

EXECUTIVE DECISION DAY NOTICE

Executive Lead Member for Adult Social Care and Public Health
Decision Day & Executive Member for Younger Adults and Health
and Wellbeing Decision Day

Date and Time Tuesday, 16th January, 2024 at 2.30 pm

Place Remote Decision Day - Remote

Enquiries to members.services@hants.gov.uk

Carolyn Williamson FCPFA
Chief Executive
The Castle, Winchester SO23 8UJ

FILMING AND BROADCAST NOTIFICATION

This decision day is being held remotely and will be recorded and broadcast live via the County Council's website.

AGENDA

Executive Lead Member for Adult Social Care and Public Health

Deputations

To receive any deputations notified under Standing Order 12.

NON KEY DECISIONS (NON-EXEMPT/NON-CONFIDENTIAL)

1. DISCHARGE TO ASSESS ARRANGEMENTS: PARTNERSHIP ARRANGEMENTS BETWEEN HAMPSHIRE COUNTY COUNCIL AND LOCAL INTEGRATED CARE BOARD(S) (Pages 3 - 14)

To seek approval to enter in arrangements with the Hampshire and Isle of Wight Integrated Care Board (HIOWICB) and/or other local health partners under S75 NHS Act 2006

2. CAPITAL PROGRAMME FOR 2024/25 TO 2026/27 (Pages 15 - 30)

To recommend the proposed capital programme for 2024/25 and provisional capital programme for 2025/26 and 2026/27 and the revised capital programme cash limit for 2023/24.

3. 2024/25 REVENUE BUDGET REPORT FOR ADULTS' HEALTH AND CARE (Pages 31 - 58)

To set out proposals for the 2024/25 budget for Adults' Health and Care in accordance with the Councils Medium Term Financial Strategy (MTFS) and propose a revised budget for Adults' Health and Care for 2023/24.

ABOUT THIS AGENDA:

On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.

ABOUT THIS SESSION:

The press and public are welcome to observe the public sessions of the decision day via the webcast.

Hampshire COUNTY COUNCIL

Decision Report

Decision Maker	Executive Lead Member for Adult Social Care and Public Health
Date:	16 January 2024
Title:	Discharge to Assess arrangements: Partnership arrangements between Hampshire County Council and Local Integrated Care Board(s)
Report From:	Director of Adults' Health and Care

Contact name:	Denise Graham		
Tel:		Email:	Denise.graham@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to seek approval to enter in arrangements with the Local Integrated Care Board(s) under S75 NHS Act 2006.

Recommendations

2. That the Executive Lead Member for Adult Social Care and Public Health gives approval for:
3. The County Council to enter into partnership arrangements under Section 75 NHS Act 2006 with the Hampshire and Isle of Wight Integrated Care Board (HIOW ICB) and NHS Frimley Integrated Care Board for hospital discharge services as set out in this report.
4. That the Executive Lead Member for Adult Social Care and Public Health give delegated authority to the Director of Adults' Health and Care in consultation with the Executive Lead Member for Adult Social Care and Public Health to agree the terms and conditions of any Section 75 Agreement for hospital discharge services and to approve associated spend.

Executive Summary

5. This report seeks to.
 - a. Set out the background to the project.
 - b. Set out the service arrangements included within this agreement.
 - c. Set out the reasons for the recommendations.

Contextual information

Background

6. The County Council have been working in close partnership with Health partners in Hampshire for several years. This has included a 2019 Section 75 arrangement for NHS Continuing Healthcare (CHC) and the recent Short-Term Services (STS), opened during Covid, that continue to support the wider system for a range of hospital discharge services.
7. There remain areas of opportunity where we believe that, through working in partnerships, we could further influence positive outcomes for Hampshire residents. The ambition is to create sustainable integrated and collaborative arrangements between the County Council and ICB(s), that ensure reliable and resilient Discharge to Assess (D2A) pathways for individuals who need these services.
8. D2A is the principle that, for most individuals in hospitals, the assessment for their long-term or onward care takes place outside of the hospital environment. A D2A pathway discharges individuals from a hospital setting to an appropriate and preferred setting for that assessment to take place, offering an individual and their family the best opportunity to be able to engage and be part of said assessment. This includes individuals needing consideration for NHS Continuing Health Care.
9. This has implications for operational colleagues' activity, the ways in which we commission care, legal arrangements and the way in which services are delivered.
10. A robust programme of collaborative working commenced in the summer of 2023 to review and support these changes and the wider and longer-term ambition. This review supersedes the interim arrangements in 2022. This review also includes the new ICB and Hampshire County Council D2A interim pathway, commenced on the 4 August 2023, whereby the County Council are supporting a temporary way of working through facilitating and contracting for a small cohort of discharges on behalf of the HIOW ICB. This arrangement currently relates to care home beds, including the County Council's own homes.

Section 75 Agreement

11. Section 75 of the NHS Act 2006 and accompanying regulations support flexible working between the NHS and local authorities by enabling lead commissioning, pooled budget, and integrated management arrangements to be put in place.
12. As lead commissioner the County Council can contract for both health and social care provision with the arrangements being agreed between the County Council and ICB(s)
13. It is proposed that the Section 75 Agreement be for 1 year. Continuation of the arrangement beyond the 16 January 2025 would be subject to further agreement between the County Council and ICB(s) and further Executive

Member approval. Any Section 75 Agreement is subject to approval by the ICB Board(s).

Finance

14. The detailed financial arrangements underpinning this Section 75 agreement will be subject to discussions held between ICB(s) and Director of Adults' Health and Care.
15. It is anticipated that the current forecast expenditure position for Hampshire County Council will not be adversely affected by entering into the proposed agreement.
16. Should there require any transfer of funds within this arrangement these will be set up in accordance with the payment and reporting principles applied as standard for Section 75 agreements including any negotiated agreement in respect of risk and benefit share.
17. As stated previously this arrangement is for one year only. At the end of this period, it is anticipated that a longer-term agreement will be in place in order to continue this service development on a financially sustainable basis and will be subject to any further approval by the Executive Lead Member for Adult Social Care and Health, as required.

Risks & Issues

18. If the current programme of work is discontinued, it is likely to have a negative impact on individuals as they are likely to remain in hospital longer than is necessary. This may lead to an increase in individuals with No Criteria To Reside (NCTR). Individuals who are classified as NCTR, are deemed by clinicians to be fit for discharge and ready to leave hospital.
19. A longer-term agreement may not be signed within the one-year lifetime of this agreement.
20. As referenced in the Executive Member Report in December 2023 the new Care Home Framework can be used, once this is in place, to commission hospital discharge services.

Consultation and Equalities

21. It is for the Executive Member as decision maker to have due regard to the need to: Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act and advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
22. Hampshire County Council undertook an Equalities Impact Assessment in December 2023.
23. It is considered that the project will not impact negatively on groups with protected characteristics.

24. The majority of patients going through the CHC D2A pathway will be older persons or people with physical disabilities. Ensuring that the assessment is carried out in a more suitable environment will be beneficial to these individual's wellbeing and improve their experience of the CHC pathway.

Conclusion

25. The introduction of the Short-Term Services and the current programme of work has demonstrated the positive impact that this collaborative working can have for individuals and on the performance of Adult's Health and Care.

26. It can also enable a joined-up approach in supporting the individual through the related pathways and that the process is carried out in a timely manner.

27. Ensuring that a higher number of assessments are completed in the community can help to improve acute hospital flow and thus reduce the level of NCTR, a key priority for the NHS and the County Council.

28. The D2A pathway model can enable closer integrated working to develop services within the residential and domiciliary care markets.

29. In conclusion, it is considered that putting in place the Section 75 agreement, as outlined above, will support us in achieving the objectives outlined above.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Other Significant Links

Links to previous Member decisions:	
<u>Title:</u> 2023-12-04 Residential and Nursing Care New Contract Arrangements Report 2019-06-03 Continuing Healthcare – Discharge to Assess Pathway –2019/20 Section 75 Agreement Decision report	<u>Date</u> 4 December 2023 3 June 2019
Direct links to specific legislation or Government Directives	
<u>Title</u> Section 75 of the NHS Act 2006	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

1.1 The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

1.2 Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

2.1 It is considered that the project will not impact negatively on groups with protected characteristics.

2.2 The majority of patients going through the CHC D2A pathway will be older persons or people with physical disabilities. Ensuring that the assessment is carried out in a more suitable environment will be beneficial to these individual's wellbeing and improve their experience of the CHC pathway.

EIA

Service Affected: Hospital Discharge services.

Service Description: The Executive Member Report and two programmes that this EIA support relates to lead commissioning arrangements for both Health pathways/Continuing Health Care (CHC) arrangements and Short Term Services (STS)

Currently HCC teams engage with all hospital sites in Hampshire and the surrounding areas to support the safe discharge of Hampshire residents. This involves individuals being discharged to several places, including back to their own home or an alternative temporary placement or to long term placements. Where care is short term, this is provided under a discharge to assess principle in line with government guidance. There are several services supporting individuals, dependent on their need. HCC also have a role in supporting discharge to assess health related discharges.

CHC

Hospital Discharge services are to be provided in conjunction, or in future on behalf of, Hampshire and Isle and Wight Integrated Care Board (HIOWICB) and other health partners, for individuals who require support to leave hospital due to a health need and either require health services to resolve that need or consideration for eligibility under discharge to assess, under the Care Act (2014) and the national framework for Continuing Healthcare (CHC)

This area of work is undergoing a review which has been agreed to be led by Hampshire health and social care colleagues involved in the Specialist Pathways Programme (SPP) and their supporting governance structures.

This review supersedes the interim operational arrangements in 2022 (namely the Joint ICB and HCC CHC discharge pathway). This pathway was a brokerage arrangement only, whereby HCC Brokerage team supported discharges that were otherwise the responsibility of health. This review includes the current Integrated Care Boards (ICB) and an interim pathway – known as ICB and HCC D2A pathway - agreed on 04/08/2023. This is not yet a formalised agreed change but is a programme working toward a new operational and commissioning model for April 2024.

The ambition for CHC is to create a sustainable integrated and collaborative arrangement between HCC and HIOWICB, that ensures a reliable and resilient discharge pathway for individuals who need these services. This ambition will have significant implications for operational colleague activity, the ways in which we commission care, legal arrangements and the way in which services are delivered. Therefore, a robust programme of work has commenced to support these changes and the wider and longer-term ambition.

