

Borders NHS Board**CAPITAL PLAN UPDATE****Aim**

This paper provides an update to the NHS Borders Board on the capital plan for 2015/16 and the indicative commitments for 2016/17 – 2020/21. The Board remains on course to achieve its Capital Resource Limit in 2015/16 and is working on developing a capital plan for 2016/17 and an outline plan for the following four years.

Background

The Board submits as part of its annual Local Delivery Plan a 5 year Capital and Infrastructure Plan.

Capital governance is delivered for the Board by the Capital Planning Group (CPG) and the Capital Management Team (CMT). The CPG makes recommendation through the Clinical Executive Strategy Group for consideration and agreement of the Board on the prioritised 5 year capital plan. The CPG remits delivery of the in year capital plan to the CMT.

Capital Plan 2015/16**Capital Resources**

The table below details the capital resources received by the Board for 2015/16 and includes updates on agreed slippage to 2016/17 for Roxburgh St (£880k), East/West Brig (£580k) and Theatre Ventilation (£685k).

Board Formula Allocation	£2.645m
Roxburgh Street Replacement Surgery	£1.200m
Clinical Strategy	£2.100m
Agreed slippage to 2016/17	(£2.145m)
Realised sale proceeds - West Grove	£0.360m
TOTAL Capital Resource 2015/16	£4.160m

NHS Borders has been working closely with Scottish Government on the management of capital resources. Slippage on three local schemes will be utilised to support the NHS Scotland capital plan. In line with delivery of the schemes resources will be recycled nationally and will supplement NHS Borders capital allocation in 2016/17.

Planned Capital Expenditure

The following table details the capital projects agreed by the Board at the meeting in June for delivery in 2015/16

- the indicative project allocation
- the progress made in project delivery during quarter 2 (Q2 Jul - Sept)
- and the planned actions in quarter 3 & 4 (Oct - Mar) of 2015/16.
- Where slippage to 2016/17 has been agreed by Project

Capital Project	Allocation 2015/16	Progress in Q2	Planned actions Q3 & Q4
Roxburgh Street Replacement Surgery	£0.195m Agreed slippage to 2016/17 £880k	<ul style="list-style-type: none"> • Revised footprint proposal finalized. • Board approval to Stage 2 on the basis of up to £300k additional capital. • Additional capital resource commitment from hub, • Additional capital resource request to SAS. • Agreement to slippage of capital resource to 2016/17 with Scottish Government. • Demolition contract awarded. 	<ul style="list-style-type: none"> • Completion of demolition contract. • Stakeholder agreement to reduced footprint • Revised programme plan for 2016/17, on site start May 2016. • Stage 2 approved including additional funding from hub, SAS and NHS Borders • Detailed design work for market testing of construction packages • Update report to the Board in February 2016
East West Brig Relocation of the Mental Health Rehabilitation Inpatient Ward currently located on the Galavale site.	£0.297m Agreed slippage to 2016/17 £580k	<ul style="list-style-type: none"> • Business Case approved by NHS Borders Board on 6th Aug 2015 • Initial discussion with the NHSS Procurement Partner Frameworks 2. • Agreement to slippage of capital resource 	<ul style="list-style-type: none"> • High level information pack completed. • Appointment of the consultancy design team • Progress on detailed design • Submission of the Business Case to the SG Capital Investment

		to 2016/17 with Scottish Government	Group for approval
IM&T Upgrade to IM&T Infrastructure in GP Practices and Borders General Hospital	£1.048m	<ul style="list-style-type: none"> • Project Governance in place • Detailed Project Plan in place • Initial locations BGH and GP Practices 'Live' • Funding levels and financial reporting confirmed. 	<ul style="list-style-type: none"> • Progress identified roll out across GP Practices • Conclude in mid February 2015
Theatre Ventilation Replacement of the ventilation plants in 4 theatres at the BGH.	£0.265m Agreed slippage to 2016/17 £685k	<ul style="list-style-type: none"> • Programme Plan reviewed • Agreed Theatres 4&5 as phase 1 • Theatres 2&3 as Phase 2 on capital register as priority for 2016/17 • Service discussion re downtime of theatres and impact to waiting times. • Agreement to slippage of capital resource to 2016/17 with Scottish Government 	<ul style="list-style-type: none"> • Agree revise downtime schedule. • Further work on the Programme Plan and Cost Plan. • Enabling works to be completed to utilise agreed remaining allocation in 2015/16. • Backlog maintenance elements of work to be rescheduled in line with revised downtime.
IM&T GP Order Communications Technical infrastructure to enable electronic transmission on requests to Laboratories and Radiology from GP Practices.	Not progressed Capital Projects Register for Prioritisation	<ul style="list-style-type: none"> • IM&T work plan priority confirmed as ITP. • No progress on development of full business case 	<ul style="list-style-type: none"> • Prioritisation required by Capital Management Team for future year capital resource
Primary Care Premises of Selkirk	£0.455m	<ul style="list-style-type: none"> • Detailed design 	<ul style="list-style-type: none"> • Completion of

