

HAMPSHIRE COUNTY COUNCIL

Report for Information

Title:	Capital programme for 2010/11 to 2012/13
Presented To:	Safe & Healthy People Select Committee
Report From:	The County Treasurer and Director of Adult Services
Date:	19 January 2010

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1. Executive Summary

- 1.1. This report will seek approval for submission of the proposed capital programme for 2010/11 to 2012/13 to the Leader and Cabinet.
- 1.2. The report has been prepared in consultation with the Executive Member and will be reviewed by the Safe and Healthy People Select Committee. It will be reported to the Leader and Cabinet on 5 February 2010 to make final recommendations to County Council on 18 February 2010.
- 1.3. The report considers the schemes which it is proposed to include in the capital programmes for 2010/11, 2011/12 and 2012/13.
- 1.4. The proposals contained in this report are derived from the departmental service plan(s) which have been developed to support the priorities of the Corporate Strategy.

2. Background

- 2.1. In approving the medium term financial strategy on 26 October 2009, the Cabinet requested that executive members prepare proposals for:
 - a locally-resourced capital programme for the three-year period from 2010/11 to 2012/13 within guidelines that spread the existing capital programme for 2010/11 and 2011/12 over three years. This is in recognition of the sharp decline in the expected availability of capital receipts over the next three years as a result of the condition of the housing market.
 - a programme of capital schemes supported by Government grants or supported borrowing in 2010/11 and 2011/12 and those expected to be supported in 2012/13, subject to limits restricting the take-up of Government supported borrowing approvals.

- 2.2. 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.
- 2.3. The locally resourced capital programme and bids for carried forward from 2009/10 have been reviewed to ensure best use of resources and any necessary re-alignment will be submitted for agreement by the Executive Member. Because of the pressures on capital expenditure next year for extra care and remedial work on the residential homes the review of current year's programme is recommending that £0.54m of uncommitted funds identified at this time be carried forward into 2010/11 as shown below:

Extra care	£0.18m
Residential Care Homes	£0.36m

3. Locally resourced capital programme

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

	£000
2010/11	481
2011/12	845
2012/13	481

- 3.2. The guidelines include an addition of 2.25% for inflation in 2010/11, in line with the non-pay inflation assumption for the revenue budget.

4. Proposed capital programme 2010/11 to 2012/13 – locally resourced schemes

- 4.1. The Adult Services capital programme for locally resourced schemes is principally in accordance with, and continues to prioritise, those elements reported to Cabinet in February 2009. It reflects the corporate aims of maximising well being, Hampshire safer and more secure for all and enhancing our quality of place. It includes the following:
- Various IT systems and equipment to support increased self service and Hampshire Workstyle.
 - Other spending in relation to priority works to the fabric and systems in our residential and day care premises to ensure they meet the needs of residents and service users and satisfy the requirements of our statutory regulators such as the Care Quality Commission, Fire Service

and Health and Safety Executive and investment in Supported Housing.

- The detailed programme is shown in Appendix 1 and expenditure for 2010/11 is summarised in the table below:

	£000
Furniture and equipment in Adult Services' Residential homes, Day Care establishments and offices	189
Minor building works	180
Information Technology equipment	53
Supported Housing	59
TOTAL	<u>481</u>

5. Capital programme supported by Government allocations

- 5.1. As the Government has previously announced details of its support for capital schemes in 2010/11 and 2011/12, the cash limit guidelines for the programme supported by Government borrowing allocations for those years remain unchanged. .
- 5.2. Details of Government support for projects in 2012/13 will not be known until after the Government's Spending Review expected in 2010. On this basis, the proposed programme for 2012/13 is based on the cash limit for schemes supported by Government borrowing allocations for 2011/12 and is nil for Adult Services.
- 5.3. The cash limit guidelines for the capital programme supported by Government borrowing allocations are as follows.

