

**Borders NHS Board**



## **NHS BORDERS – 2013/14 FINANCIAL PLAN**

### **Introduction**

A proposed financial plan has been submitted to SGHD in March, as required, as part of the Local Delivery Plan submission. This was subject to approval of the financial plan by the Board on the 4<sup>th</sup> April 2013.

The plan covers the next three financial years. The Scottish Government has agreed its 2013/14 budget with indicative figures provided for the following year. Future years will be will dependant upon the next planned comprehensive spending review.

An integral part of the financial plan is the Efficiency Programme, which currently consists of a series of detailed projects with estimated cost savings, which will be taken forward during the course of the 2013/14 and future financial years.

### **Aim**

The purpose of this paper is:-

- **Section 1** - to provide an overview to Board members of the key elements within the revenue financial plan for 2013/14.
- **Section 2** - to explain how it is proposed to address the cost savings challenge which the Board faces in order to achieve a balanced financial outturn in 2013/14.
- **Section 3** - to highlight key assumptions and financial risks.
- **Section 4** - to broadly outline the scale of the financial challenge which the Board is likely to face in 2014/15 and 2015/16.
- **Section 5** - to provide an overview to Board members of the key elements within the capital plan.

### **Background**

The financial challenge that the public sector is embracing is clear and well understood. It is essential that our services are provided and developed appropriately within the financial envelope available to us and for which the Board is responsible. In order to continue to deliver quality patient care the organisation must keep a firm grip on it's finances as well as drive improved quality and efficiency which is critical to service delivery and public credibility. That means having a clear focus that is firmly and openly set on providing patient care that is safe, effective and affordable and includes efficiency plans and goals.



## Section 1 - Overview of 2013/14 Financial Plan

### (a) Financial Summary

A high level overview of the Board's financial plan for 2013/14 is provided below in Table 1. This shows the overall movement in both recurring and non-recurring funding and expenditure which are anticipated in 2013/14.

**TABLE 1 FINANCIAL OVERVIEW**

	Funding £000s	Expenditure £000s	Surplus/ (Deficit) £000s	<u>Note</u>
<b>Base budget carried forward from 2013/1/14</b>	<b>215,733</b>	<b>215,733</b>	<b>0</b>	
<b><u>Recurring funding and expenditure items for 2013/14</u></b>				
General funding uplift for 2013/14	4,711			
Other Funding Uplifts	534			
Projected spending growth in 2013/14		7,795		<i>See appendix 1 Requirement for 2013/14</i>
2013/14 cost savings		(2,550)		
	<u>5,245</u>	<u>5,245</u>	<u>0</u>	
<b>2013/14 budget excluding non-recurring funding and expenditure items</b>	<b><u>220,978</u></b>	<b><u>220,978</u></b>	<b><u>0</u></b>	
<b><u>Non-recurring funding and expenditure items for 2013/14</u></b>				
Non-recurring cost provisions		2,273		<i>Specific expenditure items Requirement for 2013/14</i>
Non-recurring cost savings		(2,273)		
	<u>-</u>	<u>0</u>	<u>0</u>	
<b>2013/14 BUDGET</b>	<b><u>220,978</u></b>	<b><u>220,978</u></b>	<b><u>0</u></b>	

### (b) Salient Points

A number of key points are important to draw out from the above summary of the Board's 2013/14 financial plan. These are:

- i) The Board is able to present a balanced financial plan for 2013/14.
- ii) The projection of expenditure growth of £7.795m is the aggregate of a range of additional expenditure commitments which the Board is required to meet in 2013/14. Appendix 1 sets out a full list of these additional expenditure commitments, and shows these are unavoidable rather than discretionary

commitments, and in many cases are existing cost pressures where expenditure is already underway.

