

Public Document Pack



NOTICE OF MEETING

Meeting	Executive Member for Adult Social Care and Health Decision Day
Date and Time	Wednesday, 16th January, 2019 at 3.00 pm
Place	Mitchell Room, Ell Court, The Castle, Winchester
Enquiries to	members.services@hants.gov.uk

John Coughlan CBE
Chief Executive
The Castle, Winchester SO23 8UJ

FILMING AND BROADCAST NOTIFICATION

This meeting may be recorded and broadcast live on the County Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Filming Protocol available on the County Council's website.

AGENDA

NON-KEY DECISIONS

- 1. 2019/20 REVENUE BUDGET REPORT FOR ADULTS' HEALTH AND CARE** (Pages 3 - 18)

To consider a report of the Director of Adults' Health and Care and the Director of Corporate Resources regarding the Revenue Budget 2019/20.
- 2. CAPITAL PROGRAMME FOR ADULT SERVICES 2019/20 TO 2021/22** (Pages 19 - 32)

To consider a report of the Director of Adults' Health and Care and the Director of Corporate Resources regarding the Capital Programme 2019/20 to 2021/22.

ABOUT THIS AGENDA:

On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.

ABOUT THIS MEETING:

The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require

wheelchair access, please contact members.services@hants.gov.uk for assistance.

County Councillors attending as appointed members of this Committee or by virtue of Standing Order 18.5; or with the concurrence of the Chairman in connection with their duties as members of the Council or as a local County Councillor qualify for travelling expenses.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care and Health
Date:	16 January 2019
Title:	2019/20 Revenue Budget Report for Adult Social Care
Report From:	Director of Adults' Health and Care and Deputy Chief Executive and Director of Corporate Resources

Contact name: Graham Allen, Director of Adults' Health and Care
Dave Cuerden, Finance Business Partner

Tel: 01962 845875 **Email:** graham.allen@hants.gov.uk
01962 847473 dave.cuerden@hants.gov.uk

1. Recommendation(s)

To approve for submission to the Leader and the Cabinet:

- 1.1. The revised revenue budget for 2018/19 as set out in Appendix 1.
- 1.2. The summary revenue budget for 2019/20 as set out in Appendix 1.
- 1.3. The proposed fees and charges as set out in Appendix 2.

2. Executive Summary

- 2.1. The purpose of this report is to set out proposals for the 2019/20 budget for Adult Social Care in accordance with the Councils Medium Term Financial Strategy (MTFS) approved by the County Council in September 2018.
- 2.2. The deliberate strategy that the County Council has followed to date for dealing with grant reductions and the removal of funding that was historically provided to cover inflation, coupled with continued demand pressures over the last decade is well documented. It involves planning ahead of time, through a two-yearly cycle, releasing resources in advance of need and using those resources to help fund transformational change.
- 2.3. This strategy has served the County Council, and more particularly its services and community well, as it has delivered transformation programmes on time and on budget allowing maximum planning time and minimising disruption. Put simply, it is an approach that has ensured Hampshire County Council has continued to avoid the worst effects of funding reductions that have started to blight other local authorities.
- 2.4. In line with this financial strategy there were no new savings proposals presented as part of the 2018/19 budget setting process and the budget was balanced through the use of the Grant Equalisation Reserve (GER). Targets for 2019/20 based on a reduction of approaching 19% in cash limited spend,

were approved by the County Council in July 2016 as part of the MTFs to 2020. Proposals to meet these targets were approved by Executive Members, Cabinet and County Council in October and November 2017 and are being implemented through the Transformation to 2019 (Tt2019) Programme.

- 2.5. The report also provides an update on the financial position for the current year. For 2018/19 it is forecast that the department will achieve early Transformation to 2019, (Tt2019) savings of £10.0m. In addition, favourable forecast variances within the rest of the Department of £1.6m have been achieved. All savings and favourable variances will be transferred to the Cost of Change Reserve for use in later years.
- 2.6. The proposed budget for 2019/20 analysed by service is shown in Appendix 1.
- 2.7. The report also reviews the level of charges for the provision of services which require approval and provides a summary of these charges in Appendix 2.
- 2.8. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2018/19 and detailed service budgets for 2019/20 for Adult Social Care within the Adults' Health and Care Department. The report has been prepared in consultation with the Executive Member and will be reviewed by the Health and Adult Social Care Select Committee. It will be reported to the Leader and Cabinet on 1 February 2019 to make final recommendations to County Council on 14 February 2019.

3. Context and Priorities

- 3.1. The current financial strategy which the County Council operates works on the basis of a two year cycle of delivering change to release resources and close the anticipated budget gap. This provides the time and capacity to properly deliver major transformation programmes every two years, with deficits in the intervening years being met from the Grant Equalisation Reserve (GER) and with any early delivery of resources retained by departments to use for cost of change purposes or to cash flow delivery and offset service pressures. The model has served the authority well.
- 3.2. The County Council's strategy placed it in a very strong position to produce a 'steady state' budget for 2018/19 and safely implement the next phase of changes through the Tt2019 Programme to deliver savings totalling £140m.
- 3.3. The Tt2019 Programme is progressing well and to plan, but it is clear that bridging a further gap of £140m is extremely difficult and will take longer to achieve in order to avoid service disruption. The Chief Executive's report entitled Transformation to 2019 – Report No. 5 was presented to Cabinet in December 2018 and outlined the positive progress being made.
- 3.4. The anticipated delay in the delivery of some elements of the programme has been factored into our medium term planning to ensure that sufficient one-off funding exists both corporately and within departments to meet any potential gap over the period. Taking up to four years to safely deliver service changes rather than being driven to deliver within the two year financial target requires the careful use of reserves as part of our overall financial strategy and further emphasises the value of our reserves strategy.

