

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

There have been a number of changes to the Capital Plan for 2016/17 since the last detailed update to the Board in June 2016 the majority of which were agreed at the Strategy and Performance Committee on the 1st September 2016.

The changes made to the in year plan include:

- Agreement to re-tender at a reduced scope of works for the Theatre Ventilation project and the purchase of the replacement Gamma Camera CT.
- A re-profiling of spend for the Roxburgh Replacement Surgery Project due to additional site works as part of the planning application.
- A review of the clinical model of care in the East West Brigs by the new Mental Health Clinical Lead.
- Increased clarity of the ongoing work on the implementation of the Board's Clinical Strategy on the development of the Children's Centre.

The above changes and slippage has resulted in a reprofile of capital spend in 2016/17 which, with Scottish Government support will be used this financial year to support the financial pressures in the revenue budget. Discussions are ongoing on the impact of this on the future capital programme but the current plan is based on funding being reinstated in 2017/18 in line with each of the revised project timelines. If this is not the case this will have a significant impact on overall programme.

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 overleaf details the capital resources received by the Board for 2016/17 and includes the impact of the agreed slippage from schemes in 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	£0.700m
SAS Contribution to Roxburgh Street	£0.065m
Primary Care Premises Programme	£1.500m
Transfer of resource to revenue	(£2.150m)
TOTAL Capital Resource 2016/17	£5.072m

Capital Expenditure

The table below details in summary the expenditure incurred for the period to 31st October 2016 together with the projected year end forecast across the approved capital schemes.

Project	Expenditure YTD £	Year end Forecast £
Roxburgh Street Replacement Surgery	0.555m	2.020m
Primary Care Premises (Eyemouth, Melrose, Knoll)	0.106m	1.500m
Galavale Reprovision (East & West Brigs)	-	0.100m
Melburn Lodge	0.188m	0.191m
Rolling programmes		
Estates and State of the Estate	0.318m	0.499m
Medical Equipment	0.051m	0.110m
IM&T	0.042m	0.206m
Theatre Ventilation	0.154m	0.200m
Project Management & Feasibility	0.154m	0.246m
TOTAL Capital Expenditure	1.568m	5.072m

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.

The table includes more detailed information on the following elements of the schemes being progressed in the capital plan:

- The progress made in project delivery in the first 3 quarters of the year.
- The planned actions in the final quarter of 2016/17.

Capital Project	Allocation 2016/17	Progress in Q1 - Q3	Planned actions Q4
Roxburgh Street Replacement Surgery	£2.020m	<ul style="list-style-type: none"> • Stage 2 submission received and within the funding cap. • Work to close the outstanding 	<ul style="list-style-type: none"> • Continued construction programme. • Development and agreement of the Operational

		<p>planning condition - site contamination.</p> <ul style="list-style-type: none"> • Additional site investigation and gas testing. • Sign off of the construction contract. • Revised programme incorporating the additional planning actions. • Project Team updates on progress on individual programme elements. • Site set up and construction start. • Bringing the GP owned premises to the market for sale. 	<p>Policy detailing the day to day arrangements for the building when handed over from the contractor to NHSB.</p> <ul style="list-style-type: none"> • Agreement to the commissioning and handover plan. • Purchase of the Furniture, fittings and equipment. • Progress on the disposal of the GP owned premises.
<p>East West Brig</p> <p>Relocation of the Mental Health Rehabilitation Inpatient Ward currently located on the Galavale site.</p>	£0.100m	<ul style="list-style-type: none"> • Development and issue of the High Level Information Pack to the Health Facilities Scotland Framework suppliers. • Site open day for the construction partners on the HFS Framework • Appointment of the Construction partner and Lead Advisor. • Project Team update meetings • Review of the Model of Clinical Care by the new Clinical Lead. 	<ul style="list-style-type: none"> • Conclusion of the review by the MH Clinical Lead. • Pending the outcome of the Clinical Review - Progress with the detailed design work for the relocation.
<p>Primary Care Premises</p>	£1.500m	<ul style="list-style-type: none"> • Scottish Government 	<ul style="list-style-type: none"> • Tender reports for Melrose &

