

London Borough of Hammersmith & Fulham

Report to: Health and Adult Social Care Policy & Accountability Committee

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Subject: 2024 Medium Term Financial Strategy (MTFS)

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SUMMARY

Cabinet will present their revenue budget and Council Tax proposals to Budget Council on 28 February 2024. This report provides an update on the overall preparation and proposals for the 2024/25 revenue budget, risks, financial resilience, and the impact of those proposals. This report also sets out the budget proposals for the services covered by this Health and Adult Social Care Policy and Accountability Committee (PAC). An update is also provided on any proposed changes in fees and charges in the budget.

The strategic operating environment continues to be challenging (inflation, interest rates, economic stagnation, unemployment, real terms reduction in household incomes) and this will have an impact on the overall national and public finances. After the Chancellor's Autumn Statement in November 2023, analysis by the Institute for Fiscal Studies has estimated that considering current spending commitments across the public sector, the Department of Levelling Up, Housing and Communities (which includes local government) may face a 3.4 per cent real terms cut each year from 2025/26 to 2028/29.¹

The budget proposals for 2024/25 are intended to protect our statutory services, deliver services valued by residents/businesses/visitors, promote the prosperity of the Borough, and support the poorest and most vulnerable in society. All our services have been funded at a time of continued austerity within local government since 2010.

Despite the financial pressures on the council, our ruthlessly financially efficient approach (by generating more than £118m of efficiencies since 2014/15), securing more than £100m in contributions from developing the Borough and generating more than £60m in annual income). Few organisations would be able to deliver the same services they delivered over a decade ago with less than half of the resources available. In Hammersmith & Fulham we have not just maintained front line services

¹ [What does the Autumn Statement mean for local government and public service spending? | Institute for Fiscal Studies \(ifs.org.uk\)](https://www.ifs.org.uk/news-and-commentary/what-does-the-autumn-statement-mean-for-local-government-and-public-service-spending/)

that residents rely on, but we have gone further, providing new services to support those living in the borough. We have also eased financial burdens that residents by keeping taxes low, freezing key charges and providing one of the country's most comprehensive Council Tax Support Schemes.

Hammersmith & Fulham is unique in many ways. In recent years, the Council has been able to abolish home care charges, provide free breakfasts for school children, create a new Law Enforcement Team to keep our street safe and clean, maintain weekly bin collections across the borough, and end the use of bailiffs to collect Council Tax debt.

This has only been possible because of the ruthlessly financially efficient approach that we have taken to managing residents' money. We will continue to reform the council to ensure that we provide the best value for their money possible. This budget does this through innovative use of new technology and data, and council-wide efficiency programmes to streamline operations and ensure the best use of resources.

Despite the financial pressures on the council, our ruthlessly financially efficient approach has allowed us to keep Council Tax levels low. There is no better place to be a Council Taxpayer than right here in Hammersmith & Fulham. Not only do we have the third lowest council tax rates in the country, with this administration cutting or freezing Council Tax five times in the last nine years, but our Council Tax Support Scheme provides a discount to 42% of residents, with 11% of the most vulnerable paying nothing at all. This administration took the decision to exempt care leavers from paying Council Tax entirely, and this year, for the first time, we will also exempt in-house foster carers and special guardians so that they do not pay a penny of Council Tax.

The objectives of the General Fund revenue budget proposals for 2024/25 set out in the report:

- Protect the delivery of our core statutory services.
- Continue to deliver services valued by residents/businesses/visitors.
- Ensure the safety of our residents/businesses/visitors.
- Promote the prosperity of the borough.
- Embeds an agile, modern and innovative approach within the Council.
- Maintains strong financial governance and resilience across the Council.

The proposals include investment of £10.7m across many services and will allow the continued delivery of the best services to our residents/businesses and visitors. This includes an extra £4.2m for home care, £1.3m to support school transport services for children, £1.5m for people affected by homelessness and £1.7m to support our housing services.

The Council will continue to manage its financial resources effectively to financial resilience and sustainability (including a good level of reserves and in year contingencies).

The Local Government Finance Act 1992 obliges the Council to set a balanced budget, and the detailed proposals contained in this report will put the Council in a strong position to be able to do so for the next financial year. Cabinet in February will need to

consider these alongside the outcome of the Final Local Government Finance Settlement and any other funding statements that may follow.

