

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care and Health
Date:	15 January 2020
Title:	Capital Programme for 2020/21 to 2022/23
Report From:	Director of Adults' Health and Care and Deputy Chief Executive and Director of Corporate Resources

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Purpose of this Report

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

Recommendation(s)

2. To approve for submission to the Leader and Cabinet the capital programme for 2020/21 to 2022/23 as set out in Appendix 1 and the revised capital programme for 2019/20 as set out in Appendix 2.
3. It is recommended that the project to improve pedestrian and vehicle safety at the in-house units totalling £0.33m, being funded from the 2019/20 Capital Programme, be approved.

Executive Summary

4. This report seeks approval for submission to the Leader and Cabinet of the proposed capital programme for 2020/21 to 2022/23.
5. 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 3 February 2020 to make final recommendations to County Council on 13 February 2020.

6. The report considers the schemes which it is proposed to include in the capital programmes for 2020/21, 2021/22 and 2022/23 and also presents the revised programme for 2019/20.
7. 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 investment in Older Persons and Younger Adults Extra Care was approved subject to a satisfactory business case being produced for each scheme.
8. 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

9. Executive Members have been asked to prepare proposals for:
 - a locally-resourced capital programme for the three-year period from 2020/21 to 2022/23 within the guidelines used for the current capital programme including the third year, 2022/23, at a similar level to 2021/22.
 - a programme of capital schemes in 2020/21 to 2022/23 supported by Government grants as announced by the Government.
10. The capital guidelines are determined by the medium term financial strategy which is closely linked to 'The 'Serving Hampshire - Strategic Plan 2017 – 2021' 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

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

	£000
2020/21	481
2021/22	481
2022/23	481

12. 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.

Proposed capital programme 2020/21 to 2022/23 – locally resourced schemes

13. 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.

14. The detailed programme in Appendix 1 and expenditure for 2020/21 is summarised in the table below:

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

Revised 2019/20 capital programme

15. The revised 2019/20 capital programme for Adults is shown in Appendix 2 and totals £25.98m. The changes since the capital programme was approved in January 2019 are summarised below:

	2019/20 £000
Approved Programme	13,422
Carry Forward from 2017/18	11,638
Disabled Facilities Grant (Better Care Fund)	920
Total	25,980

16. The schemes carried forward from previous years of £11.6m were agreed by Cabinet on 17 June 2019. These predominantly relate to the Extra-Care housing and Adults with a Disability Accommodation programmes.
17. Projects are being developed to undertake pedestrian and vehicle safety at a number of the in-house units at an estimated cost of £0.33m over the next year. It is recommended that this is funded from the 2019/20 capital programme.

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 7 schemes through the delivery of new facilities and significant improvements to existing assets. The programme has two further schemes in its programme and is expected to be operating within budget by the end of 2019/20.

Older Persons Extra-Care Housing

22. 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.
23. 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.

24. 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.
25. 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. This is in addition to previously approved schemes in Romsey and Havant.

Younger Adults Extra-Care Housing

26. 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.
27. An update was taken to the Executive Member for Policy and Resources in June 2019, and now progressing the delivery of the last of three tranches of new or refurbished accommodation:

Tranche one – 63 units at a cost of £15.73m (complete)
 Tranche two – 31 units at a cost of £11.15m (1 scheme left to complete)
 Tranche three – 6 units at a cost of £2.20m (in development)

After spending across the three tranches, and allocated funds, there is currently £0.52m left unallocated, as per the table below.

