



Hampshire  
County Council

# Health Overview and Scrutiny Committee 28 January 2014

## Budget Briefing 2014/15

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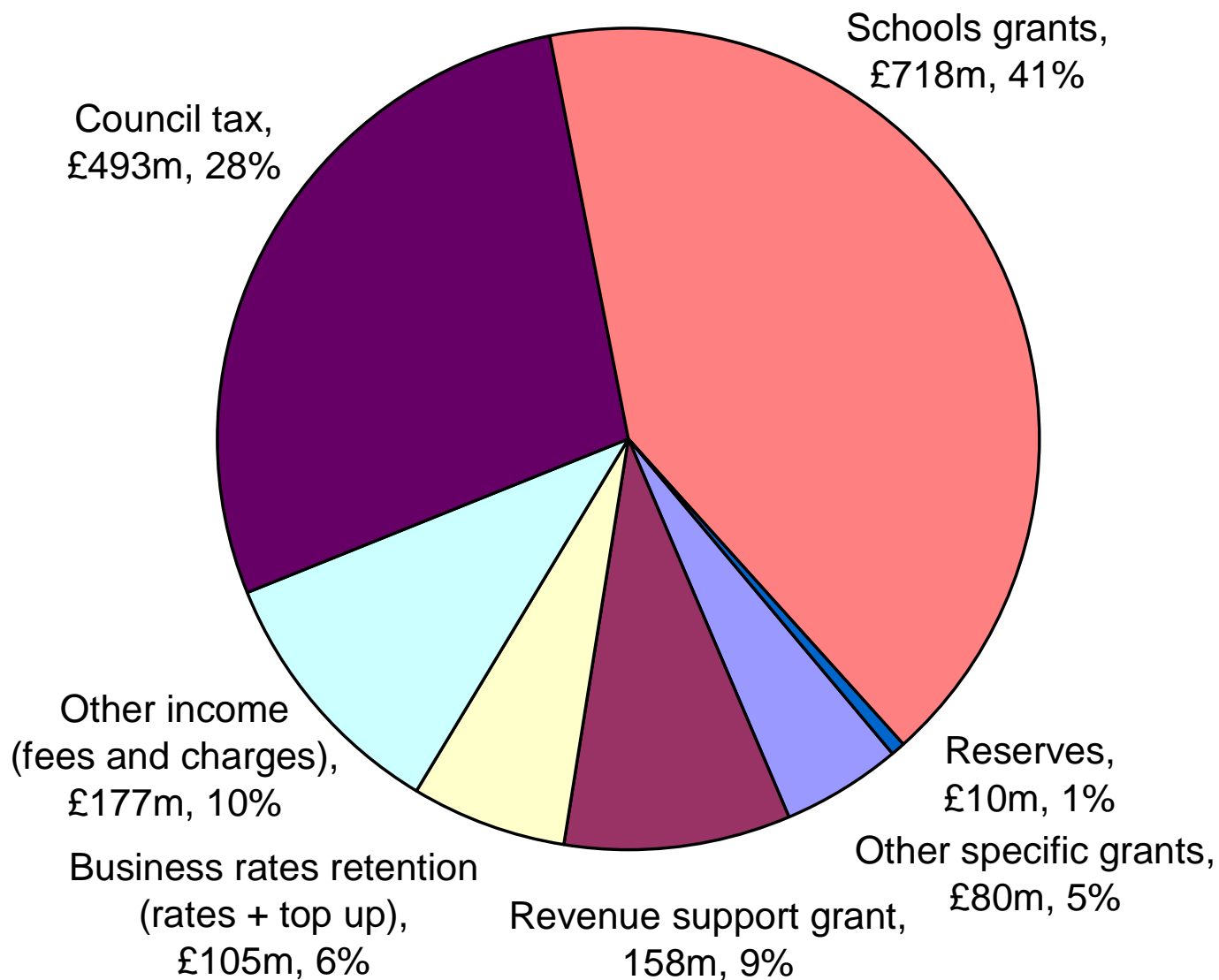
## Presentation outline

- Background to the grant settlement
- Impact on the County Council's overall budget position
- Public Health revised budget 2013/14
- Public Health proposed budget 2014/15
- Workforce implications
- Public Health priorities