RECOMMENDATIONS

1. That the Health and Adult Social Care Policy and Accountability Committee (PAC) considers the budget proposals and makes recommendations to Cabinet as appropriate.
 2. That the PAC considers the proposed changes to fees and charges and makes recommendations as appropriate.
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Wards Affected: All

Our values	Summary of how this report aligns to the H&F values
Being ruthlessly financially efficient	The council has a proud record of maintaining low Council Tax to its residents. The revenue budget for 2024/25 proposes savings and efficiencies across services and corporate functions that rationalise its estate and reduce its operating costs, whilst also delivering value for money from external contractors
Creating a compassionate council	The proposals in the revenue budget for 24/25 supports the ongoing investment in services that directly support residents in living, healthy and independent lives. This includes continuing to provide free home care for older residents, providing Council Tax support to foster carers and increasing investment to tackle homelessness and rough sleeping.
Building shared prosperity	A significant proportion of services are delivered in partnership with local and national companies, and this will continue to promote all business sectors to the benefit of residents.
Doing things with residents, not to them	The budget for 24/25 will invest in our Family Hubs, ensuring that every child, young person, and family is able to access the right support at the right time. The Hubs will also be developed by collaborating with

	children and young people and their families, family groups, the local third sector, the NHS and the council's children's services in genuine partnership.
Taking pride in H&F	The council's revenue budget will invest over £50m in public realm services. These services will provide access to safe clean, green spaces for all to enjoy, visit and live in. It will deliver improvements to highways, whilst continuing to invest in the Law Enforcement Team and regulatory services to crack down on anti-social behaviour and rogue traders.
Rising to the challenge of the climate and ecological emergency	The council has an ambitious target to become a net zero borough. To help achieve this, the budget will invest in the roll out of food waste caddies for more than 50,000 households, continue to keep our streets and parks clean, and take a tough stance against anyone dropping litter, creating graffiti, or dumping rubbish.

Background Papers Used in Preparing This Report

Not Applicable

DETAILED ANALYSIS

The Budget Requirement and Gap

1. The gross General Fund budget² rolled forward from 2023/24 to 2024/25 is £642.0m of which a **net budget requirement of £198.0m** is funded from council resources (such as Council Tax and business rates) and general government grant.

² Figures exclude capital charges and internal service level agreements. These have a net nil impact on the budget.

Table 1 – Budget rolled forward from 2023/24

2023/24 Budgeted Expenditure	£m
Housing benefit payments	91.2
Departmental budgets	550.8
Gross budgeted expenditure	642.0
Gross revenue income budget requirement (specific government grants, fees and charges and other contributions)	(444.0)
Net revenue budget requirement	198.0
To be met from:	
General grants	(56.7)
Locally retained business rates	(62.5)
2024/25 Council Tax requirement (including the Adult Social Care precept)	(78.8)

Budget assumptions

Investment and growth pressures

- Additional investment and growth of £10.7m is being provided following the budget setting and review process. The proposed investment and growth items are summarised in Table 2. The detailed investment proposals for this PAC are set out from paragraph 44 and in Appendix 1 to this report.

Table 2: 2024/25 Investment Proposals

Department	£m
Adult Social Care	4.8
Children Services	1.6
Environment	0.5
Corporate Services	0.2
Economy	1.5
Other Services	2.1
Total	10.7

Savings and Income Generation

- After more than a decade of austerity, it is increasingly difficult to identify and deliver substantive savings. However, further savings are necessary if the financial challenge of real terms government funding cuts, unfunded burdens, inflation, and demand and growth pressures is to be met and the council has been able to find these. In the future, the Council must consider all available options to operate within the funding available to it.

4. The proposed savings (including additional income) for 2024/25 are set out in Table 3. The savings proposals for this PAC are outlined in detail from paragraph 44 and in Appendix 1 to this report.