	£000
Spend Tranche 1-3:	29,082
Modification	100
Deregistration allocation:	500
Re-provision allocation:	3,500
Land Value Transfer:	1,300
Unallocated budget remaining:	518
Total	35,000

Accommodation with Care

28. In September 2018 the County Council identified a potential programme of capital investment for the Bed Based Programme. The programme looked to assess what bed based provision would be needed in the future, so that we could invest in the right facilities in the right locations.
29. From this analysis, it was clear that further investment in Extra Care would continue to provide high quality living environments at the same time as reducing the long term costs of care. In October 2019 Cabinet approved up to £70m of further investment in Older Persons and Younger Adults Extra Care funded from prudential borrowing, subject to business cases being approved by the Executive Member for Policy and Resources. As schemes are approved the relevant amount will be added to the Capital Programme and therefore is not included within the proposals contained within this report.
30. In respect of the remainder of the Bed Based Programme officers have been looking at the available data and condition of the existing premises, what investment may be required and what impact that may have on future care costs. From initial analysis it is anticipated that there is not a sufficient return on investment to meet the costs of prudential borrowing that would be required to fund the capital spend. Conversely however it did highlight the requirement for significant investment in our current estate if as a council we wish to retain our in-house provision of residential and nursing homes.
31. In response an in-house review is currently being undertaken that will consider our size and position in the overall market and the extent to which this helps to manage the demand and costs of adults' social care over the longer term. It is therefore proposed to await the outcome of this review and to continue to develop a potential investment plan that can be presented in the next iteration of the MTFs alongside other priorities for capital investment from other departments.

Capital programme supported by Government allocations

32. The locally resourced capital programme is supported by Government grant received from the Ministry of Housing, Communities and Local Government. In 2019/20 the amount of capital funding to Adult Services was £12.56m 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.
33. The Secretary of State has not yet announced details of individual local authority capital allocations for 2020/21. For planning purposes 2019/20 allocations are being assumed.

34. The DFG of £12.56m 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 Ministry of Housing, Communities and Local Government 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

35. On the basis of the position outlined above, the total value of the capital programmes submitted for consideration for the three years to 2022/23 are:

	Schemes within locally resourced guidelines	Additional schemes funded within the prudential framework	Schemes supported by Government allocations (assumed)	Total
	£000	£000	£000	£000
2020/21	481	-	12,561	13,042
2021/22	481	-	-	481
2022/23	481	-	-	481

Revenue implications

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

	Full Year Cost	
	Current Expenditure £000	Capital Charges £000
Schemes within the guidelines		
2020/21	-	26
2021/22	-	26
2022/23	-	26
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Total	-	78
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37. 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 2019/20 original budget of Adult Social Care Service.

Conclusions

38. The proposed capital programme for Adult Services as summarised in paragraph 12 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 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

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

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 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: Phase 1 update and additional project approvals	22 September 2017
Adults with a Disability Housing Programme: Progress update 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
Medium Term Financial Strategy	20 September 2018
Three Extra Care Development Opportunities in Gosport, Petersfield and New Milton – Outcome of Procurement	26 September 2018

Learning Disability Housing - Programme Update	20 June 2019
County Council - Medium Term Financial Strategy Update and Transformation to 2021 Savings Proposals	7 th November 2019
Direct links to specific legislation or Government Directives	
<u>Title</u>	
<u>Date</u>	

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 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
2020/21 Schemes							
Schemes Supported from Local Resources							
1	Maintaining Operational Buildings including Residential and Nursing Care	241	40	200	481	-	26
2	Disabled Facilities Grant	-	-	12,561	12,561	-	-
Total Programme		241	40	12,761	13,042	-	26

Capital Programme - 2020/21

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.	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
	2021/22 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 - 2021/22

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	<i>Qtr</i>	<i>Months</i>		
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
	2022/23 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 - 2022/23

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.	4
			+ Projects to be partly funded from external contributions.	

Adult Social Care 2019/20 capital programme

Resources	
1.	Latest programme limit: £000
	Approved Programme 13,422
	Carry Forward from 2018/19 11,638
	Disabled Facilities Grant (Better Care Fund) Adjustment 920
	Total <u>25,980</u>
 Allocated to Projects / Schemes	
2.	Project Extra-care Housing transformation project 3,117
	Maintaining Operational Buildings including Residential and Nursing Care 1,055
	Kitchenettes, Kitchens, Bathrooms Phase 1 Upgrade 211
	Pedestrian and Vehicle Safety 330
	Adults with a Disability Accommodation 7,406
	Disabled Facilities Grant 12,561
	Nursecall 1,300
	Schemes controlled on a starts basis <u>25,980</u>