



Hampshire
County Council

Health and Adult Social Care Select Committee 15 January 2020 Budget Briefing 2020/21

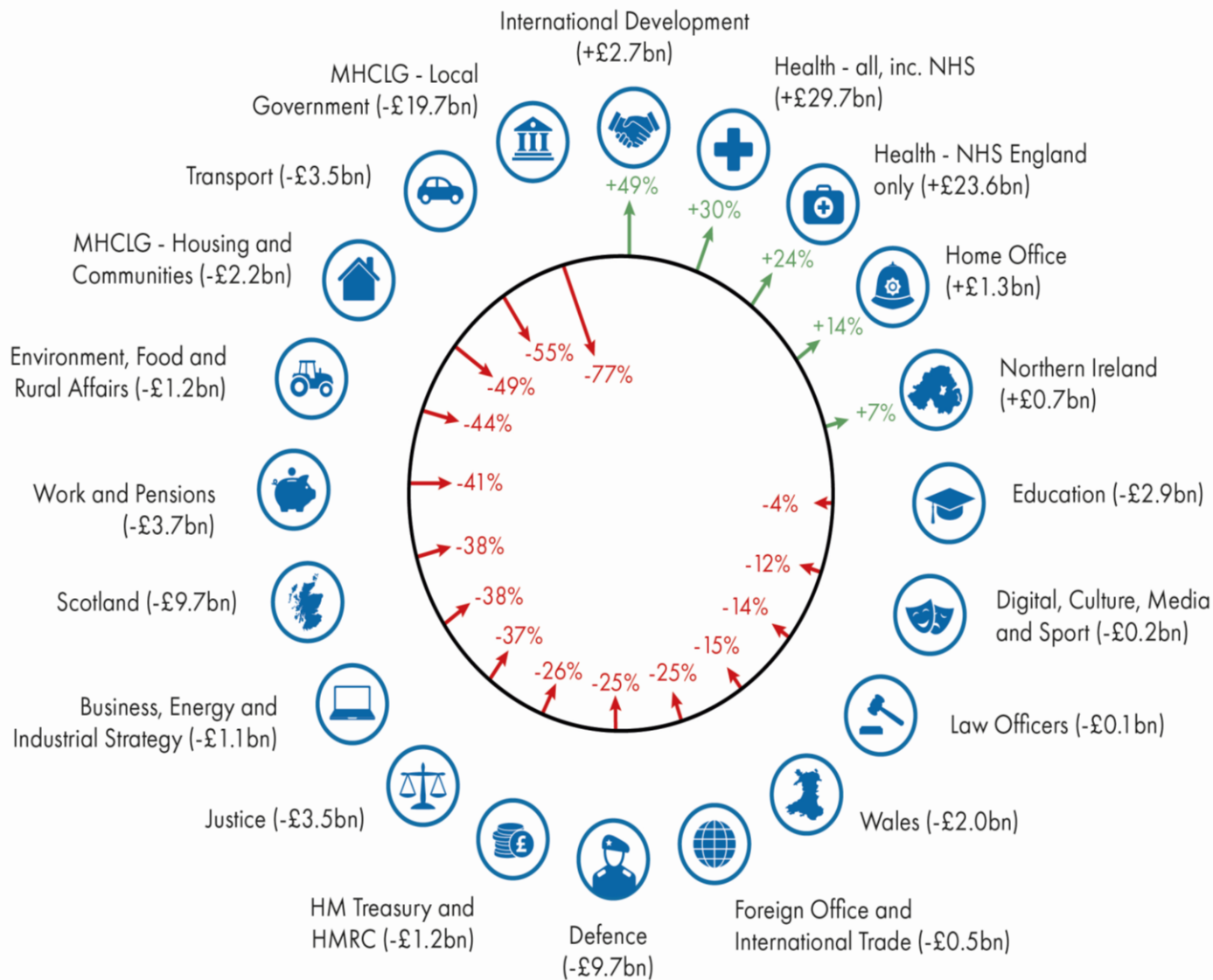
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Finance Business Partner

