



LINCOLNSHIRE HEALTH AND WELLBEING BOARD

Open Report on behalf of Cllr Sue Woolley, Chair, Lincolnshire Health and Wellbeing Board

Report to	Lincolnshire Health and Wellbeing Board
Date:	7 December 2021
Subject:	Spending Review 2021 and Autumn Budget

Summary:

On 27 September 2021 the Chancellor of the Exchequer delivered the Spending Review (SR21) and Autumn Budget. This paper summarises the key and announcements and what they mean for the health and care system.

Actions Required:

This report is for noting.

1. Background

On 27 October 2021 the Chancellor of the Exchequer delivered the Spending Review (SR21) and Autumn Budget. The latter sets out the Government's taxation and public expenditure plans for the year ahead, and SR21 confirmed resource and capital budgets for the three years 2022-23 to 2024-25. Further details may also emerge as a result of the Local Government Finance Settlement in December.

1.1 Key Headlines

- Core spending power will increase by £8.5bn (3% per annum in real terms) by 2024/25.
- The council tax referendum limit is to remain at 2% and the Adult Social Care (ASC) Precept at 1% per annum.
- The Local Government Departmental Expenditure Limit (LG DEL) will increase by £3.6bn by 2024/25 – 30% in real terms. This includes £1.5bn per annum of new grant funding (the distribution will be confirmed at the Local Government Settlement in December).
- There will be no separate compensation for Covid-19 tax losses relating to 2021/22.

- A cumulative £3.6bn for Adult Social Care (ASC) reform will be routed through local authorities within the LG DEL (the remaining £1.7m will support social care and come from the DHSC DEL).
- The Public Health grant will rise by inflation equating to an additional £0.5bn nationally.
- Funding for rough sleeping of £639m by 2024/25 was confirmed.
- £1.8bn was set out for housing supply, this includes £300m locally led grant funding to unlock smaller brownfield sites and £1.5bn to regenerate underused land.
- £2.6m of capital funding for school places was confirmed for children with Special Educational Needs and Disabilities.
- £3.8bn of additional skills funding and £550m for adult skills was confirmed by 2024/25.

1.2 Commentary

The SR21 and Autumn Budget provided a return to multi-year financial plans after two consecutive year events. Overall, the Chancellor announced substantial spending commitments accompanied by confirmation of an increase in the overall tax burden.

Despite the announcement to increase National Insurance to fund a Health and Care Levy, funding for adult social care remains an area of concern. The Local Government Association (LGA) commented:

'It is disappointing that the Chancellor has not provided additional funding to address existing pressures on adult social care services and not increased public health funding in real terms. We remain concerned that the money allocated to social care from the Health and Care Levy will be insufficient to fund reforms. The potential rise in local government core spending power over the next three years will also be dependent on councils increasing council tax by three per cent per annum.'

In terms of the Public Health Grant Fund, the LGA stated:

'The lack of a real terms increase in public health grant funding, despite this incredibly challenging period is very disappointing and makes it harder to address the stark health inequalities exposed by Covid-19 to level up our communities. Keeping people healthy and well throughout their lives reduces pressure on the NHS, social care, criminal justice and the benefits system.'

The NHS Confederation commented that the funding announced in the Budget was a start but fell short of the £10bn need in England to address the scale of the challenges facing the NHS. It stated:

'Covid-19 has shown how much non-healthcare related factors impact health and care. But this Budget doesn't do enough to address the issues. We welcome the first projects for the Levelling Up Fund and Community Ownership Funds. However, there is scope to do more with further funding to support people in their communities, pre-empt them needing care and improve the nation's health. We await further detail in the forthcoming Levelling Up White Paper.'

2. Conclusion

The Board is asked to note the contents of this report.

3. Joint Strategic Needs Assessment and Joint Health & Wellbeing Strategy

The Council and Clinical Commissioning Group must have regard to the Joint Strategic Needs Assessment (JSNA) and Joint Health and Wellbeing Strategy (JHWS).

