

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Services and Public Health
Date:	18 January 2022
Title:	Capital Programme for 2022/23 to 2024/25
Report From:	Director of Adults' Health and Care and Director of Corporate Operations

Contact name: Graham Allen and Dave Cuerden

Tel: 03707 795574

03707 793845

Email: graham.allen@hants.gov.uk

dave.cuerden@hants.gov.uk

Purpose of this Report

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

Recommendation(s)

To approve for submission to the Leader and Cabinet:

2. To approve for submission to the Leader and Cabinet the capital programme for 2022/23 to 2024/25 as set out in Appendix 1 and the revised capital programme for 2021/22 as set out in Appendix 2.
3. To recommend to Cabinet that a virement to Culture, Communities and Business Services revenue budget of £1.03m to fund Health and Safety works within the Nursing and Residential estate, as set out in paragraphs 18-19, is approved.

Executive Summary

4. This report seeks approval for submission to the Leader and Cabinet of the proposed capital programme for 2022/23 to 2024/25.
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 8 February 2022 to make final recommendations to County Council on 17 February 2022.
6. The report considers the schemes which it is proposed to include in the capital programmes for 2022/23, 2023/24 and 2024/25 and also presents the revised programme for 2021/22.

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 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 2022/23 to 2024/25 within the guidelines used for the current capital programme including the third year, 2024/25, at a similar level to 2023/24.
 - a programme of capital schemes in 2022/23 to 2024/25 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's Residents - Strategic Plan 2021 – 2025' 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
2022/23	481
2023/24	481
2024/25	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.

Revised 2021/22 capital programme

13. The revised 2021/22 capital programme for Adults is shown in Appendix 2 and totals £43.727m. The changes since the capital programme was approved in January 2021 are summarised below:

	2021/22
	£000
Approved Programme	15,588

Carry Forward from 2019/20	7,180
Capital additions approved November 2021	22,000
Public Health Grant	139
Transfer to Revenue	(1,180)
Total	<u>43,727</u>

14. The schemes carried forward from previous years of £7.18m were agreed by Cabinet on 13 July 2021. These predominantly relate to the Extra-Care housing and Adults with a Disability Accommodation programmes.
15. As part of the Medium Term strategy Update and Savings Programme to 2023 Report that was approved by Cabinet in October 2021 an investment of £22m was approved for younger adults extra care and the Woodcot Lodge discharge facility to be funded by prudential borrowing with repayments accounted for within proposed revenue saving.
16. Addition of a project to set up inpatient alcohol and drug detoxification provision for £0.139m funded by grant from Public Health England.
17. The transfer to revenue includes £1.03m to fund Health and Safety Work as detailed in paragraphs 18-19 and £0.15m to fund Extra Care property services fees. These are technical adjustments to fund work that cannot be capitalised under the capital accounting rules.

HCC Care

18. A range of essential health and safety liabilities at our in-house residential care and nursing homes were identified through inspections at a total cost of £4.3m over two years. This was reported to Cabinet on 24 November 2020. A programme of works is being undertaken as part of the Culture Communities and Business Services revenue budget with £1.03m vired from the Adult Services Capital Budget to fund the work.
19. This portfolio of buildings remains the highest priority in the HCC estate in terms of health and safety, compliance and operational risk management, with a consequential ongoing demand for routine and one-off investment in maintenance and improvement. It is anticipated that further requests for funding will be made as the estate continues to age and liabilities are identified.
20. A series of detailed asset management surveys (led by Property Services) are currently being undertaken to enable a full assessment of the built estate and to provide lifecycle costings for each building. These surveys will help inform the development of costed lifecycle maintenance plans and consideration of the longer-term strategy for the HCC Care asset portfolio.
21. Accordingly, any requests for funding in the forthcoming year, as outlined above in paragraph 19, to support the maintenance of the estate, will also be informed by the review of the longer-term strategy to ensure that where appropriate, investment is targeted to sites that are included within the longer-term vision.

22. Additionally, it should be noted that the longer-term strategy for the portfolio of buildings will take into consideration the pressure highlighted within the Adult Services and Public Health Revenue Budget report, specifically where internal provision, with capital investment may help to mitigate these revenue pressures. Furthermore, it will also consider how internally provided care can mitigate the potential financial impact of the Adult Social Care funding reforms due to commence from October 2023.

