

South Tees Hospitals 
 NHS Foundation Trust

Meeting / Committee:	Board of Directors Public Agenda	Meeting Date:	24 April 2012
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This paper is for: (Only 1 column to be marked with x as appropriate)	Action/Decision x	Assurance	Information
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Title:	Capital Programme 2011/12 – 2013/14
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Purpose:	The purpose of this report is to recommend to the Board the capital programme for 2012/13 for inclusion in the Annual Plan.
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Summary:	<p>The paper provides information on:</p> <ul style="list-style-type: none"> • the outturn position for the capital programme in 2011/12; • the resources identified for capital schemes during 2012/13; • capital already committed; • priorities for 2012/13 identified through the annual planning process; • outline assumptions for 2013/14.
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Prepared By:	M McGloin Deputy Director of Planning	Presented By:	Jill Moulton Director of Planning
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Recommendation:	The Board of Directors is asked to approve the capital programme for 2012/13 as presented.
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Implications (mark with x in appropriate column(s))	Legal	Financial x	Clinical x	Strategic x	Risk & Assurance
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South Tees Hospitals

NHS Foundation Trust

CAPITAL PROGRAMME 2011/12 – 2013/14

1 Annual Plan 2011/12 – 2013/14

The control totals currently factored into our forward plans – and the work in progress and other inescapable commitments against these totals is as follows

	2011/12 £000s	2012/13 £000s	2013/14 £000s
Monitor Control total	26213	14630	11539
Work in progress	*21817	16176	9691

*(subject final outturn)

2 2011/12

Expenditure for 2011/12 is within the Control total for the year but there are a number of projects where spend has been deferred into 2012/13 as previously discussed with the Board. This mainly relates to the Generic High Dependency Unit, Heart Expansion (4th Catheter Lab) and the Rolling and Replacement Programme. Additional slippage has been identified from the extended European Procurement Process on the Sterile Service Directorate Decontamination Scheme. The total amount of slippage carried forward into 2012/13 equates to £5.280m.

3 2012/13

The work in progress figure for 2012/13 relates to the remainder of expenditure outstanding on Oncology, some IT schemes (Medical Images Management, MDT Conferencing, Fire Suppression in computer rooms, Sub IT room UPS and Wireless network capability), Sterile Services, Enhancements, Endoscopy Decontamination and Generic HDU. It also assumes a start on the upgrading of Wards 1-12, PFI lifecycle works and an ongoing commitment to fund an emergency replacement programme for medical equipment and IT are included. It does not include any other medical equipment replacement.

	2012/13 £000's	2013/14 £000's
Monitor Control Total	14630	11539
Slippage	5280	
Total	19910	
Committed schemes		
-Oncology	3268	-
-I.T (indicative for 2013/14)	833	500
-SSD Enhancements	1271	216
-Endoscopy Decontamination	1808	-
-4 th Cath Lab*	330	-
-Generic HDU*	1087	-
-Wards 1 – 12	1500	1500
-Unplanned Equipment	1495	1495
-Backlog Maintenance	620	400
-Other	322	-
-PFI	3642	5580
Total Commitments	16176	9691
Uncommitted Resources	3734	1848

- 4 Over and above the total commitments figure of £16176 a number of “must do schemes” have been identified as priorities for capital funding in 2012/13 - these were set out in the paper (Integrated Business Plan 2012/13 – 2014/15, Capital and Revenue Projects Prioritisation) discussed with by Board at its March meeting and endorsed by Formal Management Group on 3 April 2012. A summary of the additional pressures is detailed below. It should be noted that the Medical Equipment allocation for rolling and replacement programme excludes any procurement through the use of managed service contracts and finance leases.

	2012/13 Programme £000's	2013/14 Programme £000's
Scheme		
Total of committed schemes	16176	9691
Additional Pressures		
Medical Equipment Rolling Replacement Programmes	2500	1380
Haemodialysis (home conversion works)	253	
Pathology Microbiology	10	
Haematology Day unit relocation to Marton Day unit`	310*	320
Haematology inpatient Ward to Ward 33	124*	126
Kitchens FHN	150	
Endoscopy Recovery Area re DSSA	40	
Vascular Intervention Radiology	31	
Demolition of Bath & Wells Villas	80	
IT Additional Funding	67	
Enabling Costs (Replacement Leases)	669	
Less charitable funds contribution	4234	1826
Total of additional pressures	<u>*(500)</u> <u>3734</u>	

Rolling and Replacement medical equipment expenditure has been included at the level identified in the previous approved programme, plus slippage from 2011/12, that will be subject to review in year.

It is proposed to allocate £900,000 (£833,000 carries forward from 2011/12) in 2012/13 to include specific 'must do' schemes agreed at FMG on 3 April including End User Devices Replacement, SQL Rationalisation and Virtualisation Phase 2.

