Appendix E

Policy for Flexible use of Capital Receipts

Purpose

1. This paper reviews the statutory guidance on the flexible use of Capital Receipts and its application within this authority.

Background

2. Capital receipts can only be used for specific purposes, and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under Section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure and the use of capital receipts to support revenue expenditure is not permitted by the regulations.

3. The Secretary of State is empowered to issue Directions allowing expenditure incurred by local authorities to be treated as capital expenditure. Where such a direction is made, the specified expenditure can then be funded from capital receipts under the Regulations.

4. The Secretary of State for Communities and Local Government issued guidance in March 2016, giving local authorities greater freedoms with how capital receipts can be used to finance expenditure. This Direction allows for the following expenditure to be treated as capital,

> "Expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners."

5. In order to comply with this Direction, the Council must consider the Statutory Guidance issued by the Secretary of State. This Guidance requires authorities to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy with the initial strategy being effective from 1st April 2016 with future Strategies included within future Annual Budget documents.

6. There is no prescribed format for the Strategy, the underlying principle is to support local authorities to deliver more efficient and sustainable services by extending the use of capital receipts to support the revenue costs of reform projects.

Appendix E

7. The Statutory Guidance for the Flexible Use of Capital Receipts Strategy states that the Strategy should include a list of each project which plans to make use of the capital receipts flexibility, together with the expected savings that the project will realise. The Strategy should also include the impact of this flexibility on the affordability of borrowing by including updated Prudential Indicators.

8. The Flexible Use of Capital Receipts Strategy is set out below.

Flexible Use of Capital Receipts Strategy

9. Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is:

> "Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility."

10. The Council intends to use the following capital receipts to fund the following:

	26/27 £m	**27/28 £m**	**28/29 £m**	**Total £m**
Major Service and Council Wide cross cutting transformational schemes (as detailed below at para 12).	2.5	1.0	1.0	4.5
Total	**2.5**	**1.0**	**1.0**	**4.5**

11. It is anticipated that further allocations may be made during the above years in response to the identification of transformational service developments and the potential need to meet increasing service demands. Any further updates will be reported to Committee, as necessary.

Appendix E

12. In support of the table above additional information is provided below which details the key elements of the major service and Council wide cross service transformational schemes currently running across the Council. The delivery and funding of these schemes and in order to drive the required efficiency savings and transform the service provision is supported by capital receipts in line with this Policy.

Adult Social Care

Project	Description	Impact
ASC Digital Strategy	To undertake a full review of the data ASC holds, identifying its validity and any areas for improvement in data gathering & analysis. Creation, development, testing and integration of the new ASC Dashboard tool. Project management of the Dashboard project from inception to completion.	▪ Greater understanding of local population need - improvement for service users.
Self-Assessment	The CQC will require an annual self-assessment to be submitted to them by each Local Authority. The self-assessment should demonstrate that the Local Authority is aware of its strengths, the areas that are a work in progress and its areas for improvement. The self-assessment must demonstrate that the local authority is self-aware and promote confidence that is has a clear plan for improvement. Assisting in the Peer review process & facilitating the continual learning and development of the service.	▪ Service Efficiency
Supporting Independence Team /Out of Hours Review	To review the current structure of the Supporting Independence Team as well as current aims, purpose and pathways, to fully understand our position regarding the supporting independence offer. Identify any quick wins which will support and improve service delivery and maximise efficiencies.	▪ Service Efficiency ▪ Improvement for people who access services. ▪ Better outcomes for the residents of Hull

Appendix E

	The Supporting Independence Team comprises of three sub teams which are SIT Community team, HOOTS and Out of Hours team. These services provide 24-hour cover in the city.	
Direct Payments	Review existing direct payment offer and develop a comprehensive direct payment offer, which can be promoted as an option to paying for care direct with the aim of an increased take up from clients.	▪ Service Efficiency ▪ Reduced Costs ▪ Improvement for the people who opt for a direct payment
Quality Assurance Framework	Implementation of a robust Quality Assurance Framework (QAF) with clear governance strucure and commonly understood feedback loop to evidence how learning from this process has informed continuous improvement. This will include: ➢ Service wide audit and feedback programme ➢ Clear mechanisms so that all learning covered by the QAF is fed into the Quality Assurance Team Improving the direct line of sight to ensure delivery of legislative responsibilities and will also contribute towards embedding the standard operating model and priorities within the ASC vision and strategy.	▪ Service Efficiency ▪ Reputational ▪ Improvement for people who access services
Supported Housing Review	➢ To undertake a full review of the in-house supported housing provision which includes accommodation, scope of the service and staffing structures	▪ Better outcomes for existing residents ▪ Reduced costs. ▪ Service Efficiency ▪ Improved quality of life for people who move

