


Trust Board Report

Meeting Date:	29 October 2012
Title:	Capital Programme 2012/13
Executive Summary:	<p>To report progress (as at Month 6) for the 2012/13 Capital Programme and to provide a revised Capital Programme as at Month 6.</p> <p>To report variance on project costs where these exceed +/- 10% or £50,000 of business case value. None in this year to date.</p>
Action Requested:	Note and comment on.
Report of:	Head of Estates Development
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Resource Implications:	Delivery of Capital Programme 2012/13 to Capital Resource Limit. The position as at Month 6 identifies an under-commitment of £918,312.
Public or Private: (with reasons if private)	Public Session
References: (eg from/to other committees)	From Capital Review Group 15 th October 2012.
Appendices/ References/ Background Reading	<p>Appendix 1 – Month 6 Progress Report</p> <p>Appendix 2 – Revised Capital Programme</p> <p>Appendix 3 - Comparison of 2012/13 Capital Programme at April and September 2012</p>
NHS Constitution: (How it impacts on any decision-making)	<p>In determining this matter, the Board should have regard to the Core principles contained in the Constitution of:</p> <ul style="list-style-type: none">  Equality of treatment and access to services  High standards of excellence and professionalism  Service user preferences  Cross community working  Best Value  Accountability through local influence and scrutiny

Background Details

- 1 The Capital Programme reports to Month 5 have been showing an over commitment against the approved budget. However the programme also contained a number of projects which have been identified over time as presenting risk to the delivery of the programme. At Month 5 these values stood at £1.2m and £2.7m respectively.

This risk value is associated with:

- slippage/delay to projects awaiting business cases;
- cancellation or deferment of whole projects to 2013/14;
- under-spends on approved business case values.

The Month 6 position shows all known risk removed and other adjustments made resulting in a projected outturn position of £22,525,688, which is £928,312 below the approved budget of £23,454,000. The detail relating to this is shown in the Month 6 Progress Report in Appendix 1.

The Capital Programme has also been revised to reflect this position. See Appendix 2.

A summary of how the revised Capital Programme compares with the approved programme at April 2012 is included in Appendix 3.

A number of projects are now being considered to bring the expenditure back to budget. These will be agreed and implemented during Month 7.

Monthly Expenditure Flow

The actual expenditure position at Month 6 is £9,710,838 against a target of £12,196,474 which equates to £2,485,636 behind plan. The plan for the next 6 months of the year has been re-profiled to reflect the changes referred to in this report.

Capital Programme Progress Report September 2012 M6 (Q2)			
Planned Programme Financial Position	Reference	£'s	Narrative
CRL	A	23,454,000	CRL has been confirmed as 22,654,000 + £800,000 income from sale of Eye Infirmary
Value of Business Cases approved to date Month 6	B	17,812,671	Value approved stated here represents value of spend intended in year only and not full business case value.
Variance to CRL	A-B	5,641,329	This variance is to total capital budget of £23,454,000
Value of projects approved to date	C	17,812,671	50 business cases approved. 53 awaiting approval
Total Value of Projects either delivered or with certainty of delivery by year end	D	22,225,688	
Value of Projects which carry varying levels of risk of non delivery	D-A	0	
Previous value - Month 5		2,719,913	
Change in period		-2,719,913	
Forecast Outturn Expenditure	L	22,525,688	
Variance to CRL	L-A	-928,312	
Previous value - Month 5	M	24,700,492	
Change in period	M-L	2,174,804	
Action required: Continue to monitor progress with business case approvals.			
M6 - Delivery of Capital Programme Financial Position			
Commitment/Orders in year	F	15,331,823	Value of Commitments b/f from 2011/2012 = £10,854,392
Value of Commitments in 2012/2013 for expenditure in 2013/2014	G	0	
Total	F+G	15,331,823	
Variance	(F+G)-A	-8,122,177	
Previous value at Month 5		-8,799,262	
Change in period		677,085	
Action required: Ensure approved projects are delivered to programme.			
Invoiced to date	H	6,758,488	
Work in progress	I	2,952,350	
Expenditure to date (including fees)	(H+I) = J	9,710,838	
Previous value		7,641,338	
Change in period		2,069,500	
Value of projects still to be completed against project commitments	(F+G) - J	5,620,985	
Target cash flow expenditure at Month 6	K	12,196,474	
Variance	J-K	-2,485,636	The significant items causing the "underspend" in the year to date are:
Previous value		-1,599,966	(a) Medical Equipment: -£139k - delay in Business Case submissions and procurement processes
Change in period		-885,670	(b) VAT: -£137k - refund greater than forecast
			(c) Residual Expenditure:-£199k - release of 2011/12 provisions
			(d) General Equipment: -£44k - delay in Business Case submissions and procurement processes
			(e) IT: -£268k - Delayed projects - Renal IT (orders placed); e-Discharge (no orders placed); PC Replacement (orders placed)
			(f) Statutory Standards:-£113k - Incinerator project(s) - Business Case(s) in delay
			(g) Retained Estate: -£280k - Business Cases in delay
			(h) New Schemes: -£164k - Rescheduling of projects arising from Business Case process. The most significant revisions are [1] Wayfinding (-£188k) - works rescheduled for Nov/Dec, [2] Hybrid Theatre (-£82k) - project "cancelled", [3] Pharmacy (-£34k), [4] Adult Cystic Fibrosis (-£40k), Multi-Storey Car Park Feasibility (-£30k), Theatre Refurbishment (-£34k); Site rationalisation (-£40k). These reductions are offset by the addition to the programme of the ANPR project with a cost to date of £259k.
			(i) Carry Over: -£360k [1] Poplars (-£290k) - commencement delayed by delays to completion to Blk 17, [2] Lift 13 (-£30k) - forecast final cost less than Business Case value included in forecast.
			(j) Major Schemes: -£782k - (1) CHP -£962k - expenditure profile revised (2) WU MLU & WU A5/A6 +£33k - additional works and expenditure earlier than forecast. (3) Pathology +£164k - additional works and expenditure earlier than forecast.
Action required: Ensure approved projects are delivered to programme.			

