

Borders NHS Board

**CAPITAL PROGRAMME 2012/13 & 2013/14****Aim**

This paper updates the Capital Plan approved by the Board at its meeting of 6th December 2012. The key changes are the introduction of one further major investment project within the current year Capital Plan, the funding for which is available from slippage in existing projects including the Roxburgh Street replacement project and additional funding received in the current financial year from the central energy efficiency fund. The additional major project identified, entitled the 'BGH bed surge capacity project' will address the requirement for a surge capacity unit of single / isolation bedrooms within Borders General Hospital which can be utilised during periods of peak demand and where patient isolation measures to contain, for example Norovirus, need to be taken. A commitment to this project will adjust the planned spend within the current financial year and will impact on future year commitments from the Board's capital resource allocation.

Background**Board Capital Resources**

Description	Finalised 2012/13 £'000	Estimated 2013/14 £'000	Estimated 2014/15 £'000
Formula Allocation	1,939	2,144	2443
Jedburgh Health Centre	400		
Lauder Health Centre	1,515	790	
Roxburgh Street Replacement		500	1700
Additional Allocation, BGH Out Patients & Rolling programmes	1,500		
Additional Allocation, Huntlyburn House redesign	1,200		
Additional Allocation, equipment for Endoscopy	100		
Central Energy Efficiency Fund	389	679	
Capital receipts	283		
Total	7326	4113	4143

Detailed above is a summary of the key sources of capital funding. How these resources will be utilised is detailed in Appendix 1.

Key Points to Note from the Updated Capital Plan

- There has been a delay associated with the planned redevelopment of out patient services within the ground floor of BGH, with resultant reduction in the level of spend which can be committed during the current financial year. This is due to the considerable enabling works within Ward 10 to create a Rehabilitation Unit for Physiotherapy and Occupational Therapy services. This enabling work is programmed for completion during the period 14th January – 2nd February 2013. The change in the spend profile of the out patient project has resulted in slippage of current year capital resources.
- The prioritisation of the BGH bed surge capacity project has resulted from consultation with the BGH Clinical Board. The project will address the requirement for an additional unit of single / isolation bedrooms within Borders General Hospital which can be utilised during periods of peak demand and where patient isolation measures to contain, for example Norovirus, need to be taken.

Consideration was given to supplementing the permanent inpatient facilities with a temporary ward facility hired in, as and when required, however the logistics of such an arrangement and the impracticalities of physically linking this temporary structure into the infrastructure of the Hospital resulted in this option being discounted.

As an alternative, it is proposed to take up an option dating from the construction phase, circa 1998, of a single storey extension to the BGH Cauldshiels Unit. This extension was built with the structure incorporating load bearing capacity permitting a building extension vertically, to a maximum of two additional floors. A commitment to extending one additional floor, would in effect create an annexe to the west end of Ward 6. Through construction of a bridge at first floor level a physical link could be created through to Ward 12. This floor, of approximately 280m², subdivided into 8 single bedrooms, with en-suite toilets, plus a separate bathroom and with all other clinical services provided from either Ward 6 or Ward 12 will, on completion, provide an appropriate facility to accommodate an urgent need for additional beds within the hospital, and can be utilised on an as and when required basis.

An indicative gross capital sum of £650K has been established to complete the BGH bed surge capacity project, £350K can be made to commence the additional BGH bed surge capacity project during the current financial year.

- With confirmed support from SGHD to re-profile the Roxburgh Street Health Centre replacement project to accommodate the current delay in timescales due to planning issues for the linked Scottish Ambulance Service project, a

sum of £500K has been transferred from the Roxburgh Street replacement project allocation in the 2013/14 capital programme to support the completion of the BGH bed surge capacity project and to ensure a sufficient level of capital resource is available within the plan for prioritised schemes. The consequences of the transfer is the requirement for the Board to fund the £500k balance for the Roxburgh Street replacement project from its Capital Formula allocation during financial years 2014/15 and 2015/16. This will commit monies from future year Capital Formula allocations which will reduce sums available for other key projects.

- A full review of the total capital plan for 2013/14, and beyond, is underway, This will consider the level of funding allocated to the rolling programmes and the State of the Estate report. Based on the funding flow-through requirements of projects commenced in 2012/13, indicative allocations, current commitments in the capital plan and the use of resource from the Roxburgh Street replacement project the uncommitted balance for 2013/14 is currently limited to £569k, which will be utilised to address any efficiency, service redesign or currently unforeseen projects. The following are prioritised schemes which are currently unfunded in the capital plan and if progressed will need to be met from this limited resource
 - BGH Out Patients redesign phase two, redevelopment of area currently committed to Hydrotherapy,
 - Future provision of a Hydrotherapy service,
 - Alterations to Huntlyburn House, original building.
 - Newstead and/or Westgrove redesign
 - Mental health service reconfiguration, incorporating possible future use of Galavale.

Risks

Within the current year capital plan a remaining issue is the risk of either, or both, the Huntlyburn House project and the BGH Out Patient project exceeding the budgeted allocations, or that the profiled level of spend cannot be committed as planned for 2012/13 and 2013/14. Any movement from such budgeted or committed spend levels will impact on the Capital Plan in 2013/14 and in future years.

A further additional risk which must be noted is that by committing resource to the BGH bed surge capacity project from the Roxburgh Street resource allocation the Board holds the risk of funding the balance of the Roxburgh Street project, currently estimated at £500K, and must robustly manage the commitment to contract for, and the resultant overall cost of, the Roxburgh Street replacement within the targeted resource level of £2.2m. This being the hub Affordability Cap figure received in February 2012.

