

**THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA****HOUSING AND PROPERTY SCRUTINY COMMITTEE – 20 JANUARY  
2011****HEALTH, ENVIRONMENTAL HEALTH AND ADULT SOCIAL CARE  
SCRUTINY COMMITTEE – 27 JANUARY 2011****REPORT BY THE EXECUTIVE DIRECTOR FOR HOUSING, HEALTH AND  
ADULT SOCIAL CARE****CAPITAL BUDGET 2011/12 – 2013/14**

This report presents the draft capital budget for 2011/12 – 2013/14 for the Housing, Health and Adult Social Care Business Group. The total budget cost over this period is:

a) General Fund - £5.533 million of which £4.123 million would be Council funded with the balance coming from external sources including the Disabled Facilities Grant and contributions from Health.

b) Housing Revenue Account (HRA) - £22.438 million of which £899,000 would be Council funded with the balance mainly being funded from the Major Repairs Allowance.

The most significant capital projects for this Business Group are:

- i) The redevelopment of Piper House
- ii) The Assessment System for Community Care
- iii) The Housing Revenue Account Capital Programme

The Scrutiny Committees are invited to submit any comments they may have to the Cabinet meeting on 17 February 2011.

**FOR COMMENT**

**1. INTRODUCTION**

- 1.1 The Medium Term Budget Prospects and Business Planning report to Cabinet on 22 July 2010 set out the background and planning guidelines to be adopted in drawing up the Revenue Budget and Capital Programme for the Council.

- 1.2 The schemes in this report have been through a prioritisation process that considered both operational necessity, contribution to the capital strategy and value for money.
- 1.3 Bids have been subjected to scrutiny first by an independent officer panel and then by the Cabinet Members for Finance and IT and Housing and Property. The Cabinet Member for Finance and IT emphasised to all Business Groups the need for their bids to be realistic in the present financial situation. Where costs have not yet been committed, Business Groups have been asked to review the cost of schemes, avoid over-specification of works and ensure that scheme costs are not excessive.

## **2. BUSINESS GROUP CAPITAL STRATEGY / OBJECTIVES**

- 2.1 The Business Group's objectives closely mirror the Council's Capital Strategy Objectives and include some high profile schemes:
- *To improve the proportion of housing that meets the decent homes standard* - the Decent Homes standard was completed ahead of schedule by December 2009. However year on year properties are becoming non-decent as the measurement of Decency is in part about age related components, e.g. age of the kitchen or bathroom and there are a number of properties which were not made Decent as part of the programme as tenants refused access. As properties become vacant or become non-decent works are undertaken to ensure our homes meet the Decent Homes standard;
  - *To improve the borough's social housing through estate renewal, diversifying ownership and fostering retail and other services* – the Elm Park Gardens project seeks to create 36 new flats in the basements at Elm Park Gardens;
  - *To support flagship developments that have a major impact on the social, economic and environmental objectives of the Council* – for example the Silchester Garage and Edenham Way site regeneration schemes;
  - *To contribute to the well-being of the residents of the Borough* – an example is the Housing Regeneration programme and the Private Sector Renewal Grant programme;

- *To enable residents (especially those with special needs) to live with as much independence as possible* – examples are the redevelopment of Piper House, the creation of flats in Cambridge Gardens for people with learning disabilities and the Disabled Facilities Grant programme;
- *To provide Information Technology and systems that support the efficient and effective operation of services* – examples are the new assessment system for Adult Social Care and the Information and Advice Access portal;
- *To plan for the long-term property needs of the Royal Borough's services portfolio, so that we can meet the service needs of the future* - examples include redevelopment of Piper House, the refurbishment of St Marks Day Centre, the ongoing Premises Improvement Programme and the development of accessible housing and
- *To maximise the use of Assets in meeting current and future service (and cross-cutting) needs* – examples are the Premises Improvement Programme for Adult Social Care.

### 3. PROPOSED CAPITAL PROGRAMME 2011/12 - 2013/14

3.1 **Appendix A** provides details of the proposed schemes showing the cost of each project phased over financial years together with the funding sources. **Appendix B** summarises the funding sources of the total programme in more detail over each financial year.

3.2 The main schemes costing over £1 million are as follows:-

Main Spending Start Year	Scheme	Latest Est Cost £'000	Previous Est Cost £'000	Change in Council Funding £'000	Total Council Funding £'000	Budget Stage
2004/05	Ellesmere Main Scheme	10,941	10,898	-378	1,107	Go
2005/06	Elm Park Gardens	4,414	4,414	0	0	Go
2009/10	Piper House Refurbishment	1,653	1,510	143	1,303	Planning
2009/10	Social Housing Energy Savings Programme	3,056	3,247	0	0	Planning
	<b>TOTAL</b>	<b>20,064</b>	<b>20,069</b>	<b>-235</b>	<b>2,410</b>	

In addition the HRA Capital Programme has an annual budget of approximately £7m in each of the 3 years of this Capital Programme.

