

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care
Date:	17 January 2017
Title:	Capital Programme for 2017/18 to 2019/20
Reference:	8006
Report From:	Director of Corporate Resources – Corporate Services and Director of Adults' Health and Care

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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 2017/18 to 2019/20.
- 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 3 February 2017 to make final recommendations to County Council on 16 February 2017.
- 1.3. The report considers the schemes which it is proposed to include in the capital programmes for 2017/18, 2018/19 and 2019/20.
- 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 2017/18 to 2019/20 within the guidelines used for the current capital programme including the third year, 2019/20, at a similar level to 2018/19
 - a programme of capital schemes in 2017/18 to 2019/20 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
2017/18	481
2018/19	481
2019/20	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 2017/18 to 2019/20 – 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
- Extension of Locks Heath Day Services Dining Area

4.2. The detailed programme in Appendix 1 and expenditure for 2017/18 is summarised in the table below:

	£000
Operational building, including residential and nursing care, improvements	201
Locks Heath Day Services	280
Total	<hr/> 481 <hr/>

Revised 2016/17 capital programme

- 4.3. The revised 2016/17 capital programme for Adults is shown in Appendix 2 and totals £69.9 million. The changes since the capital programme was approved in January 2016 are summarised below:

	2016/17 £000
Approved Programme	481
Carry Forward from 2015/16	14,366
Disabled Facilities Grant (Better Care Fund pooled budget)	9,748
Re-instatement to £45m for Project Extracare Adults with a Disability Accommodation	10,000
Transfer from Revenue	35,000
Transfer to Revenue	442
	-100
Total	69,937

- 4.4. The schemes carried forward from previous years of £14.366m were agreed by Cabinet on 20 June 2016. These predominantly relate to the Extra-Care housing programme.
- 4.5. The re-instatement of Project Extracare and to £45m capital envelope was agreed by Executive Member for Policy and Resources on 22 April 2016.
- 4.6. The Council approved the £35m for Adults with a Disability Accommodation on 18 February 2016.
- 4.7. A project is being developed to upgrade the Nursecall system in a number of in-house units at a cost on £0.66m over three years. It is recommended that this project is funded from the 2016/17 capital programme Social Care Capital Grant.

Extra-Care Housing

- 4.8. 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.
- 4.9. 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.
- 4.10. Capital funding for future Extra-Care developments will be subject to the development of individual business cases.
- 4.11. 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.

- 4.12. 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. This led to an overview of the extra care programme in early 2016.
- 4.13. On 22 April 2016 the Executive Member for Policy and Resources approved the re-instatement of the Older Persons Extracare 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.

Transformation of Adult Learning Disability Services

- 4.14. 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.
- 4.15. 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.
- 4.16. 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.

Adults with a Disability Accommodation

- 4.17. 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.

Transfer from Revenue

- 4.18. Approval was given by the Executive Member Policy and Resources at its meeting on 29 September 2016 to add to the 2016/17 Adults Capital Programme the sum of £442,000. The works are at the Hampshire Equipment Services Store. These works are funded from departmental revenue sources.

Transfer to revenue

- 4.19. The funding transfer of £100k to revenue is a technical accounting adjustment. This is for expenditure on capital projects that cannot be capitalised under the capital accounting rules.

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 2016/17 the amount of Department of Health capital funding to Adult Services was £9.748m for the Disabled Facilities Grant. This funding forms part of the Better Care Fund – Pooled budget which is overseen by the Hampshire Health and Wellbeing Board.
- 5.2. The Disabled facilities grant (DFG) of £9.748m 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.

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 2019/20 are:

	Schemes within locally resourced guidelines	Additional schemes funded within the prudential framework	Schemes supported by Government allocations	Total
	£000	£000	£000	£000
2017/18	481	-	-	481
2018/19	481	-	-	481
2019/20	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		
2017/18	-	10
2018/19	-	26
2019/20	-	26
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Total	-	62
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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 2016/17 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 2017/18 to 2019/20 as set out in Appendix 1 and the revised capital programme for 2016/17 as set out in Appendix 2.

9.2. It is recommended that the Nursecall Upgrade which is being funded from the 2016/17 Capital Programme, 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>
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
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
Capital programme 2016/17 to 2018/19	7227	5 February 2016
Adults with Learning Disabilities: Accommodation Strategy and Business Case	7160	22 April 2016
Updated Nightingale Lodge Business Case and wider programme update	7407	22 April 2016
End of Year Financial Report 2015/16	7478	20 June 2016
Hampshire Equipment Services - Improvement Plan	7715	29 September 2016
Adults with Disability Accommodation Strategy: Project Proposals and Funding Approvals for Tranche 1 Project	7828	9 November 2016
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

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
2017/18 Schemes							
Schemes Supported from Local Resources							
1	Maintaining Operational Buildings including Residential and Nursing Care	173	28		201	-	4
2	Locks Heath Day Services	240	40		280	-	6
Total Programme		413	68	-	481	-	10

10

Capital Programme - 2017/18

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
All schemes support the Corporate Priority of maximising wellbeing				
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	Extension to Locks Heath Day Services Dining Area	2
+ Projects to be partly funded from external contributions.				

11

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
	2018/19 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

12

Capital Programme - 2018/19

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
			All schemes support the Corporate Priority of maximising wellbeing	
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.	

13

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
	2019/20 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

14

Capital Programme - 2019/20

Site Position	Contract Start		Remarks	Ref
	Date	Duration		
	Qtr	Months		
			All schemes support the Corporate Priority of maximising wellbeing	
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.	

15

Adult Social Care 2016/17 capital programme

Resources	
1.	Latest programme limit: £000
	Approved Programme 481
	Carry Forward from 2015/16 14,366
	Disabled Facilities Grant (Better Care Fund pooled budget) 9,748
	County Council approved Feb 2016
	- Adults with a Disability Accommodation 35,000
	Policy & Resources approved April 2016
	- Project Extracare: Re-instatement to £45m 10,000
	Transfer from Revenue 442
	Transfer to Revenue -100
	Total 69,937
Allocated to Projects / Schemes	
2.	Project Extra-care Housing transformation project 20,175
	Maintaining Operational Buildings including Residential and Nursing Care 1,434
	Information Technology 119
	Extra-Care Housing 18
	Learning Disability (LD) Integration/Transformation (F&E) 138
	Adults with a Disability Accommodation 35,000
	Improvements to Residential and Nursing Accommodation: 402
	Disabled Facilities Grant 9,748
	Social Care Capital Grant 1,801
	Nursecall Upgrade 660
	Hampshire Equipment Store 442
	Schemes controlled on a starts basis 69,937