

Trust Board Report

Meeting Date:	23 rd May 2011
Title:	Capital Programme 2010/11
Executive Summary:	To confirm final outturn for the 2010/11 Capital Programme following the presentation to Trust Board on 18 th April 2011. 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: Contact Details:	Brian Midgelow-Marsden Tel 01902 695947 Email: brian.midgelow-marsden@nhs.net
Resource Implications:	Delivery of Capital Programme 2010/11 to Capital Resource Limit. Final year end position of £41,576 (under spend).
Public or Private: (with reasons if private)	Public Session
References: (eg from/to other committees)	From Capital Review Group 9 May 2011.
Appendices/ References/ Background Reading	Attachment 1 – Month 12 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 final outturn expenditure for the 2010/11 Capital Programme at 31st March 2011 is £17,993,424 against a Capital Resource Limit (CRL) of £18,035,000 (under spend of £41,576).</p> <p>Detail</p> <p>Variances exceeding +/- 10% or £50,000 of business case value are detailed in the Project Exception Report (Attachment 1, Appendix 1).</p>
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**Capital Programme Progress Report
March 2011 M12 (Q4)**

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 12	B	19,438,688	Excludes Appleby overspend, and includes some Business Cases for 2011/2012 projects
Variance to CRL	A-B	<u>- 1,403,688</u>	All business cases approved
Appleby overspend additional to business case	C	414,682	
Value of projects approved to date inc total for Appleby	D	19,853,370	
Total Value of Projects either delivered or with certainty of delivery by year end	E	17,993,424	
Value of Projects which carry varying levels of risk of non delivery	E-A	<u>-41,576</u>	Final confirmed position - represents underspend against CRL
Previous value M11		-1,283,035	
Change in period		1,241,459	
Forecast Expenditure	L	17,993,424	Final confirmed position - total spend
Variance to CRL	L-A	-41,576	
Previous value M11	M	17,888,576	
Change in period	M-L	-104,848	
Action required: Final confirmed position - no further action required			

M12 - Delivery of Capital Programme Financial Position			
Commitment/Orders in year	F	15,945,313	
Value of Commitments in 2009/2010 for expenditure in 2010/2011	G	3,869,131	
Total	F+G	<u>19,814,445</u>	circa £1,346k of this value is for 2011/2012 projects c/f from 2010/2011
Variance	(F+G)-A	<u>1,779,445</u>	
Previous value M11		1,167,541	
Change in period		611,904	Change in period reflects value of Orders placed M11 to M12
Action required: no action required			
Invoiced to date	H	16,736,255	
Work in progress	I	1,257,169	
Expenditure to date (including fees)	(H+I) = J	<u>17,993,424</u>	
Previous value M11		15,470,263	
Change in period		2,523,161	
Value of projects still to be completed against project commitments	(F+G) - J	<u>1,821,021</u>	circa £1,346k of this value will be in 2011/2012 accrual
Adjusted value (value of projects in line above - 2011/2012 accrual)		475,021	
Target cash flow expenditure at Month 12	K	17,865,512	
Variance	J-K	<u>127,912</u>	
Previous value M11		-658,778	
Change in period		786,690	
Action required: no action required			

Capital Programme Progress Report
APPENDIX 1 EXCEPTIONS REPORT
March 2011 M12 (Q4)

Scheme	No.	Business Case	M12 - Total predicted outturn	Variance to between total predicted out-turn and Business Case	%	Comments	M12 - M11: Change in period for reported projects	M12 - M11: Reason for change in period for reported projects
		£	£	£				
Projects that exceed 10% variance or £50k or greater								
Upgrading of fire doors throughout Trust	4136	12,597	15,173	2,576	20	Design Team Fees greater than Indication of Cost/Business Case allowance	0	No change
Haematology/Oncology Inpatients (Deansley First Floor)	4032	41,015	50,496	9,481	23	Design Team Fees greater than Indication of Cost/Baseline allowance	500	Forecast cost update following F/A negotiations with Measured Term Contractor
Boiler 3rd economiser	4089	33,000	39,533	6,533	20	Design Team Fees greater than Indication of Cost/Baseline allowance	0	No change
Basement tug way doors, alarms and controls	4185	115,335	135,037	19,702	17	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	-678	Design Team Fees less than forecast + M12 Finance/Estates Developments ledger reconciliation
Piped oxygen Endoscopy (JAG)	4104	37,156	68,373	31,217	84	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	473	Forecast cost update following F/A negotiations with Measured Term Contractor
Appleby Refurbishment	4027	5,084,289	5,498,971	414,682	8	Final Reconciliation completed - Finance/Estates Development	-270	M12 Finance/Estates Developments ledger reconciliation
A&E/WEI intergration (disabled toilet)	4013	83,989	132,154	48,165	57	"Overspend" reported in 2009/2010 as a result of the development of scope of works.	999	Addendum Order following F/A agreement with Measured Term Contractor
WMI Roof	4048b	180,720	244,906	64,186	36	"Overspend" as a result of the development of scope of works.	7,119	Forecast cost update following F/A negotiations with Measured Term Contractor
Stone Laser	4194	47,000	63,632	16,632	35	Value of order greater than Business Case allowance	0	No change
Relocate medical gas store	4005	46,565	52,200	5,635	12	Overspend as a result of the development of scope of works.	-2,800	Revised estimate of cost of variations
Vital Pack/PDA System	4103	292,281	378,555	86,274	30	Overspend (by IT Dept) to be partially offset by £66k refund in 2011/2012 Capital Programme.	208	M12 Finance/Estates Developments ledger reconciliation
Medical Illustration portacabin relocation	4046	282,500	441,079	158,579	56	Development of scope of works/Indication of Cost/Baseline greater than allocation included in Site Rationalisation Business Case.Overall the Site Rationalisation Business Case is forecast to "break even".	-5,421	Forecast cost update following F/A negotiations with Measured Term Contractor
Total				863,663			130	