		<ul style="list-style-type: none"> completed Tender documentation issued and returned Agreed resource level increase with Primary Care Premises Group Contract award made 	construction and reconfiguration works
Primary Care Premises of Eyemouth (part)	£0.120m	<ul style="list-style-type: none"> Detailed design works completed Confirmed reduced resources available due to impact of increased cost of priority 1 project at Selkirk. 	<ul style="list-style-type: none"> Tender documentation to be issued and returned Contract to be awarded to approved resource level Balance of project to be profiled as future year capital resources permit.
General Space Utilisation	£0.248m	<ul style="list-style-type: none"> Prioritised by CMT from sale proceeds. Recurring Revenue Saving released from rented accommodation. Complete works to relocate IM&T OHS to Newstead. Option appraisal for preferred accommodation for MH Community Teams East & West and Crisis to Huntlyburn Site. 	<ul style="list-style-type: none"> Co location of MH Community Teams East & West and Crisis to Huntlyburn Site.
Melburn Lodge Dementia Strategy Programme	£0.300m	<ul style="list-style-type: none"> Feasibility works completed 2014/15. CMT prioritised 	<ul style="list-style-type: none"> Identify shortfall in resource to complete full project

		this programme of works utilising available resource in 2015/16.	<ul style="list-style-type: none"> • 2016/17 prioritised commitment if required
Endoscopy Equipment	£0.085m	<ul style="list-style-type: none"> • Additional equipment required due to appointment of Consultant • Prioritised resource by CMT • Procurement complete 	N/A
Laboratory Safety Cabinet	£0.015m	<ul style="list-style-type: none"> • Identified from a Health & Safety Report • Prioritised resource by CMT 	<ul style="list-style-type: none"> • Procurement completed
Theatre Top Replacement	£0.013m	<ul style="list-style-type: none"> • Identified from HEI report • Prioritised resource by CMT • Procurement complete 	N/A
Rolling Programmes			
Estates & Backlog Maintenance	£0.700m	<ul style="list-style-type: none"> • Agreed profile of spend • Procurement and completion of works 	<ul style="list-style-type: none"> • Completion of planned works.
IM&T	Resource reported under IPT above.	<ul style="list-style-type: none"> • Funding combined with the Information Transformation Project above 	N/A
Medical Equipment	£0.195m	<ul style="list-style-type: none"> • 2015/16 allocation fully committed • Purchase Orders approved • Procurement completed 	<ul style="list-style-type: none"> • Ward 5 Monitoring replacement to be completed •

Capital Project Management Support	£0.224m	<ul style="list-style-type: none"> • Agreed workplan • Development of future projects through feasibility works • Management of Project Programmes 	<ul style="list-style-type: none"> • Management of Project Programmes • Development of future projects through feasibility • 2017/18 work plan in draft for review
TOTAL Capital Expenditure 2015/16	£4.160m		

The level of expenditure planned is in line with the revised level of resources available and therefore the Board remains on course to deliver on its capital resource limit.

Property disposals

The Board identified 2 properties which have been declared surplus and are currently held for sale (Westgrove, Melrose and Orchard Park, St Boswells). Proceeds from the sale concluded in June for Westgrove have been committed against general space utilisation works to release rented accommodation in Huntlyburn Terrace and West End, Melrose. The sale of Orchard Park is being actively pursued. A further property, 12-14 Roxburgh Street, Galashiels has been declared surplus in year and is being actively marketed for disposal during 2015/16.

