

Safe and Healthy People Select Committee Budget Presentation

Friday 28th January 2011

Agenda

- **County Council Budget**
 - Finance settlement
 - Budget guidelines
 - Service guidelines
- **Service budget proposals**

Hampshire – adjustments to 2010/11

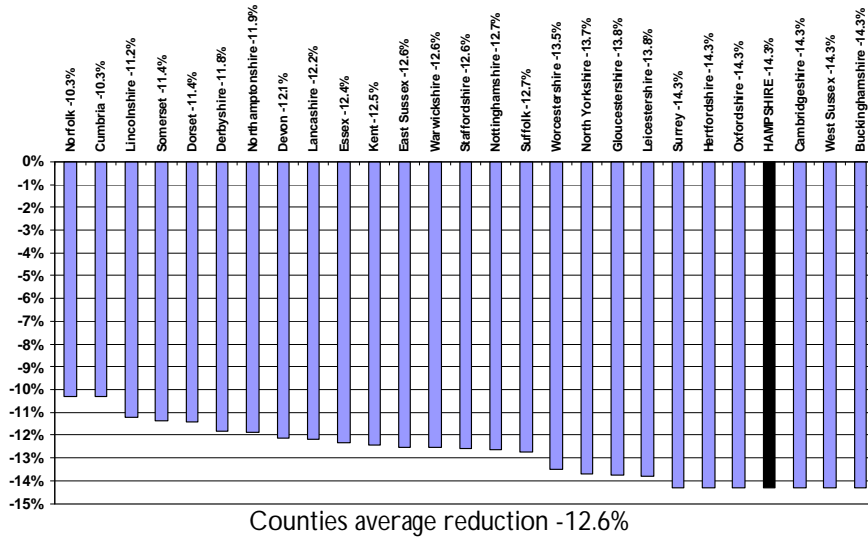
	£m	£m
Formula grant 2010/11		146.8
Transferred grants	+59.2	
Concessionary fares	+13.5	
Academies	-3.2 #	
South Downs National Park	<u>-0.2</u>	
		<u>69.3</u>
Adjusted formula grant 2010/11		<u>216.1</u>

a further reduction of £2.5m in 2012/13

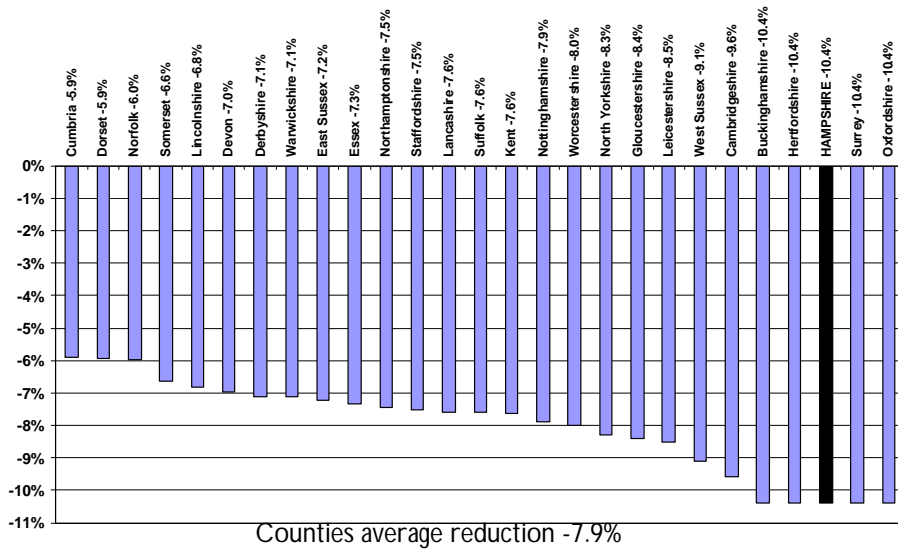
Hampshire County Council 2011/12

	2010/11 adjusted	2011/12	Change	Change
	£m	£m	£m	%
Revenue support grant	87.9	43.7	-44.2	-50.3%
Business rates	128.2	141.5	+13.3	+10.4%
Total - formula grant	216.1	185.2	-30.9	-14.3%

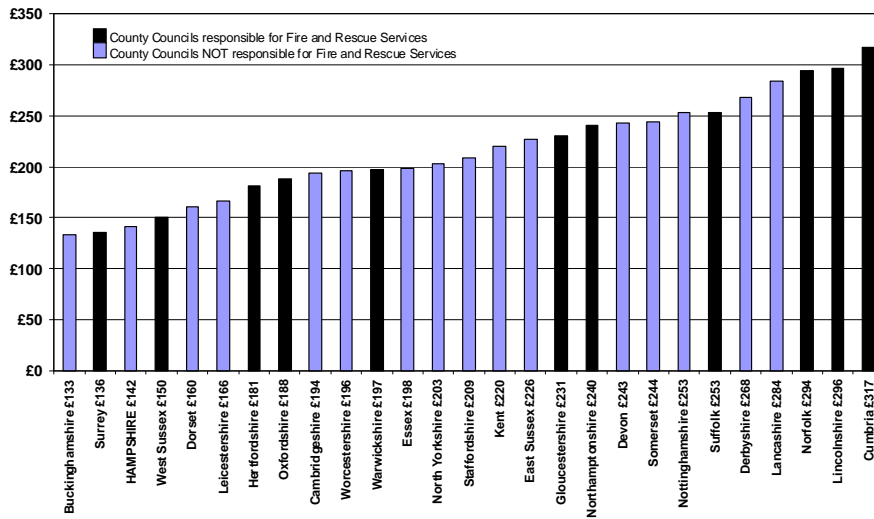
County Councils Formula Grant reductions 2011/12