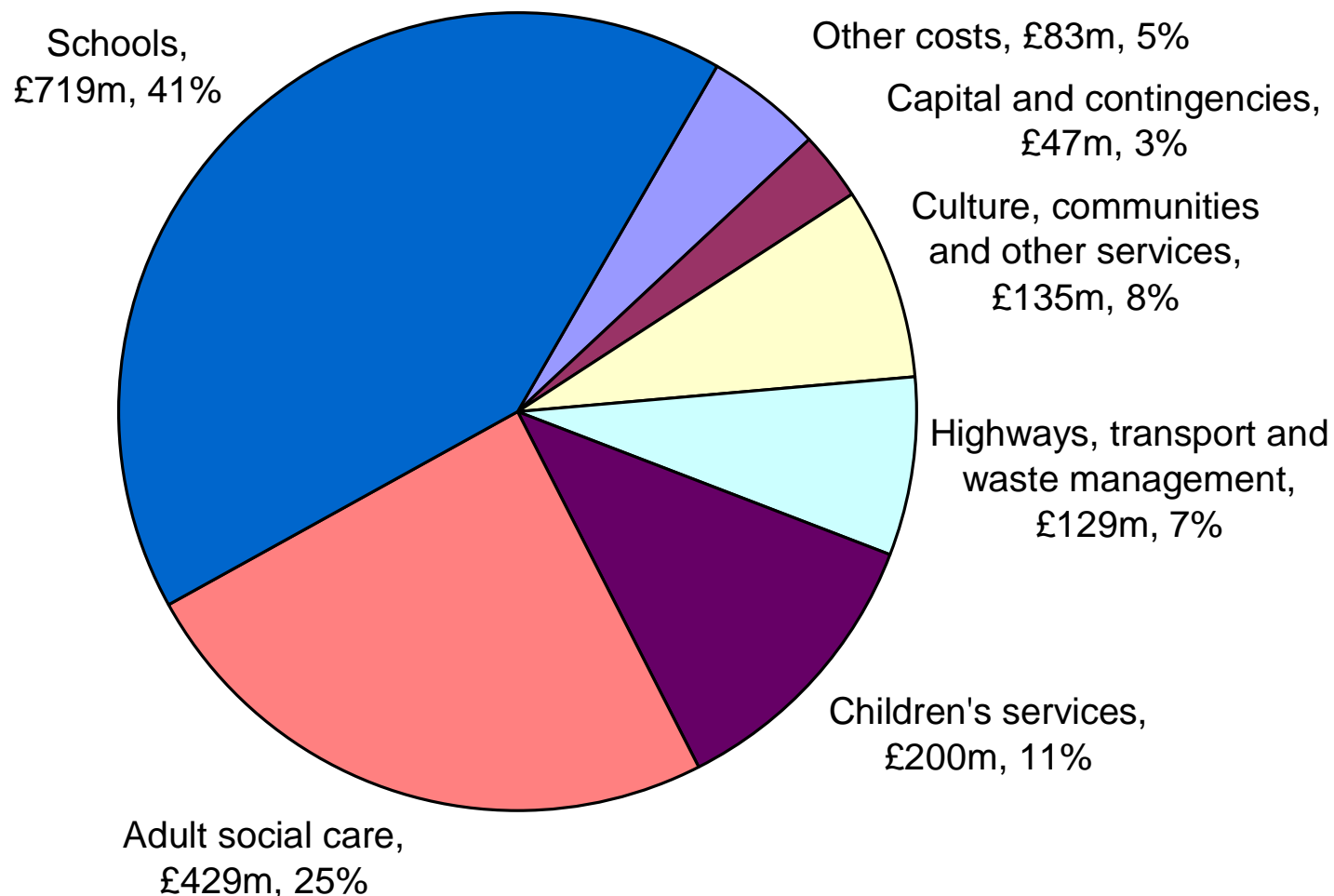
# Background to the grant settlement - key issues for 2014/15

- Hampshire's Funding Position
- Impact of Council Tax Support Schemes
- Impact of Business Rates Retention
- Finance Settlement for 2014/15
- Budget position for 2014/15 and 2015/16

