

Borders NHS Board



CAPITAL PLAN UPDATE

Aim

This paper provides an update to the NHS Borders Board on the capital plan for 2017/18 and the indicative commitments for 2018/19 – 2021/22.

Background

The Board's draft 5 year Capital Plan was submitted to Scottish Government in March 2017 as part of the Local Delivery Plan for the period 2017/18 to 2021/22. The Board subsequently discussed elements of the plan in April and May 2017.

The discussions by the Board resulted in the following amendments to the LDP draft position:

- An updated position on the investment plan for IM&T infrastructure and agreement to reallocate resources from the East West Brig project to address high priority areas of investment for IM&T.
- Agreement to postpone the planned replacement of the theatre ventilation plant.
- Reclassification of the identified resources totalling £2.085m for theatre ventilation as uncommitted pending further discussion by the Board.
- The Board requested that the Director of Finance discuss with Scottish Government opportunities for additional capital investment for IM&T in response to the Road to Digital – IM&T investment paper presented at the Strategy and Performance Committee on the 4th May 2017.

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 2017/18

Capital Resources

The table below details the capital resources received by the Board for 2017/18 and includes the impact of the agreed slippage from schemes.

Board Formula Allocation	£2.366m
Roxburgh Street Replacement Surgery	£0.605m
Scottish Government Agreed Slippage	£1.225m
Gamma Camera CT	£0.085m
Primary Care Premises Programme	£1.409m
eHealth Division IM&T Investment (to be confirmed)	£2.000m
TOTAL Capital Resource 2017/18	£7.690m

The Board is asked to note that following discussion with and the ongoing work and support from Scottish Government NHS Borders is awaiting confirmation that £2m will be made available to the Board during 2017/18 for IM&T investment.

Capital Expenditure

The table below details in summary the expenditure incurred for the period to 31st May 2017 across the approved capital schemes and projected spend as at 31st March 2018.

Project	Expenditure YTD £m	Year end Forecast £m
Roxburgh Street Replacement Surgery	-	0.086m
Primary Care Premises (Eyemouth, Knoll and Melrose)	0.189-	1.271m
IM&T Infrastructure	-	0.950m
eHealth Division IM&T Investment (TBC)	-	2.000m
Rolling programmes		
Estates and State of the Estate	-	0.435m
Medical Equipment	-	0.149m
IM&T	-	0