

**HAMPSHIRE COUNTY COUNCIL****Decision Report**

<b>Decision Maker:</b>	Executive Member for Adult Social Care
<b>Date:</b>	18 January 2016
<b>Title:</b>	Capital Programme for 2016/17 to 2018/19
<b>Reference:</b>	7150
<b>Report From:</b>	Director of Corporate Resources – Corporate Services and Interim 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 2016/17 to 2018/19.
- 1.2. 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 2016 to make final recommendations to County Council on 18 February 2016.
- 1.3. The report considers the schemes which it is proposed to include in the capital programmes for 2016/17, 2017/18 and 2018/19.
- 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.

**2. Background**

- 2.1. Executive Members have been asked to prepare proposals for:
  - a locally-resourced capital programme for the three-year period from 2016/17 to 2018/19 within the guidelines used for the current capital programme including the third year, 2018/19, at a similar level to 2017/18
  - a programme of capital schemes in 2016/17 to 2018/19 supported by Government grants as announced by the Government.
- 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
2016/17	481
2017/18	481
2018/19	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. 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.

### 4. Proposed capital programme 2016/17 to 2018/19 – 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:

- 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

4.2. The detailed programme in Appendix 1 and expenditure for 2016/17 is summarised in the table below:

	£000
Operational building, including residential and nursing care, improvements	481
Total	<u>481</u>

### Revised 2015/16 capital programme

4.3. The revised 2015/16 capital programme for Adults is shown in Appendix 2 and totals £33.5 million. The changes since the capital programme was approved in January 2015 are summarised below:

	2015/16 £000
Approved Programme	14,481
Carry Forward from 2014/15	11,052
Better Care Fund (pooled budget)	
Disabled Facilities Grant	5,296
Social Care Capital Grant	2,647
Total	33,476

- 4.4. The schemes carried forward from previous years of £11.052m were agreed by Cabinet on 22 June 2015. These predominantly relate to the Extra-Care housing programme. Six schemes are currently in different stages of development.
- 4.5. The carry forward from 2014/15 includes £800k Transforming Care grant. This is a one off grant received after the January report and is to be used to invest in housing and accommodation projects for people with learning disabilities, autism and/or challenging behaviour.

### **Extra-Care Housing**

- 4.6. 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.
- 4.7. 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.
- 4.8. Capital funding for future Extra-Care developments will be subject to the development of individual business cases.
- 4.9. 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.
- 4.10. In addition, Cabinet approved funding of up to £6m to extend the Extra-Care programme for adults with disabilities. The programme aims to support the reduction in use of residential care by supporting the de-registration of residential homes, by adapting existing accommodation and by building new accommodation. As well as improving outcomes for service users and reducing costs to the County Council, it will create capacity to support the NHS in moving people with learning disabilities out of inappropriate settings, such as Assessment & Treatment Units. A full business case will be brought forward shortly to extend this programme.
- 4.11. This left £10m in the Capital envelope, which has not yet been formally allocated to schemes.

- 4.12. 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. With this in mind, an overview of the extra care programme will take place in 2016.

### **Transformation of Adult Learning Disability Services**

- 4.13. 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.
- 4.14. 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.
- 4.15. The Executive member for Policy and Resources on 10 December 2015 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 June 2018.

### **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. In 2015/16 the amount of Department of Health capital funding to Adult Services was £7.943m. This funding forms part of the Better Care Fund – Pooled budget which is overseen by the Hampshire Health and Wellbeing Board. This fund contains two Capital grants the Disabled Facilities Grant (DFG) and the Social Care Capital Grant.
- 5.2. The Disabled facilities grant (DFG) of £5.296m 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.
- 5.3. The Social Care Capital Grant of £2.647m will be spent on two main programmes that support the sector. Hindson House in Basingstoke is a new purpose built respite service for people with disabilities. It is already a popular service. Given the closure of other respite facilities in the county, it is planned to extend this building at a cost of around £500k. A business case will be produced to support the formal decision. The balance will be out towards the

costs of ongoing planned maintenance and renewal for the County Council's in-house residential and nursing homes. Property services review of the estate recommends investment of around £15-17m over the next 10 years to maintain the homes to an appropriate standard.

