







Trust Board Report

Meeting Date:	22 nd July 2013
Title:	Capital Programme 2013/14
Executive Summary:	To report progress (as at Month 3) for the 2013/14 Capital Programme. To report variance on project costs where these exceed +/- 10% or £50,000 of business case value.
Action Requested:	To note.
Report of:	Head of Estates Development
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Resource Implications:	Delivery of Capital Programme 2013/14 to Capital Resource Limit. The position as at Month 3 identifies an over-commitment of £4,459,555.
Public or Private: (with reasons if private)	Public Session
References: (eg from/to other committees)	From Capital Review Group 10 th July 2013.
Appendices/ References/ Background Reading	Attachment 1 – Month 3 Progress Report
NHS Constitution: (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">  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 forecast outturn as at Month 3 for the 2013/14 Capital Programme at 31 st March 2014 is £23,135,555. The Capital Resource Limit (CRL) is yet to be confirmed but the current Capital budget figure is £18,676,000. The Month 3 outturn projection therefore equates to an over-commitment of £4,459,555. This relates mainly to the approval of the A&E/Paediatric Extension and the additional 2 storeys for the Multi Storey Car Park for which no funding has as yet been allocated.
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The assumption at Month 3 is that all projects within the Capital Programme will be delivered.

The actual monthly expenditure position at Month 3 is £2,375,496 against a target of £2,953,573. This represents an underspend of £578,077 in the month.

Detail

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

Potential Risks to the Programme

- CRL to be confirmed;
- 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.

Attachment 1

Capital Programme Progress Report June 2013 M3 (Q1)			
Planned Programme Financial Position	Reference	£'s	Narrative
CRL	A	18,676,000	To be confirmed
Value of Business Cases approved to date Month 3	B	9,877,541	Value approved stated here represents value of spend intended in year only and not full business case value.
Variance to CRL	A-B	8,798,459	
Value of projects approved to date	C	9,877,541	34 business cases approved to date. 76 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 2		0	
Change in period		0	
Forecast Expenditure	L	23,135,555	
Variance to CRL	L-A	4,459,555	Over commitment against CRL due to A&E/ paed extension, MSCP and overcommitment approved at April 13
Previous value - Month 2	M	21,229,486	
Change in period	M-L	-1,906,069	£1.5m additional spend MSCP approved Month 3, £371K additional spend A&E/paed extension approved Month 3
Action required: Business Cases to be submitted as scheduled. Approvals to be monitored against CRL			
M3 - Delivery of Capital Programme Financial Position			
Commitment/Orders in year	F	3,162,443	
Value of Commitments in 2013/2014 for expenditure in 2014/2015	G	190,430	
Total	F+G	3,352,873	
Variance	(F+G)-A	-15,323,127	
Previous value		-15,730,773	
Change in period		407,646	
Action required: Ensure approved projects are delivered to programme.			
Invoiced to date	H	996,253	
Work in progress	I	1,379,243	
Expenditure to date (including fees)	(H+I) = J	2,375,496	
Previous value		1,568,541	
Change in period		806,955	
Value of projects still to be completed against project commitments	(F+G) - J	977,377	
Target cash flow expenditure at Month 3	K	2,953,573	
Variance	J-K	-578,077	The significant items causing the "underspend" against the year to date forecast are:
Previous value		-375,385	[a] Medical Equipment (-£422k) - [1] Carry-Over projects: orders to be placed/awaiting delivery for projects with Business Case approval in 2012/2013. [2] EEG machines - awaiting order to be placed - £167k
Change in period		-202,692	[b] IT (+£224k) - Renal IT (4145) - 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 (+£89k) - Re-profiling of project programmes, including Conniston House IT server relocation.
			[f] Carry-Over schemes (+£289k) - Addition of Multi-Storey Car Park project to 2013/2014 Capital Programme
			[g] Major Schemes (-£606k) - 4933 - Pathology - part of expenditure forecast for 2013/2014 was incurred in M12 2012/2103
			[h] Residual Expenditure (+£11k) - Adjustment of provisions c/f from previous year
Action required: Ensure approved projects are delivered to programme.			

Capital Programme Progress Report APPENDIX 1 EXCEPTIONS REPORT June 2013 M2 (Q1)								
Scheme	No.	Business Case	M3 - Total predicted outturn	Variance to between total predicted outturn and Business Case	Variance to between total predicted outturn and Business Case	Comments	M3: Change in period for reported projects	M3: 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
Total				573,133			0	