- iii) There are two tranches of development funding available. Firstly, Invest to Save initiatives, (£300k), based on return on investment and, secondly, Clinical Excellence developments, (£500k), focused on patient safety and requiring cost neutrality. Due to the success of these funds over previous financial years these have been built into the plan with the aim of achieving progress and maintaining momentum throughout the organisation in the efficiency programme and the quality agenda.
- iv) Short term non recurring funding has been identified in 2013/14 to fund areas such as, the Commissioning Team and Borders Improvement Support Team.
- v) There is a sum of £1.0m recurrently and £1.0m non recurrently identified as a contingency in order to manage potential pressures arising during the year. This is set aside given the experience of the organisation previously in managing unforeseen clinical pressures but also to provide sufficient space in which to gain momentum around the efficiency agenda.
- vi) As recurring savings targets were fully achieved in 2012/13 the savings challenge for 2013/14 is directly related to the funding levels and expenditure commitments identified in the new year.

(c) **Funding Uplift**

For 2013/14, SGHD has confirmed a funding uplift of 2.8% (£4.7m) which is reflected in the Board's financial plan. The level of uplift received by territorial Boards ranges from 4.6% to 2.8%.

(d) **Expected Expenditure Growth**

As noted above, a full summary of the Board's recurring expenditure projections for 2013/14 is provided at Appendix 1. This explains the approach which has been taken in preparing expenditure growth estimates for each of the main cost drivers and provides background information on key assumptions.

## **Section 2 - Cost Savings Challenge 2013/14**

A key element of the Board's plan to achieve a financial breakeven outturn in 2013/14 will be its efficiency savings programme. The following provides an overview of the programme for 2013/14 and how the Board will approach this challenge.

(a) **Level of Challenge**

NHS Borders must deliver substantial efficiencies in 2013/14. The recurring and non recurring targets for 2013/14 gives a base efficiency level of £3.023m added to which is the invest to save (£0.3m) /clinical excellence funding (£0.5m) and the contingency; taking all of this together, the efficiency programme, is required to generate £4.823m of funds, of which a minimum of £2.55m should be recurrent. In addition to the programme non cash releasing schemes will progressed resulting in overall increased efficiency and productivity of 3%.

(b) **Approach**

The Board approach continues to be delivery of the required savings through an efficiency savings programme, rather than assigned targets.

Experience tells us that it is unlikely that we will achieve 100% of initial efficiency plans as, after review and investigation, they may not deliver estimated level of savings. Therefore we have a plan in place that is higher than the savings required to deliver our financial responsibilities in 2013/14. In so doing, we will create the momentum necessary to ease the passage of future year's financial challenges.

The programme for 2013/14 has been developed in conjunction with the Clinical Boards, the Clinical Core Strategy Group and other key groups.

The Board will link closely with the NHS Scotland Efficiency and Productivity Framework and the national meetings of the Efficiency Board Leads Network in order to report progress to the Scottish Government and to make best use of networking to share good practice.

The seven cost reduction workstreams within the Framework are:

- Evidence based care
- Preventative and early intervention
- Outpatients, community and primary care
- Acute flow and capacity management
- Workforce productivity
- Prescribing, procurement, support and/or shared services
- Service redesign, innovation and transformation.

Table 2 below is a summary of the 2013/14 programme categorised by risk to delivery of savings. For the majority of schemes detailed below project documentation has been completed and reviewed by the Strategy Group. A number of schemes still require to be formally signed off.

There will be a continued intense focus on efficiency and productivity by the Clinical Executive, who will be the main delivery vehicle for this agenda, which will support the delivery of value for money and effective patient care.

Further projects will be added to the programme during the year.

## **TABLE 2 2013/14 EFFICIENCY PROGRAMME PROJECT AREAS**

### **Low Risk To Savings Delivery- £1.6m**

- Support Services (new target)
- Improved Procurement
- Mental Health Admin Review
- Supplies Wastage

### **Medium Risk To Savings Delivery £1.9m**

- Prescribing Procurement and Wastage
- Nursing Skill Mix
- Review of leased car scheme
- LD Commissioned Services

**High Risk To Savings Delivery £2.1m**

- BGH Admin Review
- Repatriation of Activity
- Supplementary Staffing
- Income Generation

**(c) Delivery**

Each scheme will be run as a project, with individual project owners responsible for developing and delivering an efficiency plan. All projects will be proactively managed through the Aspyre system. The Project Management Office will support and direct the individual project owners as well as project managers.