The JHWS and JSNA should be used to inform service planning and spending decisions.

4. Consultation

Not applicable

5. Appendices

These are listed below and attached at the back of the report	
Appendix A	Spending Review 2021 and Autumn Budget Summary

6. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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SPENDING REVIEW 2021 & AUTUMN BUDGET SUMMARY

1. Local Government Funding

This section summarises key relevant changes to local government funding based on the Spending Review documentation issued on 27 October 2021. Full details on local government funding will be confirmed in the Provisional Local Government Finance Settlement (PLGFS) in December.

- Core spending power for local authorities is estimated to increase by £8.5bn from £50.4bn in 2021/22 to £58.9bn in 2024/25 – an average of 3% per annum in real terms.

Council Tax

- The main Council Tax referendum threshold will be confirmed at the PLGFS in December, but the SR states it is 'expected to remain at 2 per cent per year'.
- Local authorities with social care responsibilities are expected to be able to increase the adult social care precept by up to 1% per year.

Adult Social Care (ASC) Reform

- The ASC funding reforms previously announced in September 2021 have been confirmed in the Budget. These will be funded through the Health and Social Care Levy on National Insurance contributions.
- Of the 45.4bn for ASC over SR21, only £3.6bn will go directly to local authorities (via the LG DEL) to implement the charging reforms and support local authorities to better sustain their local care market by moving towards a fairer cost for care. Further detail will be set out by the government in due course.
- The remaining £1.7bn will come from the DHSC DEL over three years to improve the wider social care system, including the quality and integration of care.
- Of this, £500m will be invested in adult social care workforce, and further investment to improve the quality of services and integration with the NHS.
- Additional funding expected to be announced through the PLGFS to ensure local authorities are able to meet core pressures in ASC.

Covid Response

- £9.6bn over the SR21 period for key Covid-19 programmes and related health spending. This will allow for a continued Covid-19 vaccination and booster programme to help to maintain high levels of immunity. The government will set out further detail about the approach during the SR21 period in due course.

Public Health

- Maintain the Public Health Grant in real terms over the SR21 period.
- Continued £100m investment per year to help people achieve and maintain a healthy weight.
- Investing in the Start for Life offer for families reaching an additional £66m in 2024/25, including breastfeeding advice and parent infant mental health support.

2. Government Departmental Resource Spending

This section summarises the key relevant funding announcements which will impact on the wider determinants of health and health inequalities which have not been covered in the section above.

- Departmental spending will increase by £150bn a year by 2024/25 (£90bn in real terms) (3.8% a year on average over the Parliament).

- All government departments will receive real terms increase in spending over the SR period.
- Budget 2020 announced plans to deliver over £600bn of gross public investment over the next five years; SR21 confirms a total of £100bn of investment in economic infrastructure over the SR period.
- £1.7bn was confirmed via the first round of the Levelling Up Fund in 105 projects.
- The Levelling Up White Paper will be published shortly and will provide further information on the government's plans to enable more areas to agree devolution deals.

Department for Levelling UP, Housing and Communities (DLUHC)

- The DLUHC settlement provides a £2.6bn case increase over the Parliament to £8.9bn in 2024/25, which represents an annual 4.7% increase in spending above inflation.
- £35m was confirmed to strengthen local delivery and transparency, including procurement and commercial capacity and establishing the Audit Reporting and Governance Authority (ARGA).
- SR21 confirms a settlement for housing of nearly £24bn up to 2025/26. This includes:
 - An additional £1.8bn for housing supply, with £300m locally led grant funding for local authorities to unlock smaller brownfield sites for housing and £1.5bn to regenerate underused land, deliver transport links and community facilities and unlock 160,000 homes in total.
 - Reconfirms £11.5bn investment through the Affordable Homes Programme (2021/26).
- £639m resource funding by 2024/25 for rough sleeping.