Short Term Services

For STS's, HCC have supported the hospital systems since the start of Covid and HCC provided home and bed-based services, as lead commissioner under the provision of the Hospital Discharge Fund. Now that Fund and associated policy has ceased, we need to move to a robust legal arrangement with Health partners to enable the continuation of those services, led by HCC Commissioning Team Service Change

The primary decision making for both CHC and STS is due to their eligibility, or potential eligibilities. Service delivery outcomes are whether the individual is:

- eligible for services post hospital discharge
- eligible for CHC funding via the NHS
- eligible for Local Authority /Council funding under the Care Act (2014)
- able to be sign posted to non-chargeable services for support within their community

This new service delivery function across the varied options for discharge to assess and care are likely to require a new legal function and agreement.

This EIA supports an Executive Member decision to enable legal arrangements to ensure that those decisions are made under the appropriate shared legal framework.

This new CHC arrangement will:

- support maintenance of hospital discharge performance during a period of change.
- support the creation, agreement, and implementation of a new integrated and long-term arrangement between Hampshire County Council and the HIOWICB to support specialist discharge pathways out of hospital.
- describe HCC's offer to the HIOWICB in support of Interim ICB and HCC D2A pathway individuals – defined as Category C and their discharge as part of the long-term ambition.
- meet the needs of the National framework for NHS continuing healthcare and NHS-funded nursing care and the requirements of the Care Act, working to National discharge guidance at the time, which is currently to maintain discharge to assess principles.
- HCC will agree to agree to broker, commission and contract discharge services for up to circa 30 Category C individual per month, referred by HCC staff onto the ICB and HCC D2A pathway/Category C pathway.

A continuation of the STS services and new legal arrangements will support rapid hospital discharge for those who are No Criteria to Reside and improve long term outcomes for individuals through a supportive and intense period of reablement post hospital discharge.

Geographic Impact: All Hampshire
Engagement/Consultation: Yes
Engagement Consultation Detail

For STS, yes, consultation has taken place with providers and individuals in receipt of STS's. This continues daily as part of business as usual.

As part of the wider CHC programme planning, engagement will need to take place with individuals and families who have been through the new proposed pathway to understand what has worked well for them, what has been an issue and any feedback in relation to the service itself.

Details of Engagement/Consultation

For STS, yes, consultation has taken place with providers and individuals in receipt of STS's. This continues daily as part of business as usual.

As part of the wider CHC programme planning, engagement will need to take place with individuals and families who have been through the new proposed pathway to understand what has worked well for them, what has been an issue and any feedback in relation to the service itself.

Additional Information: This is the beginning of a new way of collaborative working between the HIOWICB and HCC and we are keen for this to be supported on a formal footing to ensure transparency for all. Further joint/collaborative work will follow under a formalised programme of work between the HIOWICB and HCC. This programme includes weekly meetings and review points to ensure any potential negative impacts are noted early and mitigations are enabled quickly.

Engagement - a leaflet has been produced jointly between HCC and the ICB that explains clearly to individuals and their families the process and expectations of the pathway.

Providers are confirmed as able to meet the requirements of the different protected characteristics to promote equality and change experience of service. This is embedded in the relevant current contracts and will be embedded in any new contracts and service specifications.

Formalised regular and reported data recording will include information pertaining to the protected characteristics of age and disability.

Overview Statement

Impact Assessment: Age

Public Impact: Positive

Staff Impact: Neutral

Decision Rationale: The majority of individuals who will be supported by this pathway will be older persons or people with physical disabilities. Undertaking assessments outside of the hospital setting will ensure that the individual is in a more suitable environment that is beneficial to their health and wellbeing whilst a long-term decision for their onward care can be made. Ensuring that the assessments are taken in a more timely manner with support from ICB and HCC staff throughout will also improve the individuals experience of the pathway.

This new way of working enables better opportunities for individual to ensure that all those they wish to be involved, can be part of their decision-making process. For staff, this will enable a leaner and straightforward pathway.

The demographic of this group is clear through data gathered through the Performance and Information team and our own trackers - individual are generally above 75 years old.

Hampshire has a population of 1.4 million residents, of whom, circa 147K are over 75. The individuals impacted by this new service is small (maximum 100 individuals a month)

Disability

Public Impact: Positive

Staff Impact: Neutral

Decision Rationale: The majority of individuals who will be supported by this pathway will be older persons or people with physical disabilities. Undertaking assessments outside of the hospital setting will ensure that the individual is in a more suitable environment that is beneficial to their health and wellbeing whilst a long-term decision for their onward care can be made. Ensuring that the assessments are taken in a more timely manner with support from ICB and HCC staff throughout will also improve the individuals experience of the pathway. This new way of working enables better opportunities for individual to ensure that all those they wish to be involved, can be part of their decision-making process. For staff, this will enable a leaner and straightforward pathway.

Hampshire has a population of 1.4 million residents, of whom, circa 230K disabled individuals. The individuals impacted by this new service is small (maximum 100 individuals a month)

Gender Reassignment

Public Impact: Neutral

Staff Impact: Neutral

Decision Rationale: There is no identified disproportionate negative impact in relation to gender reassignment

This will be a neutral impact to staff.

Pregnancy & Maternity:

Public Impact: Neutral

Staff Impact: Neutral

Decision Rationale: There is no identified disproportionate negative impact in relation to pregnancy and maternity.

This will be a neutral impact to staff.

Race

Public Impact: Neutral

Staff Impact : Neutral

Decision Rationale: There is no identified disproportionate negative impact in relation to race.

This will be a neutral impact to staff.

Religion or Belief

Public Impact: Neutral

Staff Impact: Neutral

Decision Rationale

here is no identified disproportionate negative impact in relation to religion or belief.

This will be a neutral impact to staff.

Sex

Public Impact: Neutral

Staff Impact :Neutral

Decision Rationale: There is no identified disproportionate negative impact in relation to sex.

This will be a neutral impact to staff.

Sexual Orientation

Public Impact: Neutral

Staff Impact: Neutral

Decision Rationale: There is no identified disproportionate negative impact in relation to sexual orientation

This will be a neutral impact to staff.

Marriage & Civil Partnership

Public Impact: Neutral

Staff Impact: Neutral

Decision Rationale: There is no identified disproportionate negative impact in relation to marriage and civil partnership.

This will be a neutral impact to staff.

Poverty

Public Impact: Neutral

Staff Impact: Neutral

Decision Rationale: There is no identified disproportionate negative impact in relation to poverty.

This will be a neutral impact to staff.

Rurality

Public Impact: Neutral

Staff Impact: Neutral

Decision Rationale: There is no identified disproportionate negative impact in relation to rurality.

This will be a neutral impact to staff.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Adult Social Care and Public Health
Date:	16 January 2024
Title:	Capital Programme for 2024/25 to 2026/27
Report From:	Director of Adults' Health and Care and Director of Corporate Operations

Contact name: Graham Allen and Dave Cuerden

Email: graham.allen@hants.gov.uk
dave.cuerden@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to seek approval for the submission of the Adult Services and Public Health capital programme to the Leader and Cabinet.

Recommendation(s)

To approve for submission to the Leader and Cabinet:

2. The proposed capital programme for 2024/25 and provisional capital programme for 2025/26 and 2026/27 as set out in Appendix 1 and the revised capital programme cash limit for 2023/24 as set out in Appendix 2 including the transfers between years and the carry forward of resources as set out in paragraph 16-18.

Executive Summary

3. This report seeks approval for submission to the Leader and Cabinet of the proposed capital programme for 2024/25 and provisional for 2025/26 to 2026/27.
4. The report has been prepared in consultation with the Executive Lead Member and will be reviewed by the Health and Adult Social Care Select Committee. It will be reported to the Leader and Cabinet on 6 February 2024 to make final recommendations to County Council on 22 February 2024.
5. The report considers the schemes which it is proposed to include in the capital programmes for 2024/25, 2025/26 and 2026/27 and also presents the revised programme for 2023/24.
6. The proposals contained in this report are derived from the departmental service plans which have been developed to support the priorities of the Strategic Plan.

Contextual information

7. The County Council has maintained its capital programme throughout the period of austerity, doing so by making use of external sources to fund a significant proportion of expenditure, supplemented by the use of capital receipts and the County Council's own revenue resources. Approximately 80% of expenditure was externally funded in 2022/23 with the remaining c.20% funded by capital receipts (12.5%) and other local resources (7.3%).
8. Where expenditure is funded from local resources, this impacts the revenue budget in one of three ways:
 - A reduction in existing reserves
 - Increased capital financing costs (e.g., interest and MRP) as a result of prudential borrowing
 - The need for direct contributions to schemes from the revenue budget
9. Any impact on the revenue budget is considered as part of the Medium Term Financial Strategy (MTFS) and alongside the priorities within *Serving Hampshire's Residents – Strategic Plan 2021 – 2025*. Given the challenging financial position the County Council faces, any revenue contributions to capital schemes must balance recognition of the importance of capital investment with the need to review and challenge all revenue based expenditure as part of the overall MTFS.
10. The current MTFS assumes continuing revenue contributions to capital schemes throughout the forecast period. In order to allow the County Council time to continue to consider the evolving MTFS position, the capital cash limit guidelines approved by Cabinet in December 2023 only allocated the funding from these revenue based contributions to directorates for 2024/25, with the amounts for 2025/26 and 2026/27 to be held centrally pending further review.
11. The County Council continues to maintain a significant capital programme, resulting in investment in assets to support and enable the provision of local services and delivering benefits to the local economy.
12. Executive Members have been asked to prepare proposals for:
 - a locally resourced capital programme for 2024/25.
 - a programme of capital schemes in 2024/25 to 2026/27 supported by Government grants as announced by the Government.

The capital guidelines are determined by the Medium-Term Financial Strategy which is closely linked to 'The 'Serving Hampshire's Residents - Strategic Plan 2021 – 2025' with its strategic aims and Departmental Service plans to ensure that priorities are affordable and provide value for money and that resources follow priorities.

Locally resourced capital programme

13. The cash limit guidelines for the locally resourced capital programme for the Adult Services service set by Cabinet are as follows:

	£000
2024/25	481
2025/26	
2026/27	

14. As highlighted in paragraph 10 the allocations for 2025/26 and beyond are being held centrally at this stage and are subject to review in light of the County Council revenue position.
15. Executive Members may propose supplementing their capital guidelines under the 'prudential framework' agreed by Cabinet at its meeting on 24 November 2003, amended by Cabinet in February 2006, thereby integrating more closely decisions on revenue and capital spending in support of strategic aims. The additions may include virements from the Executive Member's revenue budget or use of temporary unsupported borrowing, to provide bridging finance in advance of capital receipts or other contributions.