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		£	£	£	%			
MPCE	4144	23,681	19,681	-4,000	-17	Value of order less than Business Case allowance	0	No change
ENT Decontamination	4106	131,129	104,943	-26,186	-20	Forecast value of orders/commitments less than Business Case allowance	-57	M12 Finance/Estates Developments ledger reconciliation
Mattress store	4111	83,907	65,337	-18,570	-22	Forecast value of orders/commitments less than Business Case allowance	-8,792	Forecast cost update following F/A negotiations with Measured Term Contractor
School of Nursing	4931	2,700,768	2,346,477	-354,291	-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	2,781	Additional works instructed to Multi Faith Room and to address acoustic issues in "Radio Wulfren"
C-Diff testing	4139	28,000	20,450	-7,550	-27	Value of order less than Business Case allowance	-3,579	M12 Finance/Estates Developments ledger reconciliation - value of invoice less than value of Order
Tractor	4198	26,816	23,982	-2,834	-11	Value of order less than Business Case allowance	0	No change
Block 85 (old EAU) roof replacement	4109	137,198	73,192	-64,006	-47	Contingency/risk allocation for repairs to roof deck not expended + saving on Professional Fees	0	No change
Asbestos removal Hollybush House	4048a	98,107	76,749	-21,358	-22	Contractors final account costs less than Indication of Cost/Baseline allowances	0	No change
Main Corridor external wall	4048c	6,908	5,788	-1,120	-16	Forecast value of orders/commitments less than Business Case allowance	-294	M12 Finance/Estates Developments ledger reconciliation
New Catering Facility inc VIE Tanks & Oil Tanks;	4930	5,605,049	4,369,968	-1,235,081	-22	Equipment requirements confirmed by User and costs identified. Final forecast cost includes contingency for variations.	-49,407	Cost of Defects Liability insurance transferred from Capital to revenue/Additional remedial works instructed in period
Yew Tree Court (29) Demolition	4911	160,000	127,163	-32,837	-21	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	-4,091	Forecast cost update following F/A negotiations with Contractor
Women's Ultrasound	4193	49,376	41,713	-7,663	-16	Forecast value of orders/commitments less than Business Case allowance	-2,663	Design Team Fees less than forecast
Medical Illustration/Lung Function (43) Demolition	4911	75,000	21,433	-53,567	-71	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	-12,701	Forecast cost update following F/A negotiations with Measured Term Contractor
H&L TAVI high care beds	4113	377,819	331,863	-45,956	-12	Forecast cost update following F/A negotiations with Measured Term Contractor	-45,956	Forecast cost update following F/A negotiations with Measured Term Contractor

Capital Programme Progress Report

APPENDIX 1 EXCEPTIONS REPORT

March 2011 M12 (Q4)

Scheme	No.	Business Case	M12 - Total predicted outturn	Variance to between total predicted out-turn and Business Case		Comments	M12 - M11: Change in period for reported projects	M12 - M11: Reason for change in period for reported projects
		£	£	£				
Oncology	4121	53,375	46,002	-7,373	-14	Forecast cost update following F/A negotiations with Measured Term Contractor	-7,373	Forecast scheme outturn not previously required to be reported as an Exception
Lift refurbishment x 1	4130	144,225	98,328	-45,897	-32	Forecast value of orders/commitments less than Business Case allowance	-9,854	Release of Provisional Sum in period
Total				-1,928,288			-141,985	