

Trust Board Report

Meeting Date:	17 th January 2011
Title:	Capital Programme 2010/11
Executive Summary:	To report progress (as at Month 8) for the 2010/11 Capital Programme. To report variance on project costs where these exceed +/- 10% or £50,000 of business case value.
Action Requested:	Note and comment on.
Report of:	Acting Director of Estates Development
Author:	Brian Midgelow-Marsden Tel 01902 695947
Contact Details:	Email: brian.midgelow-marsden@nhs.net
Resource Implications:	Delivery of Capital Programme 2010/11 to Capital Resource Limit. Year end position as at Month 8 predicts a £464,949 overspend.
Public or Private: (with reasons if private)	Public Session
References: (eg from/to other committees)	From Capital Review Group 23 rd December 2010. From Trust Management Team 14 th January 2011.
Appendices/ References/ Background Reading	Attachment 1 – Month 8 Progress Report including Project Exception 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 prediction as at Month 8 of the final out turn position for the 2010/11 Capital Programme at 31st March 2011 is £18,499,949 against a Capital Resource Limit (CRL) of £18,035,000 (overspend of £464,949). This will be managed down to the CRL by the end of the year by flexing spend on carry over schemes.</p> <p>The value of projects where progress indicates risk of non-delivery has slightly improved and now stands at £1,129,091.</p>
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Progress of these projects continues to be monitored and remedial action taken as necessary to ensure that the CRL is achieved at year end.

The actual expenditure position at Month 8 is £9,790,830 against a target of £11,628,484 showing spend of £1,837,654 behind schedule. This is mainly due to the construction of several large projects starting later than originally anticipated. However all projects have now started on site and are expected to complete on schedule.

Detail

Variances exceeding +/- 10% or £50,000 are detailed in the Project Exception Report (Attachment 1, Appendix 1).

Capital Programme Progress Report
November 2010 M8 (Q3)

Planned Programme Financial Position	Reference	£'s	Narrative
CRL (includes £50K patient environment funding)	A	18,035,000	
Value of Business Cases approved to date Month 8	B	14,029,289	Excludes Women's Unit phase 2 and Appleby overspend
Variance to CRL	A-B	<u>4,005,711</u>	12 of 81 cases to be approved. Main value = Women's Unit
Appleby overspend additional to business case	C	491,157	
Value of projects approved to date inc total for Appleby	D	14,520,446	
Total Value of Projects either delivered or with certainty of delivery by year end	E	16,905,909	
Value of Projects which carry varying levels of risk of non delivery	E-A	<u>-1,129,091</u>	This is a mixture of business cases not yet presented for approval and orders not raised where business cases have been approved
Previous value M7		-1,138,387	
Change in period		9,296	Value improved due to order placed for IT project

Action required: Approval of Women's Unit phase 2 and other 12 projects or find substitute projects from future years

M8 - Delivery of Capital Programme Financial Position			
Commitment/Orders in year to date includes feasibility on projects not yet approved	F	12,469,032	This includes expenditure year to date on Women's Unit which has not yet been approved
Value of Commitments in 2009/2010 for expenditure in 2010/2011	G	2,983,527	M7 Report detailed Expenditure against Commitments in previous years. M8 Report is revised to identify value of Commitments in previous year against which there is 2010/2011 Expenditure
Total	F+G	<u>15,452,559</u>	
Variance	(F+G)-D	<u>932,113</u>	Exceeds Business Case approval level, as Women's Unit Business Case to be approved at December 2010 TB.
Previous value M7		-1098022	
Change in period		2,030,135	Movement in period reflects value of Orders placed M7 to M8
Action required: Outstanding orders to be placed by various parties			
Invoiced to date	H	7,649,134	
Work in progress	I	2,141,696	
Expenditure to date (including fees)	H+I=J	<u>9,790,830</u>	
Previous value M7		8,523,770	
Change in period		1,267,060	
Work still to be completed against orders placed in year	F-J	<u>2,678,202</u>	M9 to M12 - Forecast Expenditure to be re-profiled
Target cash flow expenditure at Month 8	K	11,628,484	
Variance	J-K	<u>-1,837,654</u>	Overall programme delayed against original plan. M9 to M12 expenditure to be re-profiled
Previous value M7		-1,203,246	
Change in period		-634,408	M9 to M12 - Forecast Expenditure to be re-profiled

Action required: (a) M9 to M12 forecast expenditure to be re-profiled (b) Outstanding orders to be placed against approved business cases by various parties.

