

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Adult Social Care and Health
<b>Date:</b>	15 January 2020
<b>Title:</b>	2020/21 Revenue Budget Report for Adult Social Care
<b>Report From:</b>	Director of Adults' Health and Care and Deputy Chief Executive and Director of Corporate Resources

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#### Section A: Purpose of this Report

1. The purpose of this report is to set out proposals for the 2020/21 budget for Adult Social Care in accordance with the Council's Medium Term Financial Strategy (MTFS) approved by the County Council in November 2019.

#### Section B: Recommendation(s)

To approve for submission to the Leader and the Cabinet:

2. The revised revenue budget for 2019/20 as set out in Appendix 1.
3. The summary revenue budget for 2020/21 as set out in Appendix 1, subject to approval by Cabinet of the provisional cash limits.
4. The proposed fees and charges as set out in Appendix 2.

#### Section C: Executive Summary

5. The deliberate strategy that the County Council has followed to date for dealing with grant reductions and the removal of funding that was historically provided to cover inflation, coupled with continued demand pressures over the last decade is well documented. It involves planning ahead of time, through a two-yearly cycle, releasing resources in advance of need and using those resources to help fund transformational change.

6. This strategy has served the County Council, and more particularly its services and community well, as it has delivered transformation programmes on time and on budget with maximum planning and minimum disruption. Put simply, it is an approach that has ensured Hampshire County Council has continued to avoid the worst effects of funding reductions that have started to adversely affect other local authorities and enabled us to sustain some of the strongest public services in the country.
7. In line with this strategy there will be no new savings proposals presented as part of the 2020/21 budget setting process. Savings targets for 2021/22 were approved as part of the Medium Term Financial Strategy (MTFS) in July 2018 and detailed savings proposals have been developed through the Transformation to 2021 (Tt2021) Programme which were agreed by Cabinet and County Council during October and November last year. Any early achievement of resources from proposals during 2020/21 as part of the Tt2021 Programme will be retained by departments to use for cost of change purposes.
8. Alongside this, delivery of the Transformation to 2019 (Tt2019) Programme continues. The anticipated delay to delivery of some elements of the programme has been factored into our financial planning and whilst sufficient one-off funding exists both corporately and within departments to meet any potential gap over the period, the need to commence the successor programme does mean that there will be overlapping change programmes.
9. The report also provides an update on the financial position for the current year. Overall the outturn forecast for the Department for 2019/20 is a budget under spend of £0.4m.
10. The proposed budget for 2020/21 analysed by service is shown in Appendix 1.
11. 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 2.
12. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2019/20 and detailed service budgets for 2020/21 for Adult Social Care within the Adults' Health and Care Department. The report has been prepared in consultation with the Executive Member and will be reviewed by the Health and Adult Social Care Select Committee. It will be reported to the Leader and Cabinet on 3 February 2020 to make final recommendations to County Council on 13 February 2020.

#### **Section D: Contextual Information**

13. The current financial strategy which the County Council operates, works on the basis of a two year cycle of delivering change to release resources and close the anticipated budget gap. This provides the time and capacity to properly deliver major transformation programmes every two years, with deficits in the intervening years being met from the Budget Bridging Reserve (BBR) and with any early delivery of resources retained by departments to use for cost of

change purposes or to cash flow delivery and offset service pressures. The model has served the authority well.

