

## LONDON BOROUGH OF HAMMERSMITH & FULHAM

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

**Date:** 29/01/2025

**Subject:** 2025/26 Revenue Budget and Medium-Term Financial Strategy (MTFS)

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### SUMMARY

Cabinet will present their revenue budget and Council Tax proposals to Budget Council on 26 February 2025. This report provides an update on the overall preparation and proposals for the 2025/26 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 Policy and Accountability Committee, and the committee is invited to comment on the budget proposals set out in detail in the appendices. Risk schedules and Equalities Impact Assessments of any budget changes are provided in the appendices alongside an update on any proposed changes in fees and charges in the budget where applicable.

Nationally, the strategic operating environment for public services (including local government) has been challenging over the past decade with continuing demographic, legislative and regulatory demands. Combined with the recent macro-economic turmoil, and fluctuations in interest and inflation rates, this has resulted in considerable financial pressures. The Autumn Budget combined with other central government communications on the local government finance settlement suggest that it is likely that there will be more collaborative and partnership working in the future combined with reforms to the existing funding frameworks for local authorities. The Council will work with national government on this reform programme.

The Council welcomes new resources for Extended Producer Responsibility (for waste collection and disposal costs), additional resources for Social Care, Children Services, Homelessness, and funding for the extra national insurance levies, in addition to an extension of Household Support Fund (Round 7).

The overall objectives of the revenue budget proposals for 2025/26 are intended to:

- continue to protect the delivery of core services valued by residents, businesses and visitors

- ensure the safety of our borough
- support prosperity across Hammersmith and Fulham
- promote an exceptional, innovative and efficient Council
- maintain strong financial governance and resilience across the Council and
- preserve one of the lowest Council Tax rates in the country.

A balanced budget for 2025/26 is proposed (whilst protecting our reserves and in year contingencies) including £5.1m of efficiencies, plus additional investment of £12.3m across many services and will allow the continued delivery of the best services to our residents, businesses and visitors. This builds on the administration's record of Prudential Financial management, running a budget surplus in the last full financial year (2023/24) and increasing reserves at a time when many other councils are utilising them to balance the books.

The key investment proposals of £12.3m for 2025/26 include:

- £3.4m for community safety and social inclusion through permanent funding for our Law Enforcement Team and Gangs Unit, including additional investment to tackle Violence against Women and Girls.
- £2.8m for Adult Social Care (primarily residential and nursing care in addition to existing free home care services).
- £2.2m for Children Services (including family hubs, travel support, looked after children and supporting school attendance).
- £1.8m for Waste Collection and Disposal Services (extra packaging waste, contractual costs on pensions, fuel, and addressing cost pressures).
- £1.2m for Homelessness (in addition to a further £3.5m from the Homelessness Prevention Grant and inflationary uplifts).
- £0.3m to support the continued delivery of the Upstream Strategy (this will promote the long-term economic growth and prosperity of the Borough).
- £0.6m across a range of services to including our Climate Team, Sports Facilities, Insurance Services and enhancing protection against fraud through digital inclusion.

The proposed increase of Council Tax by 2.99% and the additional social care precept (which equates to a total increase of 88p per week) will generate an additional £4m (or 2% of the council's net budget) per annum to fund Council services. This is essential funding for the Council to ensure continuing financial resilience, protect its funding position over the medium term, meet the challenges posed by increasing demand and inflation, whilst balancing the impact on local council taxpayers.

Council Tax in Hammersmith & Fulham remains the third lowest in the country. Since coming to power in 2014, this administration has cut or frozen council tax five times in ten years. But who pays council tax is just as important as how much they pay, which is why we are rightly proud to have one of the most comprehensive Council Tax Support Schemes in the country. Almost four in ten households receive some sort of discount, with those least able to pay paying nothing at all, and the administration choosing to exclude care leavers and foster carers entirely.