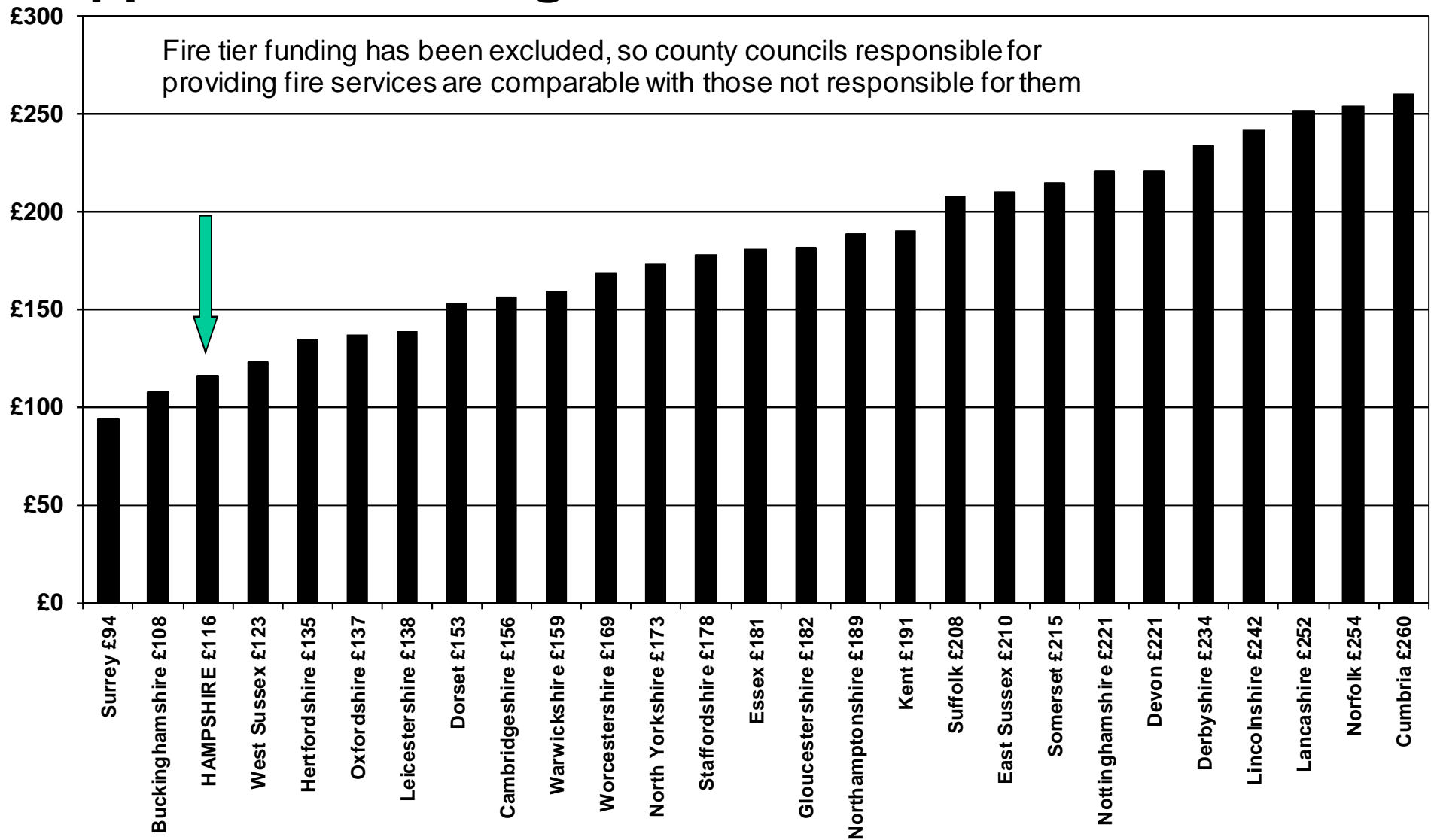
# 2013/14 Funding Sources – Including Schools



