

**Glasgow City
 Integration Joint Board
 Finance and Audit Committee**

Report By: Sharon Wearing, Chief Officer: Finance and Resources

Contact: Sharon Wearing

Tel: 0141 287 8838

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 as at the end of quarter 3 for 2016/17.
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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.
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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 as at the end of quarter 3 for 2016/17.
- 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 £7.5m. Spend within 2016/17 is forecast to be £7.4m.

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 3 totals £10.7m.

3. Health Programme Details

3.1 Adult Mental Health

3.1.1 Pre-start meetings for wards 43/44 took place the week commencing 9 January 2017 and works commenced on site 16 January 2017. Total forecast spend has been brought down from £3.8m to the £3.4m funding available through a value-engineering workshop with users. The refurbishment and extension of Tate Ward on the Gartnavel site commenced at the same time as the work on wards 43/44 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.

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, 11 are now complete and operational, with the unit at Eribol Street handed over in January 2017, and Merrylee due for completion in October 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 £107.9m.

- 4.3.2 Two new care homes, Hawthorn House and Orchard Grove, are operational, and of the other three, Springfield Road will be operational in early 2017. Leithland started on-site in January 2017 with completion expected in 2019. The anticipated site start for Blawarthill is March 2017, with completion expected in June 2018.
- 4.3.3 The Day Care facility in North East became operational in January 2017. 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 Two new 30-bed units at Rodney Street (North) and Portman Street providing temporary accommodation for homeless people were completed in September and became operational at the end of 2016. 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 two 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, Stage 2 submissions have now been approved. There remains 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. An alternative funder has been put in place, which will delay the anticipated site start dates by up to several weeks.

6. Recommendation

6.1 The Integration Joint Board Finance and Audit Committee is asked to:

a) note this report.