For each project a Project Initiation Document, project plan and savings trajectory are required to be approved by the Strategy Group. The strategic direction of the organisation will continue to be progressed by the Strategy Group taking into account issues of service redesign, modernisation and continuous service improvement.

As schemes are agreed the project plan implementation and savings trajectory will be monitored through the Efficiency Board and expected to deliver. The Efficiency Board will receive monthly updates on all plans thereby ensuring any need for corrective action is taken promptly and will report routinely to the Clinical Executive Operational Group.

**Section 3 - Key Assumptions and Financial Risks**

The key assumptions on which the Board's financial plan for 2013/14 has been based are described within Section 1 above. In addition Appendix 1 describes the assumptions used to project recurring expenditure growth in 2013/14.

There are assumptions which are of particular significance in terms of potential financial risk. These are discussed below, together with an assessment of the likely risk.

**(a) Pay Growth**

Pay Awards for 2013/14 have not been finalised. The pay award costs have been calculated at £250 per person for staff earning below £21k, a 1% increase in pay for all staff excluding senior managers and the cost of increments as per current terms and conditions. Claims submitted linked to equal pay are being managed on a national basis and no financial liability has been assumed in the financial plan - LOW

**(b) Auto enrolment**

Starting from October 2012 all workers will be automatically enrolled into the workplace pension scheme. Larger employers will do this first. NHS Borders is due to auto enrol its staff from July 2013. An estimate of the additional employers costs that will be incurred as a result of this scheme have been included in the financial plan - MEDIUM

**(c) Prescribing Cost Growth**

Detailed work on the projection of increases in costs and volumes has been prepared by the Board's prescribing advisers for 2013/14. Benchmarking comparisons between

Boards on drugs costs and the level of uplift has also been undertaken. Following consideration of all of this an uplift of 4.97% on drugs costs has been set for 2013/14. The work undertaken provides an assurance on the robustness of this level of uplift. This will be an area which will continue to be closely monitored during 2013/14 and the past experience of unanticipated pressures arising during the year informs the risk assessment – HIGH

(d) **Out of Area Referrals**

In the case of out of area referrals, for both acute and non acute, work is ongoing to ensure that all referrals are appropriate and necessary. Therefore, good progress has been made in this area however, this will continue to be a financial pressure in the new year. – HIGH

(e) **Non Pay Uplift**

Non-pay uplift has been estimated at 1.5% and in the case of utilities 10% funding has been put aside for 2013/14. There is a great deal of uncertainty in this area particularly linked to utilities in the world market and the impact this will have on all supplies costs – MEDIUM

(f) **Cost Pressures**

Service cost pressures identified during 2013/14 have been reviewed by the Strategy Group. Where it was considered that these pressures were unavoidable funding has been identified in the financial plan. In the case of pressures not funded a course of action has been agreed - MEDIUM

(g) **Income generation**

A key element of the efficiency programme over the last few years is the expansion our service provision to make it more resilient and robust by offering to undertake procedures in Borders for non Borders residents. This will continue to be a focus in 2013/14, however due to the number of parties involved there continues to be a risk associated with this. – HIGH

(h) **Discretionary Spend Controls**

The discretionary spend controls that were put in place previously will remain in place for the foreseeable future in order to support the financial position – LOW

(i) **Efficiency Delivery Plan**

The financial plan, as outlined at Section 1, requires the delivery of efficiencies of £4.823m to achieve financial balance for 2013/14. Individual schemes within the programme have been identified and are being progressed. The issue of staff turnover together with the overall level of efficiency required means that this will be extremely challenging. It remains the greatest financial risk - HIGH

