



# Hampshire County Council

# Health and Adult Social Care Select Committee

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Budget Briefing 2019/20

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# Presentation Outline

- Local Government Finance Settlement – Key Issues
- Reserves Position
- Update on Transformation to 2019 (Tt2019) Programme
- Key Departmental Challenges and Issues
- Adult's Health and Care Budget Proposals and Revenue Budget
  - Includes Adult Social Care and Public Health
- Adult's Health and Care Capital Programme

# Local Government Finance Settlement – Key Issues



## Budget Forecast 2019/20 – MTFS Position

- Tt2019 Programme to deliver £140m of savings, bringing the total to £480m since grant reductions began.
- Savings proposals agreed in November 2017 to give the time to safely deliver service changes .
- Anticipated delay in some elements of the delivery of cash release for the Tt2019 Programme factored into the MTFS and sufficient one off funding exists to meet any potential gap over the period.
- Emphasises the value of our reserves strategy
- A 2.99% council tax increase in line with the referendum limit.

## Chancellor's Budget

- Announcements in the Budget had very little impact on the revenue position reported in the MTFS.
- However, some additional one-off funding for adults' and children's social care and for highways.
- Additional funding for social care in 2019/20 welcome and will help offset pressures, but falls far short of the amount required and is only one off.
  - ✓ Adults' social care £240m – HCC share £4.8m.
  - ✓ £410m for adults' or children's social care – HCC share £8.1m to be allocated to Children's Services and held in contingencies.
- Signals some of the pressures on local government are being recognised by the Treasury. Hopefully this will feed through to further changes within next years CSR.



# Provisional Local Government Finance Settlement 2019/20

- Expectation was for minimal change to the settlement figures previously published and grant figures for the fourth and final year of the current CSR broadly in line with predictions.
- Removal of negative RSG in 2019/20 – HCC benefit £1.6m.
- Surplus on the business rate levy account to be distributed to local authorities – HCC allocation £1.8m
- No change to the council tax thresholds ('core' council tax referendum limit 3%) with the exception of the police precept (doubled from £12 to £24).

# Provisional Local Government Finance Settlement 2018/19

- Continuation of 100% pilots in Devolution Deal Areas and fifteen 75% business rates retention pilots. Hampshire County Council's bid was not successful but existing Portsmouth, Southampton and the Isle of Wight pilot extended, albeit at a lower retention level (2018/19 was 100% retention).
- NHB baseline maintained at 0.4% – HCC allocation £4.9m which is built into the MTFS.
- Budget allocations of funding for social care confirmed but the Green Paper for adult social care originally due to be published in summer 2018 further delayed.



# Reserves Position



# Reserves Strategy

- Deliberate policy to make savings ahead of need and then use these funds to meet costs of the next phase of transformation.
- Total reserves of £645.6m as at 31 March 2018.
- More than half of this (£338.6m) committed to existing revenue programmes and capital spend.
- £99.7m in departmental cost of change and trading account reserves to be used for investment and future transformation and to cash flow delivery of Tt2019.
- £27.6m set aside to mitigate risks (mainly the insurance reserve as we self insure).
- £37.3m in schools reserves, £4.4m for the EM3 LEP and £22.4m in balances (in line with minimum reserves policy).

## Reserves Strategy

- Only £115.7m (17.9%) is truly 'available' to support one off spending and is made up as follows :

	Balance 31/03/17 £'000	Balance 31/03/18 £'000	% of Total
<b><u>'Available' Reserves</u></b>			
Grant Equalisation Reserve (*)	40,755	74,870	11.6
Invest to Save	31,100	32,109	5.0
Corporate Policy Reserve	4,632	5,889	0.9
Organisational Change Reserve	2,905	2,785	0.4
	<b>79,392</b>	<b>115,653</b>	<b>17.9</b>

\* A significant draw in 2018/19 as part of the County Council's strategy of delivering changes over a two year cycle and funding required to cash flow Tt2019 will leave an unallocated balance of £29.4m in preparation for future draws beyond 2020.

# Update on Transforming the Council to 2019 Programme



# Transforming the Council to 2019

- Savings target of £140m (£23.2m of which will be from corporate “housekeeping”).
- Savings proposals to meet this were agreed in November 2017 and are reflected in detailed service budgets in reports.
- **There are therefore no new savings proposals to consider as part of this budget setting process.**
- Consultation (where required) and implementation has been progressing throughout 2018/19 with regular reports to CMT and Cabinet.
- Progress will continue to be closely monitored over the extended time period of the Tt2019 Programme.