County Councils Formula Grant reductions 2012/13



County Councils Formula Grant per head 2011/12



Averages per head: counties with fire services £218; without fire services £211; all counties £214

Council tax freeze grant

- Grant equivalent to 2.5% of the net taxbase for 2011/12, subject to the Band D council tax for 2011/12 not being higher than 2010/11
- Estimated grant £13.2m in 2011/12, £3m above the income from originally planned council tax increase of 1.9%
- Grant payable for four years, so no compensating increase in council tax until 2015/16

“Revenue spending power”

Hampshire County Council	2011/12		2012/13	
	£m	%	£m	%
Revenue spending power 2011/12	-7.8	-0.9%	-16.1	-2.0%
Includes:				
Formula grant 2011/12	-30.9		-19.0	
Other grant losses / gains	-2.7		+3.3	
Council tax freeze grant	+13.2		-	
NHS funding for social care & health	+12.6		-0.4	
Revenue spending power	-7.8		-16.1	

Specific grants changes

Most existing grants have been either:	£m
• assimilated into formula grant	-59.1
• discontinued	-5.5
• amalgamated with Sure Start grants in the new Early Intervention grant	41.7
• new Learning Disability grant in place of previous NHS funding	41.0
• council tax freeze grant	13.2
• new grant towards Flood Management duties	0.2

NHS grants

New grants to support joint working between social care and health	£m
2011/12	12.6
2012/13	12.2

Spending must benefit health and grants will be allocated by the Primary Care Trust on the basis of jointly agreed plans

Changes to funding 2011/12	Loss/gain £m
Formula Grant	-30.9
Area Based/specific grants :including funding top sliced for academies and National Parks	-14.8
Additional pressures (social care needs, inflation etc)	-25.2
New funding: Council tax freeze grant, NHS grant and funding for flood management	+26.1
Council tax income	-10.2
Total	-55

The journey so far

- Phase 1 and 2 Efficiency targets of £30m largely achieved
- July 2010 - Cabinet Report
 - 8% cash limit reductions
 - expenditure and efficiency workstreams
- December Cabinet agreed
 - 2011/12 budget guidelines continuing 8% reductions in cash limited budget and
 - a continued passporting approach to grant reductions and increases
 - Cash flow support where necessary
- January/February 2011 – budget process

Adults Services - Forward Budget

- £24.4m savings (8%)
- £16m demography and complexity pressures
- £16m met by - £12.6m PCT funding
 - grant allocations
- Risk contingency

8% cash limit reductions

	£m
Senior management reductions	1.300
Recruitment moratoria	1.775
Area based/specific grants	2.157
Contract negotiations	7.380
Asset rationalisation	1.604
Integration of professional functions	1.175
Centralised reassessment	3.657
Efficiency savings on Learning Disability transfer from Health	3.000
Other efficiencies	2.362
Total	24.410

Demography and complexity pressure

	£m
Demography and complexity	13.839
Unavoidable pressures	2.127
	<hr/> 15.966
Proposed funding	
Workforce reductions (redeployed)	(1.000)
Ring fenced Health funding passporting to Adults	(12.653)
LD funding transfer	(0.845)
Grant expected to end but transferring to formula grant	(1.468)
	<hr/> (15.966)
Total	0

Risk contingency

	£m
Complexity	3.400
Demography	9.633
Winter pressures	0.760
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	13.793
Proposed funding	
Balance of grant expected to end transferring to formula grant	(4.669)
Full year impact of social care passporting	(2.640)
Contract negotiations inflation savings	(4.184)
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	(11.493)
Anticipated variation	2.300

Operational delivery

- Maintaining quality
 - safe and secure services
- Meeting demand and complexity
 - money from health
 - corporate risk contingency
- Achieving the savings
 - headcount reduction
 - procurement savings
 - centralised reassessment
 - LD transfer

Joint commissioning priorities

- Integrated community services
 - SPA & 111, and integrated out of hours
- Early Intervention & Preventions
 - Falls, telecare and telehealth
 - Carers
- Personalisation
 - Personal health budgets
- Enhanced models of care & support
 - Re-ablement and enhanced care capacity
 - HCC lead commission LD, MH, PD and Substance Misuse
 - End of life care, OPMH and veterans

NHS operational plan QIPP

- PCT allocation for social care
 - 2011/12 £12.6m
 - 2012/13 £12.2m
 - Maintain eligibility criteria
 - Demography & complexity
 - Maintain investment in CIT & re-ablement
 - Winter pressures – part of the HCC corporate contingency

Adult Services budget reductions

	Original budget 2011/12 £'000s	Savings proposal 2011/12 £'000s	Savings proposal 2011/12 %
Director	822	54	6.6
Performance and business management	22,263	1,369	6.1
Commissioning and partnerships	48,281	8,187	17.0
Older persons and physical disabilities	135,920	8,655	6.4
In house services	40,029	3,096	7.7
Learning disabilities	54,633	3,198	5.9
Mental health	11,892	851	7.2
Centrally held	657	-	0.0
TOTAL	314,497	25,410	8.1