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 Policy and Accountability Committee considers the budget proposals and makes recommendations to Cabinet as appropriate.
2. That the Committee considers the proposed changes to fees and charges and makes recommendations as appropriate.

**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 2025/26 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 25/26 supports the ongoing investment in services that directly support residents in living, healthy and independent lives. This includes continuing to provide free homecare for older residents, continuing to provide comprehensive Council Tax support to those eligible and increasing investment to tackle homelessness and rough sleeping.
Building shared prosperity	The budget proposals support the launch of the next phase of the industrial strategy (Upstream London) which sets a clear strategy to grow a localised economic ecosystem, with a focus on the sectors that are set to grow and that are deemed right for the local area.
Doing things with residents, not to them	The budget for 25/26 will continue investment 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 support work to increase engagement and investment in green energy and technologies, increase investment in its waste services, continue to keep our streets and parks clean, and take a tough stance against anyone dropping litter, creating graffiti, or dumping rubbish.

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## Background Papers Used in Preparing This Report

None.

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## CABINET MEMBER FOR FINANCE AND REFORM FOREWORD

Concern about crime is by far the most common issue that my residents in Coningham ward contact me about, in my role as a councillor. Across the borough, residents are frustrated that despite regularly reporting crimes committed in their communities, they do not see action taken to address them.

The local police work extremely hard, but resource constraints mean that they often are not able to work as effectively as they would like. The numbers of police officers allocated to wards has reduced in the last decade and a half, and in recent years my own Safer Neighbourhood Team has, at times, just had one officer. This makes it impossible to provide a visible presence across the ward to reassure the public.

Since 2010, centrally imposed reductions in numbers of police and police stations have made it harder for neighbourhood policing to combat crime in our communities. Residents are increasingly contacting the council for help, and while the council has no control over the police or police numbers, we see it as our duty to act to keep our streets safe.

Cuts to police number and police stations in the borough since 2010 have undoubtedly had a major impact on residents' perception of crime. Although crime prevention is the responsibility of the police, rather than the council, this administration sees it as its duty to act when we can to keep residents safe. We will do what we can to support them in this, the most important part of any area of government.

This is why we established the Law Enforcement Team, a unique service among councils in the UK, which provides a visible presence on our streets to tackle anti-social behaviour. This is why we established the innovative Gangs Unit, which works with the police to keep young people out of a life of organised crime. This is why we have funded more CCTV cameras per person, than any other local authority in the country. This is why we were the first council in the country to establish a borough wide Public Spaces Protection Order to prevent street harassment of women and girls in the area.

This work is now more important than ever, which is why this budget funds the fight against crime here in Hammersmith & Fulham. This is a budget which, to borrow a phrase, is tough on crime, but tough on the causes of crime too.

It does so with new resources allocated to stop truancy from our schools and educate residents of the growing risk of fraud.

In this budget we have chosen to:

- Secure the funding of the Law Enforcement Team, moving this to the base budget so that it is protected against fluctuations in the economic cycle and residents can be reassured that it will be there when they need it.
- Fully fund the innovative Gangs Unit, which has so successfully choked off organised crime at its roots in recent years.
- Invest new resources in the prevention of violence against women and girls here in our borough.
- Allocated additional funding to a school attendance strategy, which will keep young people in education and reduce the risk of the falling into a life of crime or committing anti-social behaviour; and
- Ensuring that residents have the digital skills and awareness to avoid fraud, the fastest growing crime in the country.

Public safety cannot be done on the cheap. This budget is vital to keep our streets safe and to protect the residents of Hammersmith & Fulham. Criminals across the borough will desperately hope that this is not passed, but the message should go out from this council that their days of terrorising residents are numbered, and that we are coming for them.

The objectives of the General Fund revenue budget proposals for 2025/26 as set out in the report are to:

- continue to protect the delivery of core services valued by residents, businesses, and visitors.
- ensure the safety of our borough.
- support prosperity across Hammersmith & Fulham.
- promote an exceptional, innovative and efficient Council.