Scottish Government have approved that NHS Borders can retain all property sales realised within the current financial year and can utilise those resources to deliver prioritised capital schemes.

Future years indicative Capital Plan 2016/17 - 2021/21

The attached appendix details the draft capital plan for 2016/17 and outline commitments for 2017/18 - 2020/21.

In line with new processes that are being put in place the Capital Management Team are holding stakeholder prioritisation sessions to review and score submitted capital project requests from both Clinical and Support Services. Prioritisation and scoring is made against a number of agreed criteria. The prioritised schemes will be submitted to the capital planning group and Clinical Executive Strategy Group for consideration. The process and the outcomes will be discussed at the Board development session in February before a finalised plan is recommended to the Board for approval as part of the 2016/17 5 year LDP Capital Plan.

Property and Asset Management Strategy (PAMS) 2016

An outline timetable for the production of the NHS Borders PAMS 2016 document has been produced and this will be taken forward over the coming months. This will be an update to the previous strategy and detail what has been achieved in the last year as well as identifying where the board is now, where it wants to be in 10 years time and an outline on how this will be achieved in areas relating to property and assets. A development

session has been arranged in January to discuss the shape and direction of the PAMS 2016. The session will also share Scottish Government feedback on PAMS 2015.

Summary

The Board has agreed the 5 year Capital Plan as part of the submission to Scottish Government of the Local Delivery Plan.

An update on delivery of the current year capital plan has been provided. The Board remains on course to achieve its capital resource limit for 2015/16.

Work is ongoing to develop the capital plan for 2016/17 and the four next years. For the longer term a session will take place to January to discuss the Board's strategy for its property and assets.

Recommendation

The Board is asked to:

- **Note** the update provided on the current year capital plan.
- **Note** the indicative capital resources and commitments for 2016/17 - 2020/21.

Policy/Strategy Implications	In line with agreed governance of capital resources
Consultation	Clinical Executive Strategy Group
Consultation with Professional Committees	N/A
Risk Assessment	In line with agreed processes
Compliance with Board Policy requirements on Equality and Diversity	In line with agreed processes
Resource/Staffing Implications	Within allocated resources from Scottish Government.

Approved by

Name	Designation	Name	Designation
Carol Gillie	Director of Finance		

Author(s)

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Susan Swan	Deputy Director of Finance (Financial Accounting)		

APPENDIX 1 NEXT YEAR CAPITAL PLAN 2016/17

Indicative Capital Resources

The table below details the indicative capital resources for the Board for 2016/17:

Board Formula Allocation	£2.615m
Roxburgh Street Replacement Surgery	£0.700m
Clinical Strategy	£1.050m
**Primary Care Health Premises	£0.500m
TOTAL Capital Resource 2016/17	£4.865m

**The indicative capital plan includes additional resources anticipated from Scottish Government to support the Primary Care Health Premises Project, these additional resources have yet to be confirmed.

Indicative Capital Expenditure

Capital Project	Indicative Allocation £	Comment
Roxburgh Street Replacement Surgery	£1.050m	Concluding element of project
East West Brig	£0.675m	Concluding element of project
IM&TStrategy - Infrastructure	£0.150m	Continuation of project
**Primary Care Health Premises	£0.500m	Conclusion of Eyemouth, and Melrose and Duns (part)
Estates & Backlog Maintenance rolling programme	£0.550m	Review of 2015/16 PAMS and prioritisation for future year requirements.
IM&Trolling programme	£0.300m	
Medical Equipment rolling programme	£0.200m	
Radiology rolling programme	£1.000m	Planned MRI Replacement
Feasibility Works - Project Development	£0.200m	Clinical Board support
Capital Project Management Support	£0.240m	Project Development and Project Programme Management
TOTAL Indicative Capital expenditure 2016/17	£4.865m	

FUTURE YEAR CAPITAL PLANS 2017/18 – 2019/20Indicative Capital Resources

The table below details the indicative capital resources for the Board for 2017/18 - 2019/20

	2017/18	2018/19	2019/20
Board Formula Allocation	£2.615m	£2.615m	£2.615m
** IM&T Infrastructure	£1.000m		
** Women's Health	£1.500m	£1.000m	
**Primary Care Health Premises	£1.000m		
TOTAL Capital Resource	£6.115m	£3.615m	£2.615m

**The indicative capital plan includes additional resources anticipated from Scottish Government to support the IM&T Infrastructure Project, Women's Health and Primary Care Premises Projects, these additional resources have yet to be confirmed.