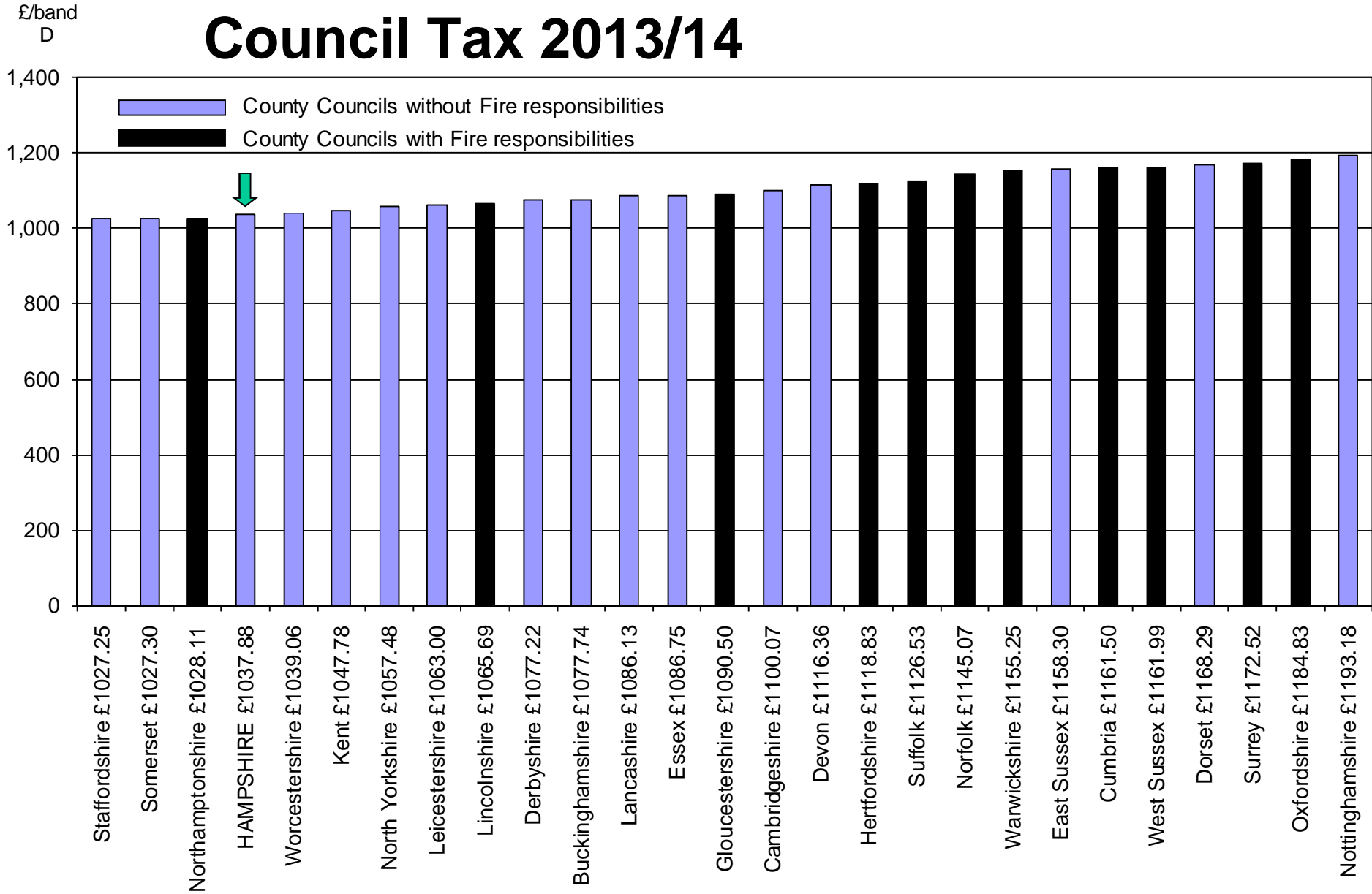
# 2013/14 Gross Expenditure



# Upper Tier Funding Per Head 2014/15



# Council Tax 2013/14



## Low Grant, Low Council Tax

Grant levels per head the same as Kent (average figure)  
would give us £95M more

Council Tax levels the same as Nottingham (highest figure)  
would give us £73M more

# Council Tax 2014/15

- Hampshire County Council: Council tax freeze proposed to continue for 2014/15
- A survey of county councils before the settlement indicated that:
  - 41% were planning to freeze
  - 59% were planning an increase
- However, the announcement in the settlement that freeze funding will be baselined has led to some councils reconsidering whether to proceed with their planned increase
- Lack of an announcement on the referendum limit may also further persuade some Councils!

## Council Tax Freeze Grant

- Council tax freeze funding for 4 years (11/12, 13/14, 14/15 and 15/16) expected to be built into future grant baselines
- For HCC we had assumed that £28.4m would drop out in 2016/17 (the 'cliff edge')
- BUT – not entirely sure what this means, it could be funded by greater cuts to grant levels from 2016/17
- Details may not be available for some time, but in relative terms HCC would still expect to be better off

# Impact of Council Tax Support Schemes

- Council Tax Support Schemes (CTSS) replaced council tax benefit from April 2013
- Reduction in council tax base replaced by Government grant of £43M (after 10% national cut)
- Funding now in baseline grant and being cut in 2014/15 (and probably to 2017/18)
- All councils had difficulties estimating the impact on council tax bases and collection rates
- Actual impact less than anticipated
- Council tax surplus of around £6.5M (£5.0M higher than forecast)

