

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care and Health
Date:	17 January 2018
Title:	Capital Programme for 2018/19 to 2020/21
Report From:	Director of Corporate Resources – Corporate Services and Director of Adults' Health and Care

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1. Recommendations

- 1.1. To approve for submission to the Leader and Cabinet the capital programme for 2018/19 to 2020/21 as set out in Appendix 1 and the revised capital programme for 2017/18 as set out in Appendix 2.
- 1.2. It is recommended that the first phase of the project to update the kitchenettes, kitchens and bathrooms at the in-house units totalling £750k, being funded from the 2017/18 Capital Programme, be approved.

2. Executive Summary

- 2.1. This report seeks approval for submission to the Leader and Cabinet of the proposed capital programme for 2018/19 to 2020/21.
- 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 5 February 2018 to make final recommendations to County Council on 22 February 2018.
- 2.3. The report considers the schemes which it is proposed to include in the capital programmes for 2018/19, 2019/20 and 2020/21.
- 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 2018/19 to 2020/21 within the guidelines used for the current capital programme including the third year, 2020/21, at a similar level to 2019/20
- a programme of capital schemes in 2018/19 to 2020/21 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
2018/19	481
2019/20	481
2020/21	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. No virements are proposed between revenue and capital budgets in this report.

5. Proposed capital programme 2018/19 to 2020/21 – 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

5.2. The detailed programme in Appendix 1 and expenditure for 2018/19 is summarised in the table below:

	£000
Operational building, including residential and nursing care, improvements	481
Total	481

6. Revised 2017/18 capital programme

6.1. The revised 2017/18 capital programme for Adults is shown in Appendix 2 and totals £55.1 million. The changes since the capital programme was approved in January 2017 are summarised below:

	2016/17 £000
Approved Programme	481
Carry Forward from 2016/17	44,433
Disabled Facilities Grant (Better Care Fund pooled budget)	10,694
Transfer to Revenue (eg demolitions)	-481
Total	55,127

6.2. The schemes carried forward from previous years of £44.433m were agreed by Cabinet on 19 June 2017. These predominantly relate to the Extra-Care housing and Adults with a Disability Accommodation programmes.

6.3. Projects are being developed to undertake the first phase of updating the kitchenettes, main kitchens and bathrooms at a number of the in-house units at an estimated cost of £750k over the next year. It is recommended that this is funded from the 2017/18 capital programme.

Extra-Care Housing

6.4. 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.

6.5. 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.

6.6. Capital funding for future Extra-Care developments will be subject to the development of individual business cases.

- 6.7. 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.
- 6.8. 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.
- 6.9. 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.

Transformation of Adult Learning Disability Services

- 6.10. 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.
- 6.11. 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.
- 6.12. 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. It is envisaged that the transformation will be completed by the end of March 2019.

Adults with a Disability Accommodation

- 6.13. 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.

Transfer to revenue

- 6.14. The funding transfer of £481k to revenue is a technical accounting adjustment. This is for expenditure on capital projects that cannot be capitalised under the capital accounting rules eg demolition costs.

7. Capital programme supported by Government allocations

- 7.1. The locally resourced capital programme is supported by Government grant received from the Department of Health. In 2017/18 the amount of Department of Health capital funding to Adult Services was £10.694m for the Disabled Facilities Grant. This funding forms part of the Better Care Fund – Pooled budget which is overseen by the Hampshire Health and Wellbeing Board.
- 7.2. The Secretary of State has not yet announced details of individual local authority capital allocations for 2018/19. For planning purposes 2017/18 allocations are being assumed.
- 7.3. The Disabled facilities grant (DFG) of £10.694m 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.

8. Capital programme summary

- 8.1. On the basis of the position outlined above, the total value of the capital programmes submitted for consideration for the three years to 2019/20 are:

	Schemes within locally resourced guidelines	Additional schemes funded within the prudential framework	Schemes supported by Government allocations	Total
	£000	£000	£000	£000
2018/19	481	-	10,694	11,175
2019/20	481	-	-	481
2020/21	481	-	-	481

Note: the above figures are net of developers' contributions and exclude the costs of land for programme schemes which are dealt with outside the guidelines.

9. Revenue implications

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

	Full Year Cost	
	Current Expenditure £000	Capital Charges £000
Schemes within the guidelines		
2018/19	-	26
2019/20	-	26
2020/21	-	26
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Total	-	78
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9.2. The total revenue implications for the three years of the starts programme, including capital charges, represent a real term increase of 0.02% over the 2017/18 original budget of Adult Social Care Service.

10. Conclusions

10.1. 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

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 schemes within the capital programme in order to comply with the requirements of the Equality Act 2010.

2. Impact on Crime and Disorder:

2.1. 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.

3. 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
2018/19 Schemes							
Schemes Supported from Local Resources							
1	Maintaining Operational Buildings including Residential and Nursing Care	241	40	200	481	-	26
2	Disabled Facilities Grants	-	-	10,694	10,694	-	-
Total Programme		241	40	10,894	11,175	-	26

Capital Programme - 2018/19

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
+ 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
	2019/20 Schemes						
	Schemes Supported from Local Resources						
3	Maintaining Operational Buildings including Residential and Nursing Care	241	40	200	481	-	26
	Total Programme	241	40	200	481	-	26

Capital Programme - 2019/20

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.	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 Social Care 2017/18 capital programme

Resources	
1.	Latest programme limit: £000
	Approved Programme 481
	Carry Forward from 2016/17 44,433
	Disabled Facilities Grant (Better Care Fund pooled budget) 10,694
	Transfer from Revenue
	Transfer to Revenue -481
	Total 55,127
Allocated to Projects / Schemes	
2.	Project Extra-care Housing transformation project 19,825
	Maintaining Operational Buildings including Residential and Nursing Care 437
	Locks Heath Day Service 280
	Kitchenettes, Kitchens, Bathrooms Phase 1 Upgrade 750
	Information Technology 119
	Extra-Care Housing 15
	Learning Disability (LD) Integration/Transformation (F&E) 101
	Adults with a Disability Accommodation 20,396
	Improvements to Residential and Nursing Accommodation: 112
	Disabled Facilities Grant 10,694
	Social Care Capital Grant 1,193
	Nursecall Upgrade 660
	Hampshire Equipment Store 545
	Schemes controlled on a starts basis 55,127