

# Health and Adult Social Care Select Committee

## Budget Briefing 2024/25

16 January 2024

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# Presentation Outline

- Local Government Finance Settlement and Provisional Cash Limits
- Revenue Budgets by Directorate
- Key Directorate Challenges and Priorities

# Local Government Finance Settlement

	December Report £m	LGF Settlement £m	Change £m
Increase in Social Care Grant	9.4	10.5	1.1
Increase in MSIF Grant	0.7	2.4	1.7
Increase in Discharges Fund	2.9	2.9	-
Reduction in New Homes Bonus	(1.4)	(0.5)	0.9
Reduction in Services Grant	-	(4.1)	(4.1)
<b>Total</b>	<b>11.6</b>	<b>11.2</b>	<b>(0.4)</b>

- The Settlement has left the Council slightly worse off than previous forecasts
- The position on business rates grants remains uncertain due to changes in the approach to calculations for 2024/25. The position will be updated when District estimates are available.
- This still leaves the Council with a predicted gap of at least £86m for 2024/25 that will need to be drawn from the Budget Bridging Reserve
- A full update on the Finance Settlement and budget position will be provided to Cabinet and Council in February and will be covered at the All Member Briefing.

# Local Government Finance Settlement – Adult Social Care specific grants

	2023/24 Allocation £m	2024/25 Allocation £m	Change £m
IBCF	31.3	31.3	0
Adult Social Care Discharge Grant	4.4	7.3	2.9
Market Sustainability Fund	11.1	13.5	2.4
Market Sustainability Fund - workforce	7.2	4.1	(3.1)
<b>Total change in resources</b>	<b>54.0</b>	<b>56.2</b>	<b>2.2</b>

- 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 as expected. This increase will potentially help to maintain the current level of discharge service into 2024/25. However, this is subject to further discussions with the ICBs as it is a jointly funded and commissioned service.
- The Market Sustainability Fund increase is as previously forecast and will assist in reducing the underlying pressure on care fees expected during 2024/25. However, this is more than offset by the reduction, (which was also known and forecast) in the Workforce grant.

# Provisional Cash Limits

	All Directorates		Adults' Health and Care Directorate	
	£m	% Change	£m	% Change
<b>2023/24 Non-Schools Cash Limit</b>	<b>1,057</b>		<b>528</b>	
+ Base changes	(1)	0%	9.9	2%
+ Inflation	46	4%	25.1	5%
+ Growth and Pressures	84	8%	41.8	8%
<b>2024/25 Cash Limit</b>	<b>1,186</b>	<b>12%</b>	<b>605</b>	<b>15%</b>

Core Spending Power (CSP) is the Government's measure of the resources available to Councils to fund service delivery.

Hampshire's CSP will increase by **6.5%** in 2024/25. However, even before pay inflation, the increase in the cost of Directorate services is **12%**.

- **Base changes:** This includes the additional grants for Adults' Health and Care since the original budget was set for 2023/24.
- **Inflation:** This includes £46m for non-pay inflation only. Pay inflation will be for 2024/25 will be outlined in full within the February Budget Report to Cabinet and Council. The £25.1m for Adults is consistent with the allocation for 2023/24 and includes an assumption of inflationary increases for income received from clients. With the recent announcement of the NLW increase of 9.8% this inflationary allowance is unlikely to be sufficient to meet the expectations of the market.
- **Growth and Pressures:** £40.0m relating to Children's Services (Social Workers, Home to School Transport, Children Looked After), and £41.8m relating to Adults Care packages. This represents an increase of £10.5m from the planned support within the previous Medium Term Financial Strategy.



# Provisional Cash Limit assumptions

The Provisional Cash Limit for Adults' Health and Care Directorate:

- Assumes £4.9m outstanding Tt2021 and SP2023 savings will be achieved by the Directorate in 2024/25.
- Includes £4.5m of income inflation built into the cash limit on the basis of expected additional client income arising from estimated increases in benefits. This increases the Directorate's targets for income generation through increasing existing fees and charges in line with cost increases where it is possible to do so.
- Does not include Cost of Change Funding or any specific reserve funding for one-off investments.
- Does not account for the impact of the 2023/24 Local Government Pay Award or potential impact of the 2024/25 Pay Award (both held centrally).
- Does not include the general inflation underwrite, or inflation on energy budgets, which is held in Corporate Contingencies.
- Assumes that specific grants, including the Ring-Fenced Public Health grant, continue at their 2023/24 levels where allocations for 2024/25 have not been confirmed.