Department of Health and Social Care (DHSC)

- The DHSC settlement provides a £43.9bn cash increase in core resource spending over the Parliament to £177.4bn in 2024/25, which is equivalent to a real terms growth rate of 4.1% on average over the SR21 period.
- Capital spending is set to increase by £4.2bn in cash terms over the Parliament to £11.2bn in 2024/25, which is a 3.8% real terms growth rate over the SR21 period. This includes:
 - £2.3bn for increased diagnostic capacity, including funding for 100 new community diagnostic hubs
 - £2.1bn to support the innovative use of digital technology
 - £1.5bn over the SR21 period for new surgical hubs, increase bed capacity and equipment to help elective services recover.
- The NHS England and Improvement budget will rise from £136.1bn in 2021/22 to £162.6bn in 2024/25, an average annual growth of 3.8% in real terms. The government plans to spend over £8bn over the SR21 period to tackle the elective backlog, as announced as part of the Health and Social Care Levy.
- £5bn for health-related research and development which includes £40m of new investment in social care research.
- £300m over the SR21 period to complete the programme to replace mental health dormitories with single en-suite rooms and £150m over the SR21 period to invest in NHS mental health facilities linked to A&E and to enhance patient safety in mental health units.
- The government reaffirmed commitment to recruiting 50,000 new nurses and promised an increase in funding to increase the size and training of NHS staff. However, the budget doesn't set out in detail how this will be funded.
- Mental health funding includes:
 - A new budget of £150m over a three-year period to invest in NHS mental health facilities linked to A&E and to enhance patient safety in mental health units
 - £201m in 2024/25 for family support services, including £18m to create family hubs in 75 local authorities, supporting infant and paternal mental health
 - The budget also reaffirms the commitment to provide 50 million more appointments in primary care but does not identify any new funding.

Department of Education (DfE)

- The DfE settlement provides an additional £4.7bn cash increase in core resource funding by 2024/25

- Provides £1.8bn specifically for education recovery including:
 - £1bn Recovery Premium for the next two academic years for primary and secondary;
 - £324m in 2024/25 for additional learning hours for 16 -19 year olds.
- £3.8bn by 2024/25 on skills, which includes:
 - £1.6bn by 2024/25 for 16-19 year olds education;
 - £2.7bn for apprenticeships and further improvements for employers;
 - £208m by 2024/25 for early years education, childcare and family services.

Department for Transport (DfT)

- The DfT settlement includes £8.5bn cash increase over the Parliament to £26.2bn in 2024/25 (1.9% real terms growth rate per year on average over the SR21 period).
- Funding to boost connectivity across all parts of the country.
- £2bn of investment in cycling and walking over the Parliament, including £710m of new active travel funding.
- £620m of additional investment to support the transition to electric vehicles.

Department of Work & Pensions (DWP)

- DWP resource settlement provides a £1.2bn increase over the Parliament to £6.9bn in 2024/25. This is equivalent to a real terms growth rate of 1.3% per year on average between 2019/20 and 2024/25. The department will receive 1.5bn in capital funding over the SR21 period.
- Building on the Plan for Jobs and £3.6bn of additional funding provided at SR20, the settlement provides more than £6bn over the SR21 period. This includes:
 - Continuing the Restart scheme to provide up to 12 months of support to long term unemployed people;
 - Continuing to invest over £900m for each year of the SR on work coaches;
 - Funding approximately £10m a year in the Sector Based Work Academy Programme;
 - Funding to extend the Kickstart scheme to March 2022 investing over £60m over next three years in the Youth Offer;
 - A further £90m to extend the Job Entry Targeted Support Programme;
 - £99m over the next three years to expand work coach support in Universal Credit (UC) to help people progress once in work;
 - Over £20m over the next three years for a new, enhanced offer for claimants aged 50 and over;
 - £339m per year for the continued funding of existing disability employment programmes such as the Access to Work Scheme and the Work and Health Programme;
 - An additional £156m over the SR21 period to provide job finding support for disabled people, with a focus on additional work coaches.
- SR21 supports the government's plan to complete the rollout of UC by March 2025.