Table 3: 2024/25 firm savings and additional income

Department	£m
Adult Social Care and Public Health	(2.1)
Children Services	(1.6)
Environment	(1.5)
Corporate Services	(0.3)
Economy	(1.4)
Finance	(0.4)
Other Services	(0.8)
Total	(8.1)

Inflation

5. Inflation has been consistently high over the past two years (reaching 10.5% in December 2022, and the highest level for 40 years). The Consumer Price Index (CPI) for September 2023 is 6.7%. The Office of Budget Responsibility is forecasting inflation of 2.8% by Q4 of 2024/25 and the proposed budget for 2024/25 includes provision for both pay and price inflation in line with those assumptions: This budget allows for:
- Contract and external services inflation of £9.2m.
 - £4.5m provision for a 2024/25 pay award (this equates to a 3.0% pay award)

Fees and Charges

6. Charges governed by statute are set in accordance with those requirements and not varied in accordance with inflation. For non-statutory **fees and charges** levied by the council, it is recommended that:
- They are frozen for Adult Social Care, Children’s Services and Housing in line with administration policy.
 - Commercial services that are charged on a for-profit basis, will be reviewed on an ongoing basis in response to market conditions and changed as appropriate, with due authorisations according to the Council constitution.
 - Parking charges and fines are to be set in line with transport policy objectives and not considered as part of the budget process.

- A standard uplift of 6.7% is applied for other non-commercial and non-parking fees, as per September 2023 CPI.
- The exceptions to these assumptions for this committee are attached in **Appendix 4**.

Local Government Finance Settlement and Core Spending Power

7. The provisional 2024/25 Local Government Finance Settlement (LGFS) was published by DHLUC on the 18th of December 2023. This statement outlines provisional funding allocations for local authorities for 2024/25 alongside the Core Spending Power for each authority. For the sixth year in a row, this was a single year funding settlement. There was not a great deal of new funding included, as much of the funding announced in the statement had already been declared in the 2023/24 LGFS, particularly funding ringfenced for Adult Social Care and Council Tax referendum limits.
8. Core Spending Power estimates total revenue funding available to authorities and includes Government assumptions on a maximum increase in Council Tax (4.99%) and business rates income (including compensation for under indexing the multiplier) as well as growth in the Council Tax base. The Statement provided an increase in Core Spending Power of 6.7% (the level of CPI inflation in September) if the council increases Council Tax and the Adult Social Care Precept to the maximum extent without triggering a local referendum. It also includes compensation for the decision to freeze the small business rates multiplier, which has resulted in lower council revenues in other areas.
9. A summary of the Council's funding settlement and Core Spending Power in comparison to 2023/24 is set out in **Appendix 5**.
10. The 2024/25 Settlement continues the recent trend of single year funding settlements with no grant allocations confirmed beyond next year. The lack of future certainty continues to undermine effective medium-term financial planning and resource allocation. The planned review (Fair Funding Review) to explore changing how central grants are distributed between local authorities and with the potential for resetting the baselines for determining each local authority's need has been pushed back to April 2025 at the earliest after first being announced in 2016.
11. It should be noted that whilst the overall Core Spending Power for the Council has increased by £13.78m, only £5.75m (42%) of this relates to grant funding distributed directly to local authorities as part of the LGFS, as both Council Tax and business rates income are locally generated sources of income.

An explanation of the key funding streams is outlined below:

12. **Settlement Funding Assessment (SFA)** – The SFA is made up of two elements: The Revenue Support Grant (RSG) and the Baseline Funding Level (BFL). RSG is given to local authorities and can be used to finance revenue expenditure on any service. This grant has increased by £1.35m. This increase from 2023/24 is in line with the September CPI increase of 6.7%.

13. The BFL is the estimated retained Business Rates as calculated by the Government, usually updated in line with the small business rates multiplier. The actual business rates estimated by the Council is set out in the business rates section below.
14. **Social Care funding** – There are four separate grants as part of the Core Spending Power which relate to Social Care funding. Except for the Social Care Support grant (which can be used for matters relating to Childrens and Adults Social Care), all the others are ringfenced and passported to the Social Care budget. The grants are as follows:
 - Social Care Support grant
 - Improved Better Care Fund
 - Market Sustainability and Improvement Fund (now includes the MSIF Workforce Fund)
 - ASC Discharge Fund
15. A two-year funding package for Social Care was outlined in last year's LGFS and the funding this year represents the second year of this. Beyond 2024/25, it is unclear and uncertain the sustainability and level of funding which will be available to local authorities for Social Care.
16. **Compensation for the under-indexing of the business rates multiplier** – this is funding to compensate local authorities for lost business rates income arising from the decision to freeze the small business rates multiplier.
17. **New Homes Bonus** - There will be new rounds of New Homes Bonus (NHB) payments in 2024/25. In line with last year, these payments will not attract new legacy payments. It is unlikely that the New Homes Bonus will continue beyond 2024/25, and whether any alternative funding will be provided should this be the case.
18. **Services Grant** – The services grant has reduced by over 84% in 2024/25. The Government have made significant cuts to this funding (from £822m in 22/23 to £77m in 24/25) as it has been top sliced to offset the rising cost of other grants in the settlement. Although the local government finance policy statement on the 5th of December stated that this grant would reduce, the scale of reduction was not anticipated or communicated to local authorities earlier in the budget setting process.
19. Other Funding
20. **Household Support Fund (HSF)** - In 2021, the Department for Work and Pensions announced that vulnerable households across the country would be able to access a new support fund to help them with essentials over the winter. The total HSF allocated to Hammersmith and Fulham during 2023/24 was £2.8m, all of which is planned to be spent as part of the council's Cost of Living response.