Committing to all of this expenditure in 2012/13 requires a programme of £19,910,000 after taking into account charitable funds donation relating to the Haematology Schemes identified.

In managing the programme for 2012/13 a number of other factors need to be taken into account that may present additional pressure:

- Re prioritisation of Medical Equipment Rolling & Replacement Programmes in 2012/13, may alter the capital purchase to leased ratio and hence the level of capital allocation required.
- Finalisation of enabling costs for Equipment Replacement is required which may impact further on available resources. Changes to this ratio may require prudential borrowing limit approval through Monitor.
- The GMP for wards 1 – 12 and Haematology schemes is yet to be finalised and therefore the figure included against this scheme is a high level feasibility costs and subject to final Business Case approval. Charitable funding of £500k will be contributed to the Haematology schemes.
- The programme as outlined does not have any scope for funding the consequences of any business cases that may be approved in year. In particular there are potential income generation/savings opportunities which subject to business case approval will form part of the Capital Programme and which were detailed in the prioritisation programme – the phasing and timing of already committed schemes included in the programme will need to be managed in year for these schemes to proceed if approved.

5 Recommendation

Approval is sought for the 2013/14 capital programme as detailed above.

6 2013/14

There outline programme for 2013/14 set out above allows for completion of committed schemes, continuation of the wards 1 to 12 reconfiguration, emergency equipment replacement and basic estate maintenance and IT replacement. There are other priorities which have been identified though forward planning which if pursued will require substantial capital funding from some source in 2013/14 or subsequent years:

- Additional MRI capacity – provision will need to be made within the capital programme with matching funding to be sourced through fund raising if this scheme is to be implemented during 2013/14;
- Car parking expansion;

- Some elements of the programme for electrical infrastructure works at JCUH were been deferred when the programme for 2011/12 was revisited to allow HDU and the fourth catheter lab to proceed – in setting priorities for future years the priority of these works needs to be reconsidered;
- Paediatric A and E, dependent on the operational and business case now being developed;
- Any further capital requirements which are identified from forward Divisional plans.

Further development of the forward investment plan will be carried out for discussion with the Board.

7 Appendices

- A - Detail of additional pressures
- B - 2011/12 Programme

Appendix A

Scheme Title	Description	Capital Cost 2012/13	Capital Cost 2013/14
		£000's	£000's
Medical Equipment Rolling & Replacement Programmes	The 2012/13 & 2013/14 requirement is based on the final 2 years of a published equipment replacement strategy. Each item on the Programme has been prioritised with Divisions. Further in year re-prioritisation is now being undertaken to ensure only essential items are procured and items with long lead times and associated enabling works are in phase. The amount indicated excludes leasing costs.	1768	1380
Home Haemodialysis	National policy and best practice guidelines state that more patients should have the opportunity to have haemodialysis at home. There is a new home haemodialysis tariff for 2012/13 which is designed to fund the capital costs of home haemodialysis and there is also a CQUIN target in the NESCG contract for 11 new home haemodialysis patients in 2012/13.	253	
Pathology Microbiology	Development of molecular diagnostics within the Trust.	10	
Haematology Day Unit move to Marton Day Unit	Cost of enabling work and reconfiguration to relocate the Haematology Day Unit to the Marton Day Unit.	310	320
Haematology Inpatient Ward move to Ward 33	Cost of enabling work and reconfiguration to relocate the Haematology Inpatient Ward to Ward 33.	124	126
Kitchens FHN	The current kitchen facilities at FHN is a leased portacabin. The lease expires in July and an alternative solution is being sought which although is likely to be another leased solution will require enabling works to be funded.	150	
JCUH Endoscopy Recovery Area DSSA Compliance	Reconfigure the Endoscopy Recovery area at JCUH to meet the DSSA agenda and to be compliant with current JAG guidance.	40	
Vascular Intervention Radiology	As a MTC and sub-regional vascular unit, the Trust needs to provide a 24/7 vascular intervention service. This will require the recruitment of a 6 th vascular interventionist, associated support staff and capital equipment.	31	
Demolition of Bath & Wells Villas	An indicative cost for the demolition of Bath & Wells Villas has been included in the Programme. As they are detached from the main hospital they are not suitable for clinical accommodation. For any other use they would require substantial investment.	80	
IT Additional Funding	There is a £861,000 underspend from 2011/12 on IT schemes. It is proposed that the IT Directorate reprioritise schemes from a total of £900,000 therefore an additional £39,000 is earmarked for this allocation.	39	
Enabling Costs Leases	There will be a requirement to allocate capital to fund the enabling costs of installing larger pieces of X-ray kit. This allocation may be required to increase following feasibilities.	638	