

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Executive Member for Adult Social Care		
Date of Decision:	16 January 2012		
Decision Title:	Capital programme for 2012/13 to 2014/15		
Decision Reference:	3535		
Report From:	County Treasurer and Director of Adult Services		
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1. Executive Summary

- 1.1. This report seeks approval for submission to the Leader and Cabinet of the proposed capital programme for 2012/13 to 2014/15.
- 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 3 February 2012 to make final recommendations to County Council on 23 February 2012.
- 1.3. The report considers the schemes which it is proposed to include in the capital programmes for 2012/13, 2013/14 and 2014/15.
- 1.4. 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.
- 1.5. Appendix 2 provides a list of the funding allocated to schemes in the Adult Services revised capital programme and a reconciliation of the plan to the amount included in the Adult Services capital section of the 2011/12 Budget Book. When the capital outturn position for 2011/12 is finalised the department will seek to carry forward any remaining funding to support the capital programme in future years.
- 1.6. The capital requirements for the next three years are currently being reviewed, with a further report planned to go to the Executive Member in March 2012.

2. Background

- 2.1. Executive Members have been asked to prepare proposals for:

- a locally-resourced capital programme for the three-year period from 2012/13 to 2014/15 within these guidelines
 - a programme of capital schemes in 2012/13 to 2014/15 supported by Government grants or supported borrowing as announced by the Government, 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.

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
2012/13	481
2013/14	481
2014/15	481

- 3.2. 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. These additions may include virements between the Revenue and Capital budget guidelines or use of temporary unsupported borrowing to provide bridging finance in advance of capital receipts or other contributions.
- 3.3. No virements are proposed between the revenue and capital budgets. However, prudential borrowing of £7.5m is expected to be required to support the implementation of the planned Transformation of Adult Learning Disabilities (LD) services programme. The cost of servicing this unsupported borrowing would be met in the interim from the Executive Member's revenue budget. Further information on the LD transformation programme is provided in section 4 of the report.

4. Proposed capital programme 2012/13 to 2014/15 – locally resourced schemes

- 4.1. The Adult Services capital programme for locally resourced schemes reflects the corporate aims of maximising wellbeing, Hampshire safer and more secure for all and enhancing our quality of place. It includes contributions towards the costs of the following:

- IT equipment to support Hampshire Workstyle and increased self service
- Priority works on our residential and day care premises to meet the needs of residents and service users and to satisfy the requirements of regulators including the Care Quality Commission, the Fire Service and the Health and Safety Executive
- Funding to support the further planned expansion of Extra-Care housing.

4.2. The detailed programme is shown in Appendix 1 and expenditure for 2012/13 is summarised in the table below:

	£000
Maintaining operational buildings including residential and nursing care	369
Information Technology	53
Extra-Care Housing	59
Total	481

4.3. In addition to the proposed programme outlined in Appendix 1, two other capital projects (Extra Care Housing and the Transformation of Adult Learning Disability Services) are currently in the early stages of planning. The following paragraphs provide some further information on these schemes. However, further reports will be presented to the Executive Member at future decision meetings (as appropriate) to seek any necessary approvals that are required.

Extra Care Housing

- 4.4. On the 24 October 2011 Cabinet approved the strategy¹ 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 costs.
- 4.5. It was also agreed that the first phase of this project (i.e. phase 1 consolidation) will use £3m of the overall envelope. This will be funded from the County Councils 'invest to save' reserve and has now been included in the 2011/12 Capital Programme.
- 4.6. Each phase of the project will be supported by an individual business case, and schemes will be added to the capital programme as they are progressed.
- 4.7. There is also a possibility that Prudential Borrowing may be required for extra care. The Cabinet approval will be sought when details are known.

¹ Report to Cabinet 'Modernisation of Adult Social Care – Project Extra-Care' dated 24 October 2011.

Transformation of Adult Learning Disability Services

- 4.8. On the 27 October 2011, the Executive Member for Policy and Resources approved the Adult Services Learning Disability (LD) Business Case² for the early implementation phase of LD transformation and the broader programme. The business case links to the consultation of the transformation proposals³ reported to the Executive Member for Adult Social Care on 16 May 2011.
- 4.9. Prudential Borrowing up to £7.5m is anticipated to be required to deliver the transformation in advance of capital receipts being received, based on the current forecast for site disposals. The detail for prudential borrowing per case will be established and the Cabinet approval will be sought accordingly.
- 4.10. It is anticipated that the transformation will be completely self funded, including the costs of Prudential Borrowing. This follows the decision by Cabinet on 10 February 2006 that the costs of borrowing through the Prudential Code should be borne by individual services.
- 4.11. Due to unprecedented market conditions there are risks associated with the broader programme of transformation. However, the purpose behind the change is to enable the wider benefits to be realised by clients and the service, as reported to the Executive Member for Adult Social Care on 16 May 2011. To mitigate any associated risks, all disposals will require a business case which will take into consideration the market conditions prevailing at the time.

5. Capital programme supported by Government allocations

- 5.1. The locally resourced capital programme is supported by Government grant received from the Department of Health and held corporately. In 2011/12 the amount of Department of Health capital funding to Adult Services was £2.417m (£2.491m in 2012/13). This allocation will continue to be held corporately, with the increase in the allocation being available to support corporate approach to determining capital investment priorities by the Cabinet in February 2012.

6. Capital programme summary

- 6.1. On the basis of the position outlined above, the total value of the capital programmes submitted for consideration for the three years to 2014/15 are:

² Executive Member for Policy and Resources report 'Transformation of Adult Learning Disability Services – Business Case and Asset Implications' dated 24 October 2011.

³ Executive Member for Adult Social Care report 'Response to consultation and proposals for the Transformation of Learning Disability Services' dated 16 May 2011.

	Schemes within locally resourced guidelines £000	Additional schemes funded within the prudential framework £000	Schemes supported by Government allocations £000	Total £000
2012/13	481	-	-	481
2013/14	481	-	-	481
2014/15	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.

- 6.2. This summary excludes the planned 'Extra Care Housing' and 'Transformation of Adult Learning Disability services' programmes which are referred to in Section 4 of the report.

7. Revenue implications

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

	Full Year Cost:	
	Current Expenditure £000	Capital Charges £000
Schemes within the guidelines		
2012/13	5	31
2013/14	5	31
2014/15	5	31
Additional schemes under prudential framework		
2012/13	-	-
2013/14	-	-
2014/15	-	-
Schemes supported by Government allocations		
2012/13	-	-
2013/14	-	-
2014/15	-	-
Total	15	93

- 7.2. The total revenue implications for the three years of the starts programme, including capital charges, represent a real term increase of 0.03% over the 2011/12 original budget of Adult Services service.

- 7.3. Part of the current expenditure costs, £5,000, will be incurred in 2012/13. These costs will be met from within the budget limit set for the service's revenue budget.
- 7.4. The revenue implications of the 'Extra Care Housing' and 'Transformation of Adult Learning Disability services' programmes (including cost of servicing any prudential borrowing costs) will be defined within the business cases that will be prepared.

8. Conclusions

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

9. Recommendation

- 9.1. That the capital programme for 2012/13 to 2014/15 as set out in Appendix 1 be approved for submission to the Leader and Cabinet.

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>
Capital programme for 2011/12 to 2013/14	2501	28 January 2011
Response to consultation and proposals for the Transformation of Learning Disability Services	2517	16 May 2011
Transformation of Adult Learning Disability Services – Business Case and Asset Implications	3143	27 October 2011
Direct links to specific legislation or Government Directives		
<u>Title</u>		<u>Date</u>
None		

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.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. 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:

- 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.