- 3.5. Budget setting for 2019/20 will therefore be different in that the majority of decisions in respect of major changes to the budget were taken early. However other factors will still affect the budget, such as council tax decisions and inflation, but these will not be as significant as the transformation programme that has already been put in place.
- 3.6. The MTFs approved by the County Council in September 2018 flagged that the expectation was for minimal change to the provisional Local Government Finance Settlement for 2019/20, the final year of the Comprehensive Spending Review (CSR). However, it was acknowledged that the Budget in the autumn could potentially contain some additional information that could impact our planning assumptions.
- 3.7. In overall terms, the announcements in the Budget had very little impact on the revenue position reported in the MTFs, although there were some welcome announcements in respect of one off additional funding for both adults' and children's social care and for highways. Although this funding falls far short of the amount required and is only one off, it does however signal that some of the pressures on local government are being recognised by the Treasury and the hope is that this will feed through to further changes within next years CSR.
- 3.8. The provisional Local Government Settlement announced on 13 December confirmed the grant figures for 2019/20 broadly in line with the four year settlement and there has been no change to the council tax thresholds, with the exception of the police precept. The other key elements of the provisional settlement were:
- The County Council's Revenue Support Grant (RSG) was reduced to zero in 2019/20 as part of the original four year settlement. On top of this a further £1.6m was lost as a result of 'negative RSG' which reduced the top up grant from business rates. The Government has announced that there will be no 'negative RSG' in 2019/20 and this therefore represents a benefit of £1.6m to the County Council next year.
 - A £180m surplus from the business rates levy account will be distributed pro rata to the Settlement Funding Assessment (SFA) which is a proxy for the relative need of each local authority - the County Council's allocation is £1.8m.
 - The continuation of 100% pilots in Devolution Deal Areas and fifteen 75% business rates retention pilots. Hampshire County Council's bid was unsuccessful but Portsmouth, Southampton and the Isle of Wight have had their existing pilot extended, albeit at a lower retention level (2018/19 was 100% retention).
 - £20m has been added to the settlement to maintain the New Home Bonus (NHB) baseline at 0.4% (only growth in new homes above this baseline level attract the NHB). Hampshire will receive approaching £4.9m from the NHB and this is already factored into the MTFs for next year.
 - The provisional settlement confirmed the allocations of adult social care funding announced in the Budget but the Green Paper for adult social care which was originally due to be published in summer 2018 has been delayed further until next year.

- 3.9. Adults' Health and Care has been developing its service plans and budgets for 2019/20 and future years in keeping with the County Council's priorities and the key issues, challenges and priorities for the Department are set out below.

4. Departmental Challenges and Priorities

- 4.1. The national long term financial forecast for Adult Social Care continues to be challenging despite additional non-recurrent funding through the Integrated Better Care Fund (IBCF) and Winter Pressures being made available to Local Authorities in 2018/19 and 2019/20. In Hampshire this short term funding has and will be an invaluable resource to influence and implement much needed system change in particular to reduce numbers of delayed transfers of care, (DToC) out of hospital. However, the short term nature of the funding means it will not positively impact on the underlying increase in demand for clients requiring adult social care services.
- 4.2. The Adult Social Care budgets continue to face demand pressures in the form of both volume and complexity of clients. The Department is therefore required to be innovative in its engagement with providers to maintain prices at a sustainable and affordable level. The need to maintain a fair price for services purchased from provider partners is critical for the stability of this market which in turn will allow the Department to ensure adequate services remain available to meet client needs into the future.
- 4.3. The Department continues to manage the budget pressures whilst at the same time responding positively to the on-going and increasing requirement to reduce cost to offset reductions in overall Council funding. In respect of the latter the full Tt2019 saving of £55.9m has been removed from the budget for 2019/20, with a further £43.1m set to be removed in 2021/22 in respect of Tt2021. These reductions in funding will be offset, in part, by additional annual investments of approximately £10m to mitigate known areas of demographic and complexity growth.
- 4.4. Overall, in the last three years, the Department have been able to report a significantly more positive position than had been previously forecast. This has been evidenced through greater achievement on Transformation to 2017 (Tt2017), as highlighted in paragraph 5.3, greater achievement on Tt2019, as highlighted in paragraph 5.5, and a significantly lower call on corporate support which has allowed the Department to accrue greater levels of cost of change to support known future challenges. This has been achieved through the adoption of a challenging transformation programme that at its core has been particularly successful in enabling; Social Workers to increasingly adopt a strengths-based approach, better and wider use of technology and increased Extra Care and Supported Living as an alternative to higher cost residential care.
- 4.5. 2018/19 has been a period of significant consolidation with the continued bedding in of the new organisational design that was introduced from the beginning of 2017/18. The arrival of a new structure, that is fully funded and that is supported by adequate controls and approvals has ensured that the staffing budget has been managed effectively with a minor under spend forecast on the operational staffing budget in 2018/19. Furthermore, the solid platform from which the Department is performing has enabled future plans to be developed for further organisational changes that are required for Tt2019.

Once finalised, the proposed changes will be consulted on in the new financial year and are set to be introduced from the beginning of 2020/21.