Revised 2023/24 capital programme

16. The revised 2023/24 capital programme for Adults' Health and Care is shown in Appendix 2 and totals £49,154. The changes since the capital programme was approved in January 2023 are summarised below:

	2023/24 £000
Approved Programme	14,733
Additional Disabled Facilities Grant	1,244
Carry Forward from 2022/23	33,177
Total	<u>49,154</u>

17. The schemes carried forward from previous years of £33.177m were agreed by Cabinet on 18 July 2023. These predominantly relate to the Extra Care Housing (£0.906m), Adults with a Disability Accommodation (£3.795m) and Younger Adults Extra Care, (£15.185m) programmes together with the addition of £0.4m for improvements to the Kershaw Centre.
18. In addition to the above the carry forwards against schemes in the 2021/22 capital programme, Cabinet also agreed that unspent balances from starts within the capital programmes from prior years of £12.722m. This related to previously committed funding due to reduced costs on the Nightingale Lodge and Oak Park projects within the Extra Care Housing Transformation programme. This will enable additional projects to be completed against the

funding for the programme of £45m that was agreed by County Council in February 2012, to be funded from prudential borrowing.

Health and Safety

19. A programme to constantly review the need for essential health and safety work at our in-house care facilities, including residential care and nursing homes is ongoing. In light of the new and extensive proposals to make the HCC Care estate fit for the future, as outlined later in this report, and there being remaining funds within previously agreed allocations to continue the identified works for the forthcoming year there are no new proposals.
20. This portfolio of buildings remains the highest priority in the HCC estate in terms of health and safety, compliance, and operational risk management, with a consequential ongoing demand for routine and one-off investment in maintenance and improvement. It is anticipated that further requests for funding will be made as the estate continues to age and liabilities identified.
21. Accordingly, should there be the need for any further requests for funding in the forthcoming year, to support the maintenance of the estate, these will also be informed by the plans contained within the longer-term strategy for the HCC Care estate, to ensure that where appropriate, investment is targeted only to sites that are included within the longer-term vision.

HCC Care – Fit for the future

22. As outlined above a new capital scheme is proposed to be added to the Adults' Health and Care Capital Programme in order to safeguard the long-term viability of the Older Adult care estate. It is proposed that the scheme will commence from 2024/25 and will total £173m as outlined in the HCC Care Service and Capital Strategy report that was presented to and agreed by Cabinet in July 2023. It should be noted that these proposals are still subject to public consultation and that the £173m is currently an indicative value of the overall scheme. Within this scheme each individual development will be subject to a separate detailed business case prior to approval for spend.
23. Additionally, it should be noted that the longer-term strategy for the portfolio of buildings will take into consideration the pressure highlighted within the Adult Services and Public Health Revenue Budget report, specifically where internal provision, with capital investment may help to mitigate these revenue pressures.

Transformation of Adult Learning Disability Services

24. On the 27 October 2011, the Executive Member for Policy and Resources approved the Adult Learning Disability (LD) Business Case for the early

implementation phase of LD transformation and the broader programme. The business case links to the consultation of the transformation proposals reported to the Executive Member for Adult Social Care on 16 May 2011.

25. The Executive Member for Policy and Resources Decision Day on 21 July 2011 approved that 100% of LD capital receipts to be reinvested in LD service re-provision.
26. The Executive Member for Policy and Resources on 9 March 2017 approved the revised Business case plan. The financial position has evolved since October 2011 largely as a result of the value likely to be secured by selling surplus property and the consequent impact on prudential borrowing. The business case improved with the use of the Community Grant funding of up to £3.4m.
27. The LD Transformation programme has been successfully delivering capital projects to update and improve the department's LD estate. In that time the programme has successfully delivered eight schemes through the delivery of new facilities and significant improvements to existing assets. The programme has one further scheme in its programme, Romsey & Waterside and Jacob's Lodge and is expected to utilise the remaining £3.6m within the scheme budget.

Older Persons Extra-Care Housing

28. On the 24 October 2011 Cabinet approved the strategy to extend the development of Older Persons Extra-Care Housing. This included approval of an indicative maximum financial envelope of £45m of capital investment to deliver the programme of work, including transition cost.
29. Capital funding for the extensions to Westholme, Winchester and Oakridge, Basingstoke of £3m was formally approved by the Executive Member for Policy and Resources on 24 January 2013.
30. A review of the Older Persons Extra-Care programme was undertaken in early 2016 and the Executive Member for Policy and Resources reaffirmed the Older Persons Extra-Care programme to the original £45m capital envelope. With this in mind, further work on the remaining programme and project opportunities is being undertaken to ensure the most cost-effective programme is identified. Capital funding for future Extra-Care developments will be subject to the development of individual business cases.
31. On 26 September 2018, the Executive Member for Policy and Resources identified three sites for development opportunities in Gosport, New Milton, and Petersfield, of which the latter is likely to open in 2026 whilst Gosport opened July 2023 and New Milton will open by April 2024. In addition, there will likely be the development of a business case for the scheme at Havant during 2024/25. This is in addition to previously approved schemes in other

parts of the county, including the Nightingale site in Romsey, which was completed in the 2020/21 financial year.

Younger Adults Extra-Care Housing

32. The Executive Member for Policy and Resources approved the strategic business case for the Adults with a Disability Housing programme in April 2016. The business case approved a borrowing envelope of up to £35m to support the programme to transition service users with a learning and/or physical disability from an existing care home setting to a shared house or individual groups of flats.
33. An update was taken to the Executive Member for Policy and Resources in July 2020, which outlined the progress of the delivery of the scheme. The current position as at December 2023 is below:

	£000
Spend Tranche 1-3: Complete	31,100
Deregistration allocation:	428
Re-provision allocation:	650
Land Value Transfer:	1,300
Unallocated budget remaining:	1,522
Total	35,000

After spending across the three tranches, and allocated funds for planned and approved future spend, there is currently £1,522m left unallocated from the originally agreed funding approval of £35m.

Since last reported There has been £1.2m spent on six fully wheelchair accessible bungalows at Sonnet Court to support people with physical disabilities to live independently whose need would otherwise have been met from high cost residential care. It should also be noted that there are commitments outstanding for £170k that enabled two external providers to deliver eight new units of accommodation across two schemes for people with learning disabilities.

In addition, during 2021/22 a further £15.185m funding had been approved to be added to this programme. Plans for additional schemes up to the value of the £15.185m and any underspend from the original £35m, inclusive of the currently unallocated £1.522m will continue to be developed. In accordance with financial procedures each individual new scheme will be added to the programme subject to approval of an appropriate business case.

Proposed capital programme 2024/25 – locally resourced schemes

34. The Adult services capital programme for locally resourced schemes reflects the strategic aims of enabling people to live safe, healthy, and independent lives, enjoy a rich and diverse environment and be part of a strong and inclusive community. It includes contributions towards the costs of the following:
- Priority works on residential and nursing care premises to meet the needs of residents and service users to satisfy the requirements of regulators including the Care Quality Commission, The Fire Service and the Health and Safety Executive.
35. The budget also includes the provisional £173m budget for the HCC Care – Fit for the future programme outlined in paragraph 22 above which aims to deliver a package of new build and refurbished existing sites to facilitate both modern and greater capacity to meet the needs of complex and high needs dementia clients, and safeguard the long-term viability of the Older Adult care estate.
36. The detailed programme in Appendix 1 and expenditure for 2024/25 is summarised in the table below:

	£000
Operational building, including residential and nursing care, improvements.	481
HCC Care Fit for the future programme.	173,000
Total 2024/25 Budget	173,481

Capital programme supported by Government allocations

37. The locally resourced capital programme is supported by Government grant received from the Department for Levelling Up, Housing and Communities. In 2023/24 the initial allocation of capital funding to Adult Services was £14.252m for the Disabled Facilities Grant (DFG). A further £1.244m was received in September 2023. This funding forms part of the Better Care Fund – Pooled budget which is overseen by the Hampshire Health and Wellbeing Board.
38. The Secretary of State has not yet announced details of individual local authority capital allocations for 2024/25 or beyond. For planning purposes 2022/23 allocations are being assumed.
39. The DFG of £14.252m is capital money made available to local authorities as part of their allocations to award grants for changes to a person’s home. There is a statutory duty for local housing authorities to provide grants to those who qualify. This part of the fund will be governed by the disabled facilities grant conditions of grant usage as made by the Department for Levelling Up, Housing and Communities under section 31 of the Local

Government Act 2003. Therefore, although officially part of the fund, the money cannot be used for other things and will be paid back out of the fund to the relevant district councils.

Capital programme summary

40. On the basis of the position outlined above, the total value of the capital programmes submitted for consideration for the three years to 2026/27 are:

	Schemes within locally resourced guidelines	Additional schemes funded within the prudential framework	Schemes supported by Government allocations (assumed)	Total
	£000	£000	£000	£000
2024/25	481	173,000	14,252	187,733
2025/26	-	-	14,252	14,252
2026/27	-	-	14,252	14,252

Revenue implications

41. The revenue implications of the proposed capital programme are as follows:

	Full Year Cost	
	Current Expenditure £000	Capital Charges £000
Schemes within the guidelines		
2024/25	-	3,478
2025/26	-	-
2026/27	-	-
	-----	-----
Total	-	3,478
	-----	-----

Conclusions

42. The proposed capital programme for Adult Services as summarised in paragraph 11 is in line with the guidelines set by Cabinet. In addition, it plans to use the allocated Government grants in full. The programme supports the delivery of services countywide and contributes to the strategic aims:

- Hampshire maintains strong and resilient economic growth and prosperity

- People in Hampshire live safe, healthy, and independent lives.
- People in Hampshire enjoy a rich and diverse environment.
- People in Hampshire enjoy being part of strong, inclusive, resilient communities.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and resilient economic growth and prosperity:	Yes
People in Hampshire live safe, healthy, and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive, resilient communities:	Yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Adult Services Capital Programme 2017/18 to 2019/20 Strategy for the Older Persons Extra-Care Housing and Programme Update	20 January 2017
Transformation of Adult Learning Disabilities Services – Programme Update & Revised Business Plan	09 March 2017
Adults with a Disability Housing Programme: Progress update and approval to the strategy for Phase 2 new build projects	9 March 2018
Three Extra Care Development Opportunities in Gosport, Petersfield, and New Milton – Outcome of Procurement	26 September 2018
Learning Disability Housing - Programme Update	14 July 2020
Cabinet Financial Update and Budget Setting and Provisional Cash Limits 2021/22	24 November 2020
Cabinet 2022/23 – End of Year Financial Report	18 July 2023
HCC Care Service and Capital Strategy	18 July 2023
Cabinet Financial Update and Budget Setting and Provisional Cash Limits 2024/25	12 December 2023

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation).
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation) and those who do not share it.
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

Equalities Impact Assessments outcomes will be carried out on the individual schemes within the capital programme in order to comply with the requirements of the Equality Act 2010

Adult Services

Capital Programme - 2024/25

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year		Site Position	Contract Start		Remarks
						Running Costs	Capital Charges		Date	Duration	
						£'000	£'000		£'000	£'000	
2024/25 Schemes											
Schemes Supported from Local Resources											
1	Maintaining Operational Buildings including Residential and Nursing Care	327	54	100	481	-	18	N/A	1	12	Continuation of programme for the provision / replacement of furniture and equipment in residential / day care establishments, and to upgrade establishments to contemporary standards.
2	HCC Care Fit for the future	148,498	24,502	-	173,000	-	3,460	N/A	1	48	New builds and refurbishment of existing sites to facilitate both modern and greater capacity to meet the needs of complex and high needs dementia clients.
Schemes supported by the Government											
3	Disabled Facilities Grant	-	-	14,252	14,252	-	-	N/A	1	12	Grant paid to District Councils to fund adaptations to people's homes
Total Programme		148,825	24,556	14,352	187,733	-	3,478				

Adult Services

Capital Programme - 2025/26

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year		Site Position	Contract Start		Remarks
						Running Costs	Capital Charges		Date	Duration	
						£'000	£'000		£'000	£'000	
4	2025/26 Schemes										
	Schemes Supported from Local Resources										
	Schemes supported by the Government										
	Disabled Facilities Grant	-	-	14,252	14,252	-	-	N/A	1	12	Grant paid to District Councils to fund adaptions to people's homes
	Total Programme	-	-	14,252	14,252	-	-				

Adult Services

Capital Programme - 2026/27

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year		Site Position	Contract Start		Remarks
						Running Costs	Capital Charges		Date	Duration	
						£'000	£'000		£'000	£'000	
5	2026/27 Schemes Schemes Supported from Local Resources Schemes supported by the Government										
	Disabled Facilities Grant	-	-	14,252	14,252	-	-	N/A	1	12	Grant paid to District Councils to fund adaptations to people's homes
	Total Programme	-	-	14,252	14,252	-	-				

Adult Social Care 2023/24 capital programme

Resources	
1. Latest programme limit:	£000
Approved Programme	14,733
Additional Disabled Facilities Grant	1,244
Carry Forward from 2022/23	33,177
Total	<u>49,154</u>
Allocated to Projects / Schemes	
2. Project Extra-care Housing transformation project	906
Maintaining Operational Buildings including Residential and Nursing Care	650
Younger Adults Extra Care	15,185
Adults with a Disability Accommodation	3,795
Kershaw Centre – LD Transformation	400
Extra Care Housing Transformation	12,722
Disabled Facilities Grant	15,496
Schemes controlled on a starts basis	<u>49,154</u>

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Adult Social Care and Public Health
Date:	16 January 2024
Title:	2024/25 Revenue Budget Report for Adults' Health and Care
Report From:	Director of Adults' Health and Care, Director of Public Health and Director of Corporate Operations

Graham Allen, Director of Adults' Health and Care

Contact name: Simon Bryant, Director for Public Health

Dave Cuerden, Finance Business Partner

graham.allen@hants.gov.uk

Email: simon.bryant@hants.gov.uk

dave.cuerden@hants.gov.uk

Section A: Purpose of this Report

1. The purpose of this report is to set out proposals for the 2024/25 budget for Adults' Health and Care in accordance with the Councils Medium Term Financial Strategy (MTFS) approved by the County Council in November 2023. It also proposes a revised budget for Adults' Health and Care for 2023/24.

Section B: Recommendation(s)

To approve for submission to the Leader and the Cabinet:

2. The revised revenue budget for 2023/24 as set out in Appendix 1.
3. The summary revenue budget for 2024/25 as set out in Appendix 2
4. The proposed fees and charges as set out in Appendix 3.

Section C: Executive Summary

5. This report provides the summary outputs of the detailed budget planning process undertaken by Adults' Health and Care for 2024/25 and the revised budget for 2023/24. This process has been undertaken against the backdrop of a budget gap of £132m by 2025/26, which the Council is unable to close through savings alone, and escalating cost pressures within key demand led services, including Adult Social Care and School Transport. Over £130m of inflation, pressures and growth has been added to budgets since 2023/24,

significantly exceeding increases in the Council's funding. The current high inflationary environment also continues to present particular challenges in balancing budget certainty for Directorates with levels of affordability for the Council.

6. Disappointingly, the Autumn Statement delivered by the chancellor on 22 November didn't include any additional financial measures to ease the pressures facing local authorities. The announcement of a higher National Living Wage for 2024/25 than had previously been forecast is likely to result in additional financial pressures for the Council, both through increasing costs for our service providers and also impacting future local government pay awards. It was also notable that the tightening of medium term spending limits set by the government suggests a worrying direction of travel for future funding settlements.
7. The anticipated delay to delivery of some aspects of the remaining Transformation to 2021 (Tt2021) programme and Savings Programme to 2023 (SP2023) have been factored into our financial planning, and one-off Directorate funding will be provided where required to bridge the forecast savings gap in 2024/25. As of September 2023, £10.2m of Tt2021 savings and £11.4m SP2023 savings have yet to be delivered across the Council. Plans are in place to deliver most of the remaining Tt2021 and SP2023 savings by 2024/25, however this presents a considerable challenge for directorates in addition to the £17.1m SP2025 savings due to be delivered next year. The report discusses the specific issues impacting delivery of the savings programmes for Adults' Health and Care in Sections F, G and H.
8. The report also provides an update on the business as usual financial position for the current year as at the end of October and the outturn forecast for the Directorate for 2023/24, is a budget pressure of £7.4m which is made up of £6.7m for Adult Social Care and £0.7m for Public Health. The pressure in Public Health will be offset at the end of the financial year by a draw from the Public Health reserve. The revised budget is shown in Appendix 1.
9. The proposed budget for 2024/25 analysed by service is shown in Appendix 2.
10. The report also reviews the level of charges for the provision of services which require approval and provides a summary of these charges in Appendix 3.
11. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2023/24 and detailed service budgets for 2024/25 for Adults' Health and Care. The report has been prepared in consultation with the Executive Lead Member and will be reviewed by the Health and Social Care Select Committee. It will be reported to the Leader and Cabinet on 6 February 2024 to make final recommendations to County Council on 22 February 2024.

Section D: Contextual Information

12. In November 2023, Full Council approved the Medium Term Financial Strategy and Savings Programme to 2025 (SP2025) which set out the scale of the financial challenges which the Council currently faces and the proposed measures which will begin to address the budget gap of £132m to 2025/26. However, for the first time the Council finds itself in the position of being unable to close the budget gap through savings proposals alone, with a substantial recurring shortfall of £41.6m remaining from 2025/26 after accounting for SP2025 savings.
13. As reported to Cabinet in December, the cost pressures facing the County Council have worsened further since the MTFs was set, most notably within Adult Social Care, Special Educational Needs and School Transport. Where the impact of these pressures is known, additional funding has been included in the provisional cash limits and allocated to services as part of the detailed budget setting process undertaken by directorates.
14. The provisional cash limits for 2024/25 include over £130m of inflation, pressures and growth added to budgets since 2023/24. This represents an average increase in directorate cash limits of over 12% in a single year, which is clearly an unsustainable position when set against a maximum increase in Council tax of 5%. It is therefore not surprising that the Council expects to draw some £86m from reserves to balance the budget for the forthcoming year.
15. Setting a budget in a high inflationary environment presents particular challenges in balancing budget certainty for Directorates with levels of affordability for the Council, given the potential for the position to worsen or improve substantially throughout the year in line with changes in the economic picture. The budget for Adults' Health and Care therefore represents a prudent assessment of the funding level required to deliver services, with additional corporately held risk contingencies playing an important role to mitigate the impact of financial uncertainty on service delivery.
16. The Council's approach to planning and delivering savings over a two year period means that the 2024/25 cash limits do not include any new savings proposals. However, given that the balance of the Budget Bridging Reserve will be fully utilised in 2024/25, all SP2025 savings delivered in the forthcoming year will be transferred to the BBR at the end of the financial year.

Autumn Statement

17. The Government announced the 2023 Autumn Statement on 22 November. Disappointingly, the Statement didn't include any additional financial measures to ease the pressures facing local authorities, despite strong lobbying from the sector in the period leading up to the Statement, which attracted widespread press coverage.
18. Of particular significance for Local Government was the announced of a 9.8% increase in the National Living Wage for 2024/25 to £11.44 per hour. This significantly exceeds the previous central estimate of £11.16 published by the

Low Pay Commission in May on which the current MTFs forecasts are based. This increase is likely to result in additional financial pressures for the Council, both through increasing costs for our service providers and also impacting future local government pay awards.

19. The Economic and Fiscal Outlook published by the Office for Budgetary Responsibility alongside the Statement showed that Local Authority spending has fallen from 7.4% of GDP to just 5% since 2010/11 and the Government's current spending plans suggest that spending outside the NHS will fall further in real terms over the next five years. This sets a worrying backdrop for the medium term outlook for local government finance and suggests that there is unlikely to be sufficient scope to address the funding shortfalls faced by Councils within the government's current spending plans.

Operating model changes

20. The Council transitioned to a new operating model in January 2023 which established new directorates for the delivery of place shaping services and our Hampshire 2050 vision. When the 2023/24 budget was set, it was highlighted that further changes to budgets would be required to ensure budget allocations accurately match the services and roles aligned to each Directorate. The 2023/24 original budget has therefore been restated to reflect the detailed work undertaken on the later phases of the restructure since the budget was set in February 2023.
21. In addition to the early delivery of some SP2025 savings, the Fit for The Future operating model reviews will continue to be progressed and will ensure that the Council's corporate enabling functions, transformation and administrative activity are delivered as efficiently as possible, and that our contact model takes full advantage of new technologies and the changing ways in which residents interact with the Council. It is anticipated that these reviews will identify some further efficiency savings, however these will not be sufficient to bridge the remaining budget gap.
22. Adults' Health and Care has been developing its service plans and budgets for 2024/25 and future years in keeping with the County Council's priorities and the key issues, challenges and priorities for the Directorate are set out below.

