



Hampshire  
County Council

Health and Adult Social Care  
Select Committee  
27 January 2015  
Budget Briefing 2015/16

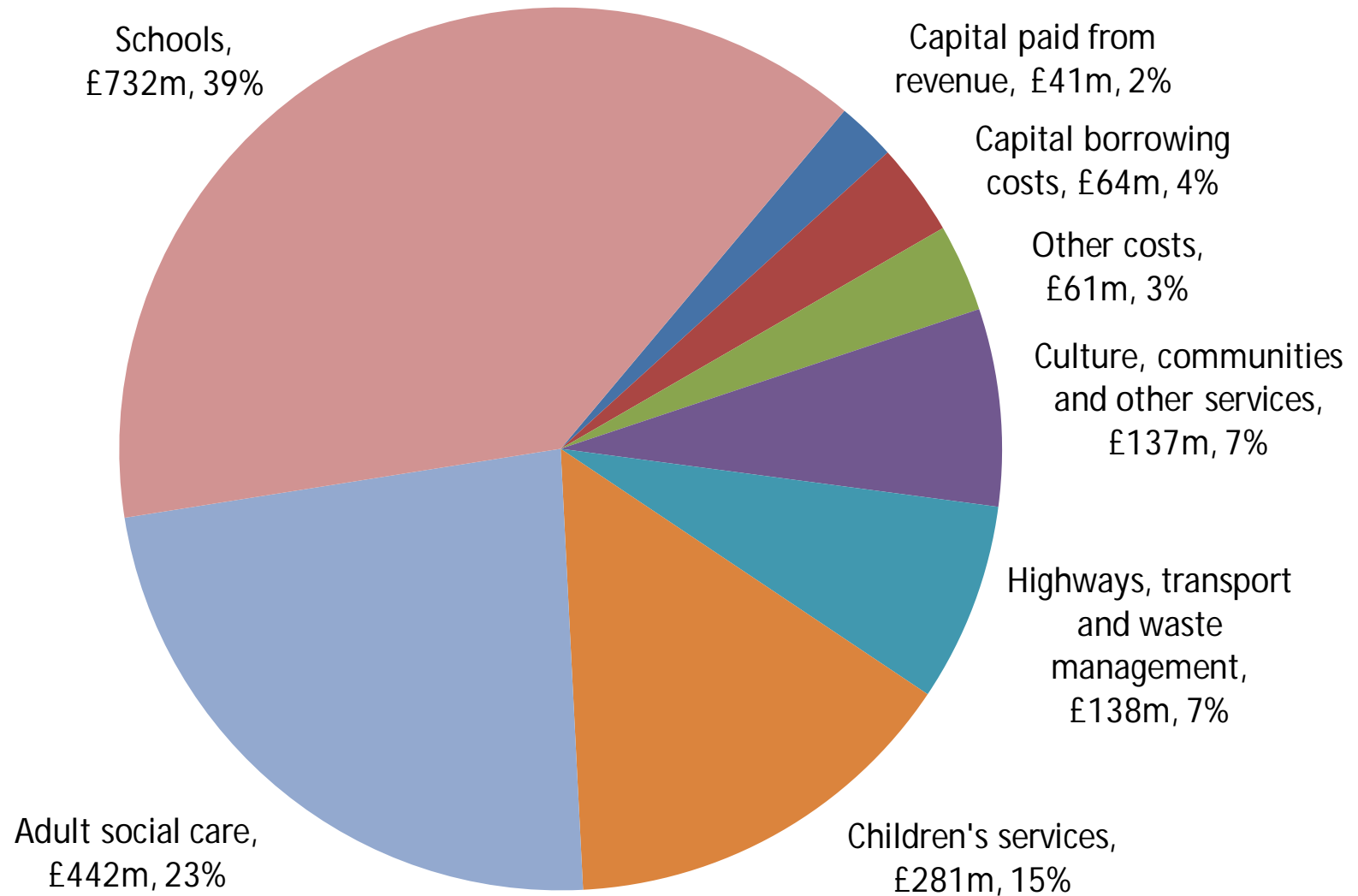
Stephanie Randall and Erica Meadus  
Finance