- 4.6. The supply of affordable staffing resource within the In-House Residential and Nursing Care homes continues to be a major challenge for the Department in part due to wider labour market challenges. There continues to be significant levels of vacancies and staff absences that are covered through higher cost agency staff. In response the Department has invested both time and short term financial resources to identify and implement a plan to significantly reduce spend in this area over the next two years. This will be achieved through measures that improve permanent recruitment to vacant posts, right sizing roles and through the more efficient rostering of staff. The budget for 2019/20 is set on the basis of a full establishment and cover for absence and vacancies based on levels observed in 2018/19 with the expectation that savings will accrue during the year. Furthermore it is anticipated that where agency usage is needed to meet peaks in labour requirements this need will be met with a greater degree of consistency and continuity through the new agency arrangement between Hampshire County Council and Commercial Services Kent Ltd.
- 4.7. The demand from people of working age with physical and learning disabilities is growing more rapidly and although positive work to improve value for money in commissioning has created good financial and quality outcomes, the increase in demand through transition from childhood is beginning to outweigh this. Advances in medical care have had a positive impact on life expectancy and have meant that people with very complex needs are surviving into adulthood when historically they might not have done so. They are also living a fuller adult life and are naturally demanding support to live independently as possible. Whilst in the medium term, this represents the fastest growing pressure on Adult Social Care budgets the Department are focussing efforts through the Tt2019 Programme to minimise the impact of this pressure whilst improving outcomes and life experiences for service users, including employment opportunities.
- 4.8. The Government's commitment to the National Living Wage (NLW) continues to have a substantial impact on the purchased care budget. From April 2019 the NLW will increase by 4.9% from £7.83 to £8.21 for all working people aged 25 and over. Inevitably this will have an impact on the cost of some services purchased by the Department. When taking decisions to set the 2019/20 budget the Department has given balanced consideration of the likely impact this will have. It is currently anticipated that sufficient funding has been allocated to mitigate all in year price pressures pertaining to the NLW.
- 4.9. The Department is carrying an underlying pressure caused primarily from the demand for care outstripping the original cash limited budget. In relation to this a pressure was carried into 2018/19, which the Department is continuing to mitigate through additional one off funding from:
- IBCF,
 - Adult Social Care Support Grant, in addition to recurrent funding from
 - Corporate Support made available in year.

This underlying pressure is forecast to be carried into 2019/20 where in some part it will continue to be offset by one off funding but a greater proportion will

require utilisation of the available corporate support to mitigate. It is recognised that purchased care is by far the most volatile and high risk area of adults' social care as it is influenced by a number of complex factors.

- 4.10. The Department is faced with care pressures arising both from the changing demography and complexity of clients, as well as the complex factors, such as tougher regulation, that change the nature of the market in which suppliers and the County Council engage. We continue to experience shortages in the availability of Residential and Nursing care at the County Council's rates which is consequently pushing up the average cost per placement. Although difficult to attribute to any single reason it is believed that shortages in the supply of care workers, against a backdrop of high employment within the county, and reductions in the number of registered providers are both increasing costs and shifting the balance of the market in addition to the need for the County Council to make greater volumes of placements to improve performance in terms of more timely discharges from hospital. Whilst the Department has prevented these pressures from becoming unsustainable to date through work with the market, a review of the Department's standard rates for older persons will be concluded and implemented during 2019/20.
- 4.11. The purchase of care for clients within their own home continues to be a challenging area for the Department. During 2018/19 the Department has refreshed its contractual framework for securing care for clients in their home. As at the date of this report it is too soon to confirm if this has brought some long term stability to the provision of and availability of care, however early signs are positive with waiting lists at their lowest point for many years and new entrants to the market secured. Furthermore, it follows that success in making available greater volumes of care to meet demand may also represent an area of financial risk in terms of greater overall costs incurred. The Department will continue to monitor this closely throughout the year, although it is anticipated that the planned greater coverage of reablement across the County will enable the Department to increase the client base, to meet demand, whilst ensuring that appropriate levels of support are provided in each case, thereby reducing the volume of care overall.
- 4.12. Furthermore, within the new non residential framework the Department has streamlined and simplified the transactional engagement with providers through the introduction of a new process for making payments. Whilst it is anticipated this will improve relationships with providers the system remains in the very early stages although again the early signs are positive and the greater levels of available care provision are in part, due to improved market operating conditions that the Department has worked hard at to make possible.
- 4.13. The two issues above impact the Department's capacity to support flow from NHS hospitals, as pressure is maintained to reduce the number of DToC, in line with the lower trajectory agreed with the NHS. To address the national deterioration in DToC an improvement at a local level became a dependency for the additional IBCF funding from 2017/18. Hampshire's performance in this area, partly linked to focused leadership and significant financial input, has improved markedly recently, especially since the summer of 2018. That said, local delivery on DToC continues to be challenging and future IBCF allocations are likely to depend on the performance gains being maintained and improved further. DToC performance continues to be monitored closely by the government through quarterly IBCF performance outcome statements

and DToC returns from the NHS. Given the profile of DToC in the last year, including the local Care Quality Commission (CQC) system review in March 2018, it is essential that the steps the Department has since implemented, including working more closely and more effectively with key system partners, continues to result in further and sustained performance improvements.

4.14. The IBCF additional allocation for the County Council was £17.0m in 2017/18, with £13.4m in 2018/19 and £6.7m the final year, 2019/20. In June 2017 the spending plan for the full amount was approved at the Health and Wellbeing Board and subsequently agreed by the Ministry of Housing, Communities & Local Government, (MHCLG). The spending plan addresses each of the three key streams for which the funding was provided:

- Meeting Adult Social Care Needs.
- Stabilise the Social Care Provider Market.
- Reduce pressures in the NHS.

Progress on these schemes has been steady and initial plans have been updated as appropriate to meet any changes in need across the countywide system. In 2017/18 the full allocation was fully spent and this is expected to be replicated in 2018/19.