## **Section 4 - 2014/15 and 2015/16**

A summary of the Board's outline financial plan for 2014/15 and 2015/16 is provided at Appendix 2. This contains an indicative allocation uplift for 2014/15 as per the Scottish Government budget and estimates for 2015/16 which will be covered by the next comprehensive spending review. The plan is based on a series of assumptions regarding

expenditure growth. As the allocation figures are indicative and the impact of the spending review is unknown it is difficult to plan with certainty beyond 2013/14, therefore the figures for future years should be considered only a broad outlook at present.

(a) **Funding**

At this stage, the financial plan assumes that funding for 2014/15 will be at the level stated in Scottish Government budget at 2.7%, less a reduction in the change fund nationally which will result in a net increase of 2.5%. For 2015/16 a 2.5% uplift has been estimated. These figures have been presented as indicative for planning purposes.

(b) **Expenditure**

The main planning assumptions used to forecast likely future expenditure growth for 2014/15 and 2015/16 are as follows:

	2014/15	2015/16
Revenue Growth	2.5%	2.5%
Pay Awards	1.0%	1.0%
Non Pay Inflation	1.5%	1.5%
Income	2.5%	2.5%
Drugs	6.0%	6.0%
Capital Growth	0%	0%

(c) **Financial Challenge**

Based on the assumptions set out within 4(a) and 4 (b) above, and after providing for currently approved service commitments including a general provision of £2.0m for as yet unidentified cost pressures, the Board would face a financial challenge of £3.669m and £3.235m in 2014/15 and 2015/16 respectively.

The main aspect of the 2013/14 cost savings plan is focused on prescribing procurement and wastage, the repatriation of patients to NHS Borders, income generation by offering our services to other NHS Boards and improved support services and administration efficiency. This focus, particularly around repatriation and income generation, is planned to continue for future years.

As was the case for the 2013/14 efficiency programme during 2013 the Board will develop its financial plan for 2014/15. Key to this will be the clinical strategy of the organisation. The objective is to have a draft financial plan and outline efficiency programme by the end of 2013.

## Section 5 - Overview of 2012/13 Capital Plan

(a) **Financial Summary**

The development of the current 5 year rolling capital plan has been under the direction of the Capital Planning Group which is chaired by the Director of Estates and Facilities with membership from a variety of key stakeholders within the organisation.

In terms of capital, NHS Borders has had to pare down its plans as capital funding has significantly reduced in recent years. Capital investment is key to the delivery of safe



and effective patient care and to releasing significant efficiency gains from the rationalisation of the estate and supporting service redesign.

The capital plan submitted as part of the 2013/14 Local Delivery Plan is in line with the recent formula allocation of £2.108m, the balance of resources of £1.969m for Lauder health centre and national resources allocated from the Central Energy Efficiency Fund (CEEF). The funding profile for Roxburgh Street Galashiels Health Centre reflects recent discussion with Scottish Government with the first phase of funding being received in 2013/14 although building is unlikely to start during this financial year. It has been agreed with Scottish Government that capital receipts generated during 2013/14 will be retained by NHS Borders. The indicative formula allocation for 2014/15 is £2.443m with the balance of Roxburgh Street funding allocated in 2014/15.

While the work done to date informs our capital plan, further changes are likely to be made for a variety of reasons. Importantly, the plan should be prioritised and informed by service redesign and the efficiency programme, as well as the quality and patient safety agenda. Beyond the period of the recent allocation letter from Scottish Government the level of formula has been assumed to be similar to that of 2014/15.

The capital plan is shown in Appendix 3 and in summary includes:-

- A number of schemes that started part way through 2013/14 will flow through into next financial year
- Capital receipts generated in 2013/14 will be retained by the Board but in future years will revert to Scottish Government
- Rolling programmes for IM&T; Estates & Facilities and Medical Equipment are at a reduced level from previous years
- Linking to the recently issued State of the Estate (SoTE) report and recognising the information which will be available from the Asset and Property Management Strategy, NHS Borders has committed resource over the duration of the plan to address priority areas.

