

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

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

**Contact name:** Graham Allen and Dave Cuerden

**Tel:** 01962 845875

01962 847473

**Email:** [graham.allen@hants.gov.uk](mailto:graham.allen@hants.gov.uk)

[dave.cuerden@hants.gov.uk](mailto: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<br>£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<br>£000 | Capital Charges<br>£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**

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

**Other Significant Links**

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

**Capital Programme - 2019/20**

| Site<br>Position  | Contract<br>Start |          | Remarks   | Ref |
|---|-------------------|----------|---|-----|
|   | Date              | Duration |   |     |
|   | Qtr               | Months   |   |     |
| <b>All schemes support the Corporate Priority of<br/>maximising wellbeing</b> |                   |          |   |     |
| N/A   | 1                 | 12       | Continuation of programme for the provision / replacement of<br>furniture and equipment in residential / day care establishments,<br>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<br>establishments   | 3   |
| + Projects to be partly funded<br>from external contributions.                |                   |          |   |     |

**Adult Services**

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

**Capital Programme - 2020/21**

| Site<br>Position | Contract<br>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. | 4   |
|                  |                   |          | + Projects to be partly funded from external contributions.   |     |

**Adult Services**

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

**Capital Programme - 2021/22**

| Site<br>Position | Contract<br>Start |          | Remarks  | Ref |
|------------------|-------------------|----------|--|-----|
|                  | Date              | Duration |  |     |
|                  | Qtr               | Months   |  |     |
| N/A              | 1                 | 12       | <p><b>All schemes support the Corporate Priority of<br/>maximising wellbeing</b></p> <p>Continuation of programme for the provision / replacement of<br/>furniture and equipment in residential / day care establishments,<br/>and to upgrade establishments to contemporary standards.</p> <p>+ Projects to be partly funded<br/>from external contributions.</p> | 5   |

**Adult Social Care 2018/19 capital programme**

|  |               |
|--|---------------|
| <b>Resources</b>   |               |
| 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   |               |
| <b>Total</b>   | <b>43,241</b> |
| <b>Allocated to Projects / Schemes</b>                                   |               |
| 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           |
| <b>Schemes controlled on a starts basis</b>                              | <b>43,241</b> |