21. However, after the Autumn Statement, it was confirmed by DHLUC that the HSF will not continue beyond 31 March 2024. At time of writing, it is not known if this funding will be replaced with another scheme or will be folded into existing funding, but the ending of this funding stream will place a significant additional financial burden on the Council and those most vulnerable and affected by the Cost-of-Living crisis.
22. There are other specific grants which sit outside the main LGFS and for which allocations have been announced. The Council will receive £24.3m for the Public Health Grant, £3.89m for the Homelessness Prevention Grant (a further £120m has been announced nationally but allocations are not known at the time of writing), plus £177.3m for the Dedicated Schools Grant (DSG). These grants are ringfenced and are assumed will have a neutral impact in the current budget proposals.

Other Measures

23. It is estimated that £5.0m relating to income from investing cash balances will be available as favourable interest rates is assumed as per the Bank of England's economic forecast assumptions. This income will be used to balance the budget in 2024/25 and our cash balances and base rate assumptions will be reviewed throughout the financial year in line with our treasury management strategy.
24. A comprehensive review has been carried out across both front and back-office functions within parking services. This has resulted in a programme of measures that has delivered more effective and efficient systems and processes, particularly in permit and suspension management, together with the introduction of more streamlined delivery and operational models. Front line services benefit from the introduction of Automatic Number Plate Recognition (ANPR) technologies in on-street enforcement, and the continued roll out of automated cameras in moving traffic, capturing alerts and contraventions. This outcome of this review is reflected in the budget for 2024/25.
25. In addition, there are budget measures to reduce budgeted reserve contributions, realigning corporate charges between the HRA and General Fund and short-term contributions arising from lower than budgeted contributions to the concessionary fares (freedom pass) scheme. The latter is due to the impact of passenger usage on public transport in response to the pandemic and changes to ways of working. This is not expected to continue beyond 2024/25 as demand is forecast to return to pre pandemic levels and fares increase.

Council Tax

26. The Council is proud to have the third lowest Council Tax in the country, and to have cut or frozen Council Tax in 5 of the last 9 years. LBHF also has one of the most progressive Council Tax support schemes in the country, with almost half of residents not paying the full amount, and those least able to pay facing no charge at all.

27. The national economic conditions of high inflation and interest rates made a Council Tax increase in 2023/24 unavoidable and a 2.99% increase in the Hammersmith & Fulham element of Council Tax was required to achieve a sustainable budget. As the current level of Council Tax is so low, even an increase of 2.99% keeps the overall level well below other local authorities.
28. The budget proposals assume Council Tax will be increased by the amount modelled in the Government's Core Spending Power calculations, including the ringfenced Adult Social Care precept. The level of Council Tax increase reflects the assumption that has been outlined by Central Government in the Autumn Statement made on the 17 November by the Chancellor and assumed in the funding settlement for local government. The additional income will fund rising costs, protect, and support investment in key services for residents, and strengthen future financial resilience. The increase is equivalent to £26 per annum, or 50p per week, for 2024/25 (at Band D).
For the Adult Social Care precept, this is the equivalent to £17.44 per annum, or less than 35p per week (at Band D).
29. For 2024/25, despite the financial pressures on the council, our ruthlessly financially efficient approach has allowed us to keep Council Tax levels low. There is no better place to be a Council Taxpayer than here in Hammersmith & Fulham. Not only do we have the third lowest council tax rates in the country, but our Council Tax Support Scheme provides discounts and exemptions to many residents, with the most vulnerable paying nothing at all.
30. This administration took the decision to exempt care leavers from paying Council Tax entirely, and this year, for the first time, we will also exempt in-house foster carers and special guardians so that they do not pay a penny of Council Tax.
31. As set out in Table 4 below, it is estimated that 42% of residents will not be required to pay the full increase (as they will be supported through the single person household discounts, Council Tax Support, and exemptions).