# Transforming the Council to 2019

- Scale of the transformation and lead in times for achieving savings will cause delay in some of the delivery of cash savings for the Tt2019 Programme.
- Cash flow support required on a one-off basis to manage the extended delivery timetable will in the most part be met from departmental cost of change reserves, which have been boosted by some early delivery in 2018/19.
- Further contingency held corporately to cover any remaining shortfall (estimated to be up to £40m).
- High degree of confidence this can be covered but this change in the savings delivery profile indicates we are now behind the curve' rather than in front of it.

# Summary of Approved Savings Proposals

TARGET £55.9m

	£'000
Health and Social Care Integration	18,900
Living Independently	18,566
Working Differently	4,052
Learning Disabilities and Mental Health	10,216
Childrens' to Adults	2,400
Social Inclusion	1,800
<b>Total Adult Social Care</b>	<b>55,934</b>

# Key Issues for Implementation

- Maintaining the quality, capacity and access to appropriate services, both in-house and across the wider sector, in light of continued challenges and service delivery changes
- Continued development of Extra Care and Supported living units in 19/20; increasing choice, control and independence
- Extending our offer to our population to stay well and take more control of their own wellbeing through further embedding the Strengths Based Approach during 2019/20; working upstream in preventative ways
- Continued development of closer working relationships with NHS and other partners



# Key Departmental Issues and Challenges

## Adult Social Care

## Key Departmental Issues / Challenges

- Challenging long term financial forecast in response to an increase in demand and complexity of clients – all age groups – we continue to await the Social Care Green Paper
- Recruitment and retention of appropriately skilled staffing resource / capacity across the sector to maintain and improve outcomes and quality
- Delivery of the major investment in HCC in house services; from proposals, through planning, build and completion subject to construction industry capacity

# Key Departmental Issues and Challenges

## Public Health

# Key Departmental Issues / Challenges

- Public Health Grant reductions
  - Managed through service transformation
- Ensuring delivery of mandated services
- Capacity and expertise to deliver Council's wider PH responsibilities
  - delivery of the PH strategy
  - responding to emerging PH issues
  - health protection e.g. air quality
- National agenda – NHS 10 year plan/ 'Prevention is better than cure'
- Maintaining focus on key priorities across the system
  - Making healthy lifestyles the norm
  - Children and young people
  - Mental health promotion and suicide prevention



# Adults Health and Care Budget 2019/20

# Adult Social Care Revenue Budget

	Revised Budget 2018/19 £'000	Proposed Budget 2019/20 £'000
Director	1,532	1,481
Strategic Commissioning & Business Support	18,095	15,172
Transformation	5,103	3,714
Older People and Physical Disabilities	125,992	125,484
Learning Disabilities and Mental Health	128,476	124,903
Internal Provision	52,033	53,242
Governance, Safeguarding & Quality	3,671	3,559
Centrally Held	41,304	5,482
<b>Total Cash Limited Services</b>	<b>376,206</b>	<b>333,037</b>

# Public Health Revenue Budget

	Revised Budget 2018/19 £'000	Proposed Budget 2019/20 £'000	
Drugs and Alcohol	9,278	9,245	* Includes mandated services
*Central	2,675	2,924	** Specific Services include:
Children and Young People	23,990	23,800	- Domestic abuse services
Dental	180	180	- Mental Health promotion
*Health Checks	1,447	1,211	- Some Children's and Youth PH services
Information and Intelligence	22	16	
Infection Prevention and Control	29	5	
Mental Health and Wellbeing	1,821	2,121	
**Misc Health Improvements & Wellbeing	108	108	
Nutrition, Obesity & Physical Activity	508	515	
Older People	866	866	
*Sexual Health	9,843	9,218	
Tobacco	2,109	2,209	
<b>Total Cash Limited Services</b>	<b>52,876</b>	<b>52,418</b>	

# Adult Social Care Capital Programme and Sources of Funding 2018/19 to 2020/21

	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Maintaining operational buildings	481	481	481	1,443
Disabled Facilities Grants	11,641			11,641
Nursecall	1,300			1,300
<b>Total Programme</b>	<b>13,422</b>	<b>481</b>	<b>481</b>	<b>14,384</b>
Locally resourced	1,781	481	481	2,743
Government allocation	11,641			11,641
<b>Total Funding</b>	<b>13,422</b>	<b>481</b>	<b>481</b>	<b>14,384</b>



# Investing in Extra Care



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