14. The County Council's action in tackling its forecast budget deficit and providing funding in anticipation of further reductions, has placed it in a very strong position to produce a 'steady state' budget for 2020/21, giving itself the time and capacity to develop and implement the Transformation to 2021 (Tt2021) Programme to deliver the next phase of savings totalling £80m. This also avoids the worst effects of sudden and unplanned decisions on service delivery and the most vulnerable members of the community. Consequently, there are no departmental savings targets built into the 2020/21 budget. However, other factors will still affect the budget, such as council tax decisions and inflation.
15. The Spending Round 2019 (SR2019) announcement took place on 4 September and the content of the proposed settlement and the issues it addressed were pleasing to see as they mirrored the key issues that we have been consistently raising for some time directly with the Government and through our local MPs.
16. In overall terms, there was a net resource gain to the County Council, albeit that is only for one year at this stage. However, the cost pressures we face, particularly in adults' and children's social care services are significantly outstripping the forecasts that were included in the original Tt2021 planning figures.
17. Without the additional injection of funding, the County Council would have faced a revised deficit position of nearly £106m by 2021/22, but the additional resources bring us back to a broadly neutral position. It is worth highlighting that the additional grant from the £1bn plus the 2% adult social care precept generates additional resources of around £29m for the County Council, but this must be measured against growth pressures and inflation across adults' and children's social care services which total nearly £57m for 2020/21 alone.
18. The Autumn Budget which was planned for 6 November was cancelled and it is now anticipated that there will be a Budget in Spring 2020. The provisional Local Government Finance Settlement was announced on 20 December 2019 and confirmed the grant figures and council tax thresholds for 2020/21 in line with the SR2019 and the clarification provided in the subsequent technical consultation. The final grant settlement for 2020/21 is not due out until this report has been dispatched, however it is not anticipated that there will be any major changes to the figures that were released in December 2019.
19. Adults' Health and Care has been developing its service plans and budgets for 2020/21 and future years in keeping with the County Council's priorities and the key issues, challenges and priorities for the Department are set out below.

## **Section E: Departmental Challenges and Priorities**

20. At a national and local level, the long term financial forecast for Adult Social Care remains challenging as we are seeing demand continuing to increase at a faster rate. This includes the growth in the numbers of adults with eligible care needs, including an increase in the number of vulnerable/frail older people (particularly those aged 85 or above), growing complexity of care needs e.g. the increasing prevalence of multiple conditions including higher levels of dementia, and sustained increases in the numbers and costs associated with supporting children with disabilities and complex needs transitioning to adulthood.
21. Furthermore, 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 inflationary pressures. These pressures are also not unique to Hampshire and are representative of the position nationally. Together, growth and price pressures as outlined, have created a significant pressure on the Adult Social Care budget in 2019/20 as reported throughout the year.
22. In recent years the pressures have been partially offset through the availability of non-recurrent funding within the Integrated Better Care Fund (IBCF) and Winter Pressures grant. However, in Hampshire we have also invested a proportion of this invaluable resource to influence and implement much needed system change in particular to reduce numbers of delayed transfers of care, (DToC) out of hospital. These efforts whilst effective in the short term, will not sufficiently, over the medium term, impact on the underlying increase in demand in clients requiring adult social care services alone. This is further compounded as the element of this short-term funding used to date to directly support the underlying client base has inherently been at risk.
23. Subsequently, contained within the SR2019 it was confirmed that all non-recurrent grants received by Adult Social Care departments in 2019/20 will continue into 2020/21 at the same level thereby alleviating the immediate risk outlined above. However, as the SR2019 announcement only confirms funding for one year (2020/21) this offers security and certainty only in the short term.
24. In addition to the continuation of non recurrent grants it was also announced within the SR2019 that a further additional funding resource of £1bn nationally, alongside the possibility of local authorities being able to continue the 2% adult social care precept, would be made available to Social Care departments in 2020/21. However, this also only offers certainty for the stated period.
25. Whilst this funding is most welcome, within the context of the Department's current financial position it will only be sufficient to ameliorate a proportion of the increases in care costs over the last year, with the residual gap being subject to the achievement of a departmental cost recovery plan.
26. In essence the impact on Adults' Health and Care of the recent funding made available through SR2019 will be to partially offset the increases in costs seen over the last year alone, with no further scope to impact on likely future pressures or affect the departmental transformation targets.