Appendix E

		from restrictive supported living
Complex Care Commissioning – Respite & Transforming Care	Establish a new framework for complex care packages. The framework will provide the commissioning vehicle to shape the provider market and develop more specialist provision to meet demand where we currently have a shortage of quality, local supply. It will also allow us to manage costs through a degree of standardisation of rates payable for services through the framework. The framework will also allow us to develop more choice for people with complex needs moving us away from a dependence upon a small number of providers. Develop more options for respite provision for people with complex needs. Currently there is a shortage of respite options for people requiring specialist support. This puts pressure on existing care arrangements, families, carers, etc. It is very difficult to get residential providers to offer respite options as it is not an attractive activity financially and operationally for them. Therefore we need to develop new, alternative respite options for people, carers and families for people with particularly complex needs. Improved planning and oversight of people being discharged into the community via the Transforming Care pathway enabling earlier planning of care packages, earlier identification of specialist providers who can provide in reach into a hospital setting to facilitate positive working relationships in order to meet the person's needs in the community. To explore the expansion of the Adult Social Care offer using Shared Lives, supporting friendship groups and working with Housing to support people with complex needs to live well in the community.	▪ Reduced Costs ▪ Service Efficiency ▪ Improvement for people who access the services. ▪ Better outcomes for people with complex care needs.

Appendix E

Refocused OT Review	To undertake a review of the Occupational Therapy function within Adult Social Care with the aim to ensure the person journey is a positive experience that achieves the desired outcomes for the person. The overall aims of the review are as follows: ➢ To maximise efficiencies and potential in the OT structure to ensure the functions of OT can be delivered. ➢ To maximise the ability of Adult Social Care to recruit qualified OTs, retain existing qualified staff and create an appropriate environment to ensure we can support development of those wishing to become qualifed OTs. ➢ To ensure close integrated working between OT and key stakeholders e.g., Housing, ICB, Health OT	▪ Service Efficiency ▪ Improved recruitment and retention ▪ Improvement for people who access the service
Day Opportunities Framework	Commissioning and implementation of a Day Opportunities Framework which will provides a transparent brokerage process that focusses on the strengths of people and maximise independence. The framework will ensure referrals are directed to the most suitable options to champion people's rights to live life to the fullest considering their needs, their ambitions, and any cultural preferences. In-house day services will be maximised in terms of capacity and suitable referrals as a quality provider of services to people with more complex needs.	▪ Improvement for people who access the services. ▪ Service Efficiency ▪ Control of costs through contractual rates
Safeguarding DoLs Review	Safeguarding and DoLs are statutory functions which the Council has an obligation to provide and therefore will always contribute towards the services delivery plan and the strategy. The overall aim as a result of this project will be for there to be Dols service separate to the	▪ Service Efficiency ▪ Improvement for people who access the service.

Appendix E

	Safeguarding team led by an DoLS operational manager. The development of this team will provide more focused resource to the statutory DoLS function and enable the statutory timescales to be met and also ensure that high quality assessments are completed. This will reduce the risk of people being deprived of their liberty unlawfully. The Safeguarding function will continue to operate as it has previously, but the Operational Manager will have sole focus on Safeguarding which will free up capacity to focus on performance and quality assurance.	▪ Better outcomes for the residents of Hull City Council
Commissioning of Advocacy Contract	Delivery of statutory citywide services for Hull CC and our partners in the Health sector. The new contract will provide services for advocacy in the following areas: ➢ Care Act Advocacy ➢ Independent Mental Capacity Advocacy ➢ Independent Mantal Health Advocacy ➢ NHS Complaints Advocacy ➢ Childrens Advocacy The new contract will cover all HU areas and a 20 mile radius, meaning the Authority will no longer need to spot purchase out of area within that boundary, resulting in a reduction in overall level of cost. The new contract also has a mechanism for purchasing generic advocacy at the ame price as the block contract, which again will provide a reduction in overall cost.	▪ Reduced costs. ▪ Better outcomes for the residents of Hull City Council ▪ Service Efficiency ▪ Improvement for adults and children who access the services