Appendix 3 summarises the Board's 2013/14 capital plan. The Capital Planning Group will continue to work to progress development of schemes connected to the efficiency, estate rationalisation and patient safety agenda.

## Recommendation

The Board is requested to **review** this report and **approve** the 2013/14 financial plan and **note** the indicative outline of the financial challenge in 2014/15 and 2015/16.

<p><b>Policy/Strategy Implications</b></p>	<p>The Board must agree the financial plan. This report sets out an overview for the 2013/14 year and indicative outline for 2014/15 and 2015/16.</p> <p>The financial plan underpins the strategy of the Board. It impacts upon delivery of</p>
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	statutory financial targets.
<b>Consultation</b>	Regular briefings on the financial outlook are provided to the S&P Committee, Board Executive Team, Strategy Group, Clinical Executive, Clinical Boards and other senior groups throughout the year.
<b>Consultation with Professional Committees</b>	Briefings and discussions are ongoing.
<b>Risk Assessment</b>	The Board has a statutory requirement to remain within its funding limits. Risks are highlighted in the paper and will be reported upon throughout the year.
<b>Compliance with Board Policy requirements on Equality and Diversity</b>	Relevant issues should be addressed in the development of detailed plans and business cases.
<b>Resource/Staffing Implications</b>	Resource implications are described throughout the report.

**Approved by**

<b>Name</b>	<b>Designation</b>	<b>Name</b>	<b>Designation</b>
Carol Gillie	Director of Finance		

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## APPENDIX 1 - 2013/14 FINANCIAL PLAN – PROJECTION OF RECURRING REVENUE EXPENDITURE GROWTH

Each of the main drivers which influence expenditure has been reviewed to assess and project the level of provision which requires to be made for additional expenditure.

These are categorised as follows within the Board's financial plan.

- (i) **General:** general cost increases which are driven by factors such as pay awards, non-pay inflation, prescribing growth, scale of capital programme etc.
- (ii) **National Initiatives:** where there is an impact on NHS Borders services.
- (iii) **Service Development:** cost increases previously agreed which are driven, in the main, by decisions made at local or regional level involving NHS Borders, to fund local service development/improvement.

On the basis of currently available information, the Board's assessment of the anticipated expenditure growth it faces going into 2013/14, within each of these categories, is set out below:

Area of expenditure growth Projected	Projected Increase £000s	<u>Notes</u>
<b>(i) General</b>		
Pay Inflation	1,413	
Prescribing cost growth/ inflation.	1,322	<i>Current projections by prescribing advisers of likely cost increase related to volume and price increases within Acute and Primary Care before cost savings initiatives.</i>
Capital expenditure programme	307	<i>Reflects the capital programme and the associate revenue costs</i>
Non pay uplift	632	<i>Provision for general inflation increase of 1.5% plus utilities at 10%</i>
Other providers	791	<i>Estimated provision for inflation increase on all contracts with external providers subject to negotiation but assumed at 1%</i>
Primary Medical Services	279	<i>Increased estimated at 1% assumed this will be cost neutral</i>
<b>TOTAL</b>	<b>4,744</b>	
<b>(ii) National Initiatives</b>		
Auto Enrolment	256	<i>NHS Borders must automatically enrol all employees in a pension scheme unless they choose to opt out</i>
PVG Registration	60	<i>Requirement for higher levels of disclosure</i>
SEAT/National Scottish Advisory Groups	130	<i>Regional Developments such as radiology</i>
Vaccination Programme	46	<i>National vaccination programme first phase</i>
Health & Safety Executive	50	<i>Payment now required for HSE advice and support</i>
Other	91	<i>TAVI and increase NDC contribution</i>
<b>TOTAL</b>	<b>633</b>	
<b>(iii) Service Development</b>		
Orthopaedics	296	<i>Increase in service provision for waiting times and non borders patient income</i>
Ward 11/MKU	225	<i>Increased nurse staffing</i>
Medical Staffing	695	<i>Including support for anaesthetics, obstetrics and urology</i>
Needle Safety	138	<i>Possible introduction of needle safe legislation will require change to supplies</i>
Supplies	291	<i>Increase change in supplies, plasma products, audiology ,incontinence</i>
Paediatric Community Package	118	<i>New high cost package of community support</i>
Other	655	<i>Including nursing developments, bariatric surgery</i>
<b>TOTAL</b>	<b>2,418</b>	
<b>Total Projected Expenditure Growth</b>	<b>7,795</b>	