Programme		<p>approval to the overall programme to develop Eyemouth HC, Melrose, Knoll HC, Earlston HC and West Linton HC.</p> <ul style="list-style-type: none"> • Re tender and appointment of the contractor for the Eyemouth HC Project. • Start of construction at Eyemouth HC. • Detailed design teams appointed for Melrose and Knoll HC's. • Design sign off for Melrose and Knoll HC's. • Tenders issued to the market for Melrose & Knoll HC. 	<p>Knoll HCs.</p> <ul style="list-style-type: none"> • Appointment of contractors for Melrose and Knoll HCs (cost permitting).
<p>Theatre Ventilation</p> <p>Replacement of the ventilation plants in 4 theatres at the BGH.</p>	£0.200m	<ul style="list-style-type: none"> • Indicative programme plan issued by the design team. • Tender specification development and finalisation. • Agreement from the service to downtime in 2016/17. • Completion of additional works as identified through the HEI programme and backlog maintenance. • Enabling works completed. • Tender report received, costs out with funding 	<ul style="list-style-type: none"> • Tender report to be submitted on revised scope. • A report summarising the Tender Returns and the options available will be presented to the Board at its meeting in January 2017. • The indicative timeline for completion of the scheme (resources dependent) will be managed in agreement with the Service.

		<p>available.</p> <ul style="list-style-type: none"> • Re-scoping of project and revised tender issued to the market. 	
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. • Agreement of service requirements with remaining services on the Galavale site. 	<ul style="list-style-type: none"> • Consideration of options for relocation of the remaining services on 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
Replacement Gamma Camera CT	No planned spend 2016/17 Procurement process in 2016/17, delivery April 2017.	<ul style="list-style-type: none"> • Specification for the equipment identified by the Radiology Clinical Team. • Completion of site visits by the Clinical Team. • Procurement process progressed by 	<ul style="list-style-type: none"> • Equipment agreed by Clinical Team. • Purchase order placed. • Service downtime coordinated within NHS Borders & with NHS Lothian.

		Health Facilities Scotland as part of the Radiology Equipment Framework Contract.	<ul style="list-style-type: none"> • Turnkey works and delivery of equipment planned for April 2017.
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. • Confirmation of equipment specifications for Electrosurgical Diathermy Equipment. 	<ul style="list-style-type: none"> • Initial review of 2017/18 prioritised items.
Children & Young Peoples Centre	No planned spend 2016/17	<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 	<ul style="list-style-type: none"> • Confirmation of level of charitable monies available. • Review of Feasibility Report

		<p>Project Team.</p> <ul style="list-style-type: none"> • Discussions in relation to charitable monies being available to support the project. • Feasibility report to be finalised including: <ol style="list-style-type: none"> 1. Cost. 2. Programme. 3. Impact on operational delivery during works. • Discussions with Walk the Walk Charity re funding application. 	<p>by Capital Management Team.</p> <ul style="list-style-type: none"> • Recommendation of project to Capital Planning Group for inclusion in current or future year capital plan.
Feasibility Works - Priority 5(joint) Emergency Department Observation	No planned spend 2016/17	<ul style="list-style-type: none"> • Project Team established. • Scope agreed. • Initial Feasibility report being discussed with Project Team. 	<ul style="list-style-type: none"> • Discussion and agreement on option. • 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) Dementia Strategy assessment at Cauldshiels Ward.	£0.005m	<ul style="list-style-type: none"> • Specialist Advisor appointed. • Project Team established. • Scope agreed. 	<ul style="list-style-type: none"> • 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.

			<ul style="list-style-type: none"> • Review of Feasibility Report by Capital Management Team. Recommendation of project to Capital Planning Group for inclusion in current or future year capital plan.
Capital Project Management Support	£0.236m	<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. 	<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 2016/17	£5.072m		

Property Disposals

The Board currently holds one property for disposal, Orchard Park, St Boswells. The sale is not planned for completion in 2016/17 due to discussions with Central Legal Office and the purchaser.

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

LDP Capital Plan

Appendix 1 details the revised LDP Capital Plan for 2016/17 including the in year adjustments as detailed in this report, 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. Prioritisation sessions are planned throughout each financial year. The Capital Planning Group will review the prioritisation criteria and operational risk assessment methodology to ensure it remains fit for purpose.

The register of projects prioritised for which funding has not been identified is attached as Appendix 2 for information. 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. Feasibility work is ongoing for required works in Emergency Department, Cauldshiels Ward and the Mammography relocation to Radiology.

Property and Asset Management Strategy (PAMS) 2016

An interim PAMS update for 2016 was submitted to Scottish Government on the 7th June 2016. The Interim update will be expanded to include in more detail on 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. The full PAMS 2016 document will be presented to the Board at a future meeting.

Summary

The Board has agreed the 5 year Capital Plan as part of the 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. A number of changes have been made to the 2016/17 plan (with consequential changes to future years) in response to scheme specific issues as detailed within this update.