# **Adults' Health and Care Directorate Budget 2024/25**

# Adult Social Care Proposed Budget

## Revenue Budget:

£'000

Revised Budget for 2023/24

497,450

Proposed Budget for 2024/25

548,760

## Capital Programme:

Revised programme for 2023/24

49,154

Proposed programme for 2024/25

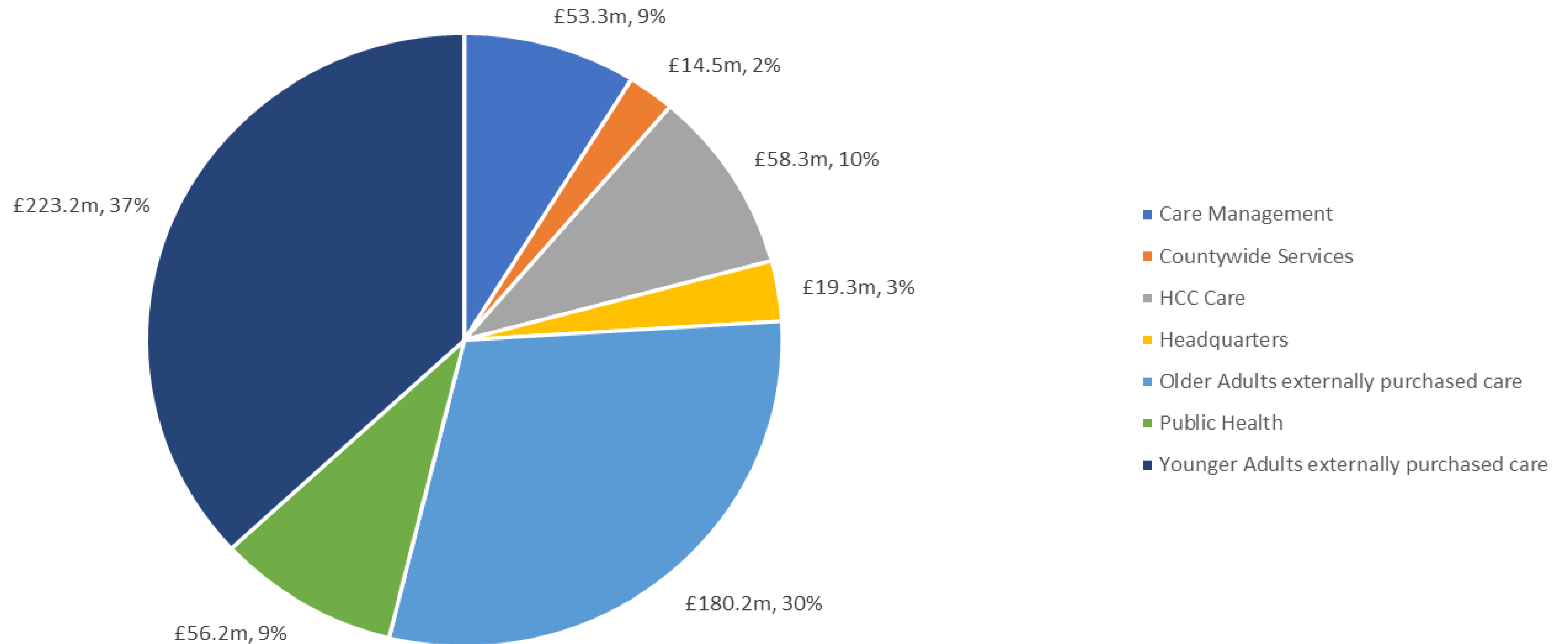
187,733



# Public Health Proposed Budget

<b>Revenue Budget:</b>	<b>£'000</b>
Revised Budget for 2023/24	72,117
Proposed Budget for 2024/25	56,187

# Adults' Health and Care Directorate Revenue Budget 2024/25



# Adults' Health and Care Directorate Capital Programme 2023/24 to 2026/27

	Revised 2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Project Extra-Care Housing	906				906
Maintaining Operational Buildings	650	481			1,131
Younger Adults Extra-Care	15,185				15,185
Adults with a disability accommodation	3,795				3,795
Kershaw Centre – LD Transformation	400				400
Extra-Care Housing transformation	12,722				12,722
HCC Care – Fit for the future	0	173,000			173,000
Disabled Facilities Grants	15,496	14,252	14,252	14,252	58,252
<b>Total Programme</b>	<b>49,154</b>	<b>187,733</b>	<b>14,252</b>	<b>14,252</b>	<b>265,391</b>
Locally resourced	33,658	481			34,139
Prudential Framework	0	173,000			173,000
Government allocation	15,496	14,252	14,252	14,252	58,252
<b>Total Funding</b>	<b>49,154</b>	<b>187,733</b>	<b>14,252</b>	<b>14,252</b>	<b>265,391</b>

# **Key Directorate Challenges and Priorities**

## **Adult Social Care**

# Key Adult Social Care Challenges and Priorities

- Continuing challenges to deliver outstanding Tt2021 and SP2023 programmes in-line with previously agreed timelines in addition to the commencement of SP2025 savings delivery.
- A challenging long term financial forecast exists due to continued increase in demand and complexity of clients; all age groups, in addition to unprecedented pressure on prices paid for care partly arising from high inflation, but more pressingly the increase in the NLW of 9.8% from April 2024.
- These price increases are likely to continue to increase in the medium term and accordingly will likely be the subject of significant negotiations with providers during 2024/25.
- Recruitment and retention of appropriately skilled staffing 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 challenging funding environment for both Health and Social Care.
- Continued delivery of all outstanding savings targets, against the backdrop of unprecedented cost pressures.
- Delivery of a new Residential and Nursing Framework for the purchase of care, initially for Older Adults.

# **Key Directorate Challenges and Priorities**

## **Public Health**

# Key Public Health Challenges and Priorities

- Increased focus on programmes to improve the health of the population and the health needs of the population focused on the delivery of the new Public Health strategy working closely across the council, with partners and residents to improve health.
  - The National agenda:
    - The NHS 10 year plan and Prevention Green paper emphasise prevention of ill health supported by our delivery of core duties to the NHS
    - Capacity and expertise to deliver Council's wider Public Health responsibilities as outlined in our 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 and delivering increased volumes of activity for services that have seen lower than normal demand during the pandemic.
      - Working closely with other Directorates to continue to develop Hampshire as a healthy place to live and work
  - Leadership of the Public Health Partnership with the IOW.
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# 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 on the greatest causes of ill health and those most impacted.
- 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:
  - Tobacco Control – including new funding for A Smokefree Generation
  - Healthy Weight
  - Alcohol
  - Substance use
  - Sexual and reproductive 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
  - Supporting healthy place-making through our work with internal partners

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