

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Adult Social Care and Public Health
Date:	24 January 2023
Title:	Capital Programme for 2023/24 to 2025/26
Report From:	Director of Adults' Health and Care and Director of Corporate Operations

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Purpose of this Report

1. The purpose of this report is to seek approval for the submission of the Adult Services and Public Health capital programme to the Leader and Cabinet.

Recommendation(s)

To approve for submission to the Leader and Cabinet:

2. To approve for submission to the Leader and Cabinet the capital programme for 2023/24 to 2025/26 as set out in Appendix 1 and the revised capital programme for 2022/23 as set out in Appendix 2.

Executive Summary

3. This report seeks approval for submission to the Leader and Cabinet of the proposed capital programme for 2023/24 to 2025/26.
4. The report has been prepared in consultation with the Executive Lead Member and will be reviewed by the Health and Adult Social Care Select Committee. It will be reported to the Leader and Cabinet on 7 February 2023 to make final recommendations to County Council on 23 February 2023.
5. The report considers the schemes which it is proposed to include in the capital programmes for 2023/24, 2024/25 and 2025/26 and also presents the revised programme for 2022/23.
6. This report highlights that as part of the Medium-Term Financial Strategy Update and Transformation to 2021 Savings Proposals Report that was approved by Cabinet in October 2019 investment of up to £70m in Older Persons and Younger Adults Extra Care was approved subject to a satisfactory business case being produced for each scheme.

7. The proposals contained in this report are derived from the departmental service plans which have been developed to support the priorities of the Strategic Plan.

Contextual information

8. Executive Members have been asked to prepare proposals for:
 - a locally resourced capital programme for the three-year period from 2023/24 to 2025/26 within the guidelines used for the current capital programme including the third year, 2025/26, at a similar level to 2024/25.
 - a programme of capital schemes in 2023/24 to 2025/26 supported by Government grants as announced by the Government.

The capital guidelines are determined by the Medium-Term Financial Strategy which is closely linked to 'The 'Serving Hampshire's Residents - Strategic Plan 2021 – 2025' with its strategic aims and Departmental Service plans to ensure that priorities are affordable and provide value for money and that resources follow priorities.

Locally resourced capital programme

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

	£000
2023/24	481
2024/25	481
2025/26	481

10. 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 strategic aims. 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.

Revised 2022/23 capital programme

11. The revised 2022/23 capital programme for Adults is shown in Appendix 2 and totals £35,176. The changes since the capital programme was approved in January 2022 are summarised below:

	2022/23
	£000
Approved Programme	14,733
Addition in year – Kershaw Centre	400
Carry Forward from 2021/22	<u>20,043</u>
Total	<u>35,176</u>

12. The schemes carried forward from previous years of £20.043m were agreed by Cabinet on 19 July 2022. These predominantly relate to the Extra Care Housing (£0.906m), Adults with a Disability Accommodation (£3.795m) and Younger Adults Extra Care, (£15.185m) programmes.
13. In addition to the carry forwards against schemes in the 2021/22 capital programme, Cabinet also agreed that unspent balances from starts within the capital programmes from prior years of £12.722m. This related to previously committed funding due to reduced costs on the Nightingale Lodge and Oak Park projects within the Extra Care Housing Transformation programme. This will enable additional projects to be completed against the funding for the programme of £45m that was agreed by County Council in February 2012, to be funded from prudential borrowing.

Health and Safety

14. A range of essential health and safety liabilities at our in-house residential care and nursing homes were identified through inspections at a total cost of £4.3m over two years. This was reported to Cabinet on 24 November 2020. This programme has been extended by a further £1.71m to reflect further works identified through a series of detailed asset management surveys across the estate. Accordingly, a programme of works is being undertaken as part of what was the Culture Communities and Business Services revenue budget with £1.71m that has been vired from the Adults' Health and Care Revenue Budget to fund the work.
15. This portfolio of buildings remains the highest priority in the HCC estate in terms of health and safety, compliance and operational risk management, with a consequential ongoing demand for routine and one-off investment in maintenance and improvement. It is anticipated that further requests for funding will be made as the estate continues to age and liabilities are identified.
16. Accordingly, any further requests for funding in the forthcoming year, as outlined above in paragraph 16, to support the maintenance of the estate, will also be informed by the review of the longer-term strategy to ensure that where appropriate, investment is targeted to sites that are included within the longer-term vision.
17. Additionally, it should be noted that the longer-term strategy for the portfolio of buildings will take into consideration the pressure highlighted within the Adult Services and Public Health Revenue Budget report, specifically where

internal provision, with capital investment may help to mitigate these revenue pressures.

Transformation of Adult Learning Disability Services

18. 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.
19. 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.
20. 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.
21. The LD Transformation programme has been successfully delivering capital projects to update and improve the department's LD estate. In that time the programme has successfully delivered eight schemes through the delivery of new facilities and significant improvements to existing assets. The programme has one further scheme in its programme and is now operating within budget.
22. During 2022/23 the Executive Director for Adults' Health & Care, under delegated powers agreed for the addition of a £0.4m scheme within the LD Transformation programme to make necessary improvements to the Kershaw Centre to make it suitable for Day Opportunities use. The scheme is to be funded wholly by capital receipts.