Presentation Outline

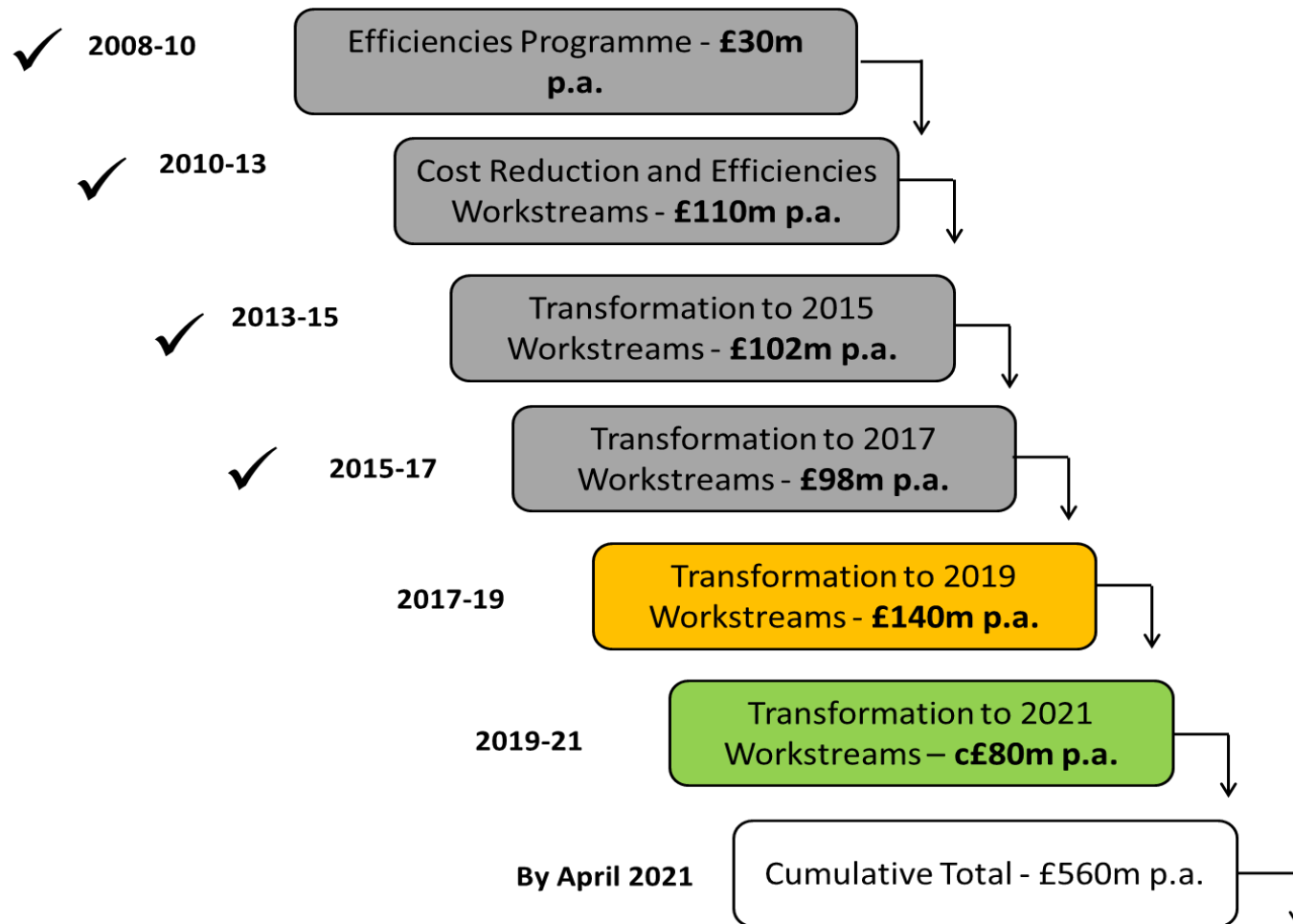
- County Council Context
- Local Government Finance Settlement – Key Issues
- Reserves Position
- Update on Transformation to 2021 (Tt2021) Programme
- Key Departmental Challenges and Issues
- Adults' Health and Care Budget Proposals and Revenue Budget
 - Includes Adult Social Care and Public Health
- Adults' Health and Care Capital Programme

County Council Context

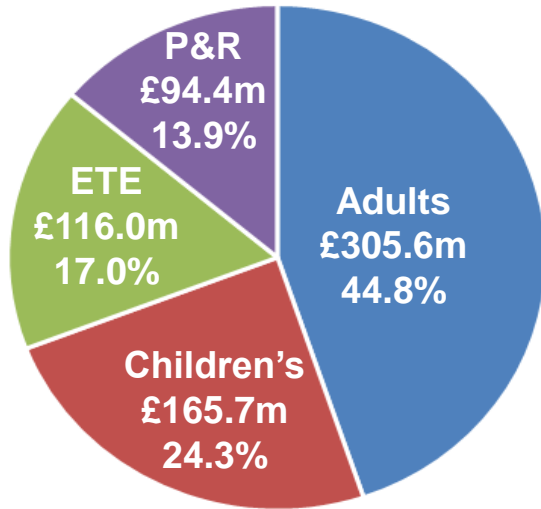
Percentage change in Government Departmental revenue budget – 2009/10 to 2019/20