- maintain strong financial governance and resilience across the Council; and
- preserve one of the lowest Council Tax rates in the country.

In recent years a combination of statutory requirements placed on councils without corresponding funding, and the lacklustre performance of the economy creating additional need for council services, have stretched local government finances. This budget recognises pressures placed on areas like school transport, temporary accommodation and social care, and provides new funding to address these.

Anyone involved in local government over the last decade and a half should appreciate how difficult budget setting has become. The national public finance policies adopted since 2010 and the economic turmoil from events like Brexit and the 2022 “mini budget” directly caused significant pressure on services and the finances of the Council. This has increased the costs for both provision of and delivery of key services, and has eroded the disposable income for many, increasing the demand for the provision of and delivery of key services. The high interest rates directly impact on the cost of mortgages for homeowners whilst making it more expensive for the council to borrow and resource its capital programme.

However, the cumulative impact of austerity imposed by the previous Government has meant funding from central government has reduced by 54% in real terms<sup>1</sup> and 19% in cash terms, from £164m in 2010/11 to £132m in 2025/26<sup>2</sup>.

A change in Government after 14 years of continued austerity for local government has provided the opportunity for the relationship between local and central government to be reset and planned reform of the financial funding framework for local authorities. The Chancellor’s Budget on 30<sup>th</sup> October 2024 outlined a set of measures aimed at fixing the foundations of the economy and delivering change.

Despite the financial pressures being experienced across all local authorities, our ruthlessly financially efficient approach (by generating more than £123m of efficiencies since 2014/15), securing more than £100m in contributions from developing the Borough and generating more than £60m in annual income) has allowed the council to ease financial burdens on residents by keeping taxes low, freezing key charges and providing one of the country’s most comprehensive Council Tax Support Schemes.

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 that residents rely on, but we have gone further, providing new services like the local Law Enforcement Teams to keep our streets and communities safe and clean, maintain weekly bin collections, free breakfasts in primary schools and establishing three Family Hubs at the heart of our communities.

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<sup>1</sup> As per RPI indices - [Retail Prices Index: Long run series: 1947 to 2023: Jan 1974=100 - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/retail-prices-index/long-run-series/1947-to-2023)

<sup>2</sup> Funding includes Revenue Support Grant, Business Rates Funding Baseline, Social Care and other general grants.

We have also eased financial burdens that residents face by residents by abolishing home care costs, using an Ethical Debt Collection Policy to support those struggling with Council Tax rather than taking further enforcement action, and providing one of the country's most comprehensive Council Tax Support Schemes.

While the national tax burden reached historically high levels due to the previous government, there is nowhere better to be a Council Taxpayer than right here in Hammersmith & Fulham. Not only have we set the third lowest Council Tax in the country by cutting or freezing rates in five of the last ten years, but we have one of the most comprehensive Council Tax Support Schemes, which ensures that those least able to pay, pay the least.

We are one of just three London councils that has maintained no minimum payment, meaning the most vulnerable residents will not need to pay a penny of their Council Tax when they are struggling to make ends meet. We have also taken the decision to exclude Care Leavers and Foster Carers from Council Tax entirely, in recognition of the unique difficulties that they face and their inspiring contribution to our community.

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.

This council will continue to manage its financial resources effectively to ensure financial resilience and sustainability (including a good level of reserves and in year contingencies). Despite the wider challenges faced by councils across the country, the council will continue to rise to the financial challenges faced to protect its residents, businesses and visitors services, and deliver on its commitment to make the borough a stronger, safer, and kinder place for everyone.