Table 4: Liability for Council Tax at November 2023

Total dwellings in the borough	94,117
Reductions:	
Exemptions (mainly students, includes care leavers and vacant properties)	(3,415)
Council Tax support claimants (elderly & working age on low income)	(10,087)
Single person discount (25% discount)	(26,143)
Dwellings liable for 100% of Council Tax	54,472
	58%

Business Rates

32. The recent change in legislation has meant that the business rates multiplier has been 'decoupled', and ministers now have the power to set different levels of rates for the elements of the multiplier (small and standard multipliers). The Autumn Statement confirmed that the standard multiplier rate would increase in line with September's CPI inflation (6.7%).
33. There will be a freeze in 2024/25 for the small business rate multiplier for the fourth year in a row. The 75% Retail, Hospitality and Leisure relief will be also extended for 2024-25. Local authorities will be compensated by the government for the resultant loss of income from these measures.
34. The forecast assumes that Hammersmith & Fulham will receive and retain the minimum amount guaranteed, the safety net threshold, by Government. This is £62.5m for 2024/25.

Risk and financial resilience

35. Under Section 25 of the Local Government Act 2003, the Strategic Director of Finance is required to include, in the budget report, a view of the robustness of the 2024/25 estimates and also views of the adequacy of the balances and reserves the budget provides for in light of the medium-term risks facing the authority.
36. An updated reserves strategy and forecast will be included within the suite of finance reports presented to Cabinet and Full Council.
37. The current reserves forecast is set out in Table 5 and models a fall in overall general fund reserves and balances to £91.6m by 2027/28. This assumes a balanced budget is set each year with no further call on reserves.

Table 5: Reserves and general balances - cash flow forecast to 2027/28

	April 2023 £m	April 2024 £m	April 2025 £m	April 2026 £m	April 2027 £m
General balances (recommended range £19m - £23m)	21.3	21.3	21.3	21.3	21.3
Earmarked reserves	98.3	72.0	62.0	68.7	70.2
Sub Total	119.6	93.3	83.4	90.0	91.6
Developer contributions (Subject to separate monitoring and approval)	48.9				

38. The Council's general balance for 2023/24 is £21.3m, after the council ran a budget surplus and contributed additional funds to general balance reserves. This equates to 3.8% (14 days spend) of the Council's gross budget of £550.8m. The Strategic Director of Finance has recommended that the optimal range for the general balance is between £19m and £23m.
39. Reserves play a crucial role in good public financial management. They enable investment in service transformation and provide resilience against unexpected events or emergent needs.
40. Hammersmith & Fulham holds reserves for two main purposes:
 - As a contingency to cushion the impact of unexpected events or emergencies – this forms part of general balances.
 - To build up funds for known or predicted requirements; these specific reserves are known as earmarked reserves.
41. Reserves are also a key enabler for future service transformation. The financial challenge facing the council will require investment to deliver future efficiencies to enable the council to balance the budget in future years.
42. The lack of an appropriate safety net has resulted in several councils running into financial difficulties. Over the last two years, nine local authorities have produced a section 114 notice (this is a notice from the s151 officer in their view that a Council's resources are not sufficient to fund its forecasted expenditure for a financial year) and one in five local authorities have reported that they "think it is very or fairly likely that their chief finance officer will need to issue a Section 114 notice this year or next due to a lack of funding to keep key services running".³

Key Risks

43. The key financial risks that face the Council have been identified and are set out below:
 - The continuing economic conditions relating to inflation, interest rates, unemployment, real household incomes (these may all increase our service delivery costs, recovery of income and viability of major projects).
 - The increasing national legislative requirements (e.g., Environment Act 2021, Social Regulation 2023) will add additional pressures on our service delivery.
 - The increasing regulation from national government (e.g., OfLog, Housing Ombudsman, CQC) will increase our cost burdens.
 - The demographic pressures especially on Adult Services, Childrens Services (Special Educational Needs and Disabilities), homelessness (temporary accommodation) and people from abroad will continue (as is the case nationally for many other local authorities). This is a combination of a number of factors including the Covid-19 recovery, addressing pent-up demand and supply issues post Brexit.