27. Due to the increasing demand pressures in the form of both volume and complexity of clients the Department is therefore required to be ever more innovative in its engagement with providers to maintain prices at a sustainable and affordable level. The need to maintain a fair price for services purchased from provider partners is critical for the stability of this market which in turn will allow the Department to ensure adequate services remain available to meet client needs into the future.
28. The recent unprecedented increases in the volumes and cost of care has made it increasingly more challenging for the Department to continue to manage the budget pressure. Despite this, at the same time, the Department has responded positively to the on-going and increasing requirement to reduce cost to offset reductions in overall Council funding. With this in mind the full Transformation to 2019 (Tt2019) saving of £55.9m was removed from the budget in 2019/20, with a further £43.1m set to be removed in 2021/22 in respect of Tt2021. These reductions in funding will be offset, in part, by regular additional annual investments of approximately £13.5m from corporate support to mitigate known areas of demographic and complexity growth.
29. In contrast to the last three years, the Department is finding it increasingly difficult to report positively when compared to earlier forecasts, indeed the position for 2019/20 has been adversely affected due to the scale of the increase in care costs which had not been fully foreseen. Consequently, this has meant that the Department will be required, in 2019/20, to make full utilisation of all available corporate support and likewise its own Cost of Change Reserve. That said the current position forecast for the Departments' Tt2019 programme would indicate that the saving is on track to be delivered in line with the agreed timescales. This has been achieved through the adoption of a challenging transformation programme that continues to be particularly successful in enabling; Social Workers to increasingly adopt a strengths-based approach, better and wider use of technology and increased Extra Care and Supported Living as an alternative to higher cost residential care.
30. 2019/20 has been a period of consolidation with small number of local structural changes such as the standing up of a separate Physical Disability Care Management team, but with no major organisational change implemented in the year. However, the Department has continued developing plans for major organisational changes as part of Tt2019 culminating in proposals with staff for consultation that will conclude in February 2020. Once finalised the changes will be fully implemented within the first six months of 2020/21.
31. Within the last two years considerable work has been undertaken by the Department to ensure that sufficient controls and approvals are in place to support the processes to maintain a reconciled budgeted staffing establishment at all times. In turn this solid platform has helped to facilitate sufficiently robust proposals to deliver staffing savings for Tt2019 and to effectively manage the budget throughout the year.
32. The supply of affordable staffing resource within the In-House Residential and Nursing Care homes continues to be a major challenge for the Department in

part due to wider labour market challenges. There continues to be significant levels of vacancies and staff absences that are covered through higher cost agency staff, although this has reduced significantly in the last year. In large part this is due to the Department investing both time and short term financial resources to address the issue. The scale of the remaining reduction required is still material and work in this area will need to continue at pace over the next two years. The cost reduction will continue to be achieved through measures that improve permanent recruitment to vacant posts, right sizing roles and through the more efficient rostering of staff. The budget for 2020/21 is set on the basis of a full establishment and cover for absence and vacancies based on levels observed in 2019/20 with the expectation that further savings will accrue during the year. Furthermore, gains achieved in the last year on agency spend through the new agency arrangement between Hampshire County Council and Commercial Services Kent Ltd (Connect2Hampshire) are anticipated to continue and grow through a greater degree of consistency and continuity in staff resource available.

33. The demand from people of working age with physical and learning disabilities is growing 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 beginning to outweigh this. 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.
34. Whilst in the medium term, this represents a growing pressure on Adult Social Care budgets the Department are focussing efforts through the Tt2019 and Tt2021 Programmes to minimise the impact of this pressure whilst improving outcomes and life experiences for service users, including employment opportunities. This will be achieved through 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.
35. The Government's commitment to the NLW will continue to have a substantial impact on the purchased care budget. The increase in the NLW from April 2020 was announced at the end of December 2019 and will see it rise to £8.72 from £8.21, an increase of £0.51, (6.2%) for all working people aged 25 and over. When taking decisions to set the 2020/21 budget, prior to this announcement, the Department had assumed a more modest increase of 4.8%, which was consistent with previous year increases and this was able to be met within the proposed 2020/21 budget for care packages. The subsequent announcement that the NLW would rise by a further 1.4% than had been assumed does present the possibility of a further pressure to the Department. However, should the impact of this cost filter through to the price paid for care

in 2020/21 this cost will be met from contingencies held corporately specifically to mitigate this risk.

