

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care
Date:	25 January 2013
Title:	Capital programme for 2013/14 to 2015/16
Reference:	4550
Report From:	Director of Corporate Resources – Corporate Services 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 2013/14 to 2015/16.
- 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 8 February 2013 to make final recommendations to County Council on 21 February 2013.
- 1.3. The report considers the schemes which it is proposed to include in the capital programmes for 2013/14, 2014/15 and 2015/16.
- 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 2013/14 to 2015/16 within the guidelines used for the current capital programme including the third year, 2015/16, at a similar level to 2014/15
- a programme of capital schemes in 2013/14 to 2015/16 supported by Government grants 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.
- 2.3. The County Council's capital programme has been maintained and expanded over recent years, continuing the trend of ensuring that the Council invests wisely in maintaining its existing assets and delivers a programme of new ones. The priority for the current and next financial year is to concentrate on the delivery of the approved capital programme which totals £550m over three years with £220m due to be completed or started in the current financial year.
- 2.4. Given the scale and timing of the capital programme, Services have been asked to review the schemes in their capital programmes as it is possible that some schemes that were added in February 2012 do not necessarily reflect current priorities or phasing. In addition, Services have also been asked to look at how schemes could be accelerated towards implementation should this prove necessary.
- 2.5. It is also important that the County Council is in a strong position to respond to any opportunities that may arise as a result of proposals by the Government to move resources from revenue to capital investment.

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
2013/14	11,681
2014/15	6,081
2015/16	14,481

- 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.

4. Proposed capital programme 2013/14 to 2015/16 – 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:

- Extension of the development of the Extra Care Programme in accordance with the strategy approved by Cabinet at its meeting on the 24 October 2011
- 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 2013/14 is summarised in the table below:

	£000
Project Extra-Care	11,200
Operational building, including residential and nursing care, improvements	481
Total	11,681

Revised 2012/13 capital programme

4.3. The revised 2012/13 capital programme for Adults is shown in Appendix 2 and totals £15.6million. The changes since the capital programme was approved in January 2012 are summarised below:

	2012/13 £000
Approved Programme	14,681
Carry Forward from 2011/12	1,426
Transfer to revenue	-150
Total	15,957

4.4. The schemes carried forward from previous years of £1.4m was agreed by Cabinet on 25 June 2012.

4.5. Two significant capital projects in progress are the Extra Care Housing and the Transformation of Adult Learning Disability Services. The following paragraphs provide further information on these schemes. Further reports, will continue, to be presented to the Executive Member at future decision meetings (as appropriate) to seek any necessary approvals that are required.

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 will be formally approved on 24 January 2013 when the Executive Member for Policy and Resources approves the proposed composite Project Appraisals for the extension projects.
- 4.8. Capital funding for future Extra-Care developments will be subject to the development of individual business cases.
- 4.9. It is proposed that 100% of the capital receipt from the sale of closed homes would be used to fund the Extra-Care programme, subject to approval from the Executive Member for Policy and Resources. Any delay in the sale of the sites would incur ongoing maintenance and security costs, and will delay the reduction in the capital borrowing for the Extra-Care programme, and therefore impact on prudential borrowing costs.

Transformation of Adult Learning Disability Services

- 4.10 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.
- 4.11 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.
- 4.12 A progress report was made to the Safe and Healthy People Select Committee on 20 July 2012. Most aspects of the Learning Disability transformation is progressing. We are currently looking to identify suitable sites.

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 2012/13 the amount of Department of Health capital funding to Adult Services was £2.491m (provisional amounts for 2013/14 £2.556m and £2.608 in 2013/14). 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 2013.

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 2015/16 are:

	Schemes within locally resourced guidelines £000	Additional schemes funded within the prudential framework £000	Schemes supported by Government allocations £000	Total £000
2013/14	11,681	-	-	11,681
2014/15	6,081	-	-	6,081
2015/16	14,481	-	-	14,481

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		
2013/14	-	212
2014/15	-	119
2015/16	-	258
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Total	-	589
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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 0.21% over the 2012/13 original budget of Adult Services 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. That the capital programme for 2013/14 to 2015/16 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>
Transformation of Adult Learning Disabilities Services- Property Issues	2897	21 July 2011
Capital programme 2012/13 to 2014/15	3587	3 February 2012
2011/12 End of Year Financial Report	3924	25 June 2012
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.)

<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 capital programme are subject to specific, detailed assessments. Energy conservation, and where applicable enhancing biodiversity, are priorities for all major building schemes.

- 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,

Adult Services 2012/13 capital programme

1.	Latest programme limit:	£000
	Total programme as per budget book	14,681
	Carry forward schemes from 2011/12	1,426
	Transfer from capital to revenue	-150
		<u>15,957</u>
2.	Analysis of 2012/13 programme including carry forwards from 2011/12:	
	Extra-care Housing transformation project – Project Extra-Care	14,200
	Maintaining Operational Buildings including Residential and Nursing Care	677
	Information Technology	119
	Extra Care Housing	133
	Learning Disability (LD) Integration/Transformation (F&E)	247
	MH Grants	581
	Schemes controlled on a starts basis	<u>15,957</u>