³ [Section 114 fear for almost 1 in 5 council leaders and chief executives after cashless Autumn Statement | Local Government Association](#)

- Higher pay inflation particularly given current labour shortages.
- The stabilisation and restoration of Hammersmith Bridge, with the council incurring revenue and capital costs at risk until government funding is confirmed.
- The future impact on London of the government's 'levelling-up' agenda and wider local government finance reform (such as business rates)
- The impact of the wider economy on major council development projects and future contributions from developers
- The impact of, and costs of, tackling climate change
- The challenge of identifying further significant future savings that balance the budget over the longer-term.

Departmental risks for the services covered by this PAC are set out in Appendix 2.

Comments of the Strategic Director of Independent Living (DASS) on the 2024/25 Budget Proposals

44. Budget Headlines

- H&F continues to be the only Council in England to provide free home care for disabled people and older residents. I am proud that we have been able to prepare a budget that maintains this – along with not charging for other community services such as day care, short stay services and transport, all of which remain free.
- The Council is proposing to support residents by investing £4.803m in Home Care and Independent Living and in the Integrated Learning Disabilities Transition Team.
- We are also one of few Councils to provide a subsidised daily “Meals and a Chat” service (previously called Meals on Wheels). The charge of £2 per meal has not been increased for 9 years now.
- We also continue to offer a subsidised Careline service, for which the charge has stayed the same for 8 years.
- The department funds a range of Social Care support for 2,803 older and disabled residents, most of whom have extremely high support needs. 2,248 live in the community and 555 people live in a care home.
- Since 2014/15, the department has contributed savings of £28.9m to the Council's overall budget. This equates to 24.5% of the Council's total savings.

45. Pressures on the Social Care system

- Covid-19 has made an already volatile care market even more susceptible to market failure.

- The focus on even more rapid discharges from hospital has placed further pressure on the system.
- Delays in elective surgery have caused additional demands as residents are becoming more debilitated and in need of ongoing support.
- Until a long-term funding solution is found, more short-term support is needed to help manage the Adult Social Care response from the pandemic. As the national funding review of Social Care Finances has been deferred by Government, the Local Government Finance settlement announcement is on an annual basis, with specific ringfenced time limited grants to partly address the demand pressures ongoing from the pandemic in Social Care.
- There are increasing demographic pressures, with a focus on support for working age adults. There has been no growth provision proposed in the 2024-25 budget and this has been shown as a risk in the finances.
- Social Care's future ability to make further savings is challenged due to the additional pressures placed on it by the ongoing budget pressures.
- Looking at the impact of cost-of-living pressures on care market providers, the Government's "Fair Cost of Care" (FCC) exercise has resulted in a market sustainability report which has led to significantly higher costs. This would introduce a further budget pressure in coming years. The average increases in unit costs of care paid in 2023-24 have been between 5 to 10.7% depending on the service provided to support FCC to providers.
- The delays in elective surgery, severe workforce issues in the NHS and bed closures have led to a "ward at home" environment for those receiving support in their own homes, in which carers (now called "independent living workers") on lower pay and with less training are expected to undertake activities traditionally done by nurses, such as medicine management and wound dressing. A consistent approach is needed for funding Social Care and the NHS as two parts of an interlinked system, with any future NHS budget increases replicated for Social Care to put it on a more sustainable level to meet growth and demand for an ageing population and to strengthen Social Care's ability to support hospitals to discharge patients.

46. Key policy outcomes delivered in Social Care

- The administration continues its commitment to making life more affordable for older and disabled residents by providing free home care, day care, short stay support services and transport.
- For the ninth year in a row, residents are only paying £2 a time for 'Meals and a Chat' from local providers. We are also not increasing Careline charges for the eighth year in a row.

- H&F's Reablement Service has a Care Quality Commission's rating of **Outstanding** for the third year in a row. High quality and responsive reablement is essential for avoiding hospital re-admissions.
- As we have since 2015, the Council continues to pay our contractors and sub-contractors the London Living Wage. This makes life more affordable for our 1,500 care staff. It also helps us retain care staff for longer and so ensure an improved consistency of independent living workers.
- Excellent collaboration with our local hospitals means that H&F is among the leading boroughs in London for timely discharges. We are pleased by the greater prominence being given to this in relieving the intense pressures facing the NHS.