Section E: Directorate Challenges and Priorities

23. The purpose of this report is to set out the medium term position for the Directorate and this section is to outline those longer term challenges that are faced. It follows that this report will not then focus on the pandemic but will highlight where opportunities and potential longer term challenges have arisen as a consequence of the pandemic.

ADULT SOCIAL CARE

24. The current year has been another incredibly challenging year for Local Authorities across the breadth of the country, in particular for those councils that have responsibility for Adult Social Care that will have seen ever more rapidly increasing prices and real growth in client numbers, particularly those with complex need. Hampshire is no different. These financial challenges are well known and driven by various key factors including:
- Number of eligible clients continuing to increase at a faster rate, particularly for those over 85 that are the most vulnerable and have the most challenging conditions,
 - Growing complexity of care needs, for example the increasing prevalence of multiple conditions including higher levels of dementia,
 - Severe shortages in the care workforce, resulting in greater use of higher cost agency staff,
 - Cost of living increases, including fuel costs that have led directly to increases in the price paid for care, and,
 - Greater pressure from the NHS for faster discharges from hospital, leading to clients coming into social care with more acute needs earlier.
 - Significantly greater increases in the numbers and costs associated with supporting children with disabilities and complex needs transitioning to adulthood.
 - All of the above need to be considered against the backdrop of a year where the Fair Cost of Care exercise was undertaken which undoubtedly affected providers expectations in respect of fee rates.
25. In addition to those key pressures highlighted within paragraph 24, there are many other factors, (such as the financial challenges being experienced by NHS organisations) which have a direct bearing on social care pressures. Regulation and the National Living Wage (NLW) are also impacting on direct provision and the independent sector in terms of increasing cost pressures being passed onto the County Council. These pressures are also not unique to Hampshire and are representative of the position nationally.
26. The Government's commitment to the NLW will continue to have an impact on the purchased care budget with greater pressure expected in 2024/25. The increase in the NLW from April 2024 was confirmed within the Autumn Statement and will see it rise to £11.44 from £10.42, an increase of £1.02, (9.8%). The NLW will undoubtedly put further strain on the price of care alongside general inflation during 2024/25, both of which are significantly higher than the ability of the County Council to increase revenues.
27. In the last year, as expected, the underlying demand in clients requiring adult social care services and the average price paid for it has grown significantly and has recently exceeded previous expectations. Over the next twelve months this

growth is highly likely to exceed both the previous assumptions and the available funding previously set aside within the MTFS. Accordingly, and as detailed later the Directorate cash limit has been increased.

28. Historically most of the volatility of client numbers and variability of risk has tended to concentrate within the Older Adults sector and whilst that remains true. However, as Younger Adults is now the largest single paid for care budget, it also carries a substantial amount of risk, and that risk has continued to be evident during 2023/24. We have continued to see significant growth in client numbers, in particular high cost clients and material price increases to prevent significant volumes of providers having to hand back care.
29. The opportunity to utilise spare capacity within the HCC Care Residential units through the sale of Discharge to Assess beds, (D2A) to the NHS to support timely discharges from hospital has continued throughout 2023/24, although at a significantly reduced level for the latter half of 2023/24. Whilst this service is planned to continue in 2024/25 at some level the precise volume is still uncertain as negotiations with the NHS remain ongoing. This now represents a significant income stream to the Directorate so any reduction will need to be offset swiftly from utilising any spare capacity to place long term clients thereby reducing the pressure on the purchased care budgets.
30. Local authorities continue to be able to raise 2% through the adult social care precept in 2024/25. This will need to be seen in the round given that no other additional resources have been announced for social care in the Autumn Statement. What is clear, is that the expected resources are not going to be sufficient to keep pace with price and growth demand expected for next year.
31. There continues to be a focus on the Directorate's support for the NHS in maintaining the faster flow of patients out of NHS hospitals and this is likely to continue into the medium term albeit at a significantly lower level. This reflects the reduced financial flexibility that both the ICBs and the County Council have to support this above what can be afforded from specific grants that each receive for this purpose. In the current year it is forecast that Adult Social Care will have recovered over £25m for services commissioned to support discharges on behalf of the NHS.
32. The key discharge services that have continued over the past year that are currently subject to negotiations for 2024/25 are as follows:
 - Discharge to Assess, (D2A) capacity as a vehicle to both step clients down from hospital and step people up to prevent a hospital stay. This includes both bedded services provided by HCC Care and non-bedded services commissioned from the independent sector.
 - Additional social work staff in hospitals - a multi-disciplined team across Health and Social Care functions with the singular aim of completing all of the necessary processes together in a timely way to discharge clients from hospital safely through to their physical arrival at the optimum destination for their care journey – this will mainly be their home.

33. The supply of affordable and sufficient staffing resource within the sector continues to be a major challenge, the County Councils In-House Residential and Nursing Care homes are not shielded from this. For this reason the Directorate has continued to offer financial incentives to lower paid staff to both attract new staff and retain the resources currently held. This approach is significantly more advantageous than paying the high cost agency staff fees that would be the alternative. In 2023/24, particularly since month 5, this policy has started to bear fruit as there has been a significant reduction in high cost agency usage and we have seen a material increase in the number of permanently employed staff.
34. Whilst we have seen significant improvements in recruitment and retention and this has fed through to reduced agency usage, the in year position remains challenging with a pressure forecast on staffing in the older adults units. It should be noted that nearly all of the pressure resides within a small collection of four units. There continues to be work with these units to control costs and or ensure the correct resourcing level is held. Additionally, any changes in the number of beds made available for the Discharge programme, and therefore level of income received, will require a response to mitigate any pressure by realigning staffing levels back to the long term care staffing compliment. The Directorate has continued to invest both time and short term financial resources to address the staffing issues both through structural changes and development of IT solutions. There is still more work to do to in 2024/25 to fully deliver the planned improvements, but the Directorate are well positioned for this to be achieved.
35. As already highlighted the demand from people of working age with physical and in particular learning disabilities is growing ever more rapidly and, although positive work to improve value for money in commissioning has created good financial and quality outcomes, the increase in demand through transition from childhood is significantly outweighing this most significantly because a greater number of these clients will be at an extraordinarily high cost. Advances in medical care have had a positive impact on life expectancy and have meant that people with very complex needs are surviving into adulthood when historically they might not have done so. They are also living a fuller adult life and are demanding support to live as independently as possible for significant periods.
36. Younger Adults now represents the major growing pressure on Adult Social Care budgets. Accordingly, the Directorate have focussed efforts through previous transformation rounds and will continue to do so through SP2023 and SP2025 to minimise the impact of this pressure where possible whilst improving outcomes and life experiences for service users, including identifying and helping to secure employment opportunities. This will be achieved through continued innovation (including multi-million pound investment in Technology Enabled Care and modern Extra Care housing / Supported Living) alongside efficiencies and service reductions. Additionally, the strengths-based way of operating, coupled with Least Restrictive Practise approaches have been

increasingly working to mitigate costs and provide better alternatives for clients within the Younger Adults' service area.

37. The purchase of care for clients within their own home continues to be a challenging area for the Directorate, and in all likelihood, greater dependency will be placed on providers into the future across all client groups. The impact on the workforce highlighted earlier in this report within care home settings is just as prevalent with home care providers. In the last year there has been a significant number of new entrants to the home care market and accordingly have gone onto the Home Care Framework. This has helped to ensure that placements are made faster and offered a greater degree of control over the average price for home care. The Directorate continues to work with the sector and local care groups to explore potential initiatives to bring new entrants into the workforce as well as encourage even more new providers into Hampshire. Work continues to expand upon the gains made from the introduction of the non-residential framework and associated payment process with further streamlining and simplifying of the transactional engagement with providers, having successfully expanding it to all other client groups. Evidence to date would support that it has improved relationships with providers and reduced their back-office costs resulting in greater levels of care provision being available at comparatively affordable rates even during this period of very high inflation. The Directorate will continue to seek to improve and make further gains.
38. During 2024/25 the Directorate will be introducing a new Residential and Nursing framework within Older Adults initially, that is anticipated to help deliver both greater financial security for the successful providers through sustainable and fair rates of care and to provide the council with a greater degree of control over both the current price paid and future increases. Currently the Directorate, in this area, are exposed to pure market forces that is enabling the average price to be perpetually driven up with each and every new purchase made.
39. The other key priority is the Adults' Health and Care Transformation Programme. The Directorate have now completed delivery of the £55.9m Tt2019 savings. Furthermore, the Directorate are set to secure all but £4.9m of remaining savings required for Tt2021 and SP2023 by the end of 2023/24.
40. In 2023/24 there wasn't any material additional corporate support for delayed transformational savings planned and similarly this continues into 2024/25. Accordingly, this has put a significant strain on Directorate Cost of Change balances. As outlined later all of the asks upon cost of change are significantly greater than the funding available.
41. 2024/25 will see the Directorate embark upon delivery of its SP2025 savings programme. With significant savings already achieved, this next round of savings will be the most difficult to achieve yet. There will continue to be robust monitoring of the delivery of this programme, giving adequate early warning where delivery is in jeopardy. For 2024/25 the Directorate is aiming to deliver £7.7m of savings, rising to £34.7m in 2025/26, reaching the total planned saving of £47.9m by 2026/27.

42. The Directorate has successfully delivered the implementation of a brand new IT social care system, (Care Director) that was rolled out in November 2023. The continued development and bedding in of this system will inevitably represent further challenge for the Directorate into 2024/25. However, it should be noted that to date the implementation has been very successful with minimal fixes required to date.