4.15. The other key priority is the Adults' Health and Care Transformation Programme, which successfully completed the delivery of the full £43.1m Tt2017 savings ahead of schedule in 2017/18. Positively, the Department remains ahead of schedule in the current year for the delivery of Tt2019 savings and is likely to secure at least £10.0m in cash terms compared to the previously forecast £8.3m. In broad terms the delivery of Tt2019 during 2019/20 is predicted to be in line with the baseline profile and this is reflected accordingly within the proposed budget for 2019/20.

5. 2018/19 Revenue Budget

5.1. The cash limited budget for 2018/19 included the early achievement of Tt2019 proposals of £8.6m during the year. This and any further early delivery achieved during the year can be transferred to cost of change reserves and used to fund future transformational change or to cash flow delivery and offset service pressures.

5.2. Enhanced financial resilience reporting, which looks not only at the regular financial reporting but also at potential pressures in the system and the achievement of savings being delivered through transformation, has continued through periodic reports to the Corporate Management Team (CMT) and to Cabinet.

5.3. Although it was originally expected that the Department's Tt2017 programme would run into 2018/19 the highly positive achievement of savings during 2017/18 led to the closure of the programme, ahead of schedule, before the start of 2018/19. Therefore, Tt2017 has not been a consideration for the 2018/19 budget.

5.4. As outlined in 2.5 there is an expected favourable outturn forecast for 2018/19 of £1.6m after achievement of early Tt2019 savings of £10.0m. Of this £1.6m total £0.7m is related to Public Health with the detail being

reported separately as part of the Public Health Budget report. The remaining £0.9m favourable variance is due to in year savings on Adult Social Care services. Both the favourable variance of £0.9m and the £10.0m early achievement of Tt2019 savings will be transferred to the Cost of Change Reserve, bringing the reserve balance to £30.6m by the end of 2018/19. This sum will be utilised in full, within the following two years, to fund planned delays in savings and to pay for one off project costs.

- 5.5. The 2018/19 favourable position is almost entirely within non-recurrent budgets held within the Department. This under spend reflects the achievement of £10.0m of early Tt2019 savings.
- 5.6. The net position on the Adult Social Care service budgets is a £0.9m under spend, although there are some key variances. The main recurrent pressures in 2018/19 relate to the provision of care, both purchased and provided in house with pressures of £4.3m and £2.0m respectively. However, in year these have been offset by non-recurrent funding made available through the “Meeting Social Care Needs” workstream within the increased IBCF of £4.8m. Furthermore, there are various savings across the Departments’ non care budgets, including departmental wide staffing budgets, that total £2.4m.
- 5.7. In addition, to reach this reported position for 2018/19 the Department have only utilised £4.3m of the £10.0m available corporate support for recurrent activity.
- 5.8. On 17 October 2018 final funding allocations for Winter Pressures in 2018/19 were announced to local authorities. The allocation for Hampshire County Council is £4.8m. This resource is intended to be spent on additional social care activity to alleviate winter pressures on the NHS. An expenditure plan has been discussed with NHS partners and has been submitted to the Department of Health and Social Care. At this time, it is expected that this fund will be sufficient to cover all associated costs relating to the impact on long term care package costs during this financial year.
- 5.9. The budget for Adult Social Care has been updated throughout the year and the revised budget is shown in Appendix 1.

6. 2019/20 Revenue Budget Pressures and Initiatives

- 6.1. The Departments’ budget has been reviewed in detail as part of the 2019/20 budget preparation process. Significant recurrent contingencies are not being held by the Department as all available recurrent funding has been allocated to service budgets to meet the assessed cost for 2019/20. However, the Department is budgeted to hold centrally a proportion of the 2019/20 IBCF allocation.
- 6.2. As with previous years the risk of significant pressure in 2019/20 will come from purchased care provision. This pressure will materialise through increases in demand and complexity of clients, and through the cessation of one off funding available in 2018/19, as highlighted in paragraph 5.6 above. Despite this the current anticipated pressure is expected to be met in full from the available corporate support in 2019/20 and if required will be subject to a base budget adjustment into the Department.

- 6.3. For 2019/20 the budget for the In-House Care residential and nursing units has been increased to reflect the level of spend forecast in 2018/19. However, there is a significant amount of work being undertaken within the service to reduce costs, primarily those arising from agency usage, that will then enable the Department to release a saving in later years.
- 6.4. On 29 October 2018 the Chancellor announced, as part of the 2018 budget, a further allocation of funding to local authorities for 2019/20 to cover the cost of Winter Pressures. The purpose and value, (£4.8m) of this funding in 2019/20 is the same as the 2018/19 grant, outlined in paragraph 5.8 above. Prior to the start of 2019/20 a full spending plan will be developed and discussed with NHS partners. It is intended that this funding will cover the direct costs associated with schemes to reduce the number of delayed transfers of care and the associated impact on relevant ongoing long term care package costs.
- 6.5. The current growth forecast, specifically for demand pressures and reductions in one off funding for later years are both expected to be contained through the planned growth in available corporate support for the next three years. Conversely the three year position for the Department's Cost of Change Reserve indicates that corporate support of £2.5m will be required to meet the total one off cost of Tt2019 projects and the planned delay in achievement of Tt2019 savings in later years.