## APPENDIX 2 - SUMMARY OF REVENUE FINANCIAL PLAN

	2013/14			2014/15			2015/16			<u>Notes</u>
	Recurring £000s	Non Recurring £000s	Total £000s	Recurring £000s	Non recurring £000s	Total £000s	Recurring £000s	Non recurring £000s	Total £000s	
<b><u>Opening Surplus/(Deficit)</u></b>	0	0	0	0	0	0	0	0	0	1
<b><u>Funding</u></b>										
General Funding Uplift	4,711		4,711	4,736		4,736	4,497		4,497	2
Deferred Income								250	250	3
Other Funding Uplifts	255		255	258		258	253		253	4
FHS NCL	279		279	117		117	119		119	5
	5,245	-	5,245	5,111		5,111	4,869	250	5,119	
<b><u>Expenditure General</u></b>										
Pays (incl A4C)	1,413		1,413	1,471		1,471	1,481		1,481	6
Supplies & Services	632		632	454		454	457		457	7
Drugs	1,322		1,322	1,675		1,675	1,776		1,776	8
Capital Charges	307		307	57		57	58		58	9
Other Providers	791		791	784		784	745		745	10
FHS NCL	279		279	117		117	119		119	11
	4,744		4,744	4,558		4,558	4,636		4,636	
<b><u>Expenditure Other</u></b>										
National Initiatives	633		633	302		302	46		46	12
Service Developments	2,418	1,273	3,691	2,234	686	2,920	2,047	625	2,672	13
Contingency		1,000	1,000		1,000	1,000		1,000	1,000	14
	3,051	2,273	5,324	2,536	1,686	4,222	2,093		3,718	
<b><u>Savings</u></b>										
Cost Savings Plan	2,550	2,273	4,823	1,983	1,686	3,669	1,860	1,375	3,235	15
<b><u>In Year Surplus/Deficit</u></b>	0	0	-	0	0	-	0	0	-	

## **APPENDIX 2 – SUMMARY OF REVENUE FINANCIAL PLAN**

### **Notes of Appendix 2**

1. Opening position in 2013/14 with a balanced budget.
2. General funding uplift is 2.8% in 2013/14, 2.5% in 2014/15 and 2.5% 2015/16
3. Assumed gains on non recurring income in 2015/6
4. Other Funding uplifts – this has been estimated at 2.8% for 2013/14 and 2.5% in subsequent years for other income sources such as healthcare provider and locally collected income.
5. Assumed uplift for FHS non cash limited funding is 1% in each year and is considered to be cost neutral.
6. In 2013/14 this covers general pay uplift of £250 per person for staff earning less than £21k. Pay awards for each year are assumed to be 1% excluding senior managers and increments will be paid where appropriate.
7. This covers anticipated price inflation related to existing contractual commitments and includes 1.5% for general cost inflation and general growth, plus an additional 10% for increased utility costs in 2013/14.
8. This is based on prescribing advisers' detailed cost projections for acute and primary care services for 2013/14 equating to a 4.97% increase and 6% thereafter.
9. Provision for increase in capital charge costs and costs associated with the capital programme.
10. Provision for inflationary uplift of service level agreements with other NHS boards for NHS Borders residents. This has been estimated at 2.8% for 2013/14 and 2.5% in subsequent years.
11. Provision for increased spend on FHS non cash limited services is equal to assumed increase in funding allocation so overall impact is cost neutral.
12. This national initiatives such as auto enrolment, vaccination and NSAG initiatives
13. This grouping includes all other service commitments for example, service planning processes in particular orthopaedics, local developments such as Ward 11, auto enrolment, needle safe legislation, BIST and all other cost pressures
14. This as held in contingency in anticipation of any unforeseen financial pressures.
15. Cost Savings plan to be achieved during the financial year