Capital Programme Progress Report
APPENDIX 1 EXCEPTIONS REPORT
November 2010 M8 (Q3)

Scheme	No.	Business Case	Total predicted outturn	Variance to between total predicted out-turn and Business Case		Comments
Projects that exceed 10% variance or £50k or greater						
A&E Fire panel	4133	40,854	45,571	4,717	12	Design Team Fees greater than Indication of Cost/Business Case allowance
Upgrading of fire doors throughout Trust	4136	12,597	17,801	5,204	41	Design Team Fees greater than Indication of Cost/Business Case allowance
Haematology/Oncology Inpatients (Deansley First Floor)	4032	41,015	51,996	10,981	27	Design Team Fees greater than Indication of Cost/Baseline allowance
Renal EMSA/BBV	4032	44,738	50,867	6,129	14	Design Team Fees greater than Indication of Cost/Baseline allowance
Boiler 3rd economiser	4089	33,000	39,533	6,533	20	Design Team Fees greater than Indication of Cost/Baseline allowance
Vital Pack/PDA System	4103	292,281	329,961	37,680	13	Value of orders greater than Business Case allowance
Basement tug way doors, alarms and controls	4185	115,335	138,061	22,726	20	Additional works required to areas outside of approved scope i.e. to Fire Alarm system and doors. Also, Design Team Fees greater than Indication of Cost/Baseline allowance
Piped oxygen Endoscopy (JAG)	4104	37,156	69,873	32,717	88	Additional works required to Oxygen supply infrastructure + works to attend to existing H&S issues instructed. Also, Design Team Fees greater than Indication of Cost/Baseline allowance
blood products fridge cl. Haematology	4196	15,596	17,078	1,482	10	Wrong value included in initial allocation. Change of price at procurement - price for 1 element exceeded budget estimate in business case.
Appleby Refurbishment	4027	5,084,289	5,575,934	491,645	10	Forecast final cost and expenditure based on remeasurement for final account being undertaken currently by QS.
A&E/WEI intergration (disabled toilet)	4013	83,989	131,155	47,166	56	"Overspend" reported in 2009/2010 as a result of the development of scope of works.
Ward Regen Kitchens incl equipment	4981	687,428	744,719	57,291	8	"Overspend" reported in 2009/2010. "Overspend" due to increased work required to some kitchens in addition to that expected due to condition and 2 additional regen trollies for additional wards not included in business case
Medical Illustration portacabin relocation	4046	282,500	475,944	193,444	68	Development of scope of works/Indication of Cost/Baseline greater than allocation included in Site Rationalisation Business Case
Total				917,715		
School of Nursing	4931	2,700,768	2,343,511	-357,257	-13	This scheme forms part of the Site Rationalisation Business Case. Overall the Site Rationalisation Business Case is forecast to "break even" as other elements have "over-spent" e.g. Relocation of Medical Illustrations
C-Diff testing	4139	28,000	24,029	-3,971	-14	Value of order less than Business Case allowance
Tractor	4198	26,816	23,982	-2,834	-11	Value of order less than Business Case allowance
Block 85 (old EAU) roof replacement	4109	137,198	75,192	-62,006	-45	Contingency/risk allocation for repairs to roof deck not expended + saving on Professional Fees
Asbestos removal Hollybush House	4048	98,107	79,226	-18,881	-19	Contractors final account costs less than Indication of Cost/Baseline allowances
New Catering Facility inc VIE Tanks & Oil Tanks;	4930	5,605,049	4,660,118	-944,931	-17	Equipment requirements confirmed by User and costs identified. Final forecast cost includes contingency for variations. Negotiations ongoing with Contractor/Administrator
Yew Tree Court (29) Demolition	4911	160,000	140,753	-19,247	-12	This scheme forms part of the Site Rationalisation Business Case. Overall the Site Rationalisation Business Case is forecast to "break even" as other elements have "over-spent" e.g. Relocation of Medical Illustrations
Total				-1,409,127		