Finally, the Roxburgh Street Health Centre reprovision project is dependent on the Scottish Ambulance Service (SAS) obtaining Planning consent for the relocation of its Ambulance Station from Roxburgh Street to within the BGH campus.

Central Energy Efficiency Fund, (CEEF)

This fund was introduced by the Scottish Government to provide funds to NHS Boards for investment within carbon saving and efficiency projects. Late in 2012 the Scottish Government announced additional CEEF funding for 2012/13 and 2013/14 and Boards were invited to submit project applications which qualified for this CEEF funding. NHS Borders was successful and have received funding totalling £388,910 for 2012/13 and £678,840 for 2013/14.

The 2012/13 projects include replacing existing lighting with LED lighting; more efficient electric heating at Greenlaw Health Centre; upgrading the energy management system at Kelso Hospital; changing existing single glazed glazing units to double glazing units at BGH; installation of photovoltaic panels on the roof at BGH; and the installation of containerised biomass boiler units at Hawick Community Hospital and at Stow Health Centre.

The 2013/14 projects include the installation of six containerised biomass boiler units at various sites throughout the organisation.

On completion of all the projects NHSB will have reduced CO₂ emissions by approximately 990 tonnes per annum and be recycling back into a local revenue fund of approximately £180,000 per annum to be re-used for additional NHS Borders energy and efficiency projects.

Recommendation

The Board is asked:

To **approve** the development of a BGH bed surge capacity project.

To **approve** the use of capital resources through the re-profiling of the Roxburgh Street replacement project capital allocation, £500k being committed to the BGH bed surge capacity project during 2013/14. The Board Capital Formula allocation being utilised during 2014/15 and 2015/16 to supplement the SGHD allocation of £1.7m, thereby fully funding the Roxburgh Street replacement project.

To **note** the limited uncommitted balance of capital funds during 2013/14 and highest priority projects competing for such resource.

To **note** and support a detailed review on the future year demands from the Rolling programmes, the SOTE risk based backlog maintenance and the Efficiency / Service redesign programmes.

To **note** the risks associated with the current capital plan.

To **note** the allocation from the central energy efficiency fund

Policy/Strategy Implications	Addresses the highest priority investment requirements, property reconfiguration, Rolling programmes of investment which will be reflected in the Property & Asset Management Strategy, refreshed annually.
Consultation	Board Executive team, Clinical Boards
Consultation with Professional Committees	Scottish Government Capital Division, Health Facilities Scotland, Scottish Borders Council Planning Department, Capital Management Team
Risk Assessment	Noted with the Property & Asset Management Strategy and where appropriate within individual Projects
Compliance with Board Policy requirements on Equality and Diversity	Taken into account in property redesign
Resource/Staffing Implications	Where appropriate, noted within individual Projects

Approved by

Name	Designation	Name	Designation
Calum Campbell	Chief Executive		

Author(s)

Name	Designation	Name	Designation
David McLuckie	Director of Estates & Facilities	Carol Gillie	Director of Finance

NHS Borders					
Year End Planning - Capital Resource Limit					
5 year period 2012/13 - 2016/17					
	12/13	13/14	14/15	15/16	16/17
	£000s	£000s	£000s	£000s	£000s
Board Capital Resources					
Formula Allocation	1939	2144	2443	2443	2443
Jedburgh Health Centre	400				
Health Centre Lauder	1515	790			
Additional Allocation Outpatients	1500				
Additional Allocation Huntlyburn	1200				
Additional Allocation Equipment - Endoscopy	100				
Scottish Government Central Energy Efficiency Funding (CEEF)	389	679			
Health Centre Roxburgh St		500	1700		
Capital Resource Limit Total	7043	4113	4143	2443	2443
Capital Receipts Applied					
Priorsford	283				
Total Capital Receipts Applied	283	0	0	0	0
Total Board Capital Resource	7326	4113	4143	2443	2443
Prioritised Capital Schemes					
Haylodge	270				
A&E	150				
BGH Bed Surge Capacity Project	350	300			
Outpatients Redesign £1.3m total inc VAT & FEES (Incl Wd 10 & Wd 14)	805	645			
Laboratory Redesign	358	100			
Jedburgh	75				
Hawick Podiatry & Paediatric	35				
Huntlyburn HSE	103				
Huntlyburn Reconfiguration £1.2m total inc VAT & FEES	960	440			
IM&T					
Programme IM&T	200	100	200	200	200
Pharmacy System	60				
Public Health	3				
ESTATES & FACILITIES					
Programme Estates	200	150	200	200	200
Risk Assessed Backlog SoTE/Estates Strategy	300	100	500	500	500
Additional Spend SoTE 2013/14	200				
CEEF Commitments	389	679			
Theatre Ventilation	0				
Car Park	250				
BGH Site Strategy	20				
Vehicle Replacement Phase 1	30				
Vehicle Replacement incl 4x4 and Electric commitment	220				
MEDICAL EQUIPMENT					
Programme MEC	150	50	200	200	200
Advanced Spend MEC 2013/14	150				
Additional Endoscopy	100				
Theatre Monitoring	360				
Radiology Priority Replacement MRI Technical Refresh & Ultrasound	251				
Efficiency Programme & Service Redesign		569	853	953	1153
HC Lauder	1010	790			
HC Roxburgh Street			2000	200	
UNCOMMITTED	62				
Capital Grant - Hydrotherapy Pool	75				
Project Management	190	190	190	190	190
Total Capital Expenditure	7326	4113	4143	2443	2443
Balance	0	0	0	0	0