# Impact of Business Rate Retention

- HCC to keep 9% of business rates collected in Hampshire from April 2013
- Huge problems in forecasting income for 2013/14
- Many Hampshire Districts at the 'safety net'
- Significant one off impact in 2013/14 leading to Business Rates collection fund deficit of £1.9M
- Some knock on impact to estimates for 2014/15 resulting in loss of £1.4M compared to forecasts

# Local Government Settlement

- No major changes to methodology (for once!)
- New Homes Bonus being retained in current form (funding for LEPs now through additional borrowing)
- Council Tax Freeze Funding 'in baselines' from 2016/17
- Revenue support grant lower by £1.4M
- Business Rates Top Up reduced by £800,000 but assume this will be compensated by Government s31 Grant

# Budget Forecast 2014/15 - Summary

- £17.8M loss of Government grant
- £12.4M inflation and base changes
- £11.5M of social care growth
- £6.3M of savings from Children's for Early Intervention Grant loss and £3M of slipped savings from Adults
- Assumption of no increase in Council Tax
- Net Deficit of £32.2M for the year

## Budget Forecast 2014/15 – Other Issues

- 2% Annual Efficiency Target 'rolled up' into 2015/16 target to allow longer time for delivery
- Housekeeping workstream to generate investment and inflation savings of £6.8M
- Balance of funding (£25.4M) to come from Grant Equalisation Reserve
- In line with stated direction of Medium Term Financial Strategy when budget was set in February 2013

## Updated position 2014/15

	£m
Anticipated draw from Grant Equalisation Reserve	25.4
Loss of Revenue Support Grant	1.4
Business Rates collection fund deficit 2013/14	1.9
Lower 2014/15 retained business rate estimates from Districts *	1.4
Council Tax collection fund surplus (above forecast)	(5.0)
Revised draw from Grant Equalisation Reserve	<hr/> 25.1 <hr/>

\* Seeking clarification from Districts on the basis of their estimates following business rate changes in Autumn Statement

# Transforming the Council to 2015

- Target of £93.2M to be in place by April 2015
- Programme based around corporate workstreams as in previous years
- External spend, working with Health and Integrated Business Centre a key focus, but looking again at senior management, IT spend and staff overheads
- As in previous programmes, early delivery of savings within 2014/15 budget will generate funding for the costs of change

# Public Health Grant

	£'000
2013/14	36,753
2014/15	40,428

## Public Health revised budget 2013/14

	£'000	£'000
Original budget (Cabinet March 2013)		29,630
Further priorities (Cabinet July & December 2013)		5,523
New proposals (January 2014):		
Substance misuse	140	
Children 5 – 19	200	
Health improvement & wellbeing	<u>1,260</u>	
		<u>1,600</u>
Total forecast net expenditure		36,753



# Proposed budget 2014/15

	One-off proposals £'000	Recurring proposals £'000
Substance misuse	140	
Nutrition, obesity, physical activity	650	
Children 5 - 19	400	600
Health improvement & wellbeing	2,760	50
Health checks		100
Central business support		105
Sub total	3,950	855
<b>Total proposals</b>		<b>4,805</b>

## Workforce implications

	Full time equivalent (FTE) staff numbers
Estimated FTE staff as at 31 March 2014	28
Additional procurement resource	3
Estimated FTE staff as at 31 March 2015	31

## Public Health Priorities

- Efficient delivery of the statutory public health duties for the Council
- Embarking on a re-procurement schedule through which to maximise in house delivery where appropriate and best value, high quality commissioned services.

# Public Health Priorities

- Ensuring current public health services meet need and are delivered against national quality standards, including:
  - A children's public health nursing service that delivers the national standard to support physically and mentally healthy children and young people
  - Oversight of NHS commissioned screening and immunisation services
  - Adequate capacity and capability to provide the necessary professional public health advice to the Council and NHS commissioners
  - Co-ordinated primary and secondary prevention through adequate nutrition, education and physical activity of all sorts to support employable and self reliant citizens

# Public Health Priorities

- Using public health resources to support healthy children
- Delivering an effective, quality assured NHS healthchecks programme to contribute to significant reductions in year on year dementia (about half of dementia is attributable to cardiovascular risk factors)
- Supporting drug and alcohol service to meet changing needs for people of all age

## Public Health Priorities

- Addressing social exclusion, public health aspects of domestic abuse and community safety for people of all ages.
- Enabling the maintenance of healthy life expectancy for working age people, acknowledging HCC as a large employer and leading by example as a healthy workplace
- Supporting the health and social care interventions for people as they age and become more vulnerable.

**Any Questions?**