Appendix E

CQC Regulated and Day Opps ASC MPS	Commissioning and implementation of a Day Opportunities Framework which will provides a transparent brokerage process that focusses on the strengths of people and maximise independence. The framework will ensure referrals are directed to the most suitable options to champion people's rights to live life to the fullest considering their needs, their ambitions, and any cultural preferences. In-house day services will be maximised in terms of capacity and suitable referrals as a quality provider of services to people with more complex needs. To ensure that Hull City Council Adult Social Care is sufficiently prepared for inspection, with clear governance and oversight of an authentic position on each quality statement and evidence of strengths and areas for development. To provide the foundation for the priorities within the Continuous Improvement Programme, and business as usual improvement within Team Plans.	• Improvement for people who access ASC services. • Service Efficiency • Better outcomes for the residents of Hull
Co Production Principles	The aim of this project is to ensure that ASC is compliant with the Equality Act 2020 and CQC Assurance requirement around Equalities, Diversity, and Inclusion, Human Rights and Co-production. An action plan will be developed to embed equalities, Human Rights and Co-production in ASC. This will be taken forward following recruitment of a Co-Production and Equalities Lead.	• Improvement for people who access ASC services. • Better outcomes for the residents of Hull • Service Efficiency

Appendix E

Operating Model Discovery	Current documentation requires updating and no longer reflects the service as it operates currently. Information requires updating for clarity, as having clear operating guidance and overview enables clear communication across the workforce and supports staff to feel equipped and prepared to perform their duties. This in turn supports the people accessing our services. Clear guidance will also support steps to improve quality assurance across the service. The project will be undertaken in stages with initial review stage having been completed.	• Improvement for people who access ASC services. • Better outcomes for the residents of Hull • Service Efficiency

Childrens, Young People and Family Services

Project	Description	Impact
Integrated SEND Hub	To establish an integrated service delivery model, co-located with partners to improve services in order to meet the needs of children, young people and families with special educational needs and disabilities	▪ Service Efficiency ▪ Better outcomes for families
Family Finding Solutions	To establish a service to provide an effective edge of care offer, and support to families, and efficient placement finding.	▪ Better outcomes for families ▪ Service efficiency
Workforce Strategy	Developing the Children's workforce strategy in line with the corporate strategy. Focusing on continuation of the grow our own policy for key staff groups. The strategy will include how we plan for the effective supply, recruitment, and retention of our current and future children's workforce, as well as a strong, confident, and skilled workforce, which is fit for now and the future, reducing reliance on short term and agency staffing.	▪ Service Efficiency ▪ Reduced Costs ▪ Staff development ▪ Improvement for people who access services.

Appendix E

		▪ Improved recruitment and retention
Direct payments	Identifying efficiencies and choice by considering how direct payments may be able to be used differently ensuring family's needs are met.	▪ Service efficiency ▪ Better outcomes for families ▪ Reduced costs
Transport Review	To review the transport service and range of options provided to children for home to school and other locations. To help promote independence when pre transition to adulthood and during the transition period. To maximise the use of LA Pool cars and minibuses and reduce the need for taxis.	▪ Service Efficiency ▪ Reduced Costs ▪ Better outcomes for families
Supported accommodation 16+ and Care Leavers	Expansion of shared tenancy and gateway (Housing first) programmes to provide stable housing solutions for young people, and extend the local current offer,	• Better outcomes for young people • Service efficiency
"We can talk about domestic abuse" (DA)	To improve the understanding of DA amongst children's social care staff, a DA specific professional support service is introduced. This will ensure victims receive support, perpetrators understand their behaviour. To improve the outcomes for families, reduces adverse childhood experience (ACES) and provides a higher quality and earlier intervention. The legacy of this work is that social workers and early help staff enhance their knowledge, understanding and skillset to change the approaches to families impacted by DA	▪ More children supported to safely remain at home ▪ Positive outcomes for children, young people and families. ▪ fewer open cases within children's social care where DA is the reason for referral ▪ Service Efficiency