36. The Department is faced with care pressures arising both from the changing demography and complexity of clients, as well as the complex factors, such as tougher regulation, that change the nature of the market in which suppliers and the County Council engage. The frequency upon which we can secure Nursing and Residential care at the County Council's rates is continuing to lessen which is consequently pushing up the average cost per placement. Although difficult to attribute to any single reason it is believed a major factor is shortages in the supply of care workers, which comes against a backdrop of high employment within the county. Furthermore, reductions in the number of registered providers are both increasing costs and shifting the balance of the market. This is against the backdrop of the increasing need for the County Council to make greater volumes of placements to improve performance in terms of more timely discharges from hospital. Within the last year the Department has worked tirelessly to prevent these pressures from becoming unsustainable through work with the market, however this has had limited impact when considered alongside the scale of the recent increase in demand. Within the next year there will be a further review of the Department's standard rates for older adults, which will be concluded and implemented during 2020/21. Alongside this the Department are developing a more innovative strategic approach to the commissioning and procurement of Residential and Nursing care that will seek to make available greater volumes of care at affordable rates.
37. The purchase of care for clients within their own home continues to be a challenging area for the Department. However, in the last year the new non-residential framework and the introduction of a new process for making payments has streamlined and simplified the transactional engagement with providers. Evidence to date would support that it has improved relationships with providers and made available greater levels of care provision with waiting lists at their lowest point for many years and new entrants to the market secured. Consequently, the ability to meet a greater volume of need has been a contributory factor in the level of financial pressure observed in the last year.
38. In response the Department has implemented a series of workstreams designed to both reduce the average hourly price of care and ensure consistently that only appropriate care is secured. Progress against the plan is being monitored at a granular level on a weekly basis ensuring that work is being consistently applied across the County and is delivering the necessary cost reductions. Furthermore, it is anticipated that the planned greater coverage of reablement across the County will enable the Department to increase the client base, to meet demand, whilst ensuring that appropriate levels of support are provided in each case, thereby reducing the volume of care overall. To date there has been a significant reduction achieved but there is still much further to travel to maintain this position and deliver further required reductions within the set eighteen month timeframe.
39. Access to both Residential/Nursing care and Home Care have a major impact on the Department's capacity to support flow from NHS hospitals, as pressure

is maintained to reduce the number of DToC, in line with the lower trajectory agreed with the NHS. To address the national deterioration in DToC an improvement at a local level became a dependency for the additional IBCF funding from 2017/18. Hampshire's performance in this area, partly linked to focused leadership and significant financial input, has improved markedly in the last two years, especially since the summer of 2018. That said, local delivery on DToC continues to be challenging although recent funding announcements have provided much needed resource to support work to achieve the ongoing targets. DToC performance continues to be monitored closely by the government through quarterly IBCF performance outcome statements and DToC returns from the NHS.

40. The other key priority is the Adults' Health and Care Transformation Programme, which is currently forecast to successfully complete delivery of £45.8m of the £55.9m Tt2019 savings by the end of 2019/20. The Department remains focussed and committed to the full delivery of the £55.9m saving by the end of 2020/21, notwithstanding that the final savings will be the hardest to achieve at the same as mitigating the significant operational pressures that have been outlined above. The cash impact of this is reflected accordingly within the proposed budget for 2020/21.
41. Additionally, the Department are set to secure cumulative savings of £13.2m for Tt2021 by the end of 2020/21 which is also reflected within the budget. It is essential that these savings are achieved within the currently planned timeframes in order to secure the much needed cash injection to the departmental Cost of Change Reserve, that in turn, will be utilised to support the forecast transformation costs associated with these programmes.

## **Section F: 2019/20 Revenue Budget**

42. 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.
43. There is an expected favourable outturn forecast for 2019/20 of £0.4m. However, this is after the utilisation of all non recurrent funds including the Cost of Change Reserve to offset significant service pressures that have materialised in the year. This position is also dependant on securing Tt2019 cash savings of £41.5m and Tt2021 early savings of just under £0.1m. The forecast under spend of £0.4m will be transferred to the Cost of Change Reserve, bringing the reserve balance to £0.4m by the end of 2019/20. This sum will be utilised in full, within the following year to help fund planned delays in savings and one-off project costs.
44. Whilst the net position on the Adult Social Care service budgets is a £0.4m under spend, there are some key variances. The main recurrent pressures in



2019/20 relate to the provision of care, both purchased and provided in house with pressures of £11.4m and £1.0m respectively.