47. Key achievements being delivered in Social Care

- Co-producing a new service offer with parents to provide day opportunities for independent living for adults with profound autism.
- Achieving Dementia-Friendly Community status from the Alzheimer's Society, publishing a dementia guide for residents and carers.
- Establishing an all-age autism partnership board to co-produce improvements to services and support for neurodiverse residents and their families.
- Working with Action on Disability and our Strategic Co-production leads to launch our new Independent Living Delivery Group, with six newly recruited Disabled residents co-producing with the Council.
- Moving to improve support for transitioning young people into adulthood, growing our workforce capacity to meet demand and putting new protocols and a panel in place.
- We have received 174 compliments since April 2023 from residents, which continues from the high number of compliments in the last three years. We have received 69 complaints since April 2023.

48. Public Health

- Public Health is fully funded by a ring-fenced grant from the Department of Health and Social Care and will remain a zero-cost budget to the Council. The indicative 2024/25 level of grant is expected to be £24.3m, which is an increase of £0.3m to pay for inflationary pressures.
- The Council's base budget for Public Health Investment in Council services has increased to £7.456m, an increase of £0.522m in 2024/25. This results from the service collaborating with other Council departments to achieve more

compassionate, effective and ruthlessly financial efficient ways of delivering Public Health outcomes in the challenging financial environment.

49. Key achievements delivered by Public Health in 2023-24

- Procurement of a new integrated drug and alcohol service (provided now by Turning Point alone).
- Launch of “Beat the street”, an excellent, evidence-based programme of physical activity to promote walking in children.
- Commissioning of The Listening Place to do expert, bespoke suicide prevention work with residents and partner services.
- Second year of an innovative education and empowerment programme to promote uptake of flu and Covid vaccines in nursing home staff.
- The Council is rare in having its own infection prevention and control nurse. She has led on innovative work in our care homes, conducting detailed environmental audits, designing new safety systems which mirror Care Quality Commission processes. She provides monthly education for care staff around infection control and immunisations.
- The Director of Public Health (DPH), working together with housing and economy colleagues, has developed a practical, easy-read guide to housing and employment services for the NHS across GPs, hospitals, and the mental health trust. This includes how to get help with damp and mould, Council housing repairs and medical queries around allocations. The guide has been shared with London DPHs and adopted by neighbouring boroughs.
- The DPH and housing colleagues identified several issues with homeless hostel residents gaining access to mental health services, as they often have dual diagnosis (concomitant mental health and substance misuse needs). Working with our mental health trusts and substance misuse services, we are building an innovative model of bespoke specialist mental health and dual diagnosis expertise for the hostels in LBHF to reduce crisis / emergency use of services.

50. Market management and inflationary pressures

- Both the supply of independent living workers to deliver home care and the supply of beds in care homes available at an affordable price have become limited across London. We will continue to implement business continuity plans locally so that we can continue to meet our statutory requirements under the Care Act to provide appropriate care and support following a Social Care assessment.

- Care homes are continuing to ask for higher rates. Some homes are seeking to move away from making a distinction between health, Social Care, and self-funder rates. The national body representing care homes is arguing for full cost of recovery for all placements rather than a business model which is balanced between a mix of private and public funded placements. We are looking to continue to secure competitive rates as a west London region in this changing context.
- In 2023, early hospital discharge of residents who are deemed medically fit continued to increase the demand for home care. The level of acuity of need remains high. For example, 212 residents currently require two independent living workers three to four times per day. Some residents require live-in and night-time care.
- Since the start of the year, 33 residents with Learning Disabilities have been receiving support in a placement, with costs averaging over £2,000 per week.
- For older residents with physical support needs, there are currently 126 placements with costs averaging over £1,000 per week, equating to 47% of all physical support placements. This is a significant increase compared to 12 months ago, when placements exceeding £1,000 per week equated to just 24% of all physical support placements.
- Mental health placements' weekly costs have increased by over 11% since the start of this budget year, whilst resident numbers have increased by 8%.
- As part of the Council inflation strategy (see section 3), Social Care is proposed a budget increase of £3.024m for initial inflationary pressures, which represents a 4% uplift for 2024/25.

