate Cost of Change Reserves.
 - Within the Adults Health and Care proposed 2023/24 budget it is assumed that £11.4m Tt2021 and £34.8m SP2023 savings will be delivered. However it should be noted that there is currently a review of the deliverability of all outstanding high risk savings, the outcome of which will be included in the February Budget reports to Cabinet and Full Council.
- Include £5.7m of income inflation, which increases Directorate targets for income generation through increasing existing fees and charges in line with cost increases where it is possible to do so. A general assumption of 3% was used for budgeting purposes, however fees and charges have been reviewed on a case by case basis. Within Adults' Health and Care the income inflation built into the budget was £2.4m, most of which was on client contributions.
- Include an additional saving of £4.4m, (£1.4m Adults' Health and Care) due to the reduction in the employer National Insurance rate and a reduction to the employer pension contribution rate following the recent pension fund valuation.

Provisional Cash Limit assumptions

- Do not include Cost of Change Funding or any other specific reserve funding for one-off investments and do not make provision for the 2023/24 local government pay award.
 - Within Adults' Health and Care the planned non-recurrent spend, funded from Cost of Change or the Public Health Reserve, is c. £8m and will be added to the budget from April 2023.
- Do not include the general inflation underwrite, or inflation on energy budgets, which is held in Corporate Contingencies.
- Assume that specific grants, including the Ring-Fenced Public Health Grant continue at their 2022/23 levels where the allocations for 2023/24 have not been confirmed.

HCC Organisation Model



- Provisional cash limits are broadly aligned to the new Directorate structure set out above
- Budgets have initially been restructured on a 'lift and shift' basis, and further refinement will be required during the period to 2023/24 to ensure budgets accurately match the services and roles aligned to each Directorate

Adults' Health and Care Budget 2023/24

Adult Social Care Proposed Budget

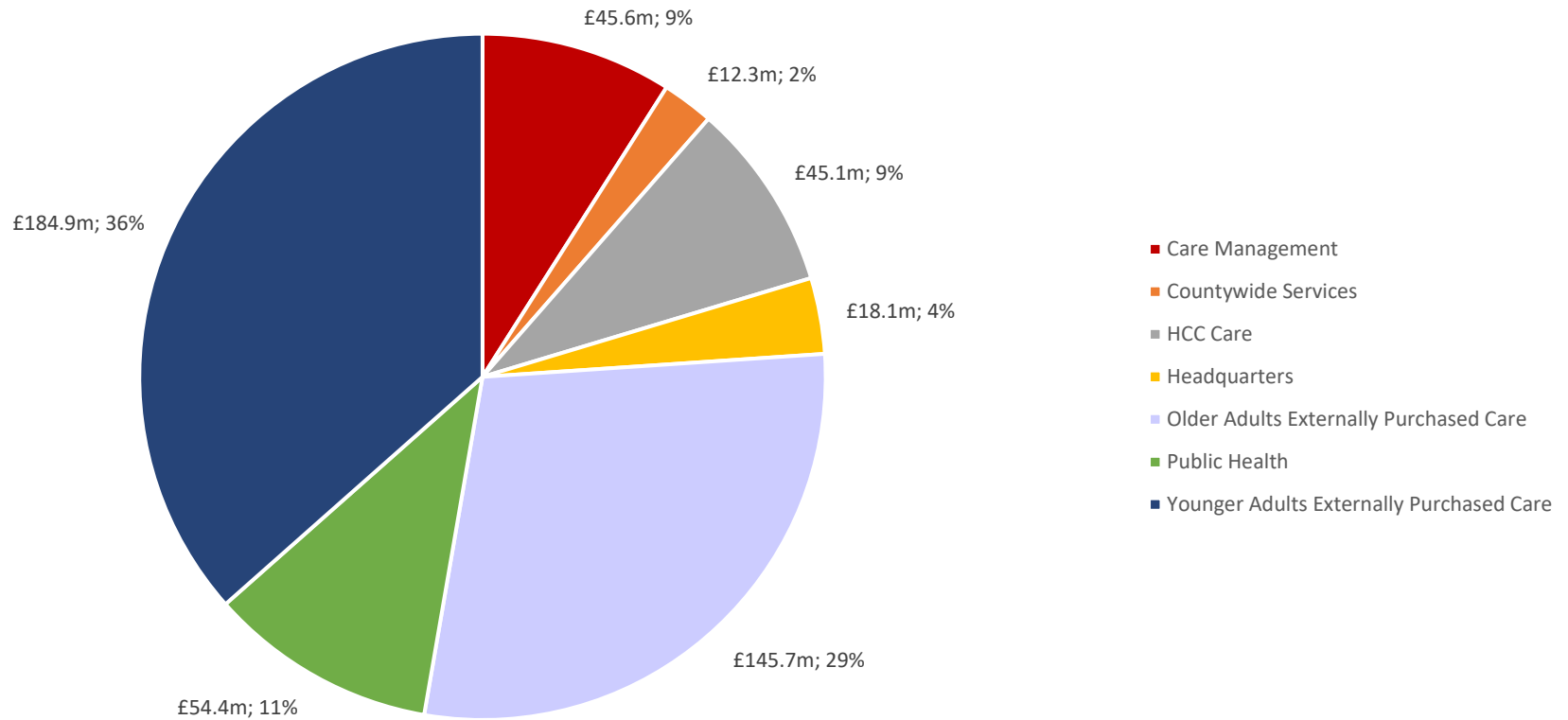
Revenue Budget:	£'000
Revised Budget for 2022/23	396,781
Proposed Budget for 2023/24	451,695

