

Trust Board Report

Meeting Date:	24 th October 2011
Title:	Capital Programme 2011/12
Executive Summary:	To report progress (as at Month 6) for the 2011/12 Capital Programme. To report variance on project costs where these exceed +/- 10% or £50,000 of business case value.
Action Requested:	To note.
Report of:	Head 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 6 identifies an under-commitment of £2,959,112.
Public or Private: (with reasons if private)	Public.
References: (eg from/to other committees)	Capital Review Group 12 th October 2011.
Appendices/ References/ Background Reading	Attachment 1 – Month 6 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 6 for the 2011/12 Capital Programme is £17,280,888. The Month 6 outturn projection equates to a potential under-commitment of £2,959,112 against the confirmed CRL of £20,240,000.</p> <p>The actual expenditure position at Month 6 is £2,636,576, a movement of £725,189 in the month and against a target of £5,029,921 which represents a value of £2,393,345 behind plan. This month's report is measured against the original cash flow projection. The cash flow is currently being reviewed to</p>
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reflect the revised Capital Programme presented to the Trust Board in September 2011.

Detail

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

Risks to the Programme

- Confirmation of CRL to be achieved. An alternative plan (to that presented in September 2011) to prevent CRL carry-forward is currently being developed;
- Delivery of bring-forward projects. The level of risk will depend upon decision on CRL.

Capital Programme Progress Report September 2011 M6 (Q2)			
Planned Programme Financial Position	Reference	£'s	Narrative
CRL	A	20,240,000	Original CRL.
Value of Business Cases approved to date Month 6	B	11,270,737	Value approved stated here represents value of spend in year only.
Variance to CRL	A-B	8,969,263	Capital Programme has been revised to meet a CRL of £17240000. At this value the variance is only £5.9m
Value of projects approved to date	C	11,270,737	90 business cases in total required for defined projects as at 30/9/11, 65 of these approved, with 25 scheduled for approval and delivery by end of financial year. Additional business cases now being scoped for bring forward projects.
Total Value of Projects either delivered or with certainty of delivery by year end	D	15,389,827	
Value of Projects which carry varying levels of risk of non delivery	D-A	-4,850,173	£3m of this relates to assumed reduction in CRL and remainder is due to bring forward projects which have yet to be fully scoped and approved
Previous value - Month 5		-6,522,183	
Change in period		1,672,010	This shows an improvement due to approved business cases and review of programme
Forecast Expenditure	L	17,280,888	This is now £45K over commitment against an assumed new CRL of £17.24m
Variance to CRL	L-A	-2,959,112	As planned to reflect revised CRL
Previous value - Month 5	M	16,453,283	
Change in period	M-L	-827,605	This shows an improvement due to approved business cases and review of programme
Action required: Scope bring forward projects as soon as possible and develop business cases for approval			
M6 - Delivery of Capital Programme Financial Position			
Commitment/Orders in year	F	7,903,464	Value of Commitments b/f from 2010/2011 = £1,296,850
Value of Commitments in 2011/2012 for expenditure in 2012/2013	G	6,898,506	
Total	F+G	14,801,970	
Variance	(F+G)-A	-5,438,030	
Previous value		-6,382,851	
Change in period		944,821	
Action required: Ensure approved projects are delivered to programme.			
Invoiced to date	H	2,099,391	
Work in progress	I	537,185	
Expenditure to date (including fees)	(H+I) = J	2,636,576	
Previous value		1,911,387	
Change in period		725,189	
Value of projects still to be completed against project commitments	(F+G) - J	12,165,394	
Adjusted value (value of projects in line above - 2012/2013 accrual)		0	
Target cash flow expenditure at Month 6	K	5,029,921	
Variance	J-K	-2,393,345	(1) IT schemes -£124k: revised project programmes e.g. Contact Centre Review, Vitalpack and Materials Management
Previous value		-1,283,100	(2) Carry Over Schemes -£63k: reduced forecast final costs, and Digital Breast Screening forecast expenditure not achieved.
Change in period		-1,110,245	(3) Medical Equipment -£596k - revised procurement programme e.g. Phacovitreotomy machines, Blood Gas Analysers, ENT Camera Stack, and Ultrasound Equipment. (4) Major Schemes - £1,715k: Pathology delay to commencement; re-programming of Lodge demolition; revised procurement programme for Smart Metering. (5) VAT Refund +£363k - refund not identified. (6) New Schemes -£106k - projects not approved to date - PCT Transition, H&L Office, Theatres 3-6 refurbishment. (7) -£152k: revised programmes for General Equipment(-£31k), Statutory Standards (-£90k), and Improvements in the Retained Estate (-£31k),
Action required: Forecast expenditure to be re-profiled and ensure approved projects are delivered to revised programme.			

Capital Programme Progress Report
 APPENDIX 1 EXCEPTIONS REPORT
 September 2011 M6 (Q2)

Scheme	No.	Business Case	M6 - Total predicted outturn	Variance to between total predicted out-turn and Business Case	Variance to between total predicted out-turn and Business Case	Comments	M5 - M6: Change in period for reported projects	M5 - M6: Reason for change in period for reported projects
Projects that exceed 10% variance or £50k or greater		£	£	£	%		£	
Renal IT Business Case (Proton)	4145	190,350	214,289	23,939	13	Value of Orders greater than Business Case allowance due to requirement for additional servers identified after business case approved	0	n/a - no change from M4 Report
Women's Unit - Phase 2	4923	4,655,308	4,746,762	91,454	2	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	91,454	Scope of works/contract award approved in September 2011.
Total				115,393			91,454	