An update on delivery of the revised current year capital plan has been provided. The Board remains on course to achieve its capital resource limit for 2016/17.

Slippage (£2.15m) on a number of schemes has been discussed with Scottish Government who are supporting the use of this funding to offset the financial pressures in the Board's revenue position. Discussions on the impact of this on the future capital plan are ongoing but the current plan assumes the slippage will be reinstated in 2017/18. If this is not the case this will have a significant impact on the plan in future years.

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 transfer of slippage on the capital plan in 2016/17 to support the Board's revenue position totalling £2.15m;
- **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	In line with agreed processes

requirements on Equality and Diversity	
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**Capital Resource Limit****Current Year 2016/17 & future year period 2017/18 - 2020/21**

	16/17 £000s	Indicative 17/18 £000s	Indicative 18/19 £000s	Indicative 19/20 £000s	Indicative 20/21 £000s
Board Capital Resources					
Formula Allocation	2366	2615	2615	2615	2615
Clinical Strategy	700				
SAS Contribution to Roxburgh Street	65				
Health Centre Roxburgh Street Replacement Surgery	0	500			
Agreed Slippage Clinical Strategy from 2015/16 (East/West Brig)	276	604			
Agreed Slippage Roxburgh Street from 2015/16	1080				
Agreed Slippage Theatre Ventilation from 2015/16	1235				
Primary Care Health Centre Requirements	1500	1500			
Slippage in 2016/17 to 2017/18	-2150	2150			
Capital Resource Limit Sub Total	5072	7369	2615	2615	2615
Scottish Government Business Case Resources (not confirmed)					
IM&T Infrastructure Costs		1000			
Women's Health		1500	1000		
Childrens and Young Person's Centre		1000	1000		
Capital Resource Limit Total	5072	10869	4615	2615	2615
Capital Receipts Applied (not confirmed)					
Orchard Park St Boswells		100			
West Grove					
Newstead			500		
Total Capital Receipts Applied	0	100	500	0	0

Charitable Funds Funding for Childrens and Young Persons Centre		500	2500	2000	
Total Board Capital Resource	5072	11469	7615	4615	2615
Prioritised Capital Schemes					
<u>IM&T</u>					
Programme IM&T	352	300	300	300	300
16/17 Advanced Spend	-146				
IM&T Strategy - Infrastructure	0	1000			
<u>ESTATES & FACILITIES</u>					
Programme Estates	200	200	200	200	200
2016/17 Advanced Spend	-151				
Risk Assessed Backlog SoTE/Estates Strategy	450	350	350	350	350
Theatre Ventilation	200	1460			
<u>MEDICAL EQUIPMENT</u>					
Programme Medical Equipment Committee	200	200	200	200	200
Advanced Spend	-90	-51			
Gamma Camera CT		635			
Radiology Priority Replacement MRI, Gamma Camera and Mammography	0	250	750	300	300
<u>OTHER</u>					
Clinical Strategy	0	212	375	825	825
Estates Rationalisation Galavale Reprovision	100	1803			
Shovel Ready - Feasibility Works	10	100	200	200	200
Roxburgh Street Replacement Surgery	2020	105			
Melburn Lodge	191				
Primary Care Health Centres	1500	1500			
Womens Health Project, BGH		1500	1000		
UNCOMMITTED		65			
UNCOMMITTED - Dependent on Sale Proceeds		100	500		

Project Management	236	240	240	240	240
Children's and Young Persons Centre - CRL & Charitable Funds Project		1500	3500	2000	
Total Capital Expenditure	5072	11469	7615	4615	2615
Balance	0	0	0	0	0
	0	0	0	0	0

APPENDIX 2**Ranking based on majority scoring**

	Ranking	5 year Capital Plan
Mammography - transfer to Radiology	1	Feasibility approved 2016/17 - Charitable Funding possible
Radiology Gamma Camera Replacement	2	Procurement in 2016/17, delivery planned April 2017
BECS/Emergency Department (nursing base etc)	3	Feasibility approved 2016/17
Cauldshiels Ward	4	Feasibility approved 2016/17
Windows 7 Desktop Environment	5	
epex Replacement	6	
Trakcare Upgrade	7	
ASDU	8	
Bariatric Facility	9	
Pharmacy Redesign	10	
Records Management	11	
Children & Young Peoples Centre	12	
GP Order Comms	13	
Wireless Infrastructure Upgrade	14	
BECS/Emergency Department (quiet room)	15	
Space Utilisation Crumhaugh First Floor	16	
Car Park 2 Resurfacing Works	17	