## **DETAILED ANALYSIS**

### **National Financial Context and Outlook**

1. Local government continues to operate in a volatile and uncertain financial environment for the short and medium term. Although inflation has fallen in recent months, inflationary price rises over the last twelve months continue to impact the Council's budgetary position and increase the cost of living for its residents and businesses.
2. CPI (Consumer Price Index) inflation has returned to the Bank of England's 2% target level in 2024/25, falling to 1.7% in September. However there has been an upward turn in recent months mainly attributed to the rise of the Office of Gas and Electricity Markets (Ofgem) energy price cap in October 2024.
3. Whilst CPI inflation is no longer at the peak of 11.1% experienced in October 2022 (this was the highest rate in over 40 years), the lower level of inflation is applicable to prices which have seen a cumulative increase of more than 20% over the last 3 years.

4. As part of its fiscal policy and to meet the Government's 2% inflation target, the Bank of England have put up the UK base interest fourteen times over the past two years, and the base rate now stands at 4.75%, although this is down from a peak of 5.25% from August 2023 to July 2024. For the council, its main source of borrowing is via the Public Works Loan Board, whose rates vary slightly from those issued by the Bank of England, being based on gilt rates.
5. This will have an impact on the Council's capital programme as much careful consideration will have to be given by Members on how to finance and pay back any sums borrowed and repayable soon.
6. The table below sets out some of the Office of Budget Responsibility's (OBR) key economic and fiscal indicators over the medium term.

	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
CPI	2.6	2.2	2.1	2.1
Average Earnings	3.0	2.1	2.0	2.3
Interest Rates	3.9	3.7	3.6	3.5
Gilt Rates	4.1	4.2	4.3	4.5

7. The Provisional 2025/26 Local Government Finance Settlement (LGFS) was published by MHCLG on the 18th of December 2024. This statement outlines provisional funding allocations for local authorities for 2025/26 alongside the Core Spending Power for each authority.
8. The 2025/26 PLGFS continues the recent trend of single year funding settlements with no grant allocations confirmed beyond next year. However, in the statement, the new Government has set out its intention to simplify the wider local funding landscape, reducing the number of grants and consolidating them into the Local Government Finance Settlement, as well as moving towards a multi-year settlement for local government from 2026/27 so local authorities can plan more effectively.
9. A consultation was also launched at the PLGFS asking authorities for their views on the reforms. The proposed reforms will have no impact on funding for 2025/26 but are expected to have an impact for future years. No assumptions are made in the budget until further details are known.
10. Core Spending Power estimates total revenue funding available to authorities. The provisional settlement provided a real terms increase in Core Spending Power of 3.5% however within this calculation what is shown as funding for local authorities is in large part, the ability for local authorities to raise Council Tax locally as opposed to direct grant funding from central government.
11. The settlement assumes that local authorities will need to increase local tax by 5% each year until 2028/29. It also includes assumptions on business rates income



(including compensation for under indexing the multiplier) as well as growth in the Council Tax base.

12. A summary of the Council's Core Spending Power in comparison to the previous financial year is set out in the table below

**Table 1 - Core Spending Power 2025/26**

	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>Change between years £m</b>
Revenue Support Grant and Estimated Retained Business Rates	89.1	90.4	1.3
Government Grants	53.2	58.3	5.1
Estimated Council Tax	78.8	84.2	5.4
<b>Total</b>	<b>220.3</b>	<b>232.9</b>	<b>11.8</b>

13. It should be noted that whilst the overall Core Spending Power for the Council has increased by £11.8m, £5.5m (47%) 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:

1. **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 £0.42m. The BFL is the estimated retained Business Rates as calculated by the Government, usually uprated 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.
2. **Social Care funding** – An additional £1.13bn of new funding was announced for local authorities targeted at adult and children social care (with £250m of this being a new Children's Social Care Prevention Grant, distributed using a new children's needs-based formula).  
  
This funding is in addition to £1.05bn continuing ringfenced funding for adult social care in relation to the Local Authority Better Care Grant (which now includes the Discharge Fund) and the Market Sustainability and Improvement Fund.
3. **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.
4. **New Homes Bonus** - There will be new rounds of New Homes Bonus (NHB) payments in 2025/26. In line with last year, these payments will not attract new legacy payments. It was announced that this will be the last year of the funding, with further announcements on alternative funding to be determined.