PUBLIC HEALTH

43. During the past year we sought to address new and emerging health needs of the population and to ensure public health services recovered from the changes made during the pandemic. Whilst there was sufficient additional funding made available, this came with its own challenges to ensure it was spent appropriately and was targeted to have most impact. This year also saw the emergence of health issues related directly to the pandemic and to health protection measures implemented during the pandemic period, including increased weight, poorer mental and emotional health and unseasonal infection outbreaks.
44. It is expected that the conditions on the Public Health grant for 2024/25 will be the same as those in 2023/24, specifically in relation to the basis of the ring-fence. It is anticipated that the level of the grant for 2024/25 will be announced in the new year. It is thought there will be an allowance for inflation, particularly to cover any planned uplift to NHS pay for our commissioned services. When greater clarity is provided, the budget will be updated accordingly.
45. The Public Health team continue to take advantage of opportunities to make the public health function more efficient and prioritise the funding available to those services and interventions that make the most difference to health for residents of Hampshire. This includes closer working with other Council Directorates, Districts and Boroughs and the NHS through the Council's Public Health Strategy and the Investing in Public Health programme to better align services, where appropriate, to deliver those improved health outcomes for the residents of Hampshire.
46. In 2023/24 the ring-fenced Public Health grant received by Hampshire was increased by £1.6m to £56.2m. This increase has been used to cover the recurring inflationary costs incurred by providers most notably the increase in staff cost experienced by NHS providers as a result of nationally agreed pay awards for NHS staff. At this time there has not been any confirmation of the actual grant level in 2024/25, the budget has therefore been set on the minimum expectation of a grant equivalent to that received in 2023/24 of £56.2m. When the ring-fenced grant and all other grants received and utilised by Public Health in 2023/24 are confirmed for 2024/25 with specific allocations these will be added to the budget.
47. Within the current year Public Health resources have continued to include a residual element of funding remaining from the Covid-19 response. From a financial perspective any forecast costs relating to this funding are expected to be met from those resources. Therefore, the current year financial variance for

the Directorate represents a position that is largely unaffected by the impact of Covid-19 as is shown within Section F.

48. Despite the recent grant increases and the likelihood of a further inflationary increase in grant for 2024/25 there remain significant challenges for delivery of the County Council's core public health responsibilities and for wider work to improve the public's health. Continued careful planning, delivery and evaluation of evidence-based interventions will ensure that the available Public Health resources are focused on the key public health priority areas set out in the new Public Health Strategy, introduced in 2023.
49. The Public Health Strategy seeks to reduce the prevalence of the conditions contributing the most to years lived in ill health, namely smoking, cardiovascular disease, diabetes, unhealthy weight, low physical activity and poor mental health by acting on the risk factors, environment and conditions which combine to drive them. Recognising the links between health and wealth, the refreshed strategy aligns with the vision and strategic direction set out through the Hampshire 2050 Commission and with other key strategies that shape Hampshire as a place.
50. A key priority is to ensure efficient delivery of the Public Health mandate to best meet the public health needs of Hampshire's residents and to continue to ensure that these services are providing best value for money. These include the mandated services: the National Child Measurement Programme, (NCMP) delivered through the school nursing service; delivering quality assured NHS health checks with the aim of both reducing future ill health, particularly cardiovascular disease and dementia, and the associated demand for health and social care services; enabling access to comprehensive good value for money sexual and reproductive health services and preventative sexual health advice through transformation; providing public health expertise and leadership to NHS commissioners and to local Integrated Care Systems to inform the planning and commissioning of health services as well as the delivery of statutory health protection and public health emergency planning responsibilities and cooperation with the criminal justice system in respect to violence prevention.
51. A focus on improved outcomes, narrowing the gap in outcomes for groups at most risk of ill health and increased quality in the public health commissioned services remain our key priorities alongside leadership of public health for Hampshire.
52. There is compelling evidence that what happens at the start of life is vital in laying the foundations for good adult outcomes and our leadership of the First 1001 days work is fundamental to enabling this in Hampshire. The Healthy Child Programme (0-19) is an evidence-based universal prevention and early intervention public health programme that is offered to all families. By offering a universal service at the earliest point, the service is then able to provide a stepped offer based on assessed need, which ensures good use of skills and resources. These services are supported by a mandate that requires universal delivery of five key child 'development reviews. It supports parents and

promotes child development, leading to improved child health outcomes and reduced inequalities while ensuring that families at risk are identified at the earliest opportunity. To ensure that we get the best outcomes for children and families the Public Health team is working in partnership with Children's Services and NHS colleagues to transform and provide collaborative services for children and young people and their families. Effective use of resources helps to maximise the universal nature of the service, as well as to provide an enhanced offer to vulnerable families, to get the best possible outcomes in the six high impact areas and to maintain a focus on prevention and early identification of children and families at risk of future health and social problems. The commissioned Public Health nursing service continues to support Hampshire's vulnerable families at a time of resource constraint and national staffing challenges through an active partnership between commissioner and provider. This is now showing signs of success with increased recruitment.

53. The proportion of our population making unhealthy lifestyle choices, which will impact on their future health and care needs, remains a real public health challenge in Hampshire. These choices already have an impact on public services and lead to considerable costs to the system. This is likely to get worse over time. Focusing on creating healthy places, working with colleagues in areas such as transport and planning and with colleagues in Districts and Boroughs and the Voluntary and Community Sector to maximise the use of local assets as well as continuing to advocate for prevention and making a healthy lifestyle 'the norm' for people of all ages is key to keeping people healthy, in employment and independent for longer and to reducing future demand for services. We continue to work to achieve this through appropriate nutrition, reducing obesity, promoting physical activity and supporting people to stop smoking and to drink sensibly. We have allocated resources to ensuring that everyone eligible receives an NHS Health Check that were delayed during the pandemic.
54. The Stop Smoking Service is accessible to the whole population and aims to increase quit rates, through focussing on population groups for whom smoking prevalence is still high. This requires strategic leadership and collaboration to change the system alongside effective services for the population. The Government has announced a new allocation of funding to implement increased services for smokers to be supported to give up. This will commence in April 2024 for 5 years.
55. With an increasingly older population, tackling social isolation and malnutrition, preventing falls and incontinence, and maintaining mobility in our vulnerable and older residents remain important areas of focus for our work with colleagues in Adult Social Care and the NHS and are an important contribution to supporting people to remain healthy and independent for longer.
56. Public Health leadership of violence reduction sees the team working closely with the Office of the Police and Crime Commissioner and Hampshire and Isle of Wight Constabulary. Domestic abuse is a serious public health problem; Public Health leadership of the strategic partnership is driving work across the

system to reduce domestic abuse. The Domestic Abuse service for victims and perpetrators provides further impetus to this work and has an increased focus on reducing the impacts of domestic abuse on children to prevent long term sequelae and impact. In 2024/25, this work continues to be supported by a specific additional grant to support domestic abuse services. The continuation of this grant is unknown at present.

57. Poor mental health represents a significant burden of disease in the County and increases the risk of developing physical illness and of premature mortality. We will continue our work to improve the mental wellbeing of our communities including maintaining a focus on preventing suicide. The Mental Health Partnership and plan has been further developed this year. Promoting emotional wellbeing, resilience and good mental health in children is a priority for both our health visiting (through action on maternal mental health and promoting attachment) and school nursing services. An updated Emotional Health and Wellbeing Strategy continues to be implemented. Partnership working across the County Council, the NHS, voluntary sector and service users will help to drive this agenda forward.
58. The substance misuse service delivers a robust drug and alcohol treatment system that fully meets the diverse needs of the Hampshire population and empowers and enables people to recover from alcohol and/or drug dependency. Through a transformation programme the service will take a family approach and deliver a comprehensive treatment service. Wider system work continues to support responsible drinking and promote safe and healthy places for people to live and work. An additional grant, Drug Treatment, Crime and Harm Reduction, £2.3m, was received in 2023/24 specifically to improve substance misuse services. There is no clarity on the future of this grant continuing.
59. Sexual and reproductive health services and substance misuse services, being demand led, are challenged by the number of patients requiring these services. However, they are continuing to meet the demand through service transformation to ensure that the right service is provided at the right time in the right way for those who need it including through upstream preventative work, improving the quality of the initial contact and shifting more activity from face to face to digital interventions where appropriate. These approaches, begun prior to the pandemic, have been further developed during the response to Covid-19.
60. The Director of Public Health (DPH) continues to deliver the Health Protection responsibilities through partnership work with the UK Health Security Agency (UKHSA), and NHS England. Planning for and responding to infectious disease outbreaks and incidents and promoting uptake of vaccination and screening through the NHS will continue to be a core part of the Directorates work in the coming year. The Public Health Emergency Planning responsibilities are delivered through work with the Emergency Planning teams in the County Council and wider Local Resilience Forum (LRF) partners.
61. To ensure delivery of the Joint Strategic Needs Assessment (JSNA) on behalf of the Hampshire Health and Wellbeing Board the team continues deliver key

analysis for partners including working with the developing Primary Care Networks. Our leadership of Population Health Management will enable more effective delivery of healthcare for the system.

62. Nationally and within the Hampshire and Isle of Wight and Frimley ICSs there is a welcome renewed focus on population health and prevention. The DPH provides leadership to both these work programmes supported by the Public Health team. For Hampshire and IOW the DPH co-chairs the Integrated Care Partnership bringing leadership to this committee and areas of work.
63. Hampshire County Council is now in the fifth year of a formal partnership to provide the leadership of public health on the Isle of Wight, (IOW). This arrangement commenced in September 2019 following eighteen months of interim leadership support. The partnership will be reviewed on an ongoing basis but at present is still demonstrating successes. The partnership has increased Public Health capacity across the councils, maintaining the high quality of services across Hampshire, building resilience whilst improving the quality of service delivery on the Island. We will continue to work in partnership to improve the health of the population and respond to emerging health protection risks appropriately.

Section F: 2023/24 Revenue Budget

64. Enhanced financial resilience reporting, which looks not only at the regular financial reporting but also at potential pressures in the system and the achievement of savings being delivered through transformation, has continued through periodic reports to the Corporate Management Team (CMT) and to Cabinet.
65. The anticipated business as usual outturn forecast for 2023/24 as at end of October for the Directorate, is a budget pressure of £7.4m which is made up of £6.7m for Adult Social Care and £0.7m for Public Health.

ADULT SOCIAL CARE

66. There are some key variances within the £6.7m adverse, (net of planned support) position reported, of which all material variances are contained within the budget for purchased care. It had previously been forecast that the Directorate would require additional funding in year of £10.8m to support the growing pressure on purchased care budgets. The £6.7m is in addition to this. Furthermore, it should be noted that this position is also after £7.2m of additional funding received from the Market Improvement and Sustainability Workforce fund in 2023/24. Therefore, compared to the forecast pressure of £10.8m reported within the 2023/24 budget report the actual pressure in year has grown to £24.7m.
67. There is a forecast pressure on care packages for all client groups of £5.9m. The forecast pressure is due to higher than anticipated increases in the average rates paid for packages, increases in the number of complex clients

within Younger Adults, as well as a significant increase in client numbers, particularly within Older Adults Residential and Nursing.

