

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

This paper provides an update to the NHS Borders Board on the capital plan for 2016/17 and the indicative commitments for 2017/18 – 2020/21.

Background

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

The Financial Plan including the Capital Plan was approved by the Board at the NHS Borders Board meeting on 7th April 2016.

The Board delivered on its Capital Resource Limit in 2015/16.

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 2016/17**Capital Resources**

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

Board Formula Allocation	£2.366m
Reinstated slippage from 2015/16	
Theatre ventilation	£1.235m
Roxburgh Street Replacement Surgery	£1.080m
East/West Brig	£0.276m
Clinical Strategy	£0.500m
Primary Care Premises Programme	£1.500m
Anticipated sales proceeds	£0.100m
Children & Young Peoples Centre Project	£0.250m
TOTAL Capital Resource 2016/17	£7.307m

The table includes resources agreed as slippage to 2016/17 for Roxburgh St (£1.080m), East/West Brig (£0.276m) and Theatre Ventilation (£1.235m).

In addition the Board recently received approval from Scottish Government to a £3m capital resource allocation over the next 2 financial years to progress the planned Primary

Care Premises Modernisation Programme at Eyemouth, Melrose and Knoll Health Centres.

NHS Borders continues to work closely with Scottish Government on the management of capital resources in line with project timelines.

It has been assumed, although not yet confirmed by Scottish Government, that any sales proceeds generated during 2016/17 will be retained by NHS Borders for local reinvestment.

Progress has also been anticipated within the current plan relating to design consultancy work for the Children's Centre. Funding for the consultancy design team is dependent on approval to utilise fundraised income.

Planned Capital Expenditure

The following table details the capital projects agreed by the Board as part of the Local Delivery Plan Capital Plan for 2016/17. The table includes information on the following elements:

- The approved capital resource allocation.
- The progress made in project delivery during quarter 1 (Apr - Jun 16).
- The planned actions in quarter 2 (Jul - Sept 16).

Capital Project	Allocation 2016/17	Progress in Q1	Planned actions Q2
Roxburgh Street Replacement Surgery	£2.125m	<ul style="list-style-type: none"> • Stage 2 submission received and within the funding cap. • Work to close the outstanding planning condition - site contamination. • Additional site investigation and gas testing. • Planned sign off of the construction contract. • Project Team updates on progress on individual programme elements. 	<ul style="list-style-type: none"> • Site set up and construction start. • Revision to the project programme including actions to address any impact of the additional planning condition. • Project Team meetings schedule to be set up. • Progress on the disposal of the GP owned premises.
East West Brig Relocation of the Mental Health	£0.300m	<ul style="list-style-type: none"> • Development and issue of the High Level Information Pack 	<ul style="list-style-type: none"> • Appointment of the Construction Partner • Development of

<p>Rehabilitation Inpatient Ward currently located on the Galavale site.</p>		<p>to the Health Facilities Scotland Framework suppliers</p> <ul style="list-style-type: none"> • Site open day for the construction partners on the HFS Framework • Interviews of the Construction Partners who have expressed interest to deliver the project. • Project Team update meeting on 1st June. 	<p>the detailed designs and costs with the Project Team.</p> <ul style="list-style-type: none"> • Submission to Capital Investment Group of detailed design costs for approval. Following approval from SG to the finalised OBC including detailed design costs, appointment of the construction partner.
<p>Primary Care Premises Programme</p>	<p>£1.500m</p>	<ul style="list-style-type: none"> • Scottish Government approval to the overall programme to develop Eyemouth HC, Melrose, Knoll HC, Earlston and • Re tender of Eyemouth HC Project. • Detailed design teams appointed for Melrose and Knoll HC's. 	<ul style="list-style-type: none"> • Tender report on Eyemouth HC • Appointment of construction partner for Eyemouth HC • Start of construction at Eyemouth HC • Ongoing detailed design work with the Project teams at Melrose and Knoll HC's.
<p>Theatre Ventilation Replacement of the ventilation plants in 4 theatres at the BGH.</p>	<p>£1.485m</p>	<ul style="list-style-type: none"> • Indicative programme plan issued by the design team. • Tender specification development and finalisation. • Pre construction qualification questionnaires submitted from interested contractors • Agreement from the service to 	<ul style="list-style-type: none"> • Tender issued • Tender report on submissions received. • Appointment of contractor • Agreement to final programme • Project Team meetings schedule to be agreed.

