

## Trust Board Report

<b>Meeting Date:</b>	27 <sup>th</sup> February 2012
<b>Title:</b>	Capital Programme 2011/12
<b>Executive Summary:</b>	To report progress (as at Month 10) for the 2011/12 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 2011/12 to Capital Resource Limit. Year end position as at Month 10 identifies an under-commitment of £936,091 against a CRL of £19,240,000.
<b>Public or Private:</b> (with reasons if private)	Public
<b>References:</b> (eg from/to other committees)	Capital Review Group 15 <sup>th</sup> February 2012.
<b>Appendices/ References/ Background Reading</b>	Attachment 1 – Month 10 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>	<b>Detail relating to Attachment 1</b> The forecast outturn as at Month 10 for the 2011/12 Capital Programme is
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£18,303,909. The Month 10 outturn projection equates to a potential under-commitment of £936,091 against a CRL of £19,240,000.

The actual expenditure position at Month 10 is £9,236,272, a movement of £2,927,867 in the month but against a target of £11,652,338 which represents a value of £2,416,066 behind the revised cash flow plan.

Variances exceeding +/- 10% or £50,000 of business case value are detailed in Appendix 1 Exceptions Report.

The Trust has received notification that its bid to the DH for £3million capital to fund the CHP Project and associated carbon reduction schemes has been successful. A proportion of this spend may be allocated against the Capital Programme this year which will improve the position against the CRL.

Capital Programme Progress Report  
January 2012 M10 (Q4)

Planned Programme Financial Position	Referen	£'s	Narrative
<b>CRL</b>	A	<b>19,240,000</b>	Assumes £1m transfer to 2012/13
Value of Business Cases approved to date Month 10	B	<b>18,016,000</b>	Value approved stated here represents value of spend in year only and not full business case value.
<b>Variance to CRL</b>	A-B	<b>1,224,000</b>	
<b>Value of projects approved to date</b>	C	<b>18,016,000</b>	140 business cases in total required for defined projects as at 31/1/12, 123 of these approved with a further 7 being submitted for approval to Feb 12 CRG.
<b>Total Value of Projects either delivered or with certainty of delivery by year end</b>	D	<b>17,725,319</b>	It is likely that the Trust will have access to capital funding of £3m for the CHP project. Part of this will be expended in the current year but the exact amount is yet to be determined.
<b>Value of Projects which carry varying levels of risk of non delivery Previous value - Month 9</b>	D-A	<b>-1,514,681</b> <b>-1,057,271</b>	£936K relates to underspend against revised CRL . £279K relates to bring fwd projects awaiting business case approval. The remaining £300K relates to risk to delivery on projects identified in April 2011 but not yet delivered and release of provisions on completed schemes.
<b>Change in period</b>		<b>-457,410</b>	Underspend against CRL has increased due to release of funds on completed projects.
<b>Forecast Expenditure</b>	L	<b>18,303,909</b>	
<b>Variance to CRL</b>	L-A	<b>-936,091</b>	Very little of this value likely to be allocated to new projects at this stage
<b>Previous value - Month 9</b>	M	<b>19,004,491</b>	
<b>Change in period</b>	M-L	<b>700,582</b>	Due to release of funds on finished schemes and deferred projects/part projects to 12/13

**Action required: Continue to develop business cases for approval for all categories of spend**

M10 - Delivery of Capital Programme Financial Position

Commitment/Orders in year	F	<b>16,085,501</b>	Value of Commitments b/f from 2010/2011 = £1,296,850
Value of Commitments in 2011/2012 for expenditure in 2012/2013	G	<b>7,265,511</b>	
<b>Total</b>	F+G	<b>23,351,012</b>	
<b>Variance</b>	(F+G)-A	<b>4,111,012</b>	
<b>Previous value</b>		<b>1,279,486</b>	
<b>Change in period</b>		<b>2,831,527</b>	
<b>Action required: Ensure approved projects are delivered to revised programme.</b>			
Invoiced to date	H	6,922,364	
Work in progress	I	2,313,908	
<b>Expenditure to date (including fees)</b>	(H+I) =	<u><b>9,236,272</b></u>	
<b>Previous value</b>		<b>6,308,406</b>	
<b>Change in period</b>		<b>2,927,867</b>	
Value of projects still to be completed against project commitments Adjusted value (value of projects in line above - 2012/2013 accrual)	(F+G) -	<u><b>14,114,740</b></u> 0	
Target cash flow expenditure at Month 10	K	<u>11,652,338</u>	
<b>Variance</b>	J-K	<u><b>-2,416,066</b></u>	(1) Note: Target expenditure forecast totals £19,734k. M10 CRL figure is £19,240k. This is a difference of -£503k (2) Major Schemes: total = -£1,113k: Pathology (-£463k) - Contractor 1 week in delay; Womens Unit (-£334k) - delayed commencement and progress to MLU construction programme; Poplars (-£68k) - enabling works only this year; Catering Demolition (-£195k) revised programme; Emergency Centre (-£45k) delay to Business Case programme; Other projects (-£8k)
<b>Previous value</b>		<b>-1,932,856</b>	
<b>Change in period</b>		<b>-483,210</b>	(3) IT: +£23k (4) VAT Refund/Residual Expenditure: +£54k - release of 2010/2011 provisions and VAT refund not identified. (5) Retained Estate: total = -£251k: GUM & Antenatal roofs (-£44k) further works "on hold" pending weather conditions; Lift 2 & Lift 16 (-£55k) - construction programme re-profiled; balance of Retained Estate schemes (-£152k) expenditure re-profiled (6) Carry Over Schemes: -£25k: Final Account values less than forecast (7) Medical Equipment: -£921k - re-profiling of programme. Assurance given by Procurement at January 2012 TEG meeting that all approved Business Cases will be completed this year. (8) New Schemes: +£75k (9) Statutory Standards: total = -£250k: Additional schemes (-£179k) projects not identified on expenditure profile; Air Tube (-£42k) - revised programme; Other projects (-£29k) (10) General Equipment -£8k - Jetting Equipment - procurement delayed - order placed in period
<b>Action required: Ensure approved projects are delivered to revised programme.</b>			