# Presentation Outline

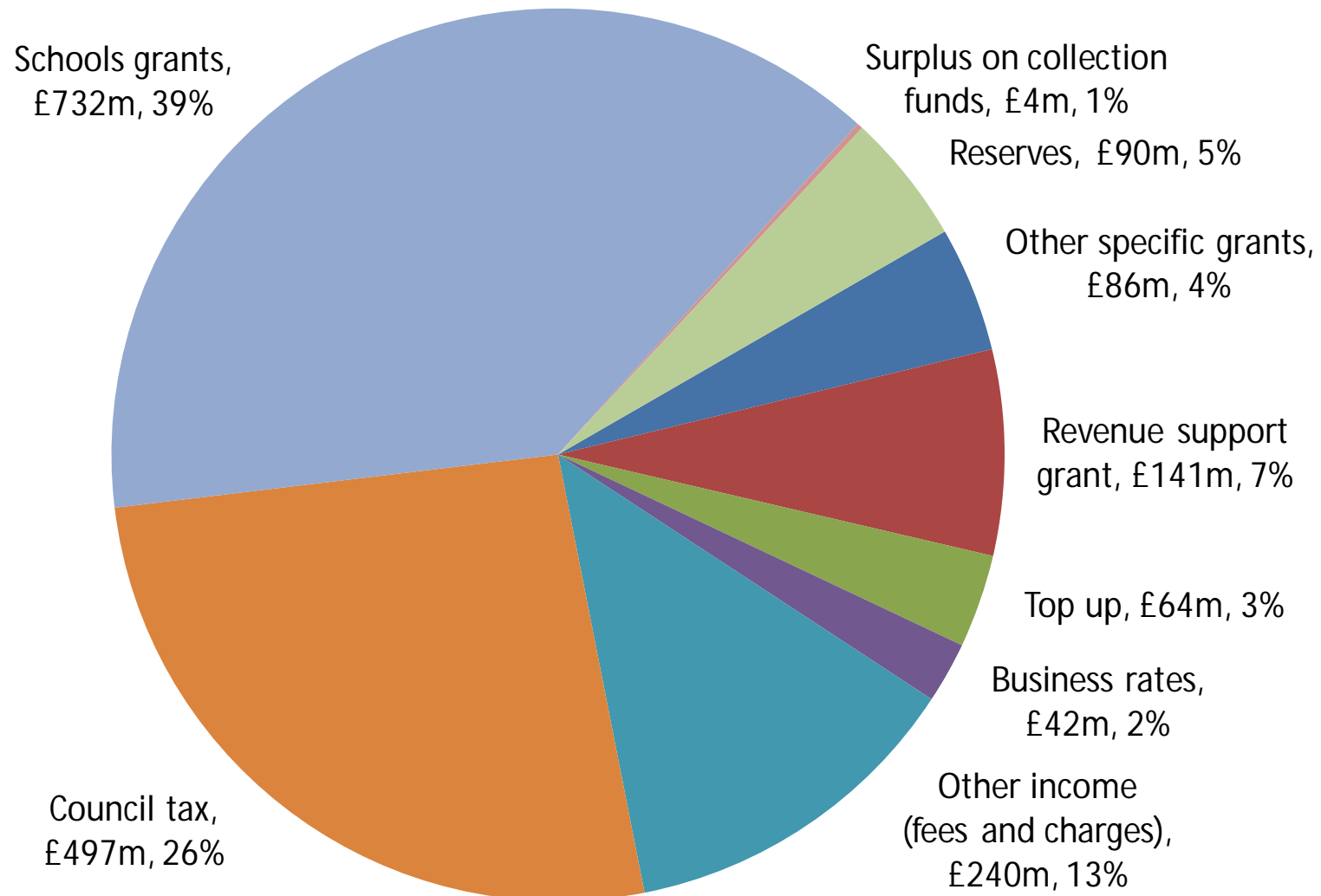
- Background to the budget
- Grant settlement and impact on the County Council's overall budget position
- Reserves Position
- Update on Transforming the Council 2015 Programme
- Public Health and Adult Services Department budget proposals
- Workforce implications
- Capital programme 2015/16

# Background to the Budget

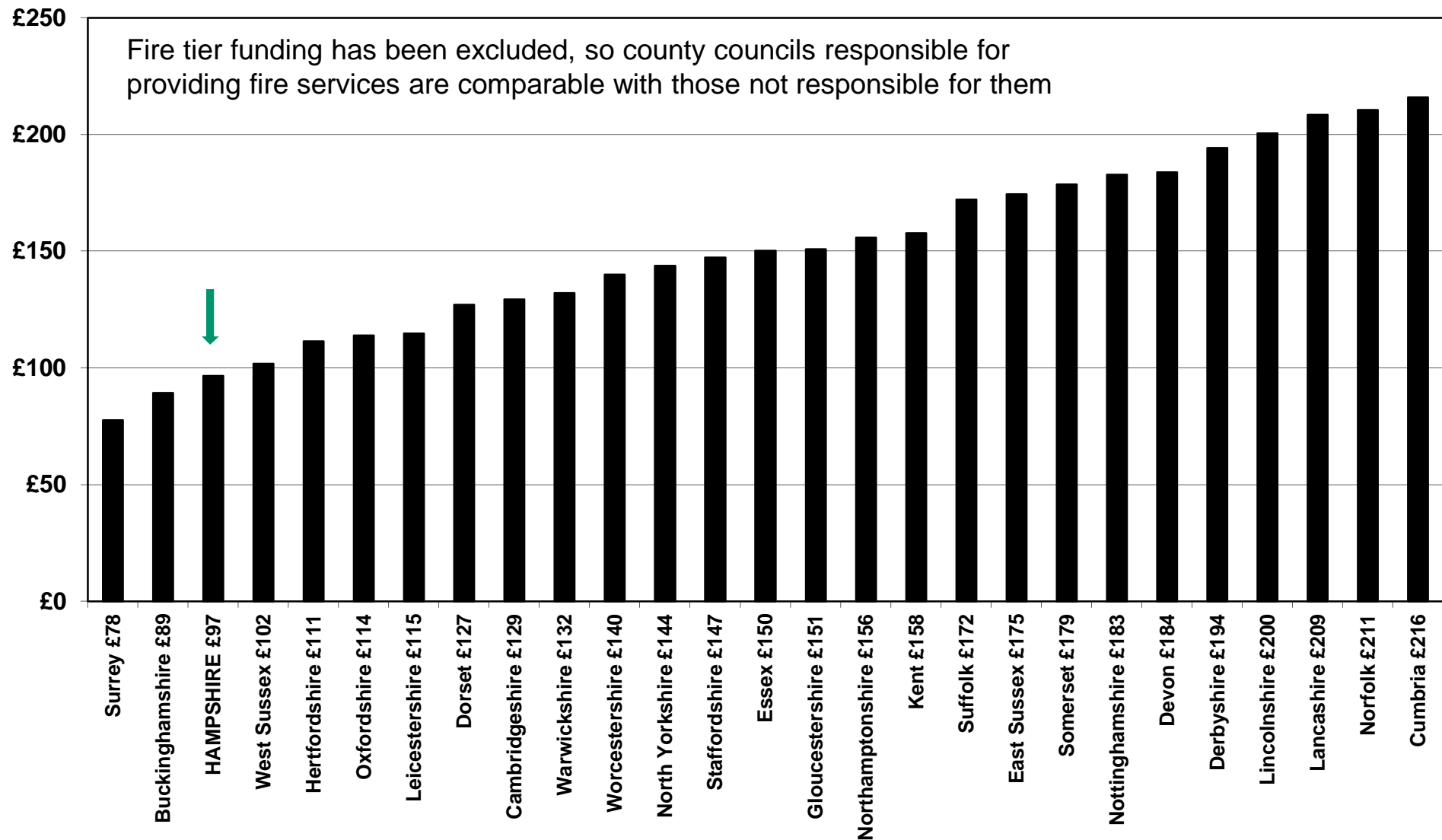
# 2014/15 Gross Expenditure (£1.9bn)



# 2014/15 Funding: Including Schools

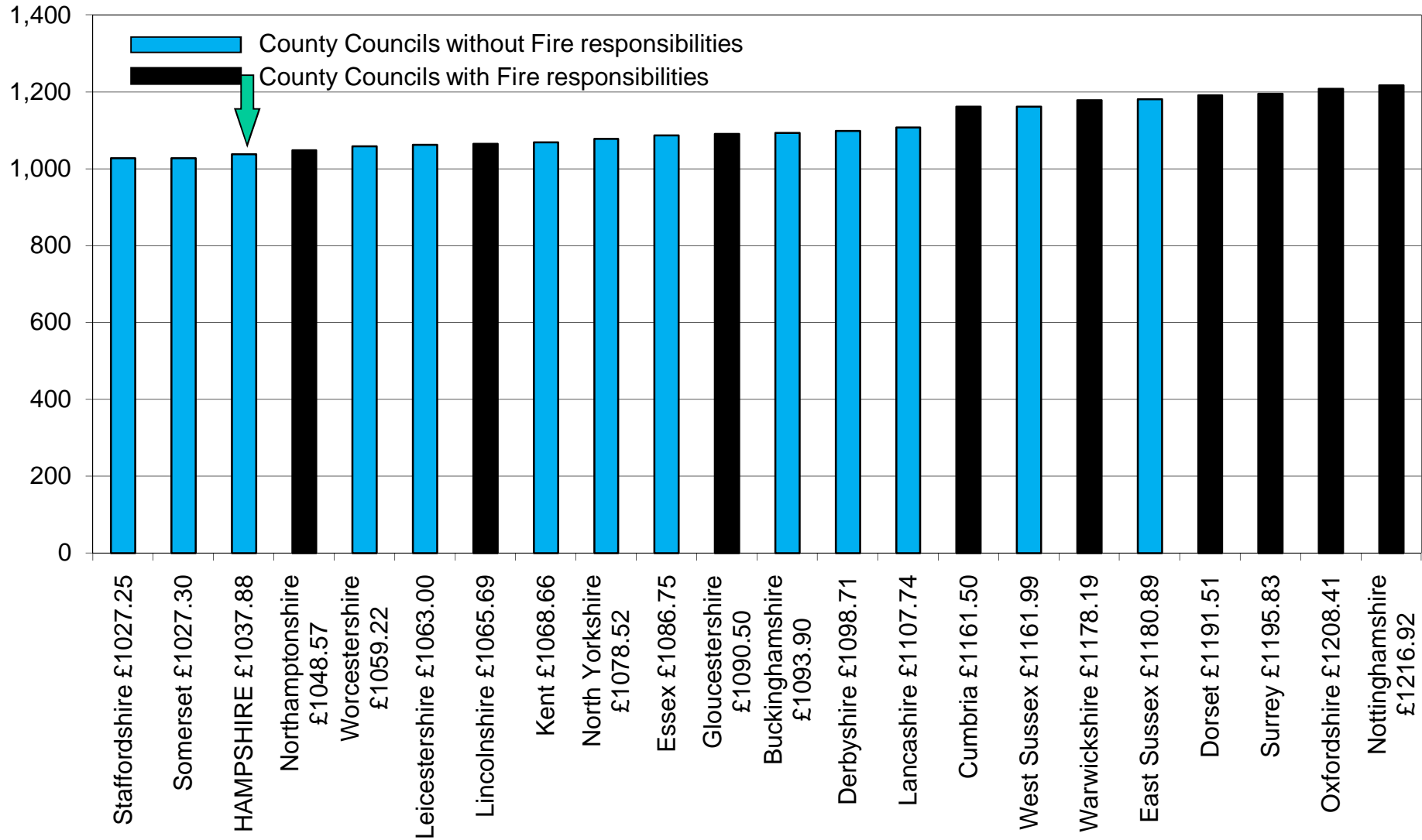


# Upper Tier Funding Per Head 2015/16



# Council Tax Levels 2014/15

£/band



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## Low Grant, Low Council Tax

Receiving average upper tier funding per head (£149) would give us £70m more

Council Tax levels the same as Nottinghamshire (highest figure) would give us £86m more

# **Grant Settlement and Overall 2015/16 Budget Position**

# Local Government Settlement

- No major changes to methodology
- Council Tax Freeze Funding for 2014/15 has been added to baseline grant for 2015/16
- BUT overall grant reduction is higher than previous notifications
- Overall cut to grant levels is 11.8% meaning a further £2.9m loss (£30m overall)
- Other announcements (new homes bonus, NDR Top Up) in line with expectations
- Section 31 grant for 'lost' NDR income continues as expected

## Budget Forecast 2015/16 – MTFS Position

- Overall cumulative gap of £108.1m by 2015/16 reported as part of MTFS last summer
- Transformation to 2015 Programme to deliver £102.5m of savings by 2015/16
- Detailed savings proposals agreed as part of last years budget setting process to give the time for implementation
- Difference of £5.6m to be drawn from Grant Equalisation Reserve to balance the budget
- No growth funding other than £12.5m for Children Looked After pressures (i.e. no growth in 2015/16 for Adult Services)

## Updated Position 2015/16

	£m
Anticipated draw from Grant Equalisation Reserve MTFS	5.6
Additional loss of Revenue Support Grant	2.9
Business Rates collection fund surplus 2014/15 TBC	(0.2)
Ongoing increase in retained Business Rates TBC	(0.8)
Council Tax collection fund surplus (above forecast)	(7.5)
<b>Balanced Budget</b>	<hr/> <b>0.0</b> <hr/>

# Reserves Position

# Reserves Strategy

- Deliberate policy to make savings ahead of need and then use these surplus funds to meet the costs of the next phase of transformation
- Total reserves of £482m as at 31 March 2014
- Over half of this (£247m) committed to existing spend programmes (mainly capital)
- £45m in Departments cost of change and trading account reserves to be used for investment and future transformation
- £31m set aside to mitigate risks (mainly the insurance reserve as we self insure)
- Over £49m in schools reserves and £28m in general reserves (in line with minimum reserves policy)

# Reserves Strategy

- Only £81m (16.8%) is truly 'available' to support one off spending and is made up as follows :

	Balance 31.3.2013 £'000	Balance 31.3.2014 £'000	% of Total %
<b><u>'Available' Reserves</u></b>			
Corporate Policy Reserve	1,979	3,676	0.8%
Invest to Save	10,154	10,073	2.1%
Corporate Efficiency Reserve	9,235	8,931	1.9%
Organisational Change Reserve	10,018	7,854	1.6%
Grant Equalisation Reserve *	48,460	50,464	10.5%
	<b>79,846</b>	<b>80,998</b>	<b>16.8%</b>

\* £28.5m of the GER will be used to support the revenue budget in 2014/15

# Update on Transforming the Council to 2015 Programme

# Transforming the Council to 2015

- Savings target of £102.5m to be in place by April 2015
- Savings proposals to meet this were agreed as part of the 2014/15 budget setting process and are reflected in detailed service budgets in report
- **There are therefore no new savings proposals to consider as part of this budget setting process**
- Consultation (where required) and implementation has been progressing throughout 2014/15 and regularly reported to Cabinet
- Minimum of £96.4m expected to be achieved in 2015/16 with plans in place to meet any shortfall from Departments cost of change reserves

# Public Health Budget Briefing 2015/16

Dr Ruth Milton  
Director of Public Health

Steph Randall  
Lead Finance Business Partner

# Public Health ring-fenced grant allocation (1)

	£'000
2014/15	40,428
2015/16*	49,206

\* 2015/16 allocation includes:

- **£40.363m** core Public Health grant, a reduction of £65,000 from 2014/15 (reflects the correction of erroneous addition to the grant)
- *Proposed* allocation of **£8.843m** to fund transfer of commissioning responsibilities for children aged 0-5 (part-year effect, from 1 October 2015). This is committed to existing contractual obligations

## Public Health ring-fenced grant allocation (2)

- Public Health ring-fenced grant protected from real term cuts in 2015/16 – currently unsure if this ring-fence will continue beyond the next financial year
- Grant allocation informed by historic levels of spend in Public Health and local health need
- Future level of funding will be influenced by the Health Premium Incentive scheme
  - Local authorities rewarded for progress made in improving the health of local populations
  - Evaluated against specific agreed measures within the Public Health outcomes framework
  - Part of future funding allocation may be predicated on the achievement of these measures

## Proposed budget 2015/16

	£'000
Central Public Health	2,482
Information and Intelligence	39
Nutrition, Obesity and Physical Activity	1,594
Drugs and Alcohol	9,475
Tobacco	3,149
Dental	180
Children 5-19	4,121
Healthchecks	1,527
Miscellaneous Health Improvement and Wellbeing	6,351
Sexual Health	11,329
Infection Prevention and Control	116
<b>Sub-total of core Public Health grant</b>	<b>40,363</b>
Proposed (part-year) grant funding for public health commissioning responsibilities for children aged 0-5	8,843
<b>Total grant</b>	<b>49,206</b>

*Budget presentation is in line with categories contained within CIPFA's Service Expenditure Reporting Code of Practice*

# Workforce Implications

	Full time equivalent (FTE) numbers
FTE staff as at 31 March 2015 (last year's estimate)	31.0
Changes relating to transfers to Public Health from service departments, and other minor FTE amendments	+ 2.0
<b>FTE staff as at 31 March 2016</b>	<hr/> <b>33.0</b> <hr/>

# Key Public Health Priorities and Challenges (1)

- Development of a new Public Health strategy for Hampshire County Council
- Ensuring the effective use of available resources to support priorities for Hampshire, including provision/commissioning of mandated services and other evidence based interventions
- Continue to work toward maximising further public health contributions to Health and Social Care Integration
- Capacity, capability and succession planning key to ensure the effective delivery of statutory professional services; namely specialist public health advice to Clinical Commissioning Groups and specialist health protection advice, as well public health advice and leadership to the council
- Completion of the transfer of responsibility for public health commissioning for children aged 0-5 (October 2015)

## Key Public Health Priorities and Challenges (2)

- Ensuring public health services meet need and are delivered against national quality standards including support of the transformation agenda for the council
- Specific interventions and initiatives include:
  - Public health leadership maximising the years of healthy life for our residents
  - Delivering an effective, quality assured NHS healthchecks programme
  - Supporting healthy children through a range of interventions including school nursing services and parenting programmes
  - Addressing social exclusion, public health aspects of domestic abuse and community safety for people of all ages

# Key Public Health Priorities and Challenges (3)

- Specific interventions and initiatives continued:
  - Supporting drug and alcohol services to meet changing needs for people of all age
  - Enabling the maintenance of healthy life expectancy for working age people (e.g. through improved nutrition and physical activity levels), acknowledging HCC as a large employer and leading by example as a healthy workplace
  - Reducing the risk of dementia and long term conditions that impact adults, helping to also minimise future demand for health and social care interventions
  - Supporting health and social care interventions for people as they age and become more vulnerable
  - Oversight of NHS commissioned public health services

# Adult Services Budget Briefing 2015/16

Gill Duncan  
Director of Adult Services

Erica Meadus  
Senior Finance Business Partner

# Adult Services proposed budget

	£'000
Revenue budget:	
Revised budget for 2014/15	332,961
Savings in 2014/15	10,581
Balanced budget by March 2015	
Proposed budget for 2015/16	298,938
Proposed savings in 2015/16*	30,085
Capital programme for 2015/16	14,481

\* Equality Impact Assessments completed

# Proposed budget 2015/16

	£'000
Cash limit set by Cabinet	297,073
<b>Gross expenditure budget</b>	<b>410,396</b>
Income ( <i>e.g. from clients</i> )	(58,266)
Other income	(53,193)
<b>Total net expenditure</b>	<b>298,937</b>

# Summary of Approved Savings Proposals

	£'000
Extra care – OP/PD	510
Re-commission LD supported living	3,180
Younger Adults Extra Care	1,200
Review under utilised capacity in house residential	400
Better Care Fund – securing social care services	20,000
HQ workforce	200
Supporting People	4,121
OP/PD Care at Home delivery model	2,900
Electronic Domiciliary Care Monitoring – LD	273
<b>Total</b>	<b>32,784</b>

# Better Care Fund

- Pooling budgets and protecting social care services
- For 2015/16 BCF statutory requirement
- Pooled budget totalling £80m to be spent on integrated care to realise efficiency savings.
- BCF 'plus' total funding of £280m including:
  - Care at home
  - Continuing health care
  - Funded nursing care
- BCF statutory pooled budget
- All partners have signed up to a 'risk share' agreement to deliver £20m BCF efficiencies to 'protect social care services' in 2015/16 and beyond.

# Key Departmental Issues / Challenges

- Demand
- Health Landscape
- Care Act
- Other National Policy
- Transformation

# Workforce Implications

	Full time equivalent (FTE) numbers
FTE staff as at 31 March 2015 (last year's estimate)	2,828.00
Decrease in revised estimate as at 31 March 2015	- 2.50
Changes relating to savings proposals	- 30.20
<b>FTE staff as at 31 March 2016</b>	<b>2,795.30</b>

# Adult Services Capital Programme 2015/16

£'000

Project Extra Care Planned Phasing 14,000

Operational building, including residential and nursing care, improvements 481

**Total** 

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**14,481** 

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