Capital Programme Progress Report APPENDIX 1 EXCEPTIONS REPORT September 2012 M6 (Q2)								
Scheme	No.	Business Case	M6 - Total predicted overrun	Variance to between total predicted out-turn and Business Case	Variance to between total predicted out-turn and Business Case	Comments	M6: Change in period for reported projects	M6: Reason for change in period for reported projects
<u>Projects that exceed 10% variance or £50k or greater</u>		£	£	£	%		£	

Intubating fibrescope	42021	12,410	10,183	-2,227	-18	Revised specification of equipment	0	No change from M5 Report
Extension to Admissions Lounge	43409	891,321	701,787	-189,534	-21	(a) Tenders/Contract Value were less than Pre-Tender Estimate (b) Reduction in Contingency.	0	No change from M5 Report
Lift 13 Refurbishment	42123	164,819	130,792	-34,027	-21	Release of Contingency	8,792	Allowance for additional works in period
Blood Fridge/Plasma Thawer/Platelet incubater x 2 (ICCU & Haem)	43003	38,950	46,522	7,572	19	Value of Orders greater than Business Case forecast costs	7,572	Orders placed in period
Urology resection sets	43031	47,304	41,967	-5,337	-11	Value of Orders less than Business Case forecast costs	-5,337	Orders placed in period
Total				-223,554			11,026	

2012/13 Capital Programme as at Month 6 (September 2012)

	Approved Allocation/ actual spend
	2012-13 Total
Project No.	£
CRL agreed funding including CHP	22,654,000
WEI sale proceeds assumed included in capital programme	800,000
Total Capital Funding	23,454,000
Medical Equipment	
Replacement Equipment - TEG list for 12/13	
43000 Slit Lamps x 2	60,462
43001 Yag Laser	23,400
43002 Incubator x 3 NNU	50,400
43003 Blood Fridge x 2 (ICCU & Haem). Plasma thawers, Platelet incubator/shakers	46,522
43006 Anaesthetic machine	36,000
43007 Workstation x 3 (H&L Cath Labs)	300,000
43008 ECG Recorder x 7 (H&L Cardiac Investigations)	52,219
43009 Heater/cooler system x 4 (H&L perfusion)	81,600
43010 Bronchoscopes x 2	60,000
Carry over equipment from 11/12	
43012 Liquid Scintillation Counter	16,224
43013 Cystoscope	20,400
43014 ENT Microscopes x 2	19,200
43015 Urodynamics machine	32,243
42021 Intubating Fibrescope	10,183
New equipment identified by Divisions	
43016 Bariatric Dental Chair	38,500
43017 Bladder Scanner A4	6,570
43018 Cardiograph A4	5,407
43019 Antenatal foetal monitor with twin facility	15,000
43020 Resusitaire machines x 5	50,000
43021 Ultrasound machine - FMU (new)	73,000
43022 Monitoring Equipment Children's Inpatient Areas	70,000
43023 Clinic Room Tooling	6,042
43024 Machine Room Equipment	6,520
43025 Vacuum Equipment	5,395
43026 Video colposcope (Child Protection)	24,288
43027 Fibroscan	87,000
43028 Orophageal Doppler Monitors	27,600
43029 Transport ventilator - Neonates	7,000
43030 Cryo Probe	12,821
43031 Urology resection sets	41,967
43032 Radcal electrometer	8,172
POCT for Low Risk Cardiac Chest Pain	21,600
Spyglass direct virtualisation system	50,040
EUS	62,000
Medical Equipment Total	1,427,775
General Equipment	
43100 Taski combimat 2500 Scrubber Dryer	15,212
43101 Franking machine	16,673
General Equipment Total	31,885
Information Management & Technology	
Carry Over from 2011/12	
42051 Pathology Prompting and Alerting	48,270
4145 Renal IT Business Case (Proton)	153,000
43200 Emergency Assessment systems implementation	56,340
42058 Patient Level costing	133,646
42060 WiFi	7,517
43201 eDischarge	199,574
42056 ePrescribing	12,000
Safehands	11,593
Materials Management	18,617
New Schemes	
43202 Telephone Switch Upgrade	150,000
43203 PC Replacement and Additional Equipment	210,015
43204 Edge Network	258,322
43205 iEPR (Phase 2)	37,325
SSI Monitor	63,413
VitalPAC	145,897
IT Total	1,505,529
EFM/Statutory Standards (inc incinerator)	
43300 UPS Heart and Lung Centre Cath Labs	115,000
43301 Heart and Lung Central UPS Battery	56,017
43302 Incinerator lining replacement	90,000
43303 Incinerator filter plant refurbishment	8,000
43304 Incinerator gas valve and booster replacement	12,000
Statutory Standards Total	281,017