7. 2019/20 Revenue Savings Proposals

- 7.1. The Department was given a savings target for 2019/20 of £55.9m which was approved by the County Council in July 2016 as part of the MTFs to 2020. Proposals to meet these targets were approved by Executive Members, Cabinet and County Council in October and November 2017 and have been developed through the Tt2019 Programme.
- 7.2. During the last year, the Department has been progressing the implementation of these proposals, which have been subject to regular reporting to Cabinet and CMT.
- 7.3. It is now anticipated that full year savings of £46.7m will be achieved in 2019/20, which is £0.2m lower than the approved baseline profile. This shortfall, in addition to the planned shortfall against the departmental target of £55.9m in 2019/20, will be made up from the Departments' Cost of Change Reserve.
- 7.4. The main reasons for the shortfall of £9.2m in 2019/20 compared to the total saving of £55.9m relate to:
 - £3.1m on the Working Differently programme. The Department is currently on target for this to be achieved in full by quarter one 2020/21.
 - £4.3m on the Living Independently programme. The Department have high confidence that at least £2.0m is on target for this to be achieved in full by quarter one 2020/21. The remaining £2.3m relates to direct reductions in care provision costs which as stated previously can be volatile and accordingly are considered as a high risk that will need to be monitored and managed closely.
 - £1.0m on the Learning Disability and Mental Health programme. This relates to direct reductions in care provision costs which as stated

previously can be volatile and accordingly are considered as a high risk that will need to be monitored and managed closely.

- £0.8m on the Childrens' to Adults Transition programme. The Department is currently on target for this to be achieved in full by quarter one 2020/21.
- 7.5. In addition, the anticipated full years saving in 2019/20 of £46.7m carries a significant amount of risk with some £4.5m of new saving to be achieved from direct reductions in care provision costs.
- 7.6. However, rigorous monitoring of the delivery of the programme will continue during 2019/20, to ensure that the Department is able to stay within its cash limited budget as set out in this report.
- 7.7. This early action in developing and implementing the savings programme for 2019/20 means that the County Council is a strong position for setting a balanced budget in 2019/20 and that no new savings proposals will be considered as part of the budget setting process for the next financial year.

8. 2019/20 Review of Charges

- 8.1. For Adult Social Care, the 2019/20 revenue budget includes income of £63.1m from fees and charges to service users. This is an increase of £3.5m (5.9%) on the revised budget for 2018/19.
- 8.2. Details of current and proposed fees and charges for 2019/20 where approval is sought for changes are outlined in Appendix 2.
- 8.3. The proposed fee increases for Residential and Nursing care are greater than inflation as they are both subject to income generation initiatives within the Departments' Tt2019 Programme. The initiative was to charge self funding clients a price that represented the actual cost of the service provided. These rates have therefore been subject to Executive Member approval previously during 2018/19.

9. Budget Summary 2019/20

- 9.1. The budget update report presented to Cabinet in December included provisional cash limit guidelines for each department. The cash limit for Adults' Health and Care in that report was £382.2m which includes budgets for Adult Social Care (£329.8m) and Public Health (£52.4m). This was a £16.8m decrease on the previous year. This report focusses on Adult Social Care with Public Health being covered in a separate report.
- 9.2. At that stage the cash limit guidelines did not include an allowance for the second year of the two year pay award covering the 2018/19 and 2019/20 financial years. However, the required allocations have now been finalised and have been added – full details will be included in the February budget setting report. For Adult Social Care this amount is £3.2m and increases the cash limit to £333.0m.
- 9.3. Appendix 1 sets out a summary of the proposed budgets for the service activities provided by Adult Social Care for 2019/20 and show that these are within the cash limit, including provision for the 2019/20 pay award, set out above.

9.4. In addition to these cash limited items there are further budgets which fall under the responsibility of Adult Social Care, which are shown in the table below:

	2019/20	
	£'000	£'000
Cash Limited Expenditure	441,125	
Less Income (Other than Government Grants)	(108,088)	
Net Cash Limited Expenditure		333,037
Less Government Grants:		
• Local Community Voices Grant	(100)	
• Independent Living Fund	(4,082)	
• Better Care Fund	(18,907)	
• Improved Better Care Fund	(6,698)	
• Winter Pressures funding*	(4,754)	
• War Widows Pension Grant	(505)	
• Social Care in Prisons Grant	(106)	
Total Government Grants		(35,152)
Total Net Expenditure		297,885

*This will form a non recurrent element of the IBCF in 2019/20 only.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes/No
People in Hampshire live safe, healthy and independent lives:	Yes/No
People in Hampshire enjoy a rich and diverse environment:	Yes/No
People in Hampshire enjoy being part of strong, inclusive communities:	Yes/No

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Transformation to 2019 – Revenue Savings Proposals (Executive Member for Adult Social Care) http://democracy.hants.gov.uk/ieListDocuments.aspx?CId=595&MId=3138	21 September 2017
Medium Term Financial Strategy Update and Transformation to 2019 Savings Proposals https://democracy.hants.gov.uk/mgAi.aspx?ID=3194#mgDocuments	Cabinet - 16 October 2017 County Council – 2 November 2017
Looking Ahead - Medium Term Financial Strategy https://democracy.hants.gov.uk/ieIssueDetails.aspx?Id=10915&PlanId=0&Opt=3#A18687	Cabinet - 18 June 2018 County Council – 20 September 2018
Budget Setting and Provisional Cash Limits 2019/20 (Cabinet) http://democracy.hants.gov.uk/documents/s26900/Budget%20Report.pdf	10 December 2018

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1 The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2 Equalities Impact Assessment:

The budget setting process for 2019/20 does not contain any proposals for major service changes which may have an equalities impact. Proposals for budget and service changes which are part of the Transformation to 2019 Programme were considered in detail as part of the approval process carried out in October and November 2017 and full details of the Equalities Impact Assessments relating to those changes can be found in Appendices 4 to 7 in the October Cabinet report linked below:

<http://democracy.hants.gov.uk/mgAi.aspx?ID=3194#mgDocuments>

2. Impact on Crime and Disorder:

2.1 The proposals in this report are not considered to have any direct impact on the prevention of crime, but the County Council through the services that it provides through the revenue budget and capital programme ensures that prevention of crime and disorder is a key factor in shaping the delivery of a service / project.

