



Hampshire
County Council

Health and Adult Social Care
Select Committee
18 January 2022
Budget Briefing 2022/23

Dave Cuerden
Finance Business Partner

Presentation Outline

- Local Government Finance Settlement – Key Issues
- Adults' Health and Care Revenue Budget
- Adults' Health and Care Capital Programme
- Key Departmental Challenges and Priorities

Local Government Finance Settlement – Key Issues

Provisional Local Government Finance Settlement 2022/23

- A one year provisional Finance Settlement for 2022/23 was announced on 16 December but final figures will not be confirmed by the Government until late January or early February
- Future year's funding allocations will be determined following the outcome of a consultation on the existing local government funding formula to be carried out in Spring 2022
- Key items include:
 - **£11.0m** additional social care grant distributed based on the existing adult's funding formula
 - **£8.3m** 2022/23 Services Grant. The £822m national pot will be redistributed based on the new funding formula from 2023/24.
 - A **£3.6m** uplift in business rates compensation grants

Provisional Local Government Finance Settlement 2022/23

- An initial allocation of **£3.2m** from the **Market Sustainability and Fair Cost of Care Fund**. This is part of the government's package to support the recently announced social care reforms, providing funding for local authorities to:
 - Work with care providers to prepare local care markets for reform
 - Move towards paying providers a fair cost of care
- A **£0.9m** inflationary uplift for the Improved Better Care Fund
- Continuation of the New Homes Bonus for a further year, worth **£3.5m** to the Council in 2022/23
- **Total additional funding of £26.5m**
- **2.99% increase in Council tax, 1% lower than the assumption held within the MTFS. Estimated increase of £29.7m rather than previously assumed £36.7m.**
- **Total increase in core spending power of 6.3%**

County Council context

Increasing financial pressure:

- **Seven** successive two-year **change programmes** implemented since 2010 to deliver cumulative savings of **£640m**
- As at December 2021 the Council is working to achieve **savings of £127m** including **£47m** of slipped Tt2019 and Tt2021 savings and a further **£80m** SP2023 savings required by 2023/24.
- **Inflation** has risen to the highest level since 2011, with CPI reaching **5.1%** in November 2021.
- Additional National Insurance costs of **£2.3m** for internal staff and associated increases to contractual costs.
- Significant pressures are building in adult social care with **market prices** now around **16-18% higher** than the Council's existing provision, which will create an **additional budget pressure in 2022/23**.
- 2022/23 is an interim year within the context of the MTFs with the budget being balanced using **£40.2m** from the budget bridging reserve. It is now forecast that a significantly bigger draw from the reserve will be required.

Adults' Health and Care Budget 2022/23

Adult Social Care Proposed Budget

Revenue Budget: £'000

Revised Budget for 2021/22 410,027

Proposed Budget for 2022/23 386,186

Capital Programme:

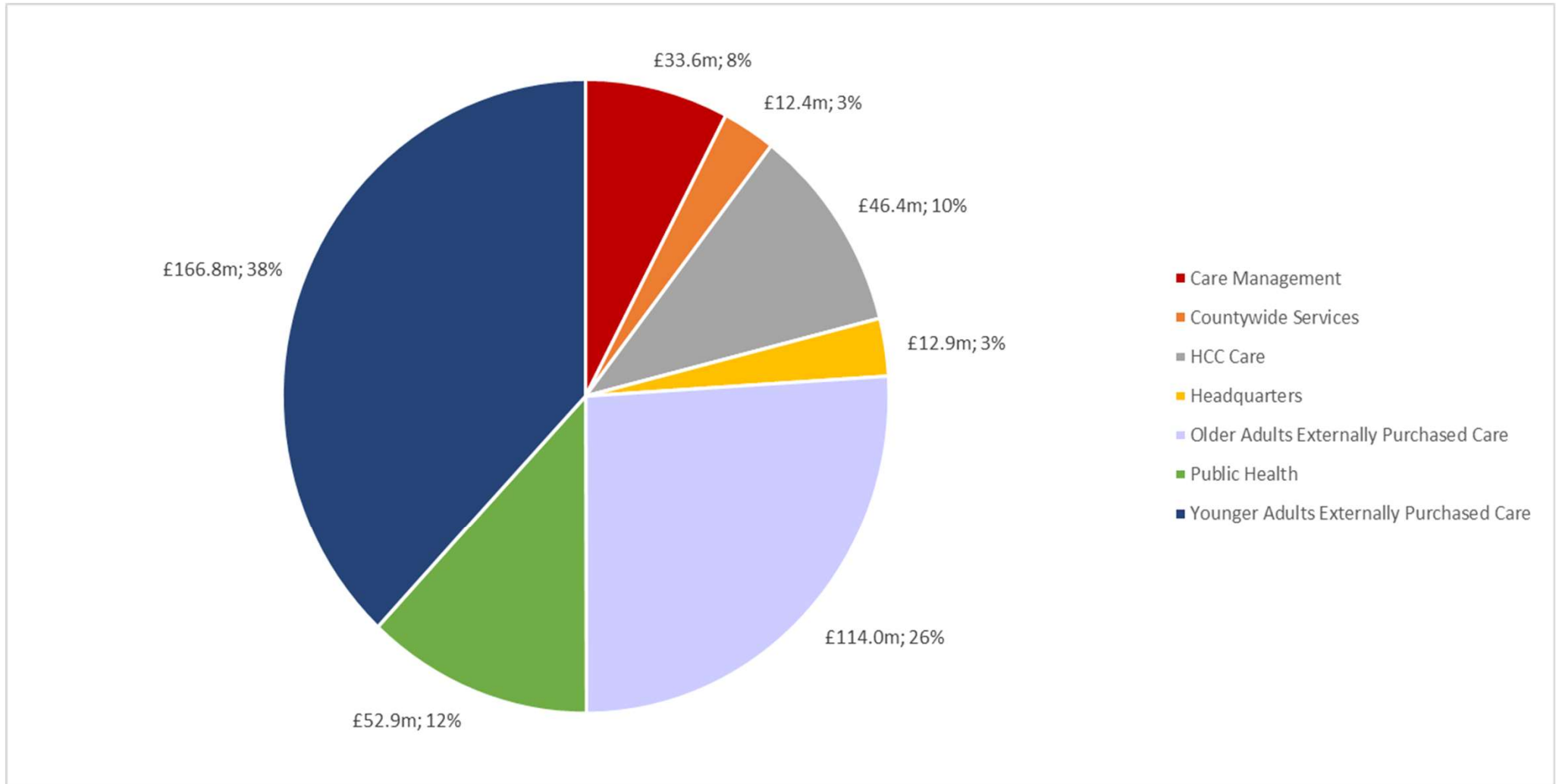
Revised programme for 2021/22 43,727

Proposed programme for 2022/23 14,733

Public Health Proposed Budget

Revenue Budget:	£'000
Revised Budget for 2021/22	83,347
Proposed Budget for 2022/23	52,925

Adults' Health and Care Revenue Budget 2022/23



Adults' Health and Care Capital Programme 2021/22 to 2023/24

	Revised 2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Carry forward from 2019/20	7,180			7,180
Carry forward from 2020/21	855			855
Maintaining operational buildings	481	481	481	1,443
Disabled Facilities Grants	14,252	14,252		28,504
Additions approved Nov 2021	22,000			22,000
PH grant	139			139
Transfer to revenue	(1,180)			(1,180)
Total programme	43,727	14,733	481	58,941
Locally resourced	29,336	481	481	30,437
Government allocation	14,391	14,252		28,504
Total Funding	43,727	14,733	481	58,941

Key Departmental Challenges and Priorities

Adult Social Care

Adult Social Care Challenges and Priorities

- No new savings identified in 2022/23, but continuing challenges to deliver outstanding T19 and T21 programme in-line with previously agreed timeline and preparation for delivery of SP23.
- Despite current year favourable position, 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, particularly within Older Adults Residential and Nursing care.
- These price increases are likely to continue to increase in the medium term. This shift in price base, in the care market, is a long term impact, caused by Covid-19.
- 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.

Adult Social Care Challenges and Priorities continued...

- 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 the current improvements in hospital discharge delays in a potentially different funding environment.
- Continued delivery of all outstanding savings targets, against the backdrop of unprecedented cost pressures.
- Preparing for the implementation of the adult social care funding reforms, October 2023, at financial, operational and administrative levels.

Key Departmental Challenges and Priorities

Public Health

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 issues
 - Protecting the Health of the population from spread of infections
 - Planning for short term 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

Public Health Challenges and Priorities continued

- 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