2012/13 Capital Programme as at Month 6 (September 2012)

	Residual Expenditure	- 198,940
	VAT Refund	- 236,591
	Residual Expenditure & VAT	- 435,531
	Improvement of Retained Estates	
43350	Domestic Hot Water - Hollybush House	31,500
43351	Replace medical air plant block 75/76 (phase 2)	43,609
43352	Roads pathways and car parks	158,331
43353	Main hospital street flooring	51,000
43354	Improvement of East Entrance Public Toilets	25,000
43355	Security improvements Maternity	212,044
43356	Maternity replacement flat roof	278,440
43357	GUM Fire Panel	7,213
	Improvement of Retained Estates Total	807,137
	New Schemes	
43400	New Garden Court Partition Wall	10,000
43401	Reconfiguration of Treatment room and kitchen to provide clean utility - PAU	75,713
43402	Installation of shower on C1	41,509
42128	Wayfinding	291,840
43405	Synergy extension to accommodate new RO Plant	57,807
43406	Pharmacy	150,000
42113	Adult Cystic Fibrosis facility	305,001
43408	Replacement Linacs	50,000
43409	Extension to Admissions Lounge	701,787
43410	Extension to Endoscopy	906,988
43411	Hybrid Theatre	-
43412	WMI Refurbishment	-
43413	Main Theatre refurbishment	100,000
43414	Piped Oxygen - 6 nr wards	142,526
43415	Multi-Storey Car Park - Feasibility	50,000
	Building works for ENT RO machine	2,955
	Catering Car Park	25,000
	Design work for site rationalisation (Microbiology & Cl. Chemistry)	50,000
	ANPR	421,455
	Urology decontamination building works	14,749
	Adult Hearing Service (West Park)	-
	New Schemes Total	3,397,330
	Carry Over 11/12 Schemes	
	Vascular	10,000
42118	A&E Refurbishment	260,000
	A&E Refurbishment - building services	32,349
4911c	Site Development Enabler (Poplars)	410,892
	Gastro Respiratory Endoscopy Ultrasound	0
42161	EP Enabler (Former Catering)	481,316
42173	Steam Flow Monitor	19,940
42097	Rewire boiler house	29,360
42123	Lift 13 Refurbishment	122,000
42089	GUM refurbishment	5,690
	Nurse Call Recovery Bay	13,954
	Carry Over Schemes Total	1,385,501
	Women's Unit	
4923n	Women's Unit Phase 3 MLU	280,000
4923p	Women's Unit Phase 3 A5 & A6	1,138,035
4923r	A4 Refurbishment	50,000
4932	Emergency Centre New Build	420,000
	Carbon Reduction Projects	
43550	Cavity Wall insulation	68,429
43551	Draught proofing	8,675
43552	Loft insulation	13,200
43553	IT Management software	44,000
43554	WEI windows	33,000
42175	CHP and other large schemes	2,324,150
		2,491,454
	Integrated Pathology	
4933	Pathology New build	9,745,556
		9,745,556
		22,525,688
		-928,312

Comparison of 2012/13 Capital Programme at April and September 2012

Category of spend	April 2012 £'000s	Sept. 2012 £'000s	Variance £'000s	Main contributor to change in values since April 2012
Medical Equipment	1,197	1,428	231	Additional projects
ICT	1,357	1,506	149	Additional projects
General Equipment	44	32	-12	Reduction in cost at procurement stage
Vat and Residual Expenditure	-200	-436	-236	Additional VAT refund and release of provisions
EFM/Statutory Standards	431	281	-150	Reduced cost on original schemes
Improvement of the retained Estate	604	807	203	Increased cost on original schemes and additional projects
New Schemes	4,474	3,397	-1077	Postponement of Hybrid theatre less additional spend on other/new projects
Carry over Schemes	1,519	1,386	-133	Reduced cost
Major Schemes	2,781	1,888	-893	Deferment of A4 refurbishment and reduced costs for other schemes
Carbon Reduction Schemes	2,514	2,491	-23	Re-profiling of CHP costs
Pathology	9,864	9,746	-118	Re-profiling of costs
Total	24,585	22,526	-2059	
Budget	23,454	23,454	0	
Variance	1,131	-928	-2059	