

## Trust Board Report

<b>Meeting Date:</b>	28 <sup>th</sup> May 2011
<b>Title:</b>	Capital Programme 2012/13
<b>Executive Summary:</b>	To report progress (as at Month 1) for the 2012/13 Capital Programme.  To report variance on project costs where these exceed +/- 10% or £50,000 of business case value. None in this year to date.
<b>Action Requested:</b>	Note and comment on.
<b>Report of:</b>	Head of Estates Development
<b>Author:</b> <b>Contact Details:</b>	Mike Goodwin      Tel 01902 695947  Email: <a href="mailto:mikegoodwin@nhs.net">mikegoodwin@nhs.net</a>
<b>Resource Implications:</b>	Delivery of Capital Programme 2012/13 to Capital Resource Limit. The position as at Month 1 identifies an over-commitment of £349,680.
<b>Public or Private:</b> (with reasons if private)	Public Session
<b>References:</b> (eg from/to other committees)	From Capital Review Group 16 <sup>th</sup> May 2012.
<b>Appendices/ References/ Background Reading</b>	Attachment 1 – Month 1 Progress Report
<b>NHS Constitution:</b> (How it impacts on any decision-making)	In determining this matter, the Board should have regard to the Core principles contained in the Constitution of: <ul style="list-style-type: none"> <li>✦ Equality of treatment and access to services</li> <li>✦ High standards of excellence and professionalism</li> <li>✦ Service user preferences</li> <li>✦ Cross community working</li> <li>✦ Best Value</li> <li>✦ Accountability through local influence and scrutiny</li> </ul>

## Background Details

<b>1</b>	The forecast outturn as at Month 1 for the 2012/13 Capital Programme at 31 <sup>st</sup> March 2013 is £23,803,920. The Capital Resource Limit (CRL) is yet to be confirmed but the current Capital budget figure is £23,454,240. The Month 1 outturn projection therefore equates to a potential over-commitment of £349,680.
----------	--

The assumption at Month 1 is that all projects within the Capital Programme will be delivered.

The actual and target expenditure position at Month 1 is £1,085,723. The monthly cash flow projection has been reviewed to match the approved programme. This was finalised at the end of Month 1 and therefore the Month 1 target represents the actual spend.

**Detail**

Variances exceeding +/- 10% or £50,000 of business case value are detailed in the Exception Report attached.

**Risks to the Programme**

- CRL to be confirmed
- Programmes for delivery of some large value projects are still to be agreed which may jeopardise the value of spend in year

High risk projects are valued at £2.49m. Mitigation strategies are currently in place to offset this risk.

**Capital Programme Progress Report  
April 2012 M1 (Q1)**

Planned Programme Financial Position	Reference	£'s	Narrative
<b>CRL</b>	A	<b>23,454,240</b>	The figure shown here is the agreed Capital Budget - it is anticipated that this will be a higher value than the CRL agreed with the SHA as this will be supplemented from revenue reserves for income from sale of Wolverhampton Eye Infirmary and other income
Value of Business Cases approved to date Month 1	B	<b>15,745,198</b>	Value approved stated here represents value of spend intended in year only and not full business case value.
<b>Variance to CRL</b>	A-B	<b>7,709,042</b>	
<b>Value of projects approved to date</b>	C	<b>15,745,198</b>	26 business cases approved.68 awaiting approval but scheduled for submission over coming months
<b>Total Value of Projects either delivered or with certainty of delivery by year end</b>	D	<b>21,315,919</b>	
<b>Value of Projects which carry varying levels of risk of non delivery</b>	D-A	<b>2,488,001</b>	Level of perceived risk at this stage. This relates to 3 large projects where there is still some uncertainty regarding delivery i.e. Hybrid Theatres or whether value in capital programme will be spent in year i.e. Cystic Fibrosis and EP Design Fees
Previous value		0	
Change in period		<b>2,488,001</b>	
<b>Forecast Expenditure</b>	L	<b>23,803,920</b>	
<b>Variance to CRL</b>	L-A	<b>349,680</b>	over commitment against CRL
<b>Previous value - Approved programme March 2012</b>	M	<b>24,585,710</b>	
<b>Change in period</b>	M-L	<b>781,790</b>	Reduction in overcommitment is due to (a) the deferment of A4 refurbishment to 2013/2014 and (b) reduced values needed for carry over schemes which were reassessed when 2011/12 outturn confirmed.

**Action required: No further action required**

**M1 - Delivery of Capital Programme Financial Position**

Commitment/Orders in year	F	<b>10,679,444</b>	Value of Commitments b/f from 2011/2012 = £10,434,758
Value of Commitments in 2012/2013 for expenditure in 2013/2014	G	<b>0</b>	
<b>Total</b>	F+G	<b>10,679,444</b>	
<b>Variance</b>	(F+G)-A	<b>-12,774,796</b>	
Previous value		0	
Change in period		<b>-12,774,796</b>	
<b>Action required: Ensure approved projects are delivered to programme.</b>			
Invoiced to date	H	104,465	
Work in progress	I	981,258	
<b>Expenditure to date (including fees)</b>	(H+I) = J	<b>1,085,723</b>	
Previous value		0	
Change in period		<b>1,085,723</b>	
Value of projects still to be completed against project commitments	(F+G) - J	<b>9,593,721</b>	
Target cash flow expenditure at Month 1	K	1,085,723	Cash flow forecast has been reviewed to match the approved programme. This was finalised at the end of M1. Therefore the Month 1 target represents the actual spend.
<b>Variance</b>	J-K	<b>0</b>	
Previous value		0	
Change in period		0	

**Action required: Ensure approved projects are delivered to programme.**

Capital Programme Progress Report  
 APPENDIX 1 EXCEPTIONS REPORT  
 April 2012 M1 (Q1)

Scheme	No.	Business Case	M1 - Total predicted outturn	Variance to between total predicted outturn and Business Case	Variance to between total predicted outturn and Business Case	Comments	M1: Change in period for reported projects	M1: Reason for change in period for reported projects
<u>Projects that exceed 10% variance or £50k or greater</u>		£	£	£	%		£	
Intubating fibrescope	42021	12,410	10,200	-2,210	-18	Revised specification of equipment	0	n/a - no change from 2011/2012 M12 Report
<b>Total</b>				<b>-2,210</b>			<b>0</b>	