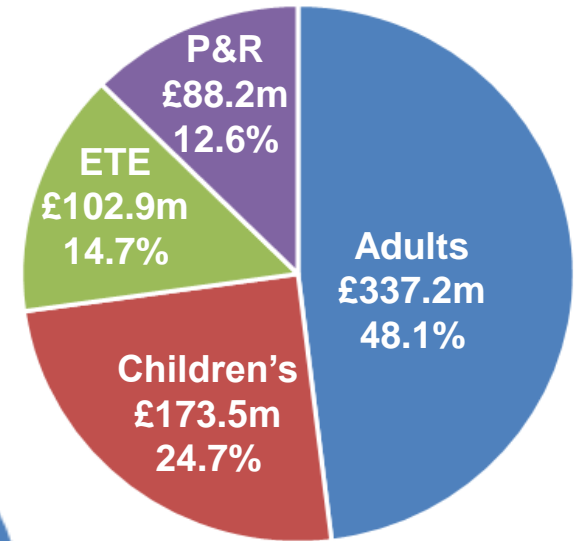
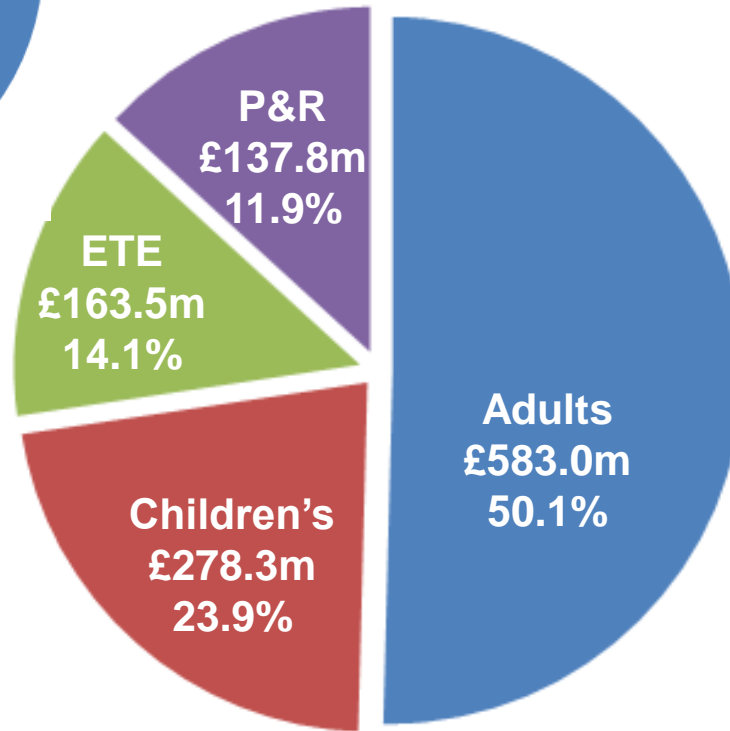
Efficiency and Transformation Programmes



Cash Limit Comparison 2009/10 to 2019/20



**2009/10
Total Cash Limits
£681.7m**



**2019/20
Total Cash Limits
£701.8m**

**2019/20 (no savings)
Total Cash Limits
£1.163bn**

Cash Limit Comparisons

	2009/10		2019/20 *		Change
	£'000	%	£'000	%	%
Adults' Health and Care	305,585	44.80%	337,257	48.10%	3.20%
Children's Services - Non Schools	165,730	24.30%	173,524	24.70%	0.40%
ETE	115,950	17.00%	102,856	14.70%	-2.40%
P&R	94,450	13.90%	88,163	12.60%	-1.30%
	<u>681,715</u>	<u>100.00%</u>	<u>701,800</u>	<u>100.00%</u>	
Adults' and Children's		69.10%		72.80%	3.60%
Other		30.90%		27.20%	-3.60%
<u>Nationally for all County Councils</u>					
Adults' and Children's		67.40%		74.80%	7.40%
Other		32.60%		25.20%	-7.40%

* Excludes Public Health but includes contingencies allocated to Children's and Adults' Services

Budget Forecast 2020/21 – MTFS Position

- Savings targets for 2021/22 were approved as part of the MTFS in 2018 to deliver £80m.
- Savings proposals agreed in November 2019 to give the time for implementation.
- Significant draw from the Budget Bridging Reserve (BBR) in 2020/21 in order to give the County Council the time and capacity to properly deliver the Tt2021 Programme.
- A 3.99% council tax increase, 2% for social care costs on top of the referendum limit of 2%.
- One year Spending Round (SR2019) for 2020/21

Local Government Finance Settlement – Key Issues

Provisional Local Government Finance Settlement 2020/21

- No change from the previously announced one year Spending Round (SR2019) and subsequent clarification in the technical consultation.
- In summary, net additional funding provided – but for one year only at this stage.
- However, Additional cost pressures, particularly in social care costs, are outstripping original forecasts.
- Overall the long term position is broadly unchanged and the requirement to deliver Tt2021 and £80m of savings remains.