Capital Programme:	
Revised programme for 2022/23	35,176
Proposed programme for 2023/24	14,733

Public Health Proposed Budget

Revenue Budget:	£'000
Revised Budget for 2022/23	73,648
Proposed Budget for 2023/24	54,412

Adults' Health and Care Revenue Budget 2023/24



Adults' Health and Care Capital Programme 2022/23 to 2024/25

	Revised 2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000
Project Extra-care Housing	906			906
Maintaining operational buildings	638	481	481	1,600
Younger Adults Extra Care	15,185			15,185
Adults with a Disability Accommodation	3,795			3,795
Kershaw Centre - LD Transformation	400			400
Disabled Facilities Grants	14,252	14,252	14,252	42,756
Total programme	35,176	14,733	14,733	64,642
Locally resourced	20,524	481	481	21,486
Capital Receipt - Wynton Way	400			
Government allocation	14,252	14,252	14,252	42,756
Total Funding	35,176	14,733	14,733	64,642

Key Directorate Challenges and Priorities

Adult Social Care

Key Adult Social Care Challenges and Priorities

- No new savings identified in 2023/24, but continuing challenges to deliver outstanding Tt2021 and SP2023 programmes in-line with previously agreed timelines.
- A challenging long term financial forecast exists due to continued increase in demand and complexity of clients; all age groups, in addition to unprecedented price increases due in part to the currently high inflation, (Oct 2022 – 9.6%) as well as significant workforce challenges.
- These price increases are likely to continue to increase in the medium term.
- Recruitment and retention of appropriately skilled staffing resource / capacity across the sector to maintain and improve outcomes and quality. Never more challenging than at the current time.

Key Adult Social Care Challenges and Priorities

- Continued and ongoing development of strategies to enable care to be delivered in the right ways in the right places.
- Continuing demands across health and social care delivery, for example challenges presented through maintaining and improving upon the current level of hospital discharge delays in a potentially challenging funding environment.
- Continued delivery of all outstanding savings targets, against the backdrop of unprecedented cost pressures.
- Preparing for the implementation of the brand new IT system for adult social care in 2023/24.

Key Directorate Challenges and Priorities

Public Health

Key Public Health Challenges and Priorities

- The National agenda:
 - The NHS 10 year plan and Prevention Green paper emphasise prevention of ill health ‘Prevention is better than cure’
- Capacity and expertise to deliver Council’s wider Public Health responsibilities
 - Delivery of the new HCC Public Health strategy
 - Ensuring delivery of mandated services
 - Responding to emerging Public Health (Health Protection) issues
 - Protecting the Health of the population from spread of infections
 - Planning for the increased volumes of activity for services that have seen lower than normal demand during the pandemic
- Leadership of the Public Health Partnership with the IOW
- Covid-19 has highlighted the need to focus on programmes to improve the health of the population and the health needs of the population

Key Public Health Challenges and Priorities

- Maintaining focus on key priorities across the system and leadership of preventative health agenda for the system with a focus the greatest causes of ill health
- This is through a system approach tackling the wider causes of ill health and providing support for those who need help to make positive behaviour changes
 - Smoking cessation
 - Health Weight
 - Alcohol
 - Substance misuse
 - Sexual health and teenage pregnancy
 - Public Health Nursing services (Health Visiting and School Nursing)
 - Physical Activity
 - Falls Prevention
 - Domestic Abuse and Violence Prevention
 - Public Mental Health and Suicide Prevention