







## Trust Board Report

<b>Meeting Date:</b>	August 2013 by circulation
<b>Title:</b>	Capital Programme 2013/14
<b>Executive Summary:</b>	To report progress (as at Month 4) for the 2013/14 Capital Programme.  To report variance on project costs where these exceed +/- 10% or £50,000 of business case value.
<b>Action Requested:</b>	To note.
<b>Report of:</b>	Head of Estates Development
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<b>Resource Implications:</b>	Delivery of Capital Programme 2013/14 to Capital Resource Limit. The position as at Month 4 identifies an over-commitment of £3,468,887.
<b>Public or Private:</b> (with reasons if private)	Not applicable
<b>References:</b> (eg from/to other committees)	From Capital Review Group 14 <sup>th</sup> August 2013.
<b>Appendices/ References/ Background Reading</b>	Attachment 1 – Month 4 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>	<p>The forecast outturn as at Month 4 for the 2013/14 Capital Programme at 31<sup>st</sup> March 2014 is £22,144,887. The Month 4 outturn projection therefore equates to an over-commitment of £3,468,887 against a Capital Resource Limit (CRL) of £18,676,000. This has reduced by circa £1m since Month 3 due to VAT refund on the Multi Storey Car Park project and underspends on other projects.</p> <p>The actual monthly expenditure position at Month 4 is £3,480,952 against a target of £4,025,304. This represents an underspend of £544,352 in the</p>
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month.

**Detail**

See Attachment 1 for variances exceeding +/- 10% or £50,000.

**Potential Risks to the Programme**

- Emerging Clinical Service priorities have identified the need for new projects, or additional scope for projects, which have not currently been funded in the Capital Programme.
- A full review of the 2013/14 Capital Programme is being undertaken to address the current over-commitment to deliver a balanced programme. The outcome will be reported to the Trust Board in October 2013.

Capital Programme Progress Report July 2013 M4 (Q2)			
Planned Programme Financial Position	Reference	£'s	Narrative
CRL	A	18,676,000	The CRL has now been confirmed which may result in a small adjustment to the capital allocation
Value of Business Cases approved to date Month 4	B	9,417,874	Value approved stated here represents value of spend intended in year only and not full business case value.
Variance to CRL	A-B	9,258,126	
Value of projects approved to date	C	9,417,874	38 business cases approved to date. 69 business cases required.
Total Value of Projects either delivered or with certainty of delivery by year end	D	18,676,000	
Value of Projects which carry varying levels of risk of non delivery	D-A	0	
Previous value Month 3		0	
Change in period		0	
Forecast Expenditure	L	22,144,887	
Variance to CRL	L-A	3,468,887	Over commitment against CRL due to A&E/ paed extension, MSCP and overcommitment approved at April 13
Previous value - Month 3	M	21,229,486	
Change in period	M-L	-915,401	Reduction on Month 3 report is due to VAT recovery on Multi Storey Car Park not included in BC value and expenditure on Coniston House IT Server Move being substantially lower than budget estimate at April 2013.
<b>Action required: Business Cases to be submitted as scheduled. Approvals to be monitored against CRL.</b>			
M4 - Delivery of Capital Programme Financial Position			
Commitment/Orders in year	F	8,617,525	
Value of Commitments in 2013/2014 for expenditure in 2014/2015	G	190,430	
Total	F+G	8,807,955	
Variance	(F+G)-A	-9,868,045	
Previous value		-15,323,127	
Change in period		5,455,082	
<b>Action required: Ensure approved projects are delivered to programme.</b>			
Invoiced to date	H	1,512,116	
Work in progress	I	1,968,836	
Expenditure to date (including fees)	(H+I) = J	3,480,952	
Previous value		2,375,496	
Change in period		1,105,457	
Value of projects still to be completed against project commitments	(F+G) - J	5,327,003	
Target cash flow expenditure at Month 4	K	4,025,304	
Variance	J-K	-544,352	The significant items causing the "underspend" against the year to date forecast are:
Previous value		-578,077	[a] Medical Equipment (-£307k) - [1] Carry-Over projects: orders to be placed/awaiting delivery for projects with Business Case approval in 2012/2013. [2] 2013/2014 Programme - awaiting Business Cases
Change in period		33,726	[b] IT (+£237k) - Renal IT (4145), Maternity IT (44203), & Pathology JV GP Direct Access (44205) - Expenditure earlier than forecast.
			[c] Statutory Standards (-£100k) - Awaiting Business Cases - revised programme has been issued by EFM
			[d] Retained Estate (-£63k) - Awaiting Business Cases - revised programme has been issued by EFM
			[e] New Schemes (+£344k) - Re-profiling of project programmes, including Conniston House IT server relocation and A&E/Paed extension
			[f] Carry-Over schemes (+£731k) - Re-allocation of Multi-Storey Car Park project to "Carry-Over Schemes".
			[g] Major Schemes (-£1,365k) - Pathology (4933)- part of expenditure forecast for 2013/2014 was incurred in M12 2012/2103; New Emergency Centre (4932) - Multi-Storey Car Park is re-allocated to "Carry Over Schemes" category.
			[h] Residual Expenditure (-£21k)- Adjustment of provisions c/f from previous year
<b>Action required: Ensure approved projects are delivered to programme.</b>			

Capital Programme Progress Report  
APPENDIX 1 EXCEPTIONS REPORT  
July 2013 M4 (Q2)

Scheme	No.	Business Case	M4 - Total predicted overrun	Variance to between total predicted out-turn and Business Case	Variance to between total predicted out-turn and Business Case	Comments	M4: Change in period for reported projects	M4: Reason for change in period for reported projects
<u>Projects that exceed 10% variance or £50k or greater</u>		£	£	£	%		£	
Renal IT Business Case (Proton)	4145	190,350	214,288	23,938	13	Confirmation by IT of proposed c/f expenditure to 2013-2014	0	as reported at M12 2012/2013 - confirmation by IT of proposed c/f expenditure to 2013-2014
Extension to Admissions Lounge	43409	891,321	751,787	-139,534	-16	as reported in 2012/2013 (a) Tenders/Contract Value were less than Pre-Tender Estimate (b) M7 - Revised Contingency	0	as reported at M12 2012/2013
Pathology New build	4933	15,443,272	16,132,000	688,728	4	Delay to approval of project	0	as reported at M1
<b>Total</b>				<b>573,133</b>			<b>0</b>	