		<p>downtime starting end November 2016.</p> <ul style="list-style-type: none"> • Agreement with estates on additional HEI works to be included during downtime 	
General Space Utilisation	No funding currently identified	<ul style="list-style-type: none"> • Relocation options for the remaining services on the Galavale site • Outpatient accommodation booking for agreement particularly for Mental Health and Allied Health Professional services. 	<ul style="list-style-type: none"> • Project Team meetings for the remaining services on the Galavale site • Service leads discussions on outpatient accommodation requirements.
Melburn Lodge Dementia Strategy Programme	£0.191m	<ul style="list-style-type: none"> • Agreement to an accelerated construction programme (weekend working) due to the need for earlier completion of works linked to MH service/bed pressures. • Completion of final phasing of works 	N/A
Rolling Programmes			
Estates & Backlog Maintenance	£0.499m Balance following reduction for purchases advanced from 2016/17 to 2015/16 which totalled £0.151m.	<ul style="list-style-type: none"> • Completion of prioritised works 	<ul style="list-style-type: none"> • Completion of prioritised works. • Initial discussion on 2017/18 programme • Discussion on State of NHS Scotland Assets Report/PAMS findings and backlog

			maintenance proposals for NHS Borders for future years and impact to Capital Plan.
IM&T	£0.206m Balance following reduction for purchases advanced from 2016/17 to 2015/16 which totalled £0.146m.	<ul style="list-style-type: none"> • Completion of remaining items on prioritised replacement programme. 	<ul style="list-style-type: none"> • Completion of remaining items on prioritised replacement programme.
Medical Equipment	£0.110m Balance following reduction for purchases advanced from 2016/17 to 2015/16 which totalled £0.090m	<ul style="list-style-type: none"> • Completion of prioritised purchases • Initial discussions with Theatre Project Team on requirements for Electrosurgical Diathermy Equipment 	<ul style="list-style-type: none"> • Finalisation of specification for electrosurgical equipment • Purchase of electrosurgical equipment. • Initial review of 2017/18 prioritised items
Children & Young Peoples Centre	£0.250m	<ul style="list-style-type: none"> • Further work dependent on the BGH Review Project 	<ul style="list-style-type: none"> • Further work dependent on the BGH Review Project
Feasibility Works - Priority 2 Mammography Unit relocation	£0.005m	<ul style="list-style-type: none"> • Scope agreed • Design team appointed • Detailed design approved with Project Team. • Discussions in relation to charitable monies being available to support the project. 	<ul style="list-style-type: none"> • Feasibility report to be finalised including <ol style="list-style-type: none"> 1. Cost 2. Programme 3. Impact on operational delivery during works. • Confirmation of level of charitable monies available • Review of Feasibility Report by Capital Management Team. • Recommendation of project to Capital Planning Group for inclusion in current or future

			year capital plan.
Feasibility Works - Priority 5(joint) Emergency Department Observation	£0.010m	N/A	<ul style="list-style-type: none"> • Project Team established • Scope agreed • Discussion and agreement on options • Design Team appointed to progress design of the preferred option.
Feasibility Works- Priority 5(joint) Dementia Strategy assessment at Cauldshiels Ward.	£0.005m	<ul style="list-style-type: none"> • Specialist Advisor appointed 	<ul style="list-style-type: none"> • Project Team established • Scope agreed • Specialist Advisor Report to be issued for review. • Feasibility report to flow from Specialist Advisor Report including <ol style="list-style-type: none"> 1. Cost 2. Programme 3. Impact on operational delivery during works.
Balance of Feasibility Project Costs	£0.080m	<ul style="list-style-type: none"> • Currently uncommitted. 	<ul style="list-style-type: none"> • Review of Capital Planning Work plan to incorporate future feasibility works.
Capital Project Management Support	£0.240m	<ul style="list-style-type: none"> • Agreed workplan • Development of future projects through feasibility works • Management of Project Programmes • Project Management of the Capital Prioritisation Process • Further prioritisation session in June 	<ul style="list-style-type: none"> • Management of Project Programmes • Development of future projects through feasibility • 2017/18 work plan in draft for review

		2016	
Uncommitted capital resource	£0.201m	<ul style="list-style-type: none"> Contingency held for adhoc, possible efficiency schemes 	<ul style="list-style-type: none"> Contingency held for adhoc, possible efficiency schemes
Uncommitted capital resource dependent on sale proceeds	£0.100m	<ul style="list-style-type: none"> Dependent on sale of Orchard Park 	<ul style="list-style-type: none"> Allocation of resources received as sale proceeds to prioritised projects.
TOTAL Capital Expenditure 2015/16	£7.307m		

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

Property Disposals

The Board currently holds one property for disposal, Orchard Park, St Boswells. Work is progressing with the Central Legal Office to reach conclusion on the terms of sale with the purchaser.

NHS Borders has included the retention of capital sale proceeds in the Local Delivery Plan submission to Scottish Government. NHS Borders has identified it will reinvest retained capital sale proceeds in prioritised capital projects.

Future years indicative Capital Plan 2017/18 - 2020/21

LDP Capital Plan

Appendix 1 details the capital plan as submitted to Scottish Government as part of the Board's Local Delivery Plan for 2016/17 with outline commitments for 2017/18 - 2020/21.