Climate Change:

- How does what is being proposed impact on our carbon footprint / energy consumption?

No impact has been identified.

- How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The County Council in designing and transforming its services will ensure that climate change issues are taken into account.

Budget Summary 2019/20 – Adults' Health and Care Department

Service Activity	Original Budget 2018/19 £'000	Revised Budget 2018/19 £'000	Proposed Budget 2019/20 £'000
Director	1,277	1,532	1,481
Strategic Commissioning and Business Support	18,061	18,095	15,172
Transformation	3,443	5,103	3,714
Older People and Physical Disabilities Community Services	125,609	125,992	125,484
Learning Disabilities and Mental Health Services			
Learning Disabilities Community Services	105,474	109,185	106,657
Mental Health Community Services	16,947	17,961	16,998
Contact Centre	665	1,330	1,248
	123,086	128,476	124,903
Internal Provision			
In-House Care	36,696	39,831	42,173
Reablement	11,408	12,202	11,069
	48,104	52,033	53,242
Governance, Safeguarding and Quality	3,591	3,671	3,559
Centrally Held	19,936	41,304	5,482
Total Adult Services	343,107	376,206	333,037
Public Health	52,876	52,876	52,418
Net Cash Limited Expenditure	395,983	429,082	385,455

Review of Fees and Charges 2019/20 – Adults' Health and Care Department

	Income Budget 2019/20 £'000	Current Charge £	Increase %	New Charge £
Mandatory/National Charges:				
Full cost weekly charge (HCC in-house residential and nursing establishments, including respite services)				
Nursing care for Older People (per week)	5,524	682.08	19.5	815.08
Residential Care for Older People (per week)	6,234	615.51	19.5	735.49
Residential Care for Dementia (per week)	In above	665.14	19.5	794.78
Residential Care for Adults with a Learning Disability (per week)	99	1,015.56	2.1	1,036.84
Meals on Wheels*	2,034	4.67	4.95	4.90

*Proposed increase

Discretionary Charges:

Service users contributions for non-residential care (chargeable services) are calculated on the actual cost of care provided to service users.

In line with Corporate Policy all discretionary charges will be increased by an inflation rate of 2.1%

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care and Health
Date:	16 January 2019
Title:	Capital Programme for 2019/20 to 2021/22
Report From:	Director of Corporate Resources – Corporate Services and Director of Adults' Health and Care

Contact name: Graham Allen and Dave Cuerden

Tel: 01962 845875
01962 847473

Email: graham.allen@hants.gov.uk
dave.cuerden@hants.gov.uk

1. Recommendations

- 1.1. To approve for submission to the Leader and Cabinet the capital programme for 2019/20 to 2021/22 as set out in Appendix 1 and the revised capital programme for 2018/19 as set out in Appendix 2.

2. Executive Summary

- 2.1. This report seeks approval for submission to the Leader and Cabinet of the proposed capital programme for 2019/20 to 2021/22.
- 2.2. The report has been prepared in consultation with the Executive Member and will be reviewed by the Health and Adult Social Care Select Committee. It will be reported to the Leader and Cabinet on 1 February 2019 to make final recommendations to County Council on 14 February 2019.
- 2.3. The report considers the schemes which it is proposed to include in the capital programmes for 2019/20, 2020/21 and 2021/22 and also presents the revised programme for 2018/19.
- 2.4. The proposals contained in this report are derived from the departmental service plans which have been developed to support the priorities of the Corporate Strategy.

3. Contextual Information

- 3.1 Executive Members have been asked to prepare proposals for:
 - a locally-resourced capital programme for the three-year period from 2019/20 to 2021/22 within the guidelines used for the current capital programme including the third year, 2021/22, at a similar level to 2020/21
 - a programme of capital schemes in 2019/20 to 2021/22 supported by Government grants as announced by the Government.
- 3.2 The medium term financial and efficiency strategy is closely linked to the Corporate Strategy and the Corporate Business Plan to ensure that priorities are affordable and provide value for money and that resources follow priorities.

4. Locally resourced capital programme

4.1 The cash limit guidelines for the locally resourced capital programme for the Adult Services service set by Cabinet are as follows:

	£000
2019/20	481
2020/21	481
2021/22	481

4.2 Executive Members may propose supplementing their capital guidelines under the 'prudential framework' agreed by Cabinet at its meeting on 24 November 2003, as amended by Cabinet in February 2006, thereby integrating more closely decisions on revenue and capital spending in support of corporate priorities. The additions may include virements from the Executive Member's revenue budget or use of temporary unsupported borrowing, to provide bridging finance in advance of capital receipts or other contributions.

5 Proposed capital programme 2019/20 to 2021/22 – locally resourced schemes

5.1 The Adult services capital programme for locally resourced schemes reflects the corporate aims of enabling people to live safe, health and independent lives, enjoy a rich and diverse environment and be part of a strong and inclusive community. It includes contributions towards the costs of the following:

- Priority works on residential and nursing care premises to meet the needs of residents and service users to satisfy the requirements of regulators including the Care Quality Commission, The Fire Service and the Health and Safety Executive.
- The replacement of the existing Nursecall systems in the remaining 11 In House units.