Older Persons Extra-Care Housing

23. On the 24 October 2011 Cabinet approved the strategy to extend the development of Older Persons 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.
24. 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.
25. A review of the Older Persons Extra-Care programme was undertaken in early 2016 and the Executive Member for Policy and Resources reaffirmed the Older Persons Extra-Care programme to the original £45m capital envelope. With this in mind, further work on the remaining programme and project opportunities is being undertaken to ensure the most cost-effective programme is identified. Capital funding for future Extra-Care developments will be subject to the development of individual business cases.

26. On 26 September 2018 the Executive Member for Policy and Resources identified three sites for development opportunities in Gosport, New Milton and Petersfield, of which the latter is going through the planning process whilst the former two are in construction. This is in addition to previously approved schemes in other parts of the county, including the Nightingale site in Romsey, which was completed in the 2020/21 financial year.

Younger Adults Extra-Care Housing

27. 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 service users with a learning and/or physical disability from an existing care home setting to a shared house or individual groups of flats.
28. An update was taken to the Executive Member for Policy and Resources in July 2020, which outlined the progress of the delivery of the last of three tranches of new or refurbished accommodation. The current position is below:

	£000
Spend Tranche 1-3: Complete	29,900
Deregistration allocation:	428
Re-provision allocation:	650
Land Value Transfer:	1,300
Unallocated budget remaining:	2,722
Total	35,000

After spending across the three tranches, and allocated funds for planned and approved future spend, there is currently £2,722m left unallocated from the originally agreed funding approval of £35m.

In addition, during 2021/22 a further £15.185m funding had been approved to be added to this programme. Plans for additional schemes up to the value of the £15.185m and any underspend from the original £35m, inclusive of the currently unallocated £2.722m will continue to be developed. In accordance with financial procedures each individual new scheme will be added to the programme subject to approval of an appropriate business case.

Proposed capital programme 2023/24 to 2025/26 – locally resourced schemes

29. The Adult services capital programme for locally resourced schemes reflects the strategic aims of enabling people to live safe, healthy 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.

30. The detailed programme in Appendix 1 and expenditure for 2023/24 is summarised in the table below:

	£000
Operational building, including residential and nursing care, improvements	481
Total 2023/24 Budget	481

Capital programme supported by Government allocations

31. The locally resourced capital programme is supported by Government grant received from the Department for Levelling Up, Housing and Communities. In 2022/23 the amount of capital funding to Adult Services was £14.252m 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.
32. The Secretary of State has not yet announced details of individual local authority capital allocations for 2023/24 or beyond. For planning purposes 2022/23 allocations are being assumed.
33. The DFG of £14.252m 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 Levelling Up, Housing and Communities 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.

Capital programme summary

34. On the basis of the position outlined above, the total value of the capital programmes submitted for consideration for the three years to 2025/26 are:

	Schemes within locally resourced guidelines	Additional schemes funded within the prudential framework	Schemes supported by Government allocations (assumed)	Total
	£000	£000	£000	£000
2023/24	481	-	14,252	14,733
2024/25	481	-	14,252	14,733
2025/26	481	-	14,252	14,733

Revenue implications

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

	Full Year Cost	
	Current Expenditure £000	Capital Charges £000
Schemes within the guidelines		
2023/24	-	22
2024/25	-	22
2025/26	-	22
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Total	-	66
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Conclusions

36. The proposed capital programme for Adult Services as summarised in paragraph 11 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 strategic aims:

- Hampshire maintains strong and resilient 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, resilient communities.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and resilient 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, resilient communities:	Yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Adult Services Capital Programme 2017/18 to 2019/20 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
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
Medium Term Financial Strategy	14 July 2020
Learning Disability Housing - Programme Update	14 July 2020
Cabinet Financial Update and Budget Setting and Provisional Cash Limits 2021/22	24 November 2020
Medium Term Financial Strategy Update and Savings Programme to 2023	12 October 2021
Cabinet Financial Update and Budget Setting and Provisional Cash Limits 2022/23	7 December 2021
Cabinet 2021/22 – End of Year Financial Report	19 July 2022
Cabinet Financial Update and Budget Setting and Provisional Cash Limits 2023/24	13 December 2022

Direct links to specific legislation or Government Directives

Title

Date

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

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation).
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it.
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) 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 protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are 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 in which participation by such persons is disproportionately low.

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

Adult Social Care 2022/23 capital programme

Resources	
1.	Latest programme limit: £000
	Approved Programme 14,733
	Capital Receipt - Wynton Way 400
	Carry Forward from 2021/22 20,043
	Transfer to Revenue see table in main body of report
	Total <u>35,176</u>
 Allocated to Projects / Schemes	
2.	Project Extra-care Housing transformation project 906
	Maintaining Operational Buildings including Residential and Nursing Care 638
	Younger Adults Extra Care 15,185
	Adults with a Disability Accommodation 3,795
	Kershaw Centre – LD Transformation 400
	Disabled Facilities Grant <u>14,252</u>
	Schemes controlled on a starts basis <u>35,176</u>