Capital Project Prioritisation

In line with agreed capital governance processes the Capital Management Team are remitted to hold stakeholder prioritisation sessions to review and score submitted capital project requests from both Clinical and Support Services. Prioritisation and scoring is completed against a number of agreed criteria. The prioritisation process has informed the feasibility works being progressed for a number of projects in the current year capital plan. Further prioritisation sessions will be held during 2016/17.

The register of projects prioritised for which funding has not been identified is attached as Appendix 2. Funding has been allocated to complete more detailed feasibility on a number of the highest prioritised projects to support preparation should capital resources become available.

Property and Asset Management Strategy (PAMS) 2016

An outline timetable for producing the NHS Borders PAMS 2016 document has been produced. This document will identify 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. An interim update for 2016 was submitted to Scottish Government on the 7th June 2016. The PAMS 2016 document is planned to be presented to the Board for approval in August 2016.

Summary

The Board has agreed the 5 year Capital Plan as part of financial plan presented at the board meeting on the 7th April which is in line with 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 2016/17.

Work is ongoing to develop the capital plan for 2017/18 and the next three years. The PAMS document will support the development of the capital plan in the longer term.

Recommendation

The Board is asked to:

Note the update provided on the current year capital plan.

Note the indicative capital resources and commitments for 2017/18 - 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, Procurement, Estates & Facilities		

Author(s)

Name	Designation	Name	Designation
Susan Swan	Deputy Director of Finance (Financial Accounting)		

APPENDIX 1
FUTURE YEAR CAPITAL PLANS 2017/18 – 2020/21
Indicative Capital Resources

The table below details the indicative capital resources for the Board for 2017/18 - 2020/21

	2017/18	2018/19	2019/20	2020/21
Board Formula Allocation	£2.615m	£2.615m	£2.615m	£2.615m
Primary Care Premises Modernisation	£1.500m			
CRL Slippage – Roxburgh Street Replacement Surgery	£0.500m			
CRL Slippage – East/West Brig	£0.604m			
** IM&T Infrastructure	£1.000m			
** Women's Health	£1.500m	£1.000m		
** Children & Young Peoples Centre	£1.000m	£1.000m		
TOTAL Capital Resource	£8,719m	£4.615m	£2.615m	£2.615m

**The indicative capital plan includes additional resources anticipated from Scottish Government to support the IM&T Infrastructure Project, Women's Health and Children & Young People's Centre, 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	Indicative Allocation 2020/21
Primary Care Premises Modernisation	£1.500m			
East/West Brig Relocation	£1.603m			
Radiology programme	£0.250m	£0.750m	£0.300m	£0.300m
Clinical Strategy	£0.427m	£0.375m	£0.825m	£0.825m
Feasibility Works - Project Development	£0.200m	£0.200m	£0.200m	£0.200m
Capital Project Management Support	£0.240m	£0.240m	£0.240m	£0.240m
**IM&T Infrastructure	£1.000m			
**Women's Health	£1.500m	£1.000m		
**Children & Young People's Centre	£1.000m	£1.000m		
<u>Rolling Programmes</u>				
Estates & Backlog Maintenance	£0.550m	£0.550m	£0.550m	£0.550m
IM&T rolling programme	£0.300m	£0.300m	£0.300m	£0.300m
Medical Equipment rolling programme	£0.149m	£0.200m	£0.200m	£0.200m
TOTAL Indicative Capital expenditure	£8.719m	£4.615m	£2.615m	£2.615m

APPENDIX 2**Ranking based on majority scoring**

	Weighted score	Ranking		5 year Capital Plan
Mammography - transfer to Radiology	2.47	1		Feasibility approved 2016/17
Radiology Gamma Camera Replacement	2.42	2		
BECS/Emergency Department (nursing base etc)	2.26	3		Feasibility approved 2016/17
Cauldshiels Ward	2.26	4		Feasibility approved 2016/17
GP Order Comms	2.17	5		
epex Replacement	2.02	6	*	
Trakcare Upgrade	1.9	7		
Identify suitable outpatient clinic space for all MH Services	1.83	8		
Pharmacy Redesign	1.74	9		
Children & Young Peoples Centre	1.68	10		
Bariatric Facility	1.6	11		
Additional Xcelera licences for Physiological Measurement	1.56	12		
Wireless Infrastructure Upgrade	1.48	13		
Windows 7 Desktop Environment	1.48	14	*	
BECS/Emergency Department (quiet room)	1.38	15		
Space Utilisation Crumhaugh First Floor	1.2	16		
Car Park 2 Resurfacing Works	0.6	17		

* Risk of short notice non availability

Yet to be scored - Session scheduled 29th June 2016

Electronic Record Management

Trakcare Upgrade (Revised)

ASDU