The statement confirmed the repurposing of the **Services Grant** to simplify the system, in line with the assumptions set out in the MTFS.

### Other Funding

5. **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 2024/25 was £2.8m, all of which is planned to be spent as part of the council's Cost of Living response.
6. It was confirmed by the Chancellor in her Autumn Statement that the HSF will continue until the end of 2025/26 (with £740m distributed to councils in England) which is welcome news given how vital this additional funding has been to support those most vulnerable and affected by the Cost-of-Living crisis.
7. **Extender Producer Responsibility for Packaging (pEPR)** – This income will cover the existing costs local authorities incur for managing household packaging waste, provide additional funding for new legal duties, and support much needed investment in the waste and recycling industry. The council will receive an estimated £1.87m as a guaranteed payment in 2025/26 towards these costs. However, the government will assess the impact of additional pEPR income on the relative needs and resources of individual local authorities, and how it factors into the measurement of local authority spending power, ahead of the 2026/27 Settlement.

The Government have outlined as part of the terms of the funding that councils will be subject to monitoring and evaluation of the efficiency and effectiveness of its waste management functions. The council may be subject to improvement actions if it is not deemed 'efficient and effective', and potential deductions on payments from 2027/28 if improvements are not delivered.

8. The Council will receive £24.5m for the Public Health Grant, £6.6m for the Homelessness Prevention Grant (although in a change in policy it should be noted that 49% of this grant cannot be spent on temporary accommodation and must be spend on prevention, relief and staffing activity) plus a further £1.0m for rough sleeping prevention and recovery, plus £188.3m for the Dedicated Schools Grant (DSG). These grants are ringfenced within departmental budgets and are assumed will have a neutral impact in the current budget proposals.

## **The Budget Requirement and Gap**

14. The proposals for balancing the budget for 2025/26 are included in the table below:

### **Table 2 – Proposals for balancing the 2025/26 budget**

	<b>Proposed (£m)</b>
<b>Base Budget 2024/25 (Balanced Budget)</b>	-
Provision for Price Inflation (2.7% plus some targeting)	6.2
Provision for Pay Inflation (2%)	3.1
Provision for Growth and Investment in Services	12.3
Other Changes (cost of borrowing/minimum revenue provision/concessionary fares/interest on balances)	7.2
Recognition of current income projections	(3.0)
Savings and Efficiencies	(5.1)
<b>Resources</b>	
Increase in Central Govt Grants	(7.9)
Collection Fund (business rates and prior year surpluses)	(6.8)
Increase in Council Tax Base (Households)	(2.0)
Additional Council Tax Income (from April 2025)	(4.0)
<b>Budget Gap 25/26</b>	-

### Investment and growth pressures

15. Additional investment and growth of £12.3m is being provided following the budget setting and review process. The proposed investment and growth items are summarised in Table 3 by department and for those relevant to this committee in Table 4. The detailed investment proposals for this committee are set out in Appendix 1 to this report and as part of the Director's comments section below.

**Table 3: 2025/26 Investment Proposals**

<b>Department</b>	<b>£m</b>
People	5.0
Place	5.5
Housing Solutions	1.2
Finance and Corporate Services	0.6
<b>Total</b>	<b>12.3</b>

**Table 4: Investment and growth proposals relevant to this committee**

<b>Proposal</b>	<b>£m</b>
Adults Care Packages - Baseline budget pressures in Residential & Nursing Placements and in Supported Living Accommodation with the	2.800

full year effect in 2024/25 of all residents receiving care services and supporting the care market.	
<b>Total</b>	<b>2.800</b>

## Savings and Income Generation

16. 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.
17. The proposed savings (including additional income) for 2025/26 are set out in Table 5. The savings proposals for this committee are set out in Appendix 1 to this report and as part of the Executive Director's comments section below.