### **New Schemes added to the programme**

- 3.3 There are no major new schemes proposed in the HHASC Capital Programme.

### **Significant schemes in the existing programme**

- 3.4 **Piper House** (a home for people with a learning disability) is no longer considered to be fit for purpose by the Care Quality Commission and fails to meet the national minimum standards for care homes. Internal remodelling of Piper House would provide the opportunity to increase the number of wheelchair accessible units to prevent people (of all ages) having to be accommodated outside the Royal Borough and provide more appropriate services for young people with complex needs who are moving towards adult services.

The remodelled scheme would be run by an external organisation.

The alternative accommodation for these young people is likely to be residential care outside London which would be purchased at a higher unit cost than that envisaged for the remodelled house. The saving per placement is expected to be in the region of £800 per week i.e. an annual saving of £500,000 which would deliver a pay back of the capital costs within 3.3 years.

- 3.5 **Assessment System for Community Care** - the requirement for a replacement Adult Social Care IT system has been identified for some time and is crucial to the Council's plans for increasing efficiency. However the actual process of replacing the system has been delayed because of the need to ensure all new processes involved in the personalisation agenda and the subsequent additional IT requirements were fully worked out. It is essential any new system meets all the revised needs of Adult Social Care following changes resulting from personalisation.

RBKC are currently looking at the options for Adult Social Care to work jointly with Hammersmith and Fulham and Westminster councils in the future and this will be considered when taking this project forward.

- 3.6 The **HRA Capital Programme** is £7.6m in 2011/12. This Programme has reduced following the ending of supported borrowing. The lower level of resources is requiring the programme to be limited to schemes already in contract, required for decent homes compliance or necessary for health and safety reasons;

- 3.7 **Elm Park Gardens Basements** is a scheme to redevelop basements for use as social housing. The scheme is expected to be completed in summer 2011 and to be fully funded from capital receipts arising from the sale of the basements.

### Pipeline Schemes

- 3.8 There are currently no pipeline schemes within the Housing, Health and Adult Social Care Capital Programme.

### Rolling Programmes

- 3.9 The draft capital budget also includes a number of rolling programmes which comprise a number of smaller schemes that are aggregated as a cash limit for each year. These are as follows:

Title	Description	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
<b>Housing, Health and Adult Social Care General Fund</b>					
Disabled Facilities Grant	Eligible works to the private stock in the Borough with expenditure offset by government subsidy.	408	425	425	425
Lets Rent	Refurbishment of properties in accordance with the LETS RENT Strategy which will then become available for letting to people in housing need in the Borough.	19	0	0	0
Premises Improvement Programme Adult's Services	A variety of renewal and refurbishment projects to Social Services - Adult's premises.	434	0	0	0
Private Sector Renewal Grants	Within the new Private Sector Renewal Strategy, provide assistance to residents to improve the energy efficiency of their homes, improve home security and alleviate unfit and disrepair.	446	400	230	230
Regeneration RSL	Registered Social Landlord regeneration projects support community development initiatives by enhancing estate security, improving tenants clubrooms and making estates more attractive places to live.	235	215	215	215
<b>TOTAL</b>		<b>1,542</b>	<b>1,040</b>	<b>870</b>	<b>870</b>

Title	Description	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
<b>Housing, Health and Adult Social Care HRA</b>					
Regeneration HRA	Housing Revenue Account regeneration projects that support community development initiatives by enhancing estate security, improving tenants clubrooms and making estates more attractive places to live.	222	249	250	250
<b>TOTAL</b>		<b>222</b>	<b>249</b>	<b>250</b>	<b>250</b>

### Associated Revenue Costs

- 3.10 None of the schemes within the Housing, Health and Adult Social Care Capital Programme require one-off associated revenue funding which, due to accounting rules, cannot be treated as capital

expenditure but is nevertheless required for the delivery of certain schemes.

#### **4. LEGAL AND PERSONNEL ISSUES**

- 4.1 The capital programme includes a number of schemes to upgrade and improve the buildings portfolio of the Business Group. This will benefit the physical environment for both service users and staff.

#### **5. DIVERSITY IMPLICATIONS**

- 5.1 The establishments within the Royal Borough provide opportunities for various users with a wide range of backgrounds and abilities. The Council's Equality Scheme Action Plan commits the Council to improve the accessibility of the buildings in the borough. The capital programme therefore includes a number of schemes designed to achieve these improvements. For this Business Group the main projects planned are as follows:

- The redevelopment of Piper House and
- Disabled Facility Grants.

#### **6. RECOMMENDATIONS**

- 6.1 The Scrutiny Committee is invited to refer any comments on the Business Group's draft Capital Budget to the 17 February 2011 Cabinet for their consideration.

**FOR COMMENT**

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Background papers: Capital Programme files 2011/12 – 2013/14

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