68. The pressure in Younger Adults is the direct result of both the continued need to renegotiate uplifts for specific packages of care, or run the risk of the package being handed back, and a steady increase in client numbers particularly those in crisis that are notoriously expensive to place. These high cost clients can cost circa £3,000 to £4,000 per week whilst the cost of the in-year additional uplifts has been £4.35m in 2023/24. As outlined in this report these factors will have an inevitable adverse impact on the budget position for 2024/25 compared to the previous forecasts.
69. The inflationary pressures and subsequent increase in costs felt by providers has led to unprecedented increases in average prices paid by the Council, furthermore this has also had a knock on impact for the ability of the Directorate to deliver savings in accordance with the plan for the year. There has been a further delay of savings delivery in year of £0.3m on SP2023.
70. The Cost of Change Reserve balance is forecast to be exhausted by the end of the year, as the opening balance of £13m is insufficient to meet all of the forecast demand upon it:
 - offsetting delayed savings, £4.8m,
 - the in-year adult social care budget pressure, £6.7m and,
 - to fund all existing investment commitments, £12.7m.
71. Consequently, there is likely to be a need to draw upon Corporate Reserves to balance the final outturn position for the Directorate.

PUBLIC HEALTH

72. The anticipated adverse outturn forecast for 2023/24 of £0.7m will be offset by a corresponding draw from the Public Health Reserve. This position reflects an underspend of £1.7m against the 2023/24 Public Health Grant activity that is more than offset by expected expenditure of £2.4m within the Investing in Public Health programme. It had been previously forecast that all of this programme expenditure would be drawn from the reserve. This programme is intended to deliver longer term efficiencies through greater alignment with Council Directorates as well as the NHS.
73. Much of the underspend on the 2023/24 grant is the result of reduced activity, in some considerable part due to the continued impact that Covid-19 has on how people access Public Health services. This saving is distributed across much of the contracted services including NHS Health Checks, Sexual Health and Tobacco.

74. The closing balance of the Public Health reserve is currently forecast to be £10.1m by 31 March 2024, a reduction of £0.7m from the £10.8m opening balance. As previously stated, this resource will be utilised in future years to continue to deliver transformational change in addition to providing one off funds to catch up on key contracted services that delivery of has slowed during the pandemic.
75. All additional expenditure pertaining to Public Health in continued response to the Covid-19 pandemic and the longer term impact has been managed within the specific grants that have available in year including the Contain Outbreak Management Fund and Test and Trace grant.
76. The budget for Adults' Health and Care has been updated throughout the year and the revised budget is shown in Appendix 1. The revised budget shows an increase of £41.4m of which Adult Social Care is a £23.7m increase and Public Health a £17.7m increase.
77. The Adult Social Care increase is made up of the following:
- £9.2m increase in grants of which £7.2m is the 2023/24 allocation for the Market Sustainability and Improvement Fund.
 - £15.3m of corporate support to reflect the increased number and cost of care packages and additional inflationary increases for providers of care for Younger Adults.
 - £0.8m decrease which is primarily in relation to the Procurement team moving to Corporate Services.
78. The Public Health increase is made up of the following:
- £1.8m increase in the main Public Health grant
 - £10.3m of carried forward Contain Outbreak Management Fund and Track and Trace grants.
 - £3.7m in relation to grants for Domestic Abuse services of which £1.3m is carried forward grant and £2.4m relates to new grant in 2023/24.
 - £1.0m - inpatient detoxification grant.
 - £0.8m - supplemental substance misuse treatment and recovery grant.

Section G: 2024/25 Revenue Budget Pressures and Initiatives

79. As outlined within Section F, the Directorate business as usual position is currently showing a forecast pressure of £7.4m in 2023/24. Of this total £5.9m of the £6.7m Adult Social Care pressure relates specifically to care provision. At the start of 2023/24 an additional £10.8m of additional support was planned for, additionally the Directorate received £7.2m of Market Sustainability and Improvement Workforce grant that had not been factored in to the 2023/24 forecast. Therefore, the reported pressure in fact reflects a total pressure of

£24.7m on Adult Social Care compared to the previous forecast. Correspondingly this level of increase in costs will only have a part year effect in 2023/24 and will therefore lead to a further additional pressure in 2024/25.

80. It should be noted that, whilst at a lower level, it is anticipated that £4.1m the Market Sustainability and Improvement Workforce grant will continue into 2024/25 and this has been considered when setting the budget. Additionally, all other service areas of the Directorate, including Public Health, are not currently anticipated to be a pressure for 2024/25 or beyond.

ADULT SOCIAL CARE

81. With the revised anticipated spend on all clients care packages the proposed budget for 2024/25 represents an increase of £10.5m above the previous forecast pressure for 2024/25. Accordingly, this pressure has been considered when setting the Adults' Health and Care cash limit that was reported to Cabinet 12 December. It should also be noted that this 2024/25 forecast position is subject to delivery of all savings as currently planned and detailed later within the report.
82. The forecast pressure of £10.5m in 2024/25 takes into account all known additional funding and expected increases in income, particularly from clients arising from the known uplift in benefits from April 2024. Furthermore the 2024/25 position builds upon the known position as at 2023/24 and the trends observed on changes in average rates for care and client numbers.
83. The cause of this additional pressure on care packages is due both to increases in 2023/24 and expected new increases in 2024/25 and the reasons are set out below:
- Further inflationary uplifts agreed Corporately to specific providers in 2023/24.
 - Increase in the number of high cost clients, often in crisis that needed immediate specialist placements.
 - General increase in Older Adults clients requiring Residential or Nursing care. In 2023/24 there was an increase of over 200 clients in the first half of the year.
 - Increase in the average price paid for care due to inflationary pressures that providers have passed on to the Council, that if not met could lead to clients being handed back with the risk that the replacement package would be significantly higher in cost.
 - The expected cost of known clients transitioning to adults during 2024/25 is more than double the level the Directorate has seen in previous years.
84. During 2023/24 there has been a significant number of providers, particularly within Younger Adults that have been unable to continue to provide care to Hampshire clients without a further uplift to their rates. After considerable negotiations an additional £4.35m, from the central inflation contingency has been added to the Adults' Health and Care cash limit for 2024/25 to cover the

full year impact of these additional uplifts. All of which reduces the scope of the County Council to manage further pressures.

85. Unfortunately, the announcements within the Autumn Statement, both in respect of the 9.8% increase in the National Living Wage and zero additional funding for Adult Social Care beyond what was already forecast, means that 2024/25 will again be a very challenging year to balance the expectation of providers and the level of funding available to meet their inflationary pressures. There is a very real risk that further pressures could materialise during 2024/25.
86. This position, including growth in prices and volumes will be monitored closely throughout the remainder of the current year to better assess the likely pressure in 2024/25.

PUBLIC HEALTH

87. Whilst it is expected that the Public Health Grant will be increased for inflation in 2024/25 a confirmed allocation has not yet been provided. In the absence of confirmed allocations for local authorities, the Public Health grant for 2023/24 had been assumed as the starting point for this budget setting round. The grant allocation for 2023/24 is £56.2m for Hampshire County Council. Should the ring-fenced grant allocation increase from this level this will be reflected within the Public Health budget for 2024/25 at a later date alongside all other confirmed grants for Public Health in 2024/25.
88. It should be noted that any inflation included within the 2024/25 allocation will need to be sufficient to offset the cost of the NHS pay award in the same year where it is the responsibility of the Public Health budget to fund the associated NHS provider cost increases. Any shortfall will represent a recurrent pressure that would need remedial action to resolve. In the short term this pressure could be met from the Public Health reserve.
89. During 2022/23 the Public Health Team developed a specific plan to utilise the balance of funds available within the Public Health Reserve over the following 3 years. It is currently forecast that this programme will cost £7m in total. Due to in year revenue underspends against the grant in 2023/24 not all of this spend will reduce the balance on the Public Health Reserve. As highlighted previously the starting reserve balance for 2024/25 is forecast to be £10.1m, after programme spend of £2.5m in 2023/24. Therefore, there is more than sufficient reserve to cover the remaining planned investment of £4.5m. This would leave more than adequate funds available to offset any potential, as yet unidentified, pressure that could materialise within 2024/25 or beyond.

Section H: Revenue Savings Proposals

90. The County Council's financial strategy is continuing with a two year approach to planning for savings. Consequently, no new savings are proposed for

2024/25 and savings proposals for 2025/26 have been developed through the Savings Programme to 2025 and were approved by Executive Members in September 2023, and by Cabinet and County Council in October and November 2023. In recognition of the size of the financial challenge which the Council faces, directorates were not issued with savings targets as per previous savings programmes but were instead instructed to review what savings might be achievable if we were to move towards a 'legal minimum' provision of services.

91. The total Savings Programme to 2025 is insufficient to meet the forecast budget gap for 2025/26 and taking account of the planned timing of savings delivery, a significant budget gap of £56.9m remains for 2025/26. Given the shortfall within the Budget Bridging Reserve beyond 2024/25, SP2025 savings delivered in 2024/25 will be transferred to the BBR at the end of the financial year.
92. Since transfers to the BBR will reflect actual savings delivered, the 2024/25 cash limits have not been adjusted in line with planned early delivery savings. For Adults' Health and Care directorate total savings for SP2025 are £47.9m of which £7.7m are currently anticipated to be delivered during 2024/25.
93. Delivery of these savings presents a significant challenge for the directorate, particularly against a backdrop of continued high inflation and rising demand. Rigorous monitoring of the implementation of the programme will begin during 2024/25, to ensure that the Directorate is able to deliver its SP2025 savings in line with planned timescales.
94. This early action in developing and implementing the Savings Programme to 2025 means that the County Council is in the best possible position for setting a balanced budget in 2024/25 and that no new savings proposals will be considered as part of the budget setting process for the forthcoming financial year.
95. Additionally, it is anticipated that £1.1m of Tt2021 savings and £3.8m of SP2023 savings will remain to be achieved in 2024/25. The main reasons for the delays to savings delivery relate to:
 - The challenges the Directorate faces to deliver savings on care during a period where client numbers and degree of complexity are significantly on the rise. This cost pressure has been further compounded by both the inflationary pressures providers of care are experiencing as well as the severe shortage in appropriate care staff leading to providers paying high agency costs in order to supply the required care. These factors lead to a further increase in the price paid by the Council for care and therefore makes savings delivery exceedingly challenging.