**Table 5: 2025/26 firm savings and additional income**

Department	£m
People	(1.8)
Place	(2.1)
Finance and Corporate Services	(1.3)
<b>Total</b>	<b>(5.1)</b>

18. The savings relevant to this committee are summarised in table 6 below.

**Table 6: Summary of savings relevant to this committee**

Proposal	£m
Review care costs with NHS (CHC) as people with very high needs are discharged from hospital.	(0.100)
Focus on prevention to further promote independent living including promotion of services and support provided in the local area by the voluntary and community sector.	(0.300)
Further increased take-up of Direct Payments to improve choice and control for residents.	(0.200)
Increasing choice and flexibility to access meals	(0.050)
<b>Total</b>	<b>(0.650)</b>

## Fees and Charges

19. 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 1.7% is applied for other non-commercial and non-parking fees, as per September 2024 CPI.

Exceptions to these assumptions are set out in Appendix 4.

### **Equalities Implications**

20. Each budget proposal has been subject to an Equalities Impact Assessment (EQIA) review. These are attached in Appendix 3. A consolidated EQIA report will be presented to Budget Council in February 2025.

### **Comments of the Executive Director of People on the 2025/26 Budget Proposals.**

21. People's Services in Hammersmith and Fulham are passionate about delivering excellent services to our residents. Our 2024 refreshed vision for the new directorate is:

***Working compassionately with children, young people and adults so that they enjoy independent, healthy and fulfilling lives.***

***We listen, respond and empower residents and staff to support the development of our services.***

***Our highly skilled teams nurture collaborative partnerships to ensure services remain efficient, responsive and support the building of resilience and prosperity for all our residents.***

22. The new People's Directorate, bringing together Children's Services, Adult Social Care and Public Health, under single leadership has provided stability, a renewed focus, energy and opportunity following a period of instability.

23. Positive developments across the directorate in 2024/25 include:

- Additional Annual Review Team delivering strengths based, person-centred reviews to residents receiving care and support.

- Our CQC rated Outstanding Rivercourt Respite and Reablement services.
- Embedding our Transitions Team working with young people from the age of 14 as they prepare for adulthood, ensuring a smooth transition to Adult Services.
- New Market Position Statement summarising key supply and demand locally.
- New Workforce Development Strategy setting the ambition of H&F being an employer of choice; recruiting and retaining the best.
- Improved response times for people requiring assessment and significant increase in numbers of assessments, reviews and interventions.
- Introduction of a revised Quality Assurance Framework and formal case auditing
- New portal introduced for staff working in adult social care to improve access to key information, procedures and policies.
- Safeguarding management training rolled out for all Safeguarding Adults Managers
- Front Door processes reviewed and streamlined to improve the customer journey and points of access.

Public Health 's range achievements include:

- Completion and publication of health and wellbeing strategy 2024-29
- Launch of suicide prevention campaign – Let's talk.
- Launch and growth of family champion's programme
- Drugs and Alcohol H&F has reached its target for both numbers in treatment (NIT) on the National Drug Treatment Monitoring System (NDTMS), and highest continuity of care (COC) in London.

24. The creation of a single directorate has further supported our whole system continuous improvements, the coherence of which is manifested in key cross cutting priorities including Early Intervention, SEND and Health Equalities. Our new Transitions Team embodies the cross department working to secure improved outcomes for our residents.

25. At a time of significant financial pressures, because of the national economic picture and increasing acuity of need and demand for services, there are significant risks, which include:

- Demographic demand growth and complexity of need modelled, and an estimated cost pressure increase of £1.4m in 2025/26.
- Pressures within the care market and the impact of cost-of-living.
- Young people with complex needs reaching adulthood (transitions).
- Price pressures both existing and following new competitive tender activity
- Risk of government and partner agency grants reducing / ending impacting the delivery of frontline services.
- Ever increasing hospital discharge pressures into social care market.
- Funding challenges within the Health and Social Care economy e.g. Most immediate of these is the Northwest London Integrated Care Board's Better Care Fund Review and the subsequent potential financial efficiencies impact on local services in H&F.