Indicative Capital Expenditure

Capital Project	Indicative Allocation 2017/18	Indicative Allocation 2018/19	Indicative Allocation 2019/20
**IM&T Infrastructure	£1.000m		
**Women's Health	£1.500m	£1.000m	
**Primary Care Health Premises Conclusion to Melrose and Duns	£1.000m		
Rolling Programmes			
Estates & Backlog Maintenance	£0.550m	£0.550m	£0.550m
IM&T rolling programme	£0.300m	£0.300m	£0.300m
Medical Equipment rolling programme	£0.200m	£0.200m	£0.200m
Radiology programme	£0.250m	£0.750m	£0.300m
Clinical Strategy	£0.875m	£0.375m	£0.825m
Feasibility Works - Project Development	£0.200m	£0.200m	£0.200m
Capital Project Management Support	£0.240m	£0.240m	£0.240m
TOTAL Indicative Capital expenditure	£6.115m	£3.615m	£2.615m

APPENDIX						
NHS Borders LDP - Capital Resource Limit						
Current Year 2015/16 & future 5 year period 2016/17 - 2020/21						
	15/16	16/17	17/18	18/19	19/20	20/21
	£000s	£000s	£000s	£000s	£000s	£000s
Board Capital Resources						
Formula Allocation	2645	2615	2615	2615	2615	2615
SG Management of CRL - Roxburgh Street Replacement Surgery		200				
SG Management of CRL - Theatre Ventilation		550				
Clinical Strategy	2100	500				
Health Centre Roxburgh Street Replacement Surgery	1200	500				
Agreed Slippage Clinical Strategy from 2015/16 (East/West Brig)	-580	580				
Agreed Slippage Roxburgh Street from 2015/16	-880	880				
Agreed Slippage Theatre Ventilation from 2015/16	-685	685				
Capital Resource Limit Sub Total	3800	6510	2615	2615	2615	2615
Scottish Government Business Case Resources (tbc)						
IM&T Infrastructure Costs			1000			
Women's Health			1500	1000		
Primary Care Health Centre Requirements - Tier 1 and 1a		500	1000			
Capital Resource Limit Total	3800	7010	6115	3615	2615	2615
Capital Receipts Applied						
Orchard Park St Boswells	100					
West Grove	140					
12-14 Roxburgh Street, Galashiels	140					
Total Capital Receipts Applied	380	0	0	0	0	0
Charitable Funds Funding for Childrens and Young Persons Centre		250	4000	1250		
Total Board Capital Resource	4180	7260	10115	4865	2615	2615
Prioritised Capital Schemes						
IM&T						
Programme IM&T		300	300	300	300	300
IM&T Strategy - Infrastructure	1048	52	1000			
ESTATES & FACILITIES						
Car Parking & Transport Strategy						
Programme Estates	200	200	200	200	200	200
Risk Assessed Backlog SoTE/Estates Strategy	400	350	350	350	350	350
HEI Action List	100					
Theatre Ventilation	265	1035				
MEDICAL EQUIPMENT						
Programme MEC	195	200	200	200	200	200
Endoscopy Equipment	85					
Theatre Table	13					
Laboratory Safety Cabinet	15					
Radiology Priority Replacement MRI, Gamma Camera and Mammography	0	600	250	750	300	300
OTHER						
Clinical Strategy	0	0	625	375	825	825
Estates Rationalisation Galavale Reprovision	297	1353	250			
Genera	28					
Shovel Ready - Feasibility Works		100	200	200	200	200
Roxburgh Street Replacement Surgery	195	1930				
Melburn Lodge	300					
Primary Care Health Centres	575	500	1000			
Womens Health Project, BGH			1500	1000		
UNCOMMITTED		150				
UNCOMMITTED - Dependent on Sale Proceeds	240					
Project Management	224	240	240	240	240	240

Children's and Young Persons Centre - Charitable Funds Project		250	4000	1250		
Total Capital Expenditure	4180	7260	10115	4865	2615	2615
Balance	0	0	0	0	0	0
Capital Sales Proceeds to Scottish Government *						
Galavale				500		
	0	0	0	500	0	0