5.2 The detailed programme in Appendix 1 and expenditure for 2019/20 is summarised in the table below:

	£000
Operational building, including residential and nursing care, improvements	481
Nursecall	1,300
Total	<u>1,781</u>

6 Revised 2018/19 capital programme

6.1 The revised 2018/19 capital programme for Adults is shown in Appendix 2 and totals £43.24m. The changes since the capital programme was approved in January 2018 are summarised below:

	2018/19 £000
Approved Programme	11,175
Carry Forward from 2017/18	31,119
Disabled Facilities Grant (Better Care Fund pooled budget)	947
Total	<u>43,241</u>

6.2 The schemes carried forward from previous years of £31.12m were agreed by Cabinet on 18 June 2018. These predominantly relate to the Extra-Care housing and Adults with a Disability Accommodation programmes.

7 Extra-Care Housing

- 7.1 On the 24 October 2011 Cabinet approved the strategy to extend the development of Extra-Care Housing. This included approval of an indicative maximum financial envelope of £45m of capital investment to deliver the programme of work, including transition cost.
- 7.2 Capital funding for the extensions to Westholme, Winchester and Oakridge, Basingstoke of £3m was formally approved by the Executive Member for Policy and Resources on 24 January 2013.
- 7.3 Capital funding for future Extra-Care developments will be subject to the development of individual business cases.
- 7.4 On the 21 July 2014 Cabinet approved £26m to be allocated from the original £45m capital envelope to deliver up to 700 units and secure accelerated delivery of the original 500 unit target by 2017.

- 7.5 Since this Cabinet approval several key factors that drive delivery and cost have changed. Build costs have risen and the Registered Housing Provider sector has found it harder to build. Reduced capital subsidy rates and more risk averse lending has been exacerbated by recent Government decisions around Right to Buy and Registered Housing Provider income. This led to an overview of the extra care programme in early 2016.
- 7.6 On 22 April 2016 the Executive Member for Policy and Resources approved the re-instatement of the Older Persons Extra-Care programme to the original £45m capital envelope. With this in mind, a full review of the remaining programme and project opportunities is being undertaken to ensure the most cost effective programme is identified as a basis for the programme going forward.
- 7.7 On 26 September 2018 the Executive Member for Policy and Resources identified three sites for development opportunities in Gosport, Petersfield and New Milton and detailed contract and design work is underway.

8 Transformation of Adult Learning Disability Services

- 8.1 On the 27 October 2011, the Executive Member for Policy and Resources approved the Adult Learning Disability (LD) Business Case for the early implementation phase of LD transformation and the broader programme. The business case links to the consultation of the transformation proposals reported to the Executive Member for Adult Social Care on 16 May 2011.
- 8.2 The Executive Member for Policy and Resources Decision Day on 21 July 2011 approved that 100% of LD capital receipts to be reinvested in LD service re-provision.
- 8.3 The Executive member for Policy and Resources on 9 March 2017 approved the revised Business case plan. The financial position has evolved since October 2011 largely as a result of the value likely to be secured by selling surplus property and the consequent impact on prudential borrowing. The business case improved with the use of the Community Grant funding of up to £3.4m

9 Adults with a Disability Accommodation

- 9.1 The Executive Member for Policy and Resources approved the strategic business case for the Adults with a Disability Housing programme in April 2016. The business case approved a borrowing envelope of up to £35m to support the programme to transition around 600 service users with a learning and/or physical disability from an existing care home setting to a shared house or individual groups of flats.
- 9.2 On the 9 March 2018 the Executive Member for Policy and Resources approved phase 2 (a total of 31 units at Eastleigh and Fareham) of the new build projects and noted the progress of phase 1 (52 units at two locations in Basingstoke, New Milton and Aldershot).

10 Bed Based Programme

- 10.1 In September 2018 the County Council approved an initial £200m for the Bed Based Programme.
- 10.2 Work is currently being undertaken to assess what bed based provision we will need in the future so that we can invest in the right facilities in the right locations. Options for the existing estate are being assessed against the current and predicted future demand for in-house provision over the medium to longer term and an overall Outline Business Case and individual Full Business Cases will be presented in due course.

11 Capital programme supported by Government allocations

- 11.1 The locally resourced capital programme is supported by Government grant received from the Department of Health. In 2018/19 the amount of Department of Health capital funding to Adult Services was £11.64m for the Disabled Facilities Grant (DFG). This funding forms part of the Better Care Fund – Pooled budget which is overseen by the Hampshire Health and Wellbeing Board.
- 11.2 The Secretary of State has not yet announced details of individual local authority capital allocations for 2019/20. For planning purposes 2018/19 allocations are being assumed.
- 11.3 The DFG of £11.64m is capital money made available to local authorities as part of their allocations to award grants for changes to a person's home. There is a statutory duty for local housing authorities to provide grants to those who qualify. This part of the fund will be governed by the disabilities facilities grant conditions of grant usage as made by the Department for Communities and Local Government (DCLG) under section 31 of the Local Government Act 2003. Therefore, although officially part of the fund, the money cannot be used for other things and will be paid back out of the fund to the relevant district councils.