26. We recognise this and have prioritised investment in 2025/26 to address sustained demand led pressures. These include:
- Residential and nursing placements
  - Supported living / extra care
27. We recognise that early intervention and independent living through a reablement and community lens are critical to ensuring the long-term sustainability of the system. To this extent we have committed to coproducing a new Independent Living Partnership Strategy to provide a framework for undertaking key transformation which ensures high quality, person centred, and outcomes focused services are available to our residents.
28. Our aspiration and ambition to ensure consistent and compassionate care and improved outcomes is underpinned by a continuing commitment to protect the quality of services to the most vulnerable members of the community within the statutory framework required of the directorate. Our priorities for the year ahead include:
- Establishing a new coproduced five-year Independent Living Partnership Strategy.
  - Undertaking an end-to-end placement sufficiency review and development of a new Placement Sufficiency Plan for Adult Social Care
  - Development of subsequent business cases and procurement strategies to undertake end to end strategic commissioning and transformation both in relation to inhouse and contracted services
  - Transformation of service delivery to ensure prevention is prioritised and support is person centred, and strength focused.
  - Together with our NHS partners building health and care services that work equally for everyone and in which everyone feels confident
29. Given the sustained financial pressures, we must be innovative and transformative within the available resources. The savings proposals are consistent with our vision and these aspirations. This includes improvements to the process of signposting residents to the range of services and support provided in the local area, as well as use of direct payments to promote greater choice and control over how residents can meet their assessed needs.
30. We recognise that we cannot deliver this in isolation however, and our dynamic partnerships with residents through coproduction, across Health and the community and third sector will be pivotal to leveraging system capacity.

### Budget 2025/26

31. Adult Social Care proposed net budget for 2025/26 is £77.540m. Within this sum are areas over which the service has little direct control, these are defined as non-controllable and include contributions to Corporate Services and capital charges. In total these add up to £7.396m. This means that the net direct expenditure that the directorate is in control of is £70.143m. The Public Health grant is £24.261m which ringfenced funding to meet Public Health outcomes.

The table below sets out how the 2025/26 indicative total expenditure and income budgets across the various departments. The net budget at the start of 2024/25 was £71.136m, an increase of £6.4m (9%). Of this £6.4m increase, £4.9m (6.9%) relates to budget increases in investment and an inflationary uplift, and £1.5m (2.1%) relates to non-controllable support level charges increases.

**Table 7: Adult Social Care & Public Health Proposed Budgets 2025-26**

<b>Divisions</b>	<b>Gross Expenditure Budget</b>	<b>Gross Income Budget</b>	<b>Net Expenditure Budget</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Independent Living, Quality, Performance and Safeguarding	67.971	(36.334)	31.637
Specialist Support and Independent Living	38.244	(4.802)	33.443
Commissioning	6.274	(2.374)	3.900
Resources	0.719	(0.037)	0.681
ASC Directorate	0.483	-	0.483
Public Health	24.461	(24,461)	-
<b>Total Controllable Budget</b>	<b>138.152</b>	<b>(68.008)</b>	<b>70.143</b>
Non Controllable Budget	7.396	-	7.396
<b>Grand Total</b>	<b>145.548</b>	<b>(68.008)</b>	<b>77.540</b>

**Table 8: Summary of the budget movement from 2024-25 to 2025-26**

<b>Agreed Budget 2024/25</b>	<b>Inflation</b>	<b>Growth</b>	<b>Savings</b>	<b>Other Budget Adjustments</b>	<b>Proposed Budget 2025/26</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>71.136</b>	2.092	2.800	(0.650)	2.162	<b>77.540</b>

**List of Appendices:**

Appendix 1 – Savings and Investment proposals

Appendix 2 – Service Risks

Appendix 3 – Equality Impact Assessments for Savings and Investments

Appendix 4 – Fees and Charges