







Trust Board Report

Meeting Date:	26 November 2012
Title:	Capital Programme 2012/13
Executive Summary:	To report progress (as at Month 7) for the 2012/13 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
Author: Contact Details:	Mike Goodwin Tel 01902 695947 Email: mikegoodwin@nhs.net
Resource Implications:	Delivery of Capital Programme 2012/13 to Capital Resource Limit. The position as at Month 7 identifies an over-commitment of £108,376.
Public or Private: (with reasons if private)	Public Session
References: (eg from/to other committees)	From Capital Review Group 14 th November 2012.
Appendices/ References/ Background Reading	Attachment 1 – Month 7 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 Month 7 position shows a projected outturn position of £23,562,376, which is £108,376 above the approved budget of £23,454,000. The detail relating to this is shown in the Month 7 Progress Report in Attachment 1.

The actual expenditure position at Month 7 is £12,389,388 against a revised target of £12,290,026 which equates to £99,362 ahead of plan.

Details of project variances which exceed +/- 10% or £50,000 are included in the Exceptions Report in Attachment 1.

Potential Risks

The sale of the Eye Infirmary site is the subject of further discussion with the potential purchaser. These discussions may change the position on income received in 2012/13. A further update will be given in December 2012.

Attachment 1

Capital Programme Progress Report October 2012 M7 (Q3)			
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 7	B	18,401,637	Value approved stated here represents value of spend intended in year only and not full business case value.
Variance to CRL	A-B	5,052,363	This variance is to total capital budget of £23,454,000
Value of projects approved to date	C	18,401,637	58 business cases approved. 49 awaiting approval
Total Value of Projects either delivered or with certainty of delivery by year end	D	23,562,376	
Value of Projects which carry varying levels of risk of non delivery	D-A	0	
Previous value - Month 6		0	
Change in period		0	
Forecast Outturn Expenditure	L	23,562,376	
Variance to CRL	L-A	108,376	over commitment will be managed back to CRL
Previous value - Month 6	M	22,525,688	
Change in period	M-L	-1,036,688	Projects or bring forward categories of spend from 13/14 now identified to spend up to value of undercommitment identified at Month 6
Action required: Continue to monitor progress with business case approvals.			
M7 - Delivery of Capital Programme Financial Position			
Commitment/Orders in year	F	16,763,897	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	16,763,897	
Variance	(F+G)-A	-6,690,103	
Previous value at Month 6		-8,122,177	
Change in period		1,432,074	
Action required: Ensure approved projects are delivered to programme.			
Invoiced to date	H	8,590,208	
Work in progress	I	3,799,180	
Expenditure to date (including fees)	(H+I) = J	12,389,388	
Previous value		9,710,838	
Change in period		2,678,550	
Value of projects still to be completed against project commitments	(F+G) - J	4,374,509	
Target cash flow expenditure at Month 7	K	12,290,026	
Variance	J-K	99,362	The significant items causing the "overspend" in the year to date are:
Previous value		-2,485,636	(a) IT: 43203 PC Replacement +£236K - expenditure earlier than forecast.
Change in period		2,584,998	(b) Major Schemes -£124k - Planned/Actual progress of construction works - (1) 42175/6 CHP and "carbon" projects +£9k (2) 4923 - WU MLU, A5/A6 and A4 +£27k (3) 4933 - Pathology -£157k
Action required: Ensure approved projects are delivered to programme.			

Capital Programme Progress Report
APPENDIX 1 EXCEPTIONS REPORT
October 2012 M7 (Q3)

Scheme	No.	Business Case	M7 - Total predicted overrun	Variance to between total predicted out-turn and Business Case	Variance to between total predicted out-turn and Business Case	Comments	M7: Change in period for reported projects	M7: 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	751,787	-139,534	-16	(a) Tenders/Contract Value were less than Pre-Tender Estimate (b) M7 - Revised Contingency	50,000	Contingency of £50,000 added for re-design and project delay following modular contractor going into Administration.
Lift 13 Refurbishment	42123	164,819	130,792	-34,027	-21	Release of Contingency	0	No change from M6 Report
Blood Fridge/Plasma Thawer/Platelet incubater x 2 (ICCU & Haem)	43003	38,950	46,522	7,572	19	Business Case forecast costs	0	No change from M6 Report
Urology resection sets	43031	47,304	41,967	-5,337	-11	Value of Orders less than Business Case forecast costs	0	No change from M6 Report
Total				-173,554			50,000	