Reserves Position

Reserves Strategy

- Deliberate policy to make savings ahead of need and then use these funds to meet costs of the next phase of transformation.
- Total reserves of almost £669.5m as at 31 March 2019.
- More than half of this (£345.4m) committed to existing revenue programmes and capital spend.
- £128.1m in Departments cost of change and trading account reserves to be used for investment and future transformation and to cash flow delivery of Tt2019 and Tt2021.
- £38.8 set aside to mitigate risks (mainly the insurance reserve as we self insure).
- £26.9m in schools reserves, £4.7m for the EM3 LEP and £21.4m in GF balance (in line with minimum reserves policy).

Reserves Strategy

- Only £104.2m (15.6%) is truly 'available' to support one off spending and is made up as follows :

	Balance 31/03/18 £'000	Balance 31/03/19 £'000	% of Total
<u>'Available' Reserves</u>			
Budget Bridging Reserve	74,870	65,001	9.7
Invest to Save	32,109	29,201	4.4
Corporate Policy Reserve	5,889	6,397	1.0
Organisational Change Reserve	2,785	3,626	0.5
	115,653	104,225	15.6

* The use of the majority of the BBR to support the revenue budget and cash flow Tt2019 and Tt2021 savings is already planned in the period to 2023/24.

Update on Transforming the Council to 2021 Programme

Transforming the Council to 2021

- Savings target of £80m agreed as part of the MTFS in 2018.
- Savings proposals to meet this were agreed in November 2019.
- The focus for the programme is now very much on implementation and delivery. Where appropriate, this will include further service specific public consultations where proposals and options for service change will be debated with service users and key stakeholders.
- However, any modification to any proposal must be consistent with the financial and time imperatives of the overall programme.

Transforming the Council to 2021

- Scale of the transformation, notably in Adults' Health & Care and lead in times for achieving savings will cause delay in some of the delivery of cash savings for the Tt2021 Programme.
- Cash flow support required on a one-off basis to manage the extended delivery timetable will in the most part be met from departmental cost of change reserves, which will be boosted by some early delivery in 2020/21.
- Further contingency will be held corporately to cover any remaining shortfall (estimated to be up to £32m).
- High degree of confidence this can be covered but we will be managing this alongside the Tt2019 Programme.

Key Departmental Issues and Challenges

Adult Social Care

Key Departmental Issues / Challenges

- Challenging long term financial forecast in response to an increase in demand and complexity of clients; all age groups – we continue to await any proposed changes to the way in which social care is funded.
- Recruitment and retention of appropriately skilled staffing resource / capacity across the sector to maintain and improve outcomes and quality
- Continued and ongoing development of strategies to enable care to be delivered in the right ways in the right places
- Continuing demands across health and social care delivery, for example challenges presented through continued improvements in reducing hospital discharge delays

Key Departmental Issues and Challenges

Public Health

Key Departmental Issues / Challenges

- Challenging long term Public Health Grant reductions with increased demands for services and health inequalities.
- The National agenda:
 - the NHS 10 year plan and Prevention Green paper emphasis on prevention 'Prevention is better than cure'
- Capacity and expertise to deliver Council's wider PH responsibilities
 - Delivery of the HCC Public Health strategy
 - Ensuring delivery of mandated services
 - Responding to emerging Public Health issues
 - Health protection
- Maintaining focus on key priorities across the system
- Leadership of the Public Health Partnership with the IOW
- Uncertainty about the future funding model for public health

Adults' Health and Care Budget 2020/21

Adult Social Care Proposed Budget

Revenue Budget: **£'000**

Revised Budget for 2019/20 373,329

Proposed Budget for 2020/21 371,117

Early Savings Delivery Forecast in 2020/21 8,426

Capital Programme:

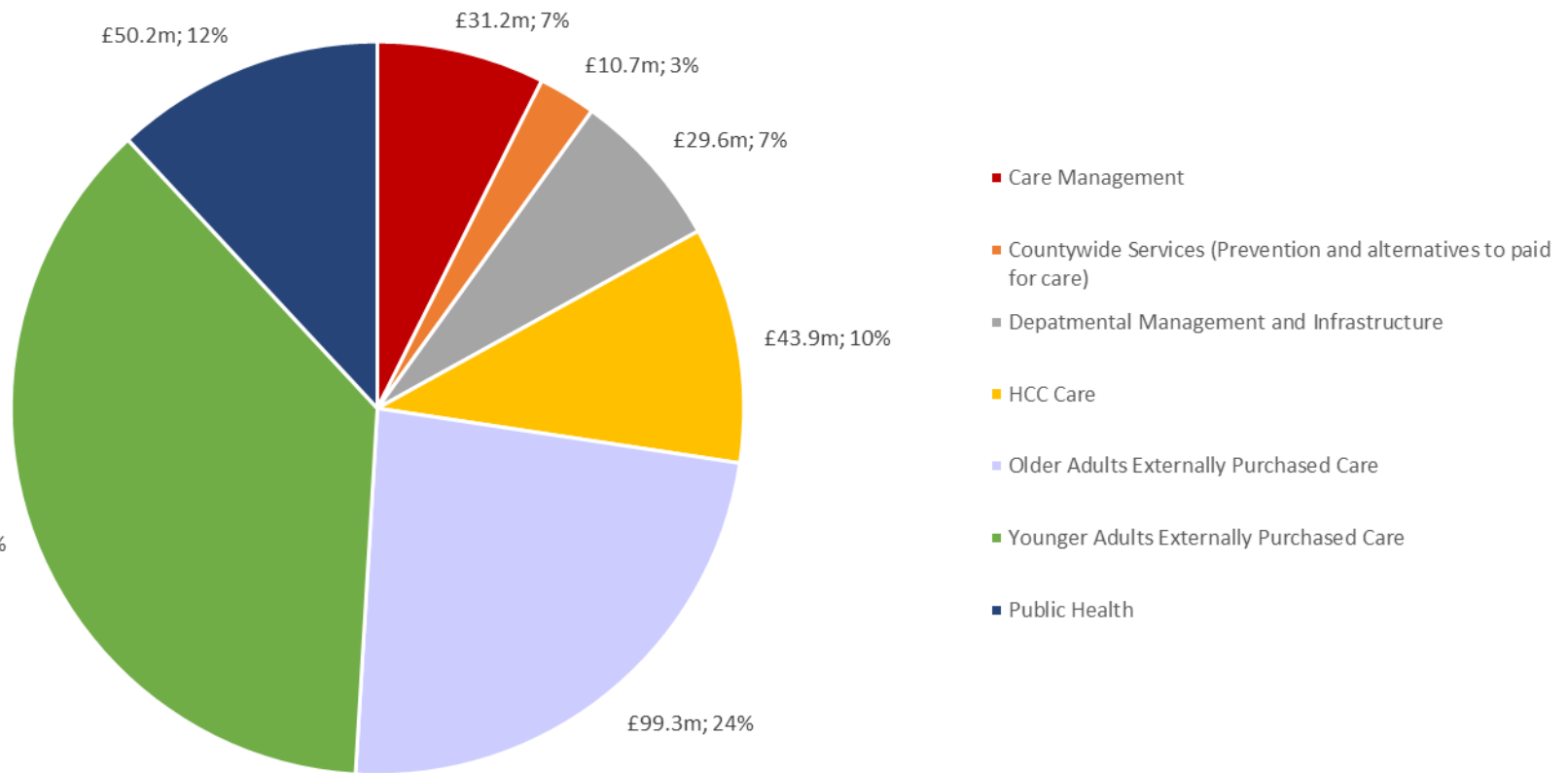
Revised programme for 2019/20 25,980

Proposed programme for 2020/21 13,042

Public Health Proposed Budget

Revenue Budget:	£'000
Revised Budget for 2019/20	52,419
Proposed Budget for 2020/21	50,259
Early Savings Delivery Forecast in 2020/21	1,277

Adults' Health & Care Revenue Budget 2020/21



Adults' Health and Care Capital Programme 2020/21

	Revised			Total
	2019/20	2020/21	2021/22	£000
	£000	£000	£000	£000
Maintaining operational buildings	481	481	481	1,443
Disabled Facilities Grants	12,561	12,561		25,122
Nursecall	1,300			1,300
Carryforward from 2017/18	11,638			11,638
Total programme	25,980	13,042	481	39,503
Locally resourced	13,419	481	481	14,381
Government allocation	12,561	12,561		25,122
Total Funding	25,980	13,042	481	39,503