Section I: 2024/25 Review of Charges

96. For Adults' Health and Care, the 2024/25 revenue budget includes income of £105.4m from fees and charges to service users. This is an increase of £17.6m

(20%) on the revised budget for 2023/24. This increase is largely reflective of the planned increase in benefits from April 2024 and the increasing volume of clients that the Directorate is supporting.

97. The County Council has, for the last three years maintained a policy of not financially subsidising the Meals on Wheels service. Clients that are in receipt of Meals pay the full cost. Therefore, when in 2023, the current provider did not extend their contract the only interested and viable alternative provider for this highly valued service was secured. The significant increase in charge for this service, as shown in appendix 3, is entirely as a result of this change in provider.
98. Details of current and proposed fees and charges for 2024/25 where approval is sought for changes are outlined in Appendix 3. The uplift of 6.2% for all other services excluding Meals on Wheels has been generated using a blend of CPIH and estimated increases in staff costs for 2024/25, as per the methodology used in previous years. CPIH has been assumed at the same level as that used to generate uplifts to external providers.
99. The charges proposed for eligible social care services reflect the full cost rate applicable for County Council clients where they are assessed as being able to afford this cost. Furthermore, where these services are purchased by external organisations this charge reflects the basic cost whereby additional specific charges will be levied dependent on the additional resources required to safely support the client.

Section K: Budget Summary 2024/25

100. The budget update report presented to Cabinet on 12 December 2023 included provisional cash limit guidelines for each Directorate. The cash limit for Adults' Health and Care in that report was £604.9m, a £76.8m increase on the previous year. The increase / decrease comprised:
 - £10.7m increase in grants of which:
 - £4.1m is the 2024/25 allocation for the Market Sustainability and Improvement Workforce Fund.
 - £2.9m is the increase in the Hospital Discharge Fund
 - £1.9m for the Afghan resettlement schemes
 - £1.8m from the Public Health grant from the 2022/23 grant level
 - £41.8m of corporate support, inclusive of:
 - £15.3m added in 2023/24 as outlined in paragraph 80
 - £13.5m as previously built into the MTFs for 2024/25
 - £10.5m pressures identified during preparation of 2024/25 budget.
 - An increase of £25.1m for inflation

- £0.8m decrease which is primarily in relation to the Procurement team moving to Corporate Services.

101. Appendix 2 sets out a summary of the proposed budgets for the service activities provided by Adults' Health and Care for 2024/25 and show that these are within the cash limit set out above.

102. In addition to these cash limited items there are further budgets which fall under the responsibility of Adults' Health and Care, which are shown in the table below:

	2024/25	
	£'000	£'000
Cash Limited Expenditure	786,290	
Less Income (Other than Government Grants)	(181,343)	
Net Cash Limited Expenditure		604,947
Less Government Grants:		
• Local Community Voices	(102)	
• Improved Better Care Fund	(31,279)	
• Market Sustainability & Improvement Fund	(15,194)	
• Discharge Grant	(7,309)	
• Healthwatch	(579)	
• Social Care in prisons	(93)	
• War widows pension grant	(485)	
• Vulnerable Persons relocation scheme	(179)	
• Afghan Project Integration Fund	(2,520)	
• Public Health Grant	(56,187)	
Total Government Grants		(113,927)
Total Net Expenditure		489,217

Section L: Climate Change Impact

103. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

104. This report deals with the revenue budget preparation for 2024/25 for the Adults' Health and Care Directorate. Climate change impact assessments for individual services and projects will be undertaken as part of the approval to spend process. There are no further climate change impacts as part of this report which is concerned with revenue budget preparation for 2024/25 for the Adults' Health and Care Directorate

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes / No
People in Hampshire live safe, healthy and independent lives:	Yes / No
People in Hampshire enjoy a rich and diverse environment:	Yes / No
People in Hampshire enjoy being part of strong, inclusive communities:	Yes / No

Other Significant Links

Links to previous Member decisions:					
<u>Title</u>	<u>Date</u>				
Savings Programme to 2025 – Revenue Savings Proposals (Executive Lead Member for Adult Social Care and Public Health) 2023-09-19 AHC EM Budget Report SP2025.pdf (hants.gov.uk)	19 September 2023				
Medium Term Financial Strategy Update and Savings Programme to 2025 Savings Proposals https://democracy.hants.gov.uk/mgAi.aspx?ID=63758#mgDocuments	Cabinet – 10 October 2023 / County Council – 9 November 2023				
Budget Setting and Provisional Cash Limits 2024/25 Financial Update and Budget Setting and Provisional Cash Limits 2024/25 (hants.gov.uk)	Cabinet – 12 December 2023				
<p>Section 100 D - Local Government Act 1972 - background documents</p> <p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p> <table border="0"> <thead> <tr> <th><u>Document</u></th> <th><u>Location</u></th> </tr> </thead> <tbody> <tr> <td>None</td> <td></td> </tr> </tbody> </table>		<u>Document</u>	<u>Location</u>	None	
<u>Document</u>	<u>Location</u>				
None					

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

The budget setting process for 2024/25 does not contain any proposals for major service changes which may have an equalities impact. Proposals for budget and services changes which are part of the Savings Programme to 2025 Programme were considered in detail as part of the approval process undertaken in September, October and November 2023 and full details of the Equalities Impact Assessments relating to those changes can be found in Appendices 3 to 7 of the October Cabinet report linked below:

<https://democracy.hants.gov.uk/mgAi.aspx?ID=62985#mgDocuments>

For proposals where a Stage 2 consultation is required, the EIAs are preliminary and will be updated and developed following this further consultation when the impact of the proposals can be better understood. The results of these consultations and any changes to equality impacts will be reported to the relevant Executive Member as the savings proposals are further developed and implemented.

Budget Summary 2023/24 – Adults' Health and Care

Service	2023 Signed Off Budget £000	2023 Revised Budget £000
AS Director	1,555	1,530
Headquarters	20,478	24,847
Older Adults	227,557	236,446
Older Adults Community Services	209,460	218,864
Reablement and equipment store	18,097	17,582
Younger Adults	209,825	220,599
Learning Disabilities Community Services	134,985	141,812
Mental Health Community Services	22,648	22,897
Physical Disabilities Community Services	40,147	42,682
Younger Adults Commissioning and Management	7,922	9,194
Directorate wide Contact Assessment and Resolution Team	4,123	4,014
HCC Care	45,388	45,236
Governance & Assurance	1,729	1,887
Centrally Held	(32,778)	(33,095)
Adult Social Care	473,754	497,450
Public Health Main	54,412	56,187
Children and Young People - 0 to 19	24,267	25,005
Community Safety & Violence Prevention	1,161	1,161
Drugs and Alcohol	8,586	8,745
Health Check	1,187	1,187
Protection & Intelligence	30	47
Mental Health and Wellbeing	1,939	1,996
Nutrition, Obesity & Physical Activity	465	465
Older People	256	256
PH Central	4,916	5,464
Sexual Health	9,390	9,646
Tobacco	2,215	2,215
Public Health Grants	0	15,930
Public Health	54,412	72,117
Adults' Health and Care	528,166	569,567

Budget Summary 2024/25 – Adults' Health and Care

Service	2023 Signed Off Budget £000	2024 Signed Off Budget £000
AS Director	1,555	1,532
Headquarters	20,478	24,951
Older Adults	227,557	265,968
Older Adults Community Services	209,460	245,496
Reablement and equipment store	18,097	20,472
Younger Adults	209,825	243,007
Learning Disabilities Community Services	134,985	153,616
Mental Health Community Services	22,648	26,536
Physical Disabilities Community Services	40,147	49,157
Younger Adults Commissioning and Management	7,922	9,818
Directorate wide Contact Assessment and Resolution Team	4,123	3,880
HCC Care	45,388	58,282
Governance & Assurance	1,729	1,629
Centrally Held	(32,778)	(46,609)
Adult Social Care	473,754	548,760
Public Health Main	54,412	56,187
Children and Young People - 0 to 19	24,267	25,004
Community Safety & Violence Prevention	1,161	1,162
Drugs and Alcohol	8,586	8,745
Health Check	1,187	1,187
Protection & Intelligence	30	57
Mental Health and Wellbeing	1,939	1,939
Nutrition, Obesity & Physical Activity	465	465
Older People	256	256
PH Central	4,916	5,511
Sexual Health	9,390	9,646
Tobacco	2,215	2,215
Public Health	54,412	56,187
Adults' Health and Care	528,166	604,947

Review of Fees and Charges 2024/25 – Adults' Health and Care

	Income Budget 2024/25	Current Charge	Proposed Increase	Proposed New Charge
	£'000	£	%	£
Charges for HCC provided care:				
Full cost weekly charge (HCC in-house residential and nursing care including respite units):				
• Nursing Care for Older People (per week)	5,971	957.32	6.20	1,016.68
• Residential Care for Older People (per week)	5,142	863.80	6.20	917.35
• Residential Care for Dementia (per week)	Included in above	933.52	6.20	991.41
Residential and respite care for Adults with a Learning Disability (per week):				
• Orchard Close Residential Care	14	1,217.93	6.20	1,293.46
• Jacobs Lodge, Hindson House, Newcroft Respite Units	Included in above	1,017.87	6.20	1,081.01
• West Street	Included in above	2,009.77	6.20	2,134.37
• 1:1 support (day) – per hour	Included in above	23.59	6.20	25.05
• Waking night – per hour	Included in above	29.82	6.20	31.67
Discharge to Assess Bed incl CHC D2A (*)	13,351	1,396.08	6.20	1,482.67
Enhanced Dementia D2A beds	Included in above	1,638.00	6.20	1,739.50
Standard Continuing Healthcare Support (*)	405	1,230.60	6.20	1,306.90
Meals on Wheels	2,951	6.23	36.44	8.50

* Only applicable to NHS Customers. Minimum rate – actual charge will be subject to individual need

Other charges

Service users' contributions for non-residential care (chargeable service) are calculated on the actual costs of the care provided to service users.

In line with corporate policy all other charges will be increased by an inflation rate of 6.2%

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