







Trust Board Report

Meeting Date:	25 th March 2013
Title:	Capital Programme 2012/13
Executive Summary:	To report progress (as at Month 11) 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
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Resource Implications:	Delivery of Capital Programme 2012/13 to Capital Resource Limit. The position as at Month 11 identifies an over-commitment of £186,182.
Public or Private: (with reasons if private)	Not applicable.
References: (eg from/to other committees)	Capital Review Group 21 st March 2013.
Appendices/ References/ Background Reading	Attachment 1 – Month 11 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	<p>The Month 11 position shows a projected outturn position of £23,011,092, which is £186,182 above the Capital Resource Limit of £22,824,910.</p> <p>The actual expenditure position at Month 11 is £19,031,621 against a target of £20,684,688 which equates to £1,653,067 behind plan.</p> <p>The detail relating to this is shown in the Month 11 Progress Report in Attachment 1.</p> <p>Details of project variances which exceed +/- 10% or £50,000 are included in</p>
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the Exceptions Report in Attachment 1.

Risks

All major risks to the delivery of the CRL have now been mitigated. We are therefore content that the programme will be delivered within the agreed CRL target.

Capital Programme Progress Report February 2013 M11 (Q4)			
Planned Programme Financial Position	Reference	£'s	Narrative
CRL	A	22,824,910	CRL has been increased to include £170,910 received for Improving Birthing Environments funding
Value of Business Cases approved to date Month 11	B	22,461,479	Value approved stated here represents value of spend intended in year only and not full business case value.
Variance to CRL	A-B	363,431	
Value of projects approved to date	C	22,461,479	
Total Value of Projects either delivered or with certainty of delivery by year end	D	23,011,092	
Value of Projects which carry risk of non delivery	D-A	-186,182	all known risk has now been removed from the programme. This figure represents the current overcommitment
Previous value - Month 10		323,514	
Change in period		-509,696	
Forecast Outturn Expenditure	L	23,011,092	
Variance to CRL	L-A	186,182	
Previous value - Month 10	M	23,053,760	
Change in period	M-L	-42,668	
Action required: Monitor progress with delivery of projects during Month 12			
M11 - Delivery of Capital Programme Financial Position			
Commitment/Orders in year	F	22,378,447	Value of Commitments b/f from 2011/2012 = £10,854,392
Value of Commitments in 2012/2013 for expenditure in 2013/2014	G	512,000	
Total	F+G	22,890,447	
Variance	(F+G)-A	65,537	
Previous value at Month 10		-1,460,868	
Change in period		1,526,405	
Action required: Ensure approved projects are delivered to programme.			
Invoiced to date	H	15,843,542	
Work in progress	J	3,188,079	
Expenditure to date (including fees)	(H+I) = J	19,031,621	
Previous value		16,954,172	
Change in period		2,077,449	
Value of projects still to be completed against project commitments	(F+G) - J	3,858,826	
Target cash flow expenditure at Month 11	K	20,684,688	
Variance	J-K	-1,653,067	The significant items causing the £1,653k "underspend" in the year to date forecast are:
Previous value		-1,691,498	(a) Medical Equipment: -£64k - Rescheduling of programme
Change in period		38,431	(b) IT: -£102k - rescheduling of project programmes, and Actual/Forecast project values at variance to cash flow forecast allocations.
			(c) Statutory Standards: -£78k - H&L UPS project: (£150k) re-scheduling of project. Incinerator project: (+£44k) - expenditure greater than forecast. Deanesley Fire Panel and WMI Switchgear (+£27k) projects - expenditure earlier than forecast.
			(d) Retained Estate: -£427k - Business Cases/project programmes in delay. Cancellation of Hospital Street Flooring (£51k) and Maternity Security (£152k) projects.
			(e) New Schemes: -£826k - Actual/Forecast project values at variance to cash flow forecast allocations. Rescheduling of Pharmacy (-£30k) and Cystic Fibrosis (-£180k) projects. Cancellation of Synergy RO project (£57k). Pre-OP & Assessment (-£380k) - delays due to administration of specialist contractor and adverse weather. Endoscopy (-£129k) - delays due to adverse weather and unforeseen ground conditions.
			(f) Carry Over Schemes: +£62k - Agreement of Final Accounts and rescheduling of project programmes.
			(g) Major Schemes: -£133k - Pathology -£36k. Womens Unit A4 refurbishment -£33k. Carbon projects -£80k
			(h) Residual Expenditure: -£84k - release of provisions
			(i) General Equipment: -£1k - Orders placed
Action required: Ensure approved projects are delivered to programme.			

Capital Programme Progress Report
APPENDIX 1 EXCEPTIONS REPORT
February 2013 M11 (Q4)

Scheme	No.	Business Case	M11 - Total predicted outturn	Variance to between total predicted outturn and Business Case	Variance to between total predicted outturn and Business Case	Comments	M11: Change in period for reported projects	M11: 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	0	No change from M7 Report
Lift 13 Refurbishment	42123	164,819	130,792	-34,027	-21	Release of Contingency	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
Yag Laser	43001	23,400	25,920	2,520	11	Value of Orders greater than Business Case forecast costs	0	No change from M9 Report
Urodynamics machine	43015	32,243	25,980	-6,263	-19	Value of Orders less than Business Case forecast costs	-6,263	Invoices received - confirmation of final cost
EUS scope	43034	51,600	43,782	-7,818	-15	Value of Orders less than Business Case forecast costs	-7,818	Invoices received - confirmation of final cost
Smart Metering	42171	116,045	128,994	12,949	11	Following the appointed contractor "going into Administration" - additional orders/costs to complete the project.	12,949	Following the appointed contractor "going into Administration" - additional orders/costs to complete the project.
Total				-179,738			-1,132	