







## Trust Board Report

<b>Meeting Date:</b>	24 <sup>th</sup> June 2013
<b>Title:</b>	Capital Programme 2013/14
<b>Executive Summary:</b>	To report progress (as at Month 2) 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 2 identifies an over-commitment of £2,547,486.
<b>Public or Private:</b> (with reasons if private)	Public Session
<b>References:</b> (eg from/to other committees)	From Capital Review Group 12 <sup>th</sup> June 2013.
<b>Appendices/ References/ Background Reading</b>	Attachment 1 – Month 2 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 2 for the 2013/14 Capital Programme at 31<sup>st</sup> March 2014 is £21,223,486. The Capital Resource Limit (CRL) is yet to be confirmed but the current Capital budget figure is £18,676,000. The Month 2 outturn projection therefore equates to an over-commitment of £2,547,486. This relates mainly to the approval of the A&amp;E/Paediatric Extension for which no funding has as yet been allocated.</p> <p>The assumption at Month 2 is that all projects within the Capital Programme will be delivered.</p>
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The actual monthly expenditure position at Month 2 is £1,568,541 against a target of £1,943,926. This represents an underspend of £375,385 in the month.

**Detail**

See Attachment 1 for variances exceeding +/- 10% or £50,000 of business case value are nil at this stage.

**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.

Capital Programme Progress Report May 2013 M2 (Q1)			
Planned Programme Financial Position	Reference	£'s	Narrative
CRL	A	18,676,000	To be confirmed
Value of Business Cases approved to date Month 1	B	8,880,588	Value approved stated here represents value of spend intended in year only and not full business case value.
Variance to CRL	A-B	9,795,412	
Value of projects approved to date	C	8,880,588	31% of business cases approved to date.
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	No projects identified at this stage but programme will need to be managed back to CRL which may result in delay to some projects
Previous value		0	
Change in period		0	
Forecast Expenditure	L	21,229,486	
Variance to CRL	L-A	2,553,486	Over commitment against assumed CRL
Previous value Month 1	M	19,386,758	
Change in period	M-L	-1,842,728	Month 1 reported overcommitment figure reduced but £1.9m added for unfunded A&E/paediatric extension
<b>Action required: Business Cases to be submitted as scheduled. Position against CRL to be monitored and adjusted as required</b>			
M2 - Delivery of Capital Programme Financial Position			
Commitment/Orders in year	F	2,754,797	
Value of Commitments in 2013/2014 for expenditure in 2014/2015	G	190,430	
Total	F+G	2,945,227	
Variance	(F+G)-A	-15,730,773	
Previous value		-16,779,427	
Change in period		1,048,654	
<b>Action required: Ensure approved projects are delivered to programme.</b>			
Invoiced to date	H	621,742	
Work in progress	I	946,800	
Expenditure to date (including fees)	(H+I) = J	1,568,541	
Previous value		657,902	
Change in period		910,639	
Value of projects still to be completed against project commitments	(F+G) - J	1,376,686	
Target cash flow expenditure at Month 2	K	1,943,926	
Variance	J-K	-375,385	The significant items causing the "underspend" against the year to date forecast are:
Previous value		-138,444	[a] Medical Equipment (-£126k) - Carry-Over projects: orders to be placed/awaiting delivery for projects with Business Case approval in 2012/2013.
Change in period		-236,941	[b] IT (+£100k) - Renal IT - Expenditure earlier than forecast.
			[c] Carry-Over schemes (+£115k) - Re-scheduling of project programmes and introduction of Multi-Storey Car Park project.
			[d] Major Schemes (-£444k) - Pathology: part of expenditure forecast for 2013/2014 was incurred in M12 2012/2013.
			[e] New Schemes & Design Team Fees (-£19k) - re-profiling of project programmes
<b>Action required: Ensure approved projects are delivered to programme.</b>			

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