	£000
2010/11	-
2011/12	-
2012/13	-

5.4. These guidelines are supplemented by capital grants expected from the Government, as follows.

	£000
2010/11	2,222
2011/12	-
2012/13	-

6. Proposed capital programme 2010/11 to 2012/13 – schemes supported by Government allocations

- 6.1. The proposed programme excludes any capital resources which may be agreed by Cabinet can be carried forward from the 2009/10 programme.
- 6.2. The proposed programme for 2010/11 is summarised below

	£000
Mental Health grant	290
Social care infrastructure	322
Common Assessment Framework	1,610
Total	2,222

6.3. The capital grant of £290,000 relates to ongoing Government support for mental health capital expenditure in relation to responsibilities under the mental health national service framework. This expenditure is linked to the Corporate Strategy of maximising well being. In 2009/10 capital grant replaced the former borrowing approval extra allocation. The government have only issued grant guidelines for three years this will be the final year of their current programme.

6.4. The social care infrastructure grant of £322,000 relates to Improving IT infrastructure to support Hampshire's Information Sharing strategy and integration with partner organisations including Health. This also covers variety of IT initiatives to support the Hampshire Model..

6.5. Hampshire has been awarded 2.78m over 2 years as part of the National Common Assessment Framework Demonstrator Programme. This will develop links between social care systems and the Hampshire Health record and improve joint assessment with Health as well as give clients access to their own health and social care records.

7. Capital programme summary

7.1. On the basis of the position outlined above, the total value of the capital programmes submitted for consideration for the three years to 2012/13 are:

	Schemes within locally resourced guidelines £000	Additional schemes funded within the prudential framework £000	Schemes supported by Government allocations £000	Total £000
2010/11	481	-	2,222	2,703
2011/12	845	-	-	845
2012/13	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.

8. Revenue implications

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

	Full Year Cost	
	Current Expenditure £000	Capital Charges £000
Schemes within the guidelines		
2010/11	4	30
2011/12	5	41
2012/13	5	31
Additional schemes under prudential framework		
2010/11	-	-
2011/12	-	-
2012/13	-	-
Schemes supported by Government allocations		
2010/11	-	-
2011/12	-	-
2012/13	-	-
Total	14	102

- 8.2. The total revenue implications for the three years of the starts programme, including capital charges, represent a real term increase of 0.04% over the 2009/10 original budget of Adult Services service.

9. Other Factors

- 9.1. As previously reported, the County Council is in the process of integrating its learning disability services with those provided by the NHS Hampshire Partnership Trust. The County Council is the designated lead agency for this programme, which follows on from the previous successful merger of mental health services. Service integration will be supported by joint working of staff teams and sharing accommodation in office bases. Where possible this will be achieved by relocating staff within premises already owned and occupied by the two agencies. It is apparent though that for a number of reasons, e.g. the expiry of existing lease agreements, this will not be possible in all areas of the County.
- 9.2. The two agencies have agreed to share the responsibility and cost of establishing new / alternative facilities. Costs will be both one-off, to undertake any necessary adaptations for example, and on-going, such as rental payments. The nature and level of these costs, which are potentially significant, will vary in each circumstance and cannot be accurately estimated in advance. It is anticipated, however, that it will be possible to accommodate them within existing budgetary provision through the use of contingencies and the virement of existing funds. Further reports will be submitted as necessary and as the costs of local solutions become clearer

10. Conclusions

- 10.1. The capital programme has been prepared within the resources guidelines and reflects the priorities of the service.

11. Recommendations

- 11.1. That the capital programme for 2010/11 to 2012/13, attached, be approved for submission to the Leader and Cabinet.
- 11.2. Following the review of the 2009/10 programme the proposal to carry forward £0.54m to 2010/11 to support Extra Care and remedial work in residential homes, be approved

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

Hampshire safer and more secure for all:	yes
Corporate Business plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Business plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
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.)

DocumentLocation

NONE

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

1.1. Adult Services budgets are targeted at the most vulnerable in society. How budgets are used have a significant impact on the most excluded. The operational directors have lead responsibility to ensure that impact assessments take account of the needs of these groups. The Head of Finance is a member of the Departmental management team, and part of her role is contribute to these impact assessments. This Capital programme report provides information on the capital spending plans of the Directorate and will contribute to better outcomes for all.

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 decisions it makes on the prevention of crime.

3. Climate Change:

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

All relevant developments within the revenue budget and capital programme are subject to specific, detailed assessments. Energy conservation, and where applicable enhancing biodiversity, are priorities for all major building schemes and the revenue budget includes an allocation to specifically encourage sustainability initiatives.

b) 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.