45. The pressure on purchased care is primarily within the Older Adults service area with a net pressure of £7.3m. This has arisen from sustained increases in care volumes and average price increases since the latter half of 2018/19 with the full year effect of those increases becoming apparent in 2019/20. This has largely arisen due to the need to support greater throughput of clients out of hospital. In the last months there has been a stabilising of the position with limited further increases overall and indeed some reductions.
46. Furthermore, there are various savings across the Departments' non care budgets, including departmental wide staffing budgets, that total £0.3m.
47. In response the Department is utilising the full balance of their Cost of Change Reserve to offset these pressures in 2019/20. The Department started the year with a balance of £38.6m in cost of change and will use £26.1m to offset planned late delivery of Tt2019 and in year transformation costs, with £12.1m used to offset the recurrent service pressures outlined above, leaving the residual balance of £0.4m to carry forward into 2020/21.
48. In addition, to reach this reported position for 2019/20 the Department have fully utilised all available corporate support for recurrent activity.
49. The 2019/20 forecast outturn has also been reliant on the availability of both the Winter Pressure Grant of £4.8m and the third year of the additional IBCF allocation which totalled £6.8m. Both of these amounts have been utilised in accordance with the purpose upon which they were given, namely additional social care activity to alleviate pressures on the NHS in accordance with an expenditure plan that has been discussed with NHS partners and has been submitted to the Department of Health and Social Care. These funds will be sufficient to cover all related costs in year to deliver the associated projects.
50. However, as a consequence of creating greater flow of patients leaving hospital there is a subsequent impact on volumes of clients in receipt of long-term care packages. To meet this need the Department have had to, and will likely need to further, increase capacity for long term care. This further cost has a lasting impact beyond the year in which these grants have been awarded and, as has been observed in the latter half of 2018/19, if left unaddressed will likely create a pressure in later years.
51. The budget for Adult Social Care has been updated throughout the year and the revised budget is shown in Appendix 1.

### **Section G: 2020/21 Revenue Budget Pressures and Initiatives**

52. The Departments' budget has been reviewed in detail as part of the 2020/21 budget preparation process. Significant recurrent contingencies are not being held by the Department as all available recurrent funding has been allocated to service budgets to meet the assessed cost for 2020/21.

53. As outlined in the previous section a significant pressure has occurred against the budget for purchased care in the last year. Whilst in 2019/20 departmental cost of change reserves are expected to be sufficient to meet this pressure this is a non-recurrent funds which once exhausted cannot be utilised again. Therefore from 2020/21 budget setting this pressure has been met by the County Council, in the main, through the additional funding made available as part of the SR2019. The total additional funding for 2020/21 that the Department have built into the proposed budget is shown below and reflects the additional levels approved at Cabinet in October:
- £13.5m - Complexity and demography
  - £3.3m - Re-baselining of the budget to reflect the additional growth to date

The continuation of the IBCF and Winter Pressures grants into 2020/21 as announced at the SR2019, also represents a positive change from previous assumptions. This has ensured that the pressure has not been further exacerbated. This, together with the £3.3m re-baselining figure form the £10.0m step change as reported within the MTFs that went to Cabinet in October and County Council in November 2019.

54. In addition to the above, up to £4.0m of one-off funding for Adults' Health and Care was approved within the MTFs to provide potential cash flow support that may be required given the current pressure on care packages. This sum is not included within the budget, as it has been retained in Contingencies, but will be available during 2020/21 should it be required by the Department.
55. As highlighted previously, the totality of additional funding is insufficient to meet the likely full extent of the pressure going into 2020/21, accordingly the Department is required to make additional cost recovery savings of £9.4m by end of 2021/22 of which £4.4m is planned to be achieved in 2020/21 and is therefore reflected within the proposed budget. Plans to achieve these savings have been drawn up and are currently being implemented. These plans hinge on ensuring that clients needs are minimised through reablement and subsequently only appropriate care is provided and is always purchased efficiently to take advantage of the best available price.
56. Whilst a prudent level of increase in pressure has been taken account of within the proposed budget this is a notoriously volatile area where projections are often difficult to make with precision. Should a further pressure materialise it would arise through increases in demand and complexity of clients. Despite this the current anticipated pressure is expected to be met in full, from the corporate support made available within the proposed budget for 2020/21.
57. For 2020/21 the budget for the In-House Care residential and nursing units has been increased to reflect the level of spend forecast in 2019/20. However, there is a significant amount of work being undertaken within the service to reduce costs, primarily those arising from agency usage, that will then enable the Department to release a saving in 2020/21 and later years

