

## Trust Board Report

<b>Meeting Date:</b>	23 <sup>rd</sup> May 2011
<b>Title:</b>	Capital Programme 2011/12
<b>Executive Summary:</b>	To report progress (as at Month 1) for the 2011/12 Capital Programme.  To report variance on project costs where these exceed +/- 10% or £50,000 of business case value. None in this year to date.
<b>Action Requested:</b>	Note and comment on.
<b>Report of:</b>	Acting Director 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 1 predicts an over-commitment of £31,100.
<b>Public or Private:</b> (with reasons if private)	Public Session
<b>References:</b> (eg from/to other committees)	From Capital Review Group 9 <sup>th</sup> May 2011.
<b>Appendices/ References/ Background Reading</b>	Attachment 1 – Month 1 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>	<p>The forecast outturn as at Month 1 for the 2011/12 Capital Programme at 31<sup>st</sup> March 2012 is £20,461,100. The Capital Resource Limit (CRL) is yet to be confirmed but the assumed figure currently is £20,430,000. The Month 1 outturn projection therefore equates to a potential over-commitment of £31,100.</p> <p>The assumption at Month 1 is that all projects within the Capital Programme will be delivered.</p>
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The actual expenditure position at Month 1 is £515,600, a movement of £515,600 in the month and against an initial target of £683,951 which represents a £168,351 under-spend. £143,000 of this relates to late delivery of equipment associated with the Women's Unit Neonatal Project (number 4923c). This is being measured against the cash flow programme developed in January 2011 before projects were assigned. This is currently being reviewed to reflect the current programme and the revised cash flow will be used as the target as from Month 2.

**Detail**

Variances exceeding +/- 10% or £50,000 of business case value are nil at this stage.

**Risks to the Programme**

- CRL to be confirmed
- Pathology project awaiting S HA approval ( scheduled for 7<sup>th</sup> June 2011). Value of spend in Capital Programme represents a start on site date of 20<sup>th</sup> June 2011.

**Capital Programme Progress Report  
April 2011 M1 (Q1)**

Planned Programme Financial Position	Reference	£'s	Narrative
CRL (includes £190K community services funding)	A	20,430,000	CRL to be confirmed
Value of Business Cases approved to date Month 1	B	11,510,301	Value approved stated here represents value of spend in year only
Variance to CRL	A-B	<u>8,919,699</u>	
			78 business cases in total, 14 approved, 64 remaining. Some projects to be scoped for ring fenced monies for backlog maintenance and Community Services which will result in need for additional business cases
Value of projects approved to date	C	11,510,301	
Total Value of Projects either delivered or with certainty of delivery by year end	D	20,430,000	
Value of Projects which carry varying levels of risk of non delivery	D-A	<u>0</u>	
Previous value		0	
Change in period		0	
Forecast Expenditure	L	20,461,100	
Variance to CRL	L-A	31,100	
Previous value - Capital programme at 18th April 2011	M	22,220,645	
Change in period	M-L	1,759,545	Decrease in value due to £633K 'Safe Hands' transferred to revenue and £1.127m change on Pathology due to delay. These changes bring the forecast expenditure to within £31,100 of the CRL
<b>Action required: Ensure approvals are delivered to programme. Identify risk early in programme</b>			
<b>M1 - Delivery of Capital Programme Financial Position</b>			
Commitment/Orders in year	F	938,591	Value of Commitments b/f from 2010/2011 = £842,444
Value of Commitments in 2011/2012 for expenditure in 2012/2013	G	0	
Total	F+G	938,591	
Variance	(F+G)-A	-19,491,409	
Previous value		0	
Change in period		938,591	
<b>Action required: Ensure approved projects are delivered to programme.</b>			
Invoiced to date	H	57,058	
Work in progress	I	458,542	
<b>Expenditure to date (including fees)</b>	(H+I) = J	<u>515,600</u>	
Previous value		0	
Change in period		515,600	
Value of projects still to be completed against project commitments	(F+G) - J	<u>422,991</u>	
Adjusted value (value of projects in line above - 2012/2013 accrual)		0	
Target cash flow expenditure at Month 1	K	683,951	
Variance	J-K	-168,351	Women's Unit Neo Natal (Project Number 4923c) has been delayed by the late delivery of the service poles. The installed cost of the service poles is circa £143,000, including vat.
Previous value		0	
Change in period		-168,351	
<b>Action required: Cashflow to be received from Month 2 onwards</b>			