12 Capital programme summary

- 12.1 On the basis of the position outlined above, the total value of the capital programmes submitted for consideration for the three years to 2021/22 are:

	Schemes within locally resourced guidelines	Additional schemes funded within the prudential framework	Schemes supported by Government allocations	Total
	£000	£000	£000	£000
2019/20	1,781	-	11,641	13,422
2020/21	481	-	-	481
2021/22	481	-	-	481

13 Revenue implications

13.1 The revenue implications of the proposed capital programme are as follows:

	Full Year Cost	
	Current Expenditure £000	Capital Charges £000
Schemes within the guidelines		
2019/20	-	156
2020/21	-	26
2021/22	-	26
	-----	-----
Total	-	208
	-----	-----

13.2 The total revenue implications for the three years of the starts programme, including capital charges, represent a real term increase of 0.06% over the 2018/19 original budget of Adult Social Care Service.

14 Conclusions

13.1 The proposed capital programme for Adult Services as summarised in section 8 is in line with the guidelines set by Cabinet. In addition, it plans to use the allocated Government grants in full. The programme supports the delivery of services countywide and contributes to the corporate aims:

- Hampshire maintains strong and sustainable economic growth and prosperity
- People in Hampshire live safe, healthy and independent lives
- People in Hampshire enjoy a rich and diverse environment
- People in Hampshire enjoy being part of strong, inclusive communities

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Strategy**

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Transformation of Adult Learning Disabilities Services- Property Issues	21 July 2011
Outcome of the Consultation on the proposed closure of four Residential Care Homes and One Day Centre	9 December 2013
Cabinet Capital Programme Review	21 July 2014
Older Persons Extra-Care Programme and update to the Winchester Extra-Care Business Case	21 September 2015
Adult Services Capital Programme 2017/18 to 2019/20	17 January 2017
Strategy for the Older Persons Extra-Care Housing and Programme Update	20 January 2017
Transformation of Adult Learning Disabilities Services – Programme Update & Revised Business Plan	09 March 2017
Hampshire Equipment Services Accommodation Strategy	20 March 2017
Cabinet End of Year Financial Report 2016/17	19 June 2017
Adults with a Disability Housing Programme: Phase 1 update and additional project approvals	22 September 2017
Adults with a Disability Housing Programme: Progress to date and approval to the strategy for Phase 2 new build projects	18 October 2017
Adults with a Disability Housing Programme: Progress update and approval to the strategy for Phase 2 new build projects	9 March 2018
Three Extra Care Development Opportunities in Gosport, Petersfield and New Milton – Outcome of Procurement	26 September 2018

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

Equalities Impact Assessments outcomes will be carried out on the individual schemes within the capital programme in order to comply with the requirements of the Equality Act 2010.

Impact on Crime and Disorder:

The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime. The proposals in this report have no proven impact on the prevention of crime.

Climate Change:

How does what is being proposed impact on our carbon footprint / energy consumption?

All relevant developments within the capital programme are subject to specific, detailed assessments. Energy conservation, and where applicable enhancing biodiversity, are priorities for all major building schemes.

How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Where appropriate capital schemes are planned with adaptation to climate change in mind, such as the inclusion of passive cooling through building design, rain-water and grey-water harvesting, drought resistant planting etc

Adult Services

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles Grants	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
2019/20 Schemes							
Schemes Supported from Local Resources							
1	Maintaining Operational Buildings including Residential and Nursing Care	241	40	200	481	-	26
2	Disabled Facilities Grants	-	-	11,641	11,641	-	-
3	Nursecall	-	-	1,300	1,300	-	130
Total Programme		241	40	13,141	13,422	-	156

Capital Programme - 2019/20

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
All schemes support the Corporate Priority of maximising wellbeing				
N/A	1	12	Continuation of programme for the provision / replacement of furniture and equipment in residential / day care establishments, and to upgrade establishments to contemporary standards.	1
N/A	1	12	Grant paid to district councils to fund adaptations to people's homes	2
N/A	1	12	Upgrade Nursecall system within In House, residential and nursing establishments	3
+ Projects to be partly funded from external contributions.				

Adult Services

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	2020/21 Schemes						
	Schemes Supported from Local Resources						
4	Maintaining Operational Buildings including Residential and Nursing Care	241	40	200	481	-	26
	Total Programme	241	40	200	481	-	26

Capital Programme - 2020/21

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	1	12	<p>All schemes support the Corporate Priority of maximising wellbeing</p> <p>Continuation of programme for the provision / replacement of furniture and equipment in residential / day care establishments, and to upgrade establishments to contemporary standards.</p> <p>+ Projects to be partly funded from external contributions.</p>	4

Adult Services

Ref	Project	Construct- ion Works	Fees	Furniture Equipment Vehicles	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	2021/22 Schemes						
	Schemes Supported from Local Resources						
5	Maintaining Operational Buildings including Residential and Nursing Care	241	40	200	481	-	26
	Total Programme	241	40	200	481	-	26

Capital Programme - 2021/22

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	1	12	Continuation of programme for the provision / replacement of furniture and equipment in residential / day care establishments, and to upgrade establishments to contemporary standards.	5
			+ Projects to be partly funded from external contributions.	

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Adult Social Care 2018/19 capital programme

Resources	
1. Latest programme limit:	£000
Approved Programme	11,175
Carry Forward from 2017/18	31,119
Disabled Facilities Grant (Better Care Fund pooled budget)	947
Adjustment	
Total	43,241
Allocated to Projects / Schemes	
2. Project Extra-care Housing transformation project	19,825
Maintaining Operational Buildings including Residential and Nursing Care	550
Locks Heath Day Service	260
Kitchenettes, Kitchens, Bathrooms Phase 1 Upgrade	750
Information Technology	119
Learning Disability (LD) Integration/Transformation (F&E)	101
Adults with a Disability Accommodation	9,395
Disabled Facilities Grant	11,641
Social Care Capital Grant	600
Schemes controlled on a starts basis	43,241

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