**APPENDIX 3 – CAPITAL PLAN****Capital Plan for 5 year period 2013/14- 2017/18**

	13/14	14/15	15/16	16/17	17/18
	£000s	£000s	£000s	£000s	£000s
<b>Board Capital Resources</b>					
Formula Allocation	2,108	2,443	2,443	2,443	2,443
Lauder Health Centre Lauder	790				
Roxburgh Street, Galashiels Health Centre		1,700			
Other Centrally Provided Funding	1,179				
<b>Capital Resource Limit Total</b>	<b>4,077</b>	<b>4,143</b>	<b>2,443</b>	<b>2,443</b>	<b>2,443</b>
<b>Capital Receipts retained by Board</b>					
Dingleton Flats	220				
71 High Street	50				
Ayton	95				
Orchard Park	100				
Whiteford Court	75				
Crumhaugh	400				
Fenton Lodge	195				
<b>Total Capital Receipts Applied</b>	<b>1,135</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Board Capital Resource</b>	<b>5,212</b>	<b>4,143</b>	<b>2,443</b>	<b>2,443</b>	<b>2,443</b>
<b>Prioritised Capital Schemes</b>					
Surge Capacity	185				
Outpatient Redesign	645				
Laboratory Redesign	100				
Huntlyburn Reconfiguration	440				
IM&T Rolling Programme	100	200	200	200	200
Estates Rolling Programme	150	200	200	200	200
Risk Assessed Backlog (SoTE)	100	500	500	500	500
CEEF	679				
MEC Rolling Programme	50	200	200	200	200
Efficiency Programme and Service Redesign	1,783	853	953	1,153	1,153
Lauder Health Centre	790				
Roxburgh Street Health Centre		2,000	200		
Project Management	190	190	190	190	190
<b>Total Capital Expenditure</b>	<b>5,212</b>	<b>4,143</b>	<b>2,443</b>	<b>2,443</b>	<b>2,443</b>
<b>Capital Receipts returned to SGHD</b>					
Factors Park	0	150	0	0	0
<b>Total Capital Receipts returned to SGHD</b>	<b>0</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>0</b>

## APPENDIX 3 – CAPITAL PLAN

### Notes of Appendix 3

The following describes the **high risks** to the plan:-

- Work is on going with hubco on the Galashiels Roxburgh Street health centre referred to above. There remains a high risk that the SAS planning application for the relocation to BGH site is unsuccessful, which will impact on the continuation of this scheme. In addition due to the time delay the cost of the scheme is above the level included in the allocation.
- There is limited opportunity across the plan to allow for opportunistic investment, spend to save schemes or for unforeseen events – the *risk is high* that investment will be needed.
- Revenue savings may not be released due to reduced availability of capital funds – this is considered a high risk
- Due to the reduced level of capital funding available rolling programmes for IM&T, medical equipment and estates will require to be reduced – there is a high risk to the organisation linked to the use of ageing equipment and buildings
- NHS Borders has assumed capital receipts within its capital plan will be retained by locally during 2013/14 and revert to SG thereafter. Due to the general condition of the housing market the risk to the achievement of sales proceeds at the level estimated in the plan is high.
- The plan does not include any capital requirements arising from SEAT schemes.