

Trust Board Report

Meeting Date:	28 th January 2013
Title:	Capital Programme 2012/13
Executive Summary:	To report progress (as at Month 9) 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 9 identifies an over-commitment of £804,009.
Public or Private: (with reasons if private)	Not applicable.
References: (eg from/to other committees)	Capital Review Group 16 th January 2013.
Appendices/ References/ Background Reading	Attachment 1 – Month 9 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 9 position shows a projected outturn position of £23,458,009, which is £804,009 above the revised Capital Budget of £22,654,000.</p> <p>It has now been confirmed that the income from the sale of the Eye Infirmary site will not be available in 2012/13. Consequently £800,000 has been removed from the Capital Budget.</p> <p>The actual expenditure position at Month 9 is £15,848,177 against a target of</p>
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£16,794,006 which equates to £945,909 behind plan.

The detail relating to this is shown in the Month 9 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 £975,394 which present amber or red risk in terms of their delivery potential in 2012/13. Given the current over-commitment noted above, we are therefore content that the programme will be delivered within the agreed CRL target.

Capital Programme Progress Report			
December 2012 M9 (Q3)			
Planned Programme Financial Position	Reference	£'s	Narrative
CRL	A	22,654,000	Income from sale of Eye Infirmary has now been removed from CRL
Value of Business Cases approved to date Month 9	B	20,416,633	Value approved stated here represents value of spend intended in year only and not full business case value.
Variance to CRL	A-B	2,237,367	This variance is to total capital budget of £22,654,000
Value of projects approved to date	C	20,416,633	71 business cases approved. 37 awaiting approval
Total Value of Projects either delivered or with certainty of delivery by year end	D	22,482,615	
Value of Projects which carry risk of non delivery	D-A	975,394	Value of projects which present high risk of non delivery or only partial delivery in year.
Previous value - Month 8		993,661	
Change in period		-18,267	
Forecast Outturn Expenditure	L	23,458,009	
Variance to CRL	L-A	804,009	Over commitment is equal to value removed due to the Eye Infirmary income not being available in 2012/13. This overcommitment will however be managed back to the revised capital budget
Previous value - Month 8	M	23,643,726	
Change in period	M-L	-185,717	
Action required: Continue to monitor progress with business case approvals.			
M9 - Delivery of Capital Programme Financial Position			
Commitment/Orders in year	F	19,178,241	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	19,690,241	
Variance	(F+G)-A	-2,963,759	
Previous value at Month 8		-5,864,352	
Change in period		2,900,594	
Action required: Ensure approved projects are delivered to programme.			
Invoiced to date	H	11,814,445	
Work in progress	I	4,033,733	
Expenditure to date (including fees)	(H+I) = J	15,848,177	
Previous value		13,793,688	
Change in period		2,054,489	
Value of projects still to be completed against project commitments	(F+G) - J	3,842,064	
Target cash flow expenditure at Month 9	K	16,794,086	
Variance	J-K	-945,909	The significant items causing the "underspend" in the year to date forecast are:
Previous value		-736,180	(a) Medical Equipment: +£81k - procurement of equipment earlier than forecast
Change in period		-209,729	(b) IT: -£28k - rescheduling of project programmes
			(c) Statutory Standards: +£140k - Incinerator project - expenditure earlier than forecast
			(d) Retained Estate: -£115k - delay in Business Case submissions and project programmes
			(e) New Schemes: -£212k - rescheduling of project programmes - Wayfinding -£45k; Extension to Pre-Op -£77k; Endoscopy -£52k; Cystic Fibrosis -£28k
			(f) Carry Over Schemes: -£56k - rescheduling of project programmes
			(g) Major Schemes: -£662k NB Pathology - -£626k; cash flow behind forecast
			(h) Residual Expenditure: -£77k - release of provisions
			(i) General Equipment: -£17k - Orders placed; delivery of equipment delayed against forecast
Action required: Ensure approved projects are delivered to programme.			

Capital Programme Progress Report APPENDIX 1 EXCEPTIONS REPORT December 2012 M9 (Q3)								
Scheme	No.	Business Case	M9 - Total predicted overrun	Variance to between total predicted out-turn and Business Case	Variance to between total predicted out-turn and Business Case	Comments	M9: Change in period for reported projects	M9: 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
Blood Fridge/Plasma Thawer/Platelet incubator x 2 (ICCU & Haem)	43003	38,950	46,566	7,616	20	Value of Orders greater than Business Case forecast costs	0	No change from M8 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 M8 Report
Total				-170,989			0	