51. Adult Social Care additional ringfenced grants

As detailed in the provisional local government finance settlement there are two continued ringfenced grants in 2024/25.

Market sustainability and improvement funding and workforce – £4m (an increase of £0.4m in 2024/25)

- As part of moving towards the Fair Cost of Care (FCC) in the Social Care market, the government proposes to maintain current levels of FCC funding for local authorities for 2023-2025. This is to continue to support the progress that local authorities and providers have already made this year on fees and cost of care exercises.
- An additional £0.4m for H&F Adult Social Care has been allocated for 2024/25. This extra funding will support inflationary settlements above the 4% proposed budget and for the increase in the London Living Wage.

- This grant is also intended to make tangible improvements to Adult Social Care, address Social Care waiting times and workforce pressures, and promote technological innovation in the sector – all with the aim of improving market sustainability.

Discharge funding – £2.3m (an increase of £0.9m in 2024/25)

- This is a ring-fenced grant which must be pooled with the NHS as part of the Better Care Fund. The funding is intended to support improvements to Adult Social Care and to address new and increasing discharges from April 2023-2025.

52. Investment and Savings strategy

Given the significant pressures in Social Care there are 2 investments proposed for 2024/25 totalling £4.803m, which accounts for 44% of proposed investment in all services. Further details are in appendix 1.

Home Care and Independent Living (HCIL) procurement award for six borough-based new contracts (these contracts are for the Patch and Bridging Service and Home Care spot demand pressures) – £4.2m

- The Cabinet meeting of 15 January 2024 approved the award of twelve contracts for the provision of Home Care and Independent Living following an open tender procedure.
- In order to deliver this service, the Council intends radically to improve the quality of the care provided to residents both in their own home and in the borough's care homes through the introduction of a new Total Quality Management approach.
- A total of £21.4m is expected to be invested in the HCIL service in 2024/25, an increase of £4.2m from 2023/24 (subject to approval of the Annual Budget for 2024/25 by Full Council in February 2024).
- The funding restates the requirement for all independent living workers to be paid at the London Living Wage (LLW) as a minimum. This will include their travel time between visits.

The integrated Learning Disabilities (LD) Transition Team – £0.603m

- Additional resources are required for the increasing number of disabled young people transitioning into adult services. We have estimated that there are likely to be 126 more young people by 2027/28 creating a cost pressure on an already overspending budget.

53. Savings Proposals.

- The department proposes 9 Social Care and 4 Public Health efficiency proposals with themes around continuous improvement of services, commissioning market opportunities and redesign of services. These total £2.122m of savings in 2024/25. This represents 26% of all the efficiencies proposed by the Council as a whole for this year. Further details of these are in Appendix 1.

54. Indicative Budget 2024/25

- The Social Care and Public Health department revenue budget for 2024/25 is summarised at divisional level in the table below.
- The net budget for 24/25 is £73.629m. This represents an increase of 11% for 2024/25 compared with a net budget for 2023/24 of £66.036m.

Table 6

Service	Expenditure £000	Income £000	Net Budget £000
Independent Living, Quality, Performance & Safeguarding	63,863	(31,872)	31,991
Specialist Support and Independent Living	33,530	(4,888)	28,642
Commissioning	10,080	(3,603)	6,477
Resources	6,080	(037)	6,043
Social Care	528	(052)	476
Public Health	24,348	(24,348)	-
Total	138,429	(64,800)	73,629

- The main budget changes are described in the above paragraphs and are shown in more detail in the appendices to this report.

55. Fees and charges

- The Meals and a Chat and Careline charges remain unchanged in 2024/25. For the ninth year in a row, residents only pay £2 a time for 'Meals and a Chat' from local providers. We are also not increasing Careline charges for the eighth year in a row. Further details are in Appendix 4.

56. Equality Implications

- A draft Equality Impact Analysis (EIA), which assesses the impacts on equality of the main items in the budget proposals relevant to this PAC, is attached as Appendix 3. A final EIA will be reported to Budget Council in February 2024.

List of Appendices

Appendix 1 – Savings and investment proposals

Appendix 2 – Risks

Appendix 3 – Equality Impact Assessments

Appendix 4 – Fees and Charges

Appendix 5 – Spending Power Calculation