58. The continuation of the IBCF and Winter Pressures grants into 2020/21 of £6.8m and £4.8m respectively, as announced as part of SR2019 will require a full spending plan to be developed and discussed with NHS partners as part of the wider Better Care Fund. It is intended that this funding will cover the direct costs associated with schemes to reduce the number of delayed transfers of care and contribute much needed funding to offset the associated impact on relevant ongoing long-term care package costs. The purpose and value of this funding in 2020/21 is the same as the 2019/20 grant.
59. The 2020/21 budget is set on the basis that the Department achieves £9.7m of early delivery Tt2021 savings. It is essential that this is achieved in order to fund the planned transformation costs, particularly as there isn't a material balance within the Cost of Change Reserve forecast to be brought forward from 2019/20. To supplement this however there is both the availability of agreed one-off support outlined in paragraph 54. above of £4.0m and the previously agreed corporate support to mitigate Tt2019 late delivery / programme costs of £7.2m in 2020/21. Both of these sums will be drawn down during 2020/21 by the Department in the event that they are required.

#### **Section H: Revenue Savings Proposals**

60. In line with the current financial strategy, there are no new savings proposals presented as part of the 2020/21 budget setting process. Savings targets for 2021/22 were approved as part of the MTFs by the County Council in July 2018. Savings proposals to meet these targets have been developed through the Tt2021 Programme and were approved by Executive Members, Cabinet and County Council in October and November last year.
61. Some savings will be implemented prior to April 2021 and any early delivery of savings in 2020/21 can be retained by departments to meet cost of change priorities. It is anticipated that £9.7m of savings will be achieved in 2020/21 and this has been reflected in the detailed estimates contained in Appendix 1.

#### **Section I: 2020/21 Review of Charges**

62. For Adult Social Care, the 2020/21 revenue budget includes income of £69.2m from fees and charges to service users. This is an increase of £5.7m (8.9%) on the revised budget for 2019/20.
63. Details of current and proposed fees and charges for County Council provided services for 2020/21 where approval is sought are outlined in Appendix 2.
64. The charges proposed 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 dependant the additional resources required to safely support the client.

65. As agreed by the Executive Member for Adult Social Care and Health (27 September 2018) delegated authority has been given to the Director of Adults' Health and Care to approve, in respect of Meals on Wheels, the annual price rises for the service users which will be capped to no more than 2.5% above the contractual annual uplift with the service provider. It has been agreed that this provision will remain in place until such time that there is no longer a subsidy provided on this service by the County Council.

## Section J: Budget Summary 2020/21

66. The budget update report will be presented to Cabinet on 6 January and includes provisional cash limit guidelines for each department. The cash limit for Adults' Health and Care in that report is £421.3m which includes budgets for Adult Social Care (£371.1m) and Public Health (£50.2m). This is a £39.1m increase on the previous year. This report focusses on Adult Social Care with Public Health being covered in a separate report.
67. Appendix 1 sets out a summary of the proposed budgets for the service activities provided by Adult Social Care for 2020/21 and show that these are within the provisional cash limit set out above.
68. In addition to these cash limited items there are further budgets which fall under the responsibility of Adult Social Care, which are shown in the table below:

	<b>2020/21</b>	
	<b>£'000</b>	<b>£'000</b>
Cash Limited Expenditure	483,026	
Less Income (Other than Government Grants)	(111,909)	
<b>Net Cash Limited Expenditure</b>		<b>371,117</b>
Less Government Grants:		
• Local Community Voices Grant	(100)	
• Independent Living Fund	(4,082)	
• Better Care Fund	(18,907)	
• Improved Better Care Fund	(11,452)	
• War Windows Pension Grant	(505)	
• Social Care in Prisons Grant	(106)	
Total Government Grants		(35,152)
<b>Total Net Expenditure</b>		<b>335,965</b>