Capital Programme Progress Report								
APPENDIX 1 EXCEPTIONS REPORT								
January 2012 M10 (Q4)								
Scheme	No.	Business Case	M10 - Total predicted overrun	Variance to between total predicted overrun and Business Case	Variance to between total predicted overrun and Business Case	Comments	M9 - M10: Change in period for reported projects	M9 - M10: Reason for change in period for reported projects
Projects that exceed 10% variance or £50k or greater		£	£	£	%		£	
Women's Unit - Phase 2	4923	4,655,308	4,714,479	59,171	1	Approved scope of works for Fire/VIR works is greater than included in the Business Case. The forecast overspend for the Fire/VIR works of £151,855 is off-set by forecast savings on other projects within the Business Case	-32,283	Underspend against forecast Professional Fees expenditure
TEM equipment	42022	62,996	56,139	-6,857	-11	Order value less than Business Case allowance	0	n/a - no change from M8 Report
Piped oxygen and gases (D19, D20,D2, D5, D6)	42082	114,277	100,791	-13,486	-12	(a) No expenditure against Contingency allowance (b) Professional Fees less than forecast	0	n/a - no change from M8 Report
Pond Lane digital TV's	42093	10,852	9,005	-1,847	-17	No expenditure against Contingency allowance	0	n/a - no change from M8 Report
Chest Drain Accommodation D20	42114	7,049	8,864	1,815	26	whb requested by Infection Prevention not included in initial scope of works.	0	Updated cost advice from Framework contractor
Antares Ultrasound Machine (A4)	42003	99,928	72,028	-27,900	-28	Revised specification of equipment following trials.	-27,900	Completion of trials/revised quotations/order placed in period
Intubating fibrescope	42021	12,410	10,200	-2,210	-18	Revised specification of equipment	-2,210	Order placed in period
Ultrasound machine - foetal medicine for Antenatal	42029	99,928	56,956	-42,972	-43	Revised specification of equipment following trials.	-42,972	Completion of trials/revised quotations/order placed in period
Ultrasound Nemio (Delivery Suite)	42039	54,145	25,477	-28,668	-53	Revised specification of equipment following trials.	-28,668	Completion of trials/revised quotations/order placed in period
Ultrasound Antares (Maty)	42040	99,928	72,853	-27,075	-27	Revised specification of equipment following trials.	-27,075	Completion of trials/revised quotations/order placed in period
ENT RO Equipment	42005	37,600	28,200	-9,400	-25	Revised specification of equipment	-9,400	Order placed in period
Bariatric bed mover	42042	16,000	13,699	-2,301	-14	Quotation less than Business Case allowance	-2,301	Order placed in period
Upgrading of air tube control equipment	42084	185,313	148,719	-36,594	-20	Tenders less than Pre-Tender Estimate	-36,594	Order placed in period
GUM roof adaption and skylights	42089	60,210	48,678	-11,532	-19	No further rainwater leaks reported	-11,532	Release of contingency/risk
Sluices to medical and surgical wards	42092	25,932	16,440	-9,492	-37	Final Account received/Release of contingency/risk	-9,492	Final Account received/Release of contingency/risk
EAU Washroom Pods	42115	31,100	23,669	-7,431	-24	Final Account received/Release of contingency/risk	-7,431	Final Account received/Release of contingency/risk
<b>Total</b>				<b>-166,780</b>			<b>-237,859</b>	