

Trust Board Report

Meeting Date:	27 th April 2015
Title:	Five Year Capital Programme 2015/16 to 2019/20
Executive Summary:	This report is seeking approval of the Trust's Five Year Capital Investment Plan covering the period to 2019/20 and the Capital Programme for 2015/16.
Action Requested:	To approve
Report of:	Mike Goodwin, Head of Estates Development
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Resource Implications:	The Five Year Capital Programme is aligned to the annual Capital Resource Limits contained within the Long Term Financial Model (LTFM). The planned programme is valued at £117,303,008 over 5 years funded from depreciation, Trust surplus, Public Dividend Capital and cash resources.
Public or Private: (with reasons if private)	Public Session
References: (eg from/to other committees)	Capital Review Group 16 th April 2014 Attachment 1 – 5 Year Capital Programme and 2015/16 Capital Programme
Appendices/ References/ Background Reading	See attached
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

Attachment 1 - Provides a summary of the major projects and categories of spend for the 5 year programme from 2015/16 to 2019/20 together with the funding assumptions. The plan assumes a total spend of £117,303,008 over the five year period.

The Trusts previous 5 year plan had assumed surpluses would be produced for re-investment into

the Trust's Capital Programme. However given the decision to approve a deficit budget the Trust has now included an assumption of funding of £10.792million from working capital for 2015/16 which will be repaid over the following three years.

With regard to projects proposed for 2015/16, the major elements are the completion of the U&ECC (both Main Build and Phase 2 including MSFT related expenditure) together with projects at Cannock Chase Hospital (as identified in the Acquisition Business Case), the commencement of the Linear Accelerator replacement programme and a new MRI. The total programme for 2015/16 is proposed at a value of £40,170,009.

With regard to future years, the development of a Stroke Unit is identified in 2016/17 together with the ongoing replacement of the Linear Accelerators over the following four years.

As part of the longer term Estates Strategy, a key initiative commencing in 2017/18 is the construction of new Inpatient beds for which a total of some £15million has been initially allocated, although it is likely that further additional resources will be required to complete this initiative.

Five Year Capital Plan - March 2015

5 Year Capital Expenditure Prediction	2015-16 Total £	2016-17 Total £	2017-18 Total £	2018-19 Total £	2019-20 Total £	Notes
Depreciation and revenue	19,302,000	21,631,000	22,680,000	24,180,000	25,127,000	
<i>Brought Fwd - Underspend from 2014/15</i>	2,409,000	0	0	0	0	
<i>Charitable/Additional Revenue Funding NX</i>	0	0	0	0	0	
<i>Additional DH PDC funding for MSFT</i>	6,791,000	0	0	0	0	
<i>Cash from I&E Surplus/Working Capital</i>	10,792,000	(2,243,000)	(3,456,000)	(5,093,000)		
TOTAL FUNDING	39,294,000	19,388,000	19,224,000	19,087,000	25,127,000	122,120,000
NX Expenditure						
Medical Equipment	1,000,000	2,500,000	1,500,000	1,375,000	2,000,000	
General Equipment						
IM&T	1,000,000	2,500,000	1,500,000	1,375,000	1,350,000	
EFM/Statutory Standards	250,000	300,000	300,000	500,000	500,000	
Improvement of Retained Estate	500,000	1,000,000	1,000,000	2,500,000	2,500,000	
Residual Expenditure on completed Projects (offset by VAT reclaim)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	
New Schemes						
Bids from Divisions/Minor works schemes	500,000	1,400,000	1,000,000	2,250,000	2,000,000	
Linacs Replacement	1,900,000	3,000,000	4,400,000	2,000,000	2,000,000	
Community (TCS Properties)	0	300,000	300,000	500,000		
TOTAL FOR NEW SCHEMES	2,400,000	4,700,000	5,700,000	4,750,000	4,000,000	
Carry Over Schemes						
Adult Cystic Fibrosis	750,000		500,000	500,000	500,000	
Accommodation Pilot						
Stroke		2,000,000				
Womens Unit Drainage	200,000	350,000				
WMI Refurbishment	50,000					
Refurbishment of OH Dept at West Park						
Refurbishment of Mortuary	97,934					
Dermatology OD Refurbishment	85,000					
Improving Security on A21						
Other Carry Over Projects	750,000					
Refurbishment of former pharmacy						
Theatre Refurbishment (Theatres 3-6)	0	500,000	500,000			
TOTAL FOR CARRY OVER SCHEMES	1,932,934	2,850,000	1,000,000	500,000	500,000	
Major Schemes						
Emergency Centre New Build	14,000,000					
Emergency Centre New Build - Phase 2	3,900,000					
Emergency Centre New Build - Phase 3 In patient beds			4,650,000	4,650,000	7,000,000	
New MRI	1,600,000					
Demolition of WH and Relocation of Therapies			1,100,000			
OPD Reconfiguration		500,000	1,500,000			
Carbon Reduction				200,000		
TOTAL MAJOR PROJECTS & ASBESTOS & DEMOLITIONS	19,500,000	500,000	7,250,000	4,850,000	7,000,000	
NX EXPENDITURE TOTAL	26,432,934	14,200,000	18,100,000	15,700,000	17,700,000	92,132,934
MSFT EXPENDITURE						
Medical Equipment	867,600					
Other identified post BC			250,000	250,000	500,000	
TOTAL MEDICAL EQUIPMENT	867,600	0	250,000	250,000	500,000	
General Equipment						
IM&T	365,675	56,969	250,000	500,000	500,000	
EFM/Statutory Standards		100,000	250,000	500,000	500,000	
Improvement of Retained Estate						
Due Diligence	750,000	600,000	300,000	349,000	0	
Backlog Maintenance inc in capital costs for BC		517,030	500,000	1,500,000	0	
TOTAL IMPROVEMENT IN RETAINED ESTATE	750,000	1,117,030	800,000	1,849,000	0	
Major Schemes - Acquisition Business Case						
Endoscopy including relocation of Dermatology	0					
Ward refurbishments	385,800					
Rheumatology Phase 1	2,158,000					
Theatres and catering	4,428,000					
3rd Floor Recovery/Day Case		1,509,000				
OPD/assessmen reconfiguration + enabling works	0	1,500,000	851,000			
WU reconfiguration	1,000,000					
U&ECC 2nd floor fit out (50%)	1,882,000					
Carry Forward from 14/15 projects	1,800,000	0				
Carparking reconfiguration	100,000	150,000				
TOTAL MAJOR PROJECTS	11,753,800	3,159,000	851,000	0	0	
Other Schemes identified post Business Case						
GP Surgery - CCH						
Rheumatology Phase 2						
TOTAL OTHER SCHEMES	0	0	0	0	0	
MSFT EXPENDITURE TOTAL	13,737,075	4,432,999	2,401,000	3,099,000	1,500,000	25,170,074
EXPENDITURE GRAND TOTAL	40,170,009	18,632,999	20,501,000	18,799,000	19,200,000	117,303,008
POSITION AGAINST CRL	(876,009)	755,001	(1,277,000)	288,000	5,927,000	4,816,992

blue font denotes budget allocation over and above CCH ABC for normal replacement items not yet identified
Includes no funding for Ward Refurbishments at NX