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

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

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
Transformation to 2021 – Revenue Savings Proposals (Executive Member for Adult Social Care and Health) <a href="http://democracy.hants.gov.uk/documents/s38112/Report.pdf">http://democracy.hants.gov.uk/documents/s38112/Report.pdf</a>	16 September 2019
Medium Term Financial Strategy Update and Transformation to 2021 Savings Proposals <a href="http://democracy.hants.gov.uk/documents/s39439/MTFS%20Tt2021%20Report.pdf">http://democracy.hants.gov.uk/documents/s39439/MTFS%20Tt2021%20Report.pdf</a>	Cabinet – 15 October 2019 County Council – 7 November 2019
Budget Setting and Provisional Cash Limits 2020/21 (Cabinet) <a href="http://democracy.hants.gov.uk/documents/s42775/Dec%20Report%20-%20Cabinet%20-%20FINAL.pdf">http://democracy.hants.gov.uk/documents/s42775/Dec%20Report%20-%20Cabinet%20-%20FINAL.pdf</a>	6 January 2020
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>

**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.)**

<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 2020/21 does not contain any proposals for major service changes which may have an equalities impact. Proposals for budget and service changes which are part of the Transformation to 2021 Programme were considered in detail as part of the approval process carried out in October and November 2019 and full details of the Equalities Impact Assessments relating to those changes can be found in Appendices 5 to 8 in the October Cabinet report linked below:

<http://democracy.hants.gov.uk/documents/s39444/Appendix%205%20ASC%20EIAs.pdf>

## Budget Summary 2020/21 – Adults' Health and Care Department

<b>Service Activity</b>	<b>Original Budget 2019/20 £'000</b>	<b>Revised Budget 2019/20 £'000</b>	<b>Proposed Budget 2020/21 £'000</b>
<b>Director</b>	<b>1,481</b>	<b>1,691</b>	<b>1,511</b>
<b>Strategic Commissioning and Business Support</b>	<b>15,172</b>	<b>16,654</b>	<b>14,614</b>
<b>Transformation</b>	<b>3,714</b>	<b>5,548</b>	<b>4,013</b>
<b>Older Adults</b>			
Older Adults Community Services	125,484	134,546	120,407
Reablement	11,069	10,821	9,455
	<b>136,553</b>	<b>145,367</b>	<b>129,862</b>
<b>Younger Adults</b>			
Learning Disabilities Community Services	106,657	112,445	116,115
Physical Disabilities Community Services	-	-	31,399
Mental Health Community Services	16,998	17,736	18,576
Contact Centre	1,248	2,544	2,530
	<b>124,903</b>	<b>132,725</b>	<b>168,620</b>
<b>HCC Care</b>	<b>42,173</b>	<b>42,277</b>	<b>43,885</b>
<b>Governance, Safeguarding and Quality</b>	<b>3,559</b>	<b>3,937</b>	<b>3,650</b>
<b>Centrally Held</b>	<b>5,482</b>	<b>25,130</b>	<b>4,962</b>
<b>Total Adult Services</b>	<b>333,037</b>	<b>373,329</b>	<b>371,117</b>
<b>Public Health</b>	<b>52,418</b>	<b>52,418</b>	<b>50,219</b>
<b>Net Cash Limited Expenditure</b>	<b>385,455</b>	<b>425,747</b>	<b>421,336</b>

## Review of Fees and Charges 2019/20 – Adults' Health and Care Department

	Income Budget 2020/21 £'000	Current Charge £	Proposed Increase % (Rounded to 1DP)	Proposed New Charge £
<b>Charges for HCC provided care:</b>				
Full cost weekly charge (HCC in-house residential and nursing establishments, including respite)				
Nursing care for Older People (per week)	5,280	815.08	2.8	837.90
Residential care for Older People (per week)	6,000	735.49	2.8	756.07
Residential care for Dementia (per week)	In above	794.78	2.8	817.04
Residential care for Adults with a Learning Disability (per week):				
Orchard Close	94	1,036.91	2.8	1,065.96
Jacobs Lodge	In above	866.60	2.8	890.89
Meals on Wheels	2,034	4.90	4.7	5.13

### Other Charges:

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

In line with corporate policy all other charges will be increased by an inflation rate of 2.1%