

Trust Board Report

Meeting Date:	25 th February 2013
Title:	Capital Programme 2012/13
Executive Summary:	To report progress (as at Month 10) 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 10 identifies an over-commitment of £228,850.
Public or Private: (with reasons if private)	Not applicable.
References: (eg from/to other committees)	Capital Review Group 13 th February 2013.
Appendices/ References/ Background Reading	Attachment 1 – Month 10 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 Capital Budget has been revised to £22,824,910. This now includes £170,910 received from The Department of Health for refurbishment and re-provision of parents accommodation on the 3 rd floor of the Women's Unit. This funding was confirmed following a successful bid against National earmarked funding to improve Birthing Environments.
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The Month 10 position shows a projected outturn position of £23,053,760, which is £228,850 above the revised Capital Budget of £22,824,910.

The actual expenditure position at Month 10 is £16,954,172 against a target of £18,645,670 which equates to £1,691,498 behind plan.

The detail relating to this is shown in the Month 10 Progress Report in Attachment 1.

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

Risks

There are a number of projects totalling £323,514 which present amber or red risk in terms of their delivery potential in 2012/13. Projects for delivery in year have been identified which can be expected to fill this gap. We are therefore content that the programme will be delivered within the agreed CRL target.

Capital Programme Progress Report January 2013 M10 (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 10	B	21,516,595	Value approved stated here represents value of spend intended in year only and not full business case value.
Variance to CRL	A-B	1,308,315	
Value of projects approved to date	C	21,516,595	87 business cases approved. 19 awaiting approval
Total Value of Projects either delivered or with certainty of delivery by year end	D	22,501,396	
Value of Projects which carry risk of non delivery	D-A	323,514	Value of projects which present high risk of non delivery or only partial delivery in year. A number of projects have been identified to fill this gap
Previous value - Month 9		975,394	
Change in period		-651,880	
Forecast Outturn Expenditure	L	23,053,760	
Variance to CRL	L-A	228,850	
Previous value - Month 9	M	23,458,009	
Change in period	M-L	-404,249	
Action required: Continue to monitor progress with business case approvals.			
M10 - Delivery of Capital Programme Financial Position			
Commitment/Orders in year	F	20,852,042	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	21,364,042	
Variance	(F+G)-A	-1,460,868	
Previous value at Month 9		-2,963,759	
Change in period		1,502,891	
Action required: Ensure approved projects are delivered to programme.			
Invoiced to date	H	14,752,500	
Work in progress	I	2,201,672	
Expenditure to date (including fees)	(H+I) = J	16,954,172	
Previous value		15,848,177	
Change in period		1,105,994	
Value of projects still to be completed against project commitments	(F+G) - J	4,409,870	
Target cash flow expenditure at Month 10	K	18,645,670	
Variance	J-K	-1,691,498	The significant items causing the "underspend" in the year to date forecast are:
Previous value		-945,909	(a) Medical Equipment: +£302k - procurement of equipment earlier than forecast, and additional projects added to programme
Change in period		-745,590	(b) IT: -£127k - rescheduling of project programmes for Pathology Prompting & Alerting and e-Discharge
			(c) Statutory Standards: +£26k - Incinerator project - expenditure greater than forecast
			(d) Retained Estate: -£376k - delay in Business Case submissions and project programmes
			(e) New Schemes: -£611k - rescheduling of project programmes - Pre-Op: -£140k; Endoscopy: -£268k ; Wayfinding: -£36k; Synergy RO -£58k; Cystic Fibrosis -£68k
			(f) Carry Over Schemes: -£52k - Delay to completion of Poplars car park
			(g) Major Schemes: -£767k Pathology -£688k - cash flow behind forecast. IT Management software -£43k - project in delay
			(h) Residual Expenditure: -£86k - 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
January 2013 M10 (Q4)

Scheme	No.	Business Case	M10 - Total predicted overrun	Variance to between total predicted out-turn and Business Case	Variance to between total predicted out-turn and Business Case	Comments	M10: Change in period for reported projects	M10: 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
Total				-178,605			0	