

Trust Board Report

Meeting Date:	25 th July 2011
Title:	Capital Programme 2011/12
Executive Summary:	To report progress (as at Month 3) 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.
Action Requested:	Note and comment on.
Report of:	Acting Director of Estates Development
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Resource Implications:	Delivery of Capital Programme 2011/12 to Capital Resource Limit. Year end position as at Month 3 predicts an under-commitment of £113,495.
Public or Private: (with reasons if private)	Public Session
References: (eg from/to other committees)	From Capital Review Group 12 th July 2011.
Appendices/ References/ Background Reading	Attachment 1 – Month 3 Progress 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 forecast outturn as at Month 3 for the 2011/12 Capital Programme at 31st March 2012 is £20,316,505. The Capital Resource Limit (CRL) is yet to be confirmed but the assumed figure remains at £20,430,000. The Month 3 outturn projection therefore equates to a potential under-commitment of £113,495.</p> <p>The assumption at Month 3 is that all projects within the Capital Programme will be delivered and funding released by the Interim Emergency Portal and</p>
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Pathology Projects will be re-allocated to bring forward projects from 2012/13.

The actual expenditure position at Month 3 is £1,327,075, a movement of £175,048 in the month and against a target of £1,444,109 which represents a value of £117,034 behind plan. The reasons for this are detailed in Attachment 1.

Detail

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

Risks to the Programme

- CRL to be confirmed.
- Further delay to SHA approval of Pathology project. Programme now assumes a start on site date of 30th August 2011 but this is subject to SHA approval on 26th July 2011.
- Delivery of bring forward projects identified as a result of Interim Emergency Portal funding release and Pathology delay.

Capital Programme Progress Report June 2011 M3 (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 3	B	12,964,403	Value approved stated here represents value of spend in year only
Variance to CRL	A-B	<u>7,465,597</u>	
Value of projects approved to date	C	12,964,403	79 business cases in total required for defined projects as at 30/6/11, 24 of these approved, with 55 scheduled for approval. Additional business cases for backlog maintenance and PCT projects yet to be scoped and for funding released from delay of Pathology Project.
Total Value of Projects either delivered or with certainty of delivery by year end	D	15,466,442	
Value of Projects which carry varying levels of risk of non delivery	D-A	<u>-4,963,558</u>	Plan in place but to be confirmed and Projects yet to be fully scoped
Previous value - Month 2		-2,037,254	
Change in period		-2,926,304	Increase in risk due to release of additional funding from projects but mainly due to delay in Pathology Project (£2,892,222)
Forecast Expenditure	L	20,316,505	Funding allocated to bring forward projects. These projects to be confirmed
Variance to CRL	L-A	-113,495	
Previous value - Month 2	M	20,418,017	
Change in period	M-L	101,512	Change due to realignment of budget due to release and re-allocation of funding from Pathology Project and business case values being different to original allocation
Action required: Ensure approvals are delivered to programme. Manage risk through bring forward projects			
M3 - Delivery of Capital Programme Financial Position			
Commitment/Orders in year	F	1,931,934	Value of Commitments b/f from 2010/2011 = £1,296,850
Value of Commitments in 2011/2012 for expenditure in 2012/2013	G	0	
Total	F+G	1,931,934	
Variance	(F+G)-A	-18,498,066	
Previous value		-18,827,921	
Change in period		329,855	
Action required: Ensure approved projects are delivered to programme.			
Invoiced to date	H	977,577	
Work in progress	I	349,497	
Expenditure to date (including fees)	(H+I) = J	<u>1,327,075</u>	
Previous value		1,152,027	
Change in period		175,048	
Value of projects still to be completed against project commitments	(F+G) - J	<u>604,859</u>	
Adjusted value (value of projects in line above - 2012/2013 accrual)		0	
Target cash flow expenditure at Month 3	K	1,444,109	
Variance	J-K	<u>-117,034</u>	(1) IT schemes -£48k: Acumentive and Vitalpak - forecast expenditure not achieved
Previous value		72,933	(2) Carry Over Schemes -£60k: reduced forecast final cost.
Change in period		-189,967	(3) New Schemes -£27k: EAU Pods - awaiting delivery of "free issue" modular units
			(4) Design Team/Professional Fees - +£28k: Procurement activity for new Building Works Framework, PCT surveys, and Design Standards
			(5) Major Schemes -£32k: Pathology delay to commencement; Women's Unit Professional Fees incurred earlier than forecast
			(6) +£22k: minor expenditure on Medical Equipment, Statutory Standards, Improvements in the Retained Estate and Residual Expenditure
Action required: Ensure approved projects are delivered to programme.			

Capital Programme Progress Report
 APPENDIX 1 EXCEPTIONS REPORT
 June 2011 M3 (Q1)

Scheme	No.	Business Case	M3 - Total predicted outturn	Variance to between total predicted out-turn and Business Case	Variance to between total predicted out-turn and Business Case	Comments	M2 - M3: Change in period for reported projects	M2 - M3: Reason for change in period for reported projects
Projects that exceed 10% variance or £50k or greater		£	£	£	%		£	
Renal IT Business Case (Proton)	4145	190350	214289	23939	13	Value of Orders greater than Business Case allowance due to requirement for additional servers identified after business case approved	n/a	M2 - initial allocation included as forecast expenditure
Total				23939				