Appendix E

Families First Partnership programme	The Families First Partnership Programme takes a whole system approach to rebalancing children's social care toward earlier intervention strengthening multi-agency child protection. The key workstreams are; • **Family Help** – Brings together Targeted Early Help and Child in Need work into multi-disciplinary Family Help Teams. Relational support for children and families delivered at the right time, by the right people with minimum handovers. Includes an accessible and relational `front door'. • **Multi-Agency Child Protection** – Multi-agency teams of practitioners who have the expertise, time and support to identify significant harm quickly and take rapid and effective protective action, whether the harm is inside or outside the home. • **Family Group Decision Making** – Enabling opportunities for families to come together to offer support, and make plans, to respond to concerns regarding a child's welfare to enable children to live within their family network wherever possible (mandatary at point of pre-proceedings). • **Kinship Care** - How family networks can be engaged to support the needs of children throughout the children's social care system, including those who are unable to live with their parents. • **Digital Enablers and Systems** – Support all other workstreams with relevant system development	• To improve the lives of children, and their families, through supporting better outcomes and stability

Appendix E

	and reporting. Develop case management system and reporting in line with DfE and System C guidance. Work across the partnership to understand and develop the needs of partners to have a single view of a child and family.	
SEND Sufficiency	To ensure the right education SEND places are available to meet the SEND needs of Hul pupils with Education Health and Care plans.	▪ Better outcomes for young people ▪ Meeting educational needs ▪ Service sufficiency
Alternative Provision Review	To review how alternative provision is delivered and procured. To improve outcomes for children and service efficiencies.	▪ Better outcomes for families ▪ Service efficiency
Attendance Strategy	Production of an attendance strategy co-producing any improvement with parents/ carers and partners	▪ Better outcomes for families
SEND Improvement Programme Plan	The continuous improvement through co production and engagement with parents, families and children and partners.	Improved service
SEND Planning for change reforms	Transformational change of the SEND partnership following the Schools white paper.	• To improve the outcomes for children and young people with SEND
CYP Early Help and Prevention	Identify additional opportunities through Early Help services to support the reduction in demand on Safeguarding services.	• Service Efficiency • Reduced Costs • Workforce development

Appendix E

Culture, Place and City Centre

Project	Description	Impact / Timescales
Culture and Heritage	The Culture & Heritage Strategy will lead the transformation of how Hull City Council delivers its services within Culture, Place and City Centre. The work will transform how we operate, support the sector to become more resilient and financially viable, raise the profile of the city to help lever funding and attract investment. It will also work to reduce the demand on the services through establish cross sector partnership approaches to delivery of initiatives that historically looked to the Council to deliver and fund.	• Service Efficiency • Reduced Costs • Workforce development • Improvement for people who access services • Economic improvement within the City Centre

Appendix E

Cross Service and Other Strategic Programmes

Project	Description	Impact / Timescales
Corporate Process Improvements	A programme of work to lean processes reduce waste and exceptions. Identifying those processes that can be automated and those that we can digitalise.	• Efficient processes • Less exceptions • Reduce waste • Paperless • Automation
My Workday	My Workday (new ERP system) programme aims to successfully deliver the implementation of our council's new, Finance, HR, Learning and Procurement platform.	• Workforce Development • Digital Maturity • Financial Savings • Digitised Self-Service

Appendix E

Key Outcomes Planned For 2026/27

13. A section of some of the key outcomes that are expected to be achieved during the 26/27 financial year include continued delivery of
    - Improved facilities for respite provision for children with complex needs with the completion a new purpose designed new build facilities
    - Increasing Digital Maturity to drive efficiencies including implementation of MyWorkday
    - Lean processes ensuring we drive value, reduce demand and optimise the use of new technology enabling self-serve, paperless and automation
    - The creation an integrated SEND hub allowing close working with relevant stakeholders and partners to provide an improved service experience for service users
    - Increased use of ICT information systems to aid effective management of services / and resources ·
    - Improvement in those receiving Adult Social Care
    - Continued transformation of Culture and Heritage provision within the City to increase economic investment and improve resident experience in accessing culture services across the City

Impact on Prudential Indicators

14. The guidance requires that the impact on the Council's Prudential Indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy.

15. The indicators that will be impacted by this strategy are set out below.
    - Estimates of Capital Expenditure Indicator.
    - Capital Financing Requirement, as capital receipts supported schemes within the existing programme that will now be financed by prudential borrowing.
    - Financing costs as a percentage of net revenue stream (%), no impact as the savings generated from these projects will meet the debt financing costs arising from the additional borrowing.
    - Incremental Impact on Council Tax / Housing Rents of Capital Investment Decisions - no impact as savings will meet the debt financing costs.

16. The Prudential Indicators will show that this Strategy is affordable and will not impact on the Council's operational and authorised borrowing limits.