



Item No. 5

Meeting Date Wednesday 16 November 2016

Glasgow City Integration Joint Board Finance and Audit Committee

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CAPITAL PROGRAMME

Purpose of Report:	This report provides a summary of the financial performance and progress on the delivery of the investment programme within the partner organisations of the Integration Joint Board.
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Recommendations:	The Integration Joint Board Finance and Audit Committee is asked to: a) note this report.
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Implications for Integration Joint Board:

Financial:	None.
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Personnel:	None.
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Legal:	None.
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Economic Impact:	None.
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Sustainability:	None.
Sustainable Procurement and Article 19:	None.
Equalities:	None.
Risk Implications:	None.
Implications for Glasgow City Council:	None.
Implications for NHS Greater Glasgow & Clyde:	None.

1. Introduction

- 1.1 This report provides a summary of the financial performance and progress on the delivery of the investment programme within the partner organisations of the Integration Joint Board.
- 1.2 Due to the different methods of provision of funding for capital investment within the respective partner organisations, the capital programme for each partner is reported separately.

2. Summary Financial Position

2.1 Health

- 2.1.1 The NHS programme consists of the Adult Mental Health Programme, Hub projects and Minor Works. The total expenditure allocation in the current year for all projects is £6.7m. Spend within 2016/17 is forecast to be £6.7m.

2.2 Social Work

- 2.2.1 The approved gross expenditure budget, net of amounts paid in previous years, totals £51.1m. Probable outturn gross expenditure for 2016/17 totals £13.6m. Actual gross expenditure in 2016/17 to the end of quarter 2 totals £8.6m.

3. Health Programme details

3.1 Adult Mental Health

3.1.1 The refurbishments of wards 43 and 44 on the Stobhill site are scheduled to commence in November 2016. Total spend was forecast to be £3.8m but is being brought back to the allocation of £3.4m through a value engineering workshop with users. The refurbishment and extension of Tate Ward on the Gartnavel site is scheduled to commence in November 2016 and is on budget for spend in-year of £1.8m.

3.2 Hub Projects

3.2.1 The handover of Maryhill Health & Care Centre took place on 15 July 2016. Spend in-year is expected to be on budget at £0.8m. Woodside and Gorbals Health & Care Centres are together expected to incur £0.5m in-year. Further detail on these 2 projects is provided at paragraph 5.

3.3 Minor Works

3.3.1 Minor works allocation totals £0.2m for a number of small projects such as replacement doors for Leverdale ward 3B and alterations at Govan Health Centre. Expenditure in-year is on target.

4. Social Work Programme details

4.1 The Social Work capital programme consists of 3 main areas;

4.2 Children's Residential Units

4.2.1 The Children's Residential Strategy involved a radical reconfiguration of residential services, providing a modern service fit for purpose, which better meets the needs of our most vulnerable young people and improves their opportunities and life outcomes.

4.2.2 The programme comprises the construction of 12 new 8-bed properties, at a budgeted cost of £14.2m. Of the 12 new units, 10 are now complete and operational, with the units at Eribol Street due for completion in November 2016, and Merrylee in July 2017. These new units supplement some existing units which have been retained.

4.3 Local Authority Care Homes

- 4.3.1 The Older Person's Capital Programme replaces 16 older care homes with 5 new build care homes and associated day care, together with 3 stand-alone day care facilities, at a budgeted cost of £107.8m.
- 4.3.2 2 new care homes, Hawthorn House and Orchard Grove, are operational, and of the other 3, Springfield Road will be operational in early 2017. The Leithland tender is covered in a separate report to this Committee and is due to start on-site in January 2017 with completion expected in 2019. Blawarthill is currently out to tender, and the land transfer from the Health Board to the Council will take place once Scottish Water have completed their work on-site. Completion is expected in 2018.
- 4.3.3 Works on the Day Care facility in North East have taken longer than initially programmed, and it is now anticipated that completion will be achieved in November 2016. The Day Care facility at Woodside will be integrated with Woodside Health Care Centre. Timescales on this project, which is being procured through West Territory Hubco (see paragraph 5) have slipped considerably, with completion now estimated as late 2018.
- 4.3.4 Gorbals Health Centre will incorporate Social Work offices, and will be an integrated facility procured through West Territory Hubco. As outlined at paragraph 5 this project has also encountered considerable delays, with completion now estimated as late 2018.

4.4 Replacement Services for Homelessness Provision

- 4.4.1 2 new 30-bed units at Rodney Street (North) and Portman Street providing temporary accommodation for homeless people were completed in September and have recently become operational. These units provide a more appropriate standard of accommodation than the alternative bed-and-breakfast accommodation. The budget for these units was £12.6m.

5. West Territory Hub Initiative

- 5.1 The Hub concept has been developed by the Scottish Futures Trust on behalf of the Scottish Government as a vehicle for the procurement of community based facilities that will benefit the public sector. Health has mandated the use of Hub for its new facilities, and any joint Health/Council projects will be delivered through that route. The introduction of the European System of Accounts 2010 (ESA 10), which came into force in September 2014, impacted on the project funding of Hub projects. Local Authorities are no longer able to make a capital contribution

towards Hub projects, their share of costs instead being made via a unitary charge from revenue expenditure.

- 5.2 There are currently 2 joint projects in progress – Woodside Health Centre with integrated Day Care, and Gorbals Health Centre and Social Work offices. Significant issues with both of these projects have caused considerable delays to their programmes, with current timescales indicating completion some 2 years later than originally planned.
- 5.3 Within both projects, there are ongoing issues with Stage 2 submissions, which have been escalated to senior management within both Health and Council. There is a lack of clarity from Hub on the scale of the affordability gap, with increased prices expected to be subject of Value Engineering proposals. Current estimates indicate that additional funding will be required. There remains concern about the programme, with revised dates not being met by Hub. Stage 2 was due for submission in late October 2016, with financial close now scheduled for February 2017.

6. Recommendation

- 6.1 The Integration Joint Board Finance and Audit Committee is asked to:
 - a) note this report.