## 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 2018/19 are:

	Schemes within locally resourced guidelines	Additional schemes funded within the prudential framework	Schemes supported by Government allocations	Total
	£000	£000	£000	£000
2016/17	481	-	-	481
2017/18	481	-	-	481
2018/19	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.

## 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		
2016/17	-	26
2017/18	-	26
2018/19	-	26
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Total	-	78
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7.2. 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 2015/16 original budget of Adult Social Care Service.

## 8. Conclusion

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

**9. Recommendation**

- 9.1. To approve for submission to the Leader and Cabinet the capital programme for 2016/17 to 2018/19 as set out in Appendix 1 and the revised capital programme for 2015/16 as set out in Appendix 2.

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

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

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Transformation of Adult Learning Disabilities Services- Property Issues	2897	21 July 2011
Outcome of the Consultation on the proposed closure of four Residential Care Homes and One Day Centre	5258	9 December 2013
Cabinet Capital Programme Review	5893	21 July 2014
Project Extra-Care: approval of Business Case for part of the development of Queensgate, Farnborough	5743	24 July 2014
Capital programme 2015/16 to 2017/18	6338	6 February 2015
End of Year Financial Report 2014/15	6638	22 June 2015
Older Persons Extra-Care Programme and update to the Winchester Extra-Care Business Case	6858	21 September 2015
Transformation of Adult Learning Disabilities Services – Programme Update & Revised Business Plan	7078	10 December 2015
<b>Direct links to specific legislation or Government Directives</b>		
<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

## **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	Total Cost (excluding sites)	Revenue Effect in Full Year	
						Running Costs	Capital Charges
		£'000	£'000	£'000	£'000	£'000	£'000
	<b>2016/17 Schemes</b>						
	<b>Schemes Supported from Local Resources</b>						
1	Maintaining Operational Buildings including Residential and Nursing Care	241	40	200	481	-	26
	<b>Total Programme</b>	241	40	200	481	-	26

**Capital Programme - 2016/17**

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
N/A	1	12	<p><b>All schemes support the Corporate Priority of maximising wellbeing</b></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>	1

**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
	<b>2017/18 Schemes</b>						
	<b>Schemes Supported from Local Resources</b>						
2	Maintaining Operational Buildings including Residential and Nursing Care	241	40	200	481	-	26
	<b>Total Programme</b>	241	40	200	481	-	26

**Capital Programme - 2017/18**

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.	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
	<b>2018/19 Schemes</b>						
	<b>Schemes Supported from Local Resources</b>						
3	Maintaining Operational Buildings including Residential and Nursing Care	241	40	200	481	-	26
	<b>Total Programme</b>	241	40	200	481	-	26

**Capital Programme - 2018/19**

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
			<b>All schemes support the Corporate Priority of maximising wellbeing</b>	
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 Social Care 2015/16 capital programme**

1.	Latest programme limit:	£000
	Approved Programme	14,481
	Carry Forward from 2014/15	11,052
	Disabled Facilities Grant	5,296
	Social Care Capital Grant	2,647
	<b>Total</b>	<b><u>33,476</u></b>
2.	Project Extra-care Housing transformation project	16,275
	Maintaining Operational Buildings including Residential and Nursing Care	661
	Information Technology	119
	Extra-Care Housing	59
	Learning Disability (LD) Integration/Transformation (F&E)	247
	Project Extra-Care for Adults with Disabilities	6,000
	Green Meadows and Solent Mead Sprinkler System incl fees	500
	Improvements to Residential and Nursing Accommodation:	
	Replacement Flooring	702
	Other Improvements	170
	Transformation Care Grant	800
	Disabled Facilities Grant	5,296
	Social Care Capital Grant	2,647
	<b>Schemes controlled on a starts basis</b>	<b><u>33,476</u></b>