Transformation of Adult Learning Disability Services

23. 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.
24. 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.
25. 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.
26. 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 8 schemes through the delivery of new facilities and significant improvements to existing assets. The programme has one further schemes in its programme and is now operating within budget.

Older Persons Extra-Care Housing

27. 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.
28. 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.
29. 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.

30. On 26 September 2018 the Executive Member for Policy and Resources identified three sites for development opportunities in Gosport, Petersfield and New Milton, all three of which are now going through the planning process. This is in addition to previously approved schemes in other parts of the county, including the Nightingale site in Romsey, which was completed in the 2020/21 financial year.

Younger Adults Extra-Care Housing

31. 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.
32. An update was taken to the Executive Member for Policy and Resources in July 2020, and now progressing the delivery of the last of three tranches of new or refurbished accommodation:

Tranche one – cost of £15.76m (complete).

Tranche two – cost of £11.15m (1 scheme left to complete).

Tranche three – cost of £4.07m (in development).

After spending across the three tranches, and allocated funds, there is currently £1.543m left unallocated, as per the table below. Plans for additional schemes for which this unallocated budget is earmarked continue to be developed.

	£000
Spend Tranche 1-3:	30,979
Modification	100
Deregistration allocation:	428
Re-provision allocation:	650
Land Value Transfer:	1,300
Unallocated budget remaining:	1,543
Total	35,000

Proposed capital programme 2022/23 to 2024/25 – locally resourced schemes

33. 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.

34. The detailed programme in Appendix 1 and expenditure for 2022/23 is summarised in the table below:

	£000
Operational building, including residential and nursing care, improvements	481
Total 2022/23 Budget	481

Capital programme supported by Government allocations

35. The locally resourced capital programme is supported by Government grant received from the Ministry of Housing, Communities and Local Government. In 2020/21 the amount of capital funding to Adult Services was £14.252m 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.
36. The Secretary of State has not yet announced details of individual local authority capital allocations for 2022/23. For planning purposes 2021/22 allocations are being assumed.
37. The DFG of £14.252m 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

38. On the basis of the position outlined above, the total value of the capital programmes submitted for consideration for the three years to 2024/25 are:

	Schemes within locally resourced guidelines	Additional schemes funded within the prudential framework	Schemes supported by Government allocations (assumed)	Total
	£000	£000	£000	£000
2022/23	481	-	14,252	14,733
2023/24	481	-	-	481
2024/25	481	-	-	481

Revenue implications

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

	Full Year Cost	
	Current Expenditure £000	Capital Charges £000
Schemes within the guidelines		
2022/23	-	18
2023/24	-	26
2024/25	-	26
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Total	-	70
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Conclusions

40. The proposed capital programme for Adult Services as summarised in paragraph 13 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 resilient 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, resilient communities.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and resilient 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, resilient communities:	Yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
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: Progress update and approval to the strategy for Phase 2 new build projects	9 March 2018
Three Extra Care Development Opportunities in Gosport, Petersfield and New Milton – Outcome of Procurement	26 September 2018
Medium Term Financial Strategy	14 July 2020
Learning Disability Housing - Programme Update	14 July 2020
Cabinet Financial Update and Budget Setting and Provisional Cash Limits 2021/22	24 November 2020
Medium Term Financial Strategy Update and Savings Programme to 2023	12 October 2021
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
2022/23 Schemes							
Schemes Supported from Local Resources							
1	Maintaining Operational Buildings including Residential and Nursing Care	327	54	100	481	-	18
2	Disabled Facilities Grant	-	-	14,252	14,252	-	-
Total Programme		327	54	14,352	14,733	-	18

Capital Programme - 2022/23

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.	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
	2023/24 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 - 2023/24

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.	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
	2024/25 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 - 2024/25

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 2021/22 capital programme

Resources	
1.	Latest programme limit: £000
	Approved Programme 15,588
	Carry Forward from 2020/21 7,180
	Woodcot and Younger Adults 22,000
	Public Health Grant 139
	Transfer to Revenue (1,180)
	Total <u>43,727</u>
 Allocated to Projects / Schemes	
2.	Project Extra-care Housing transformation project 2,967
	Maintaining Operational Buildings including Residential and Nursing Care 574
	Adults with a Disability Accommodation 3,795
	Disabled Facilities Grant 14,252
	Woodcot and Younger Adults 22,000
	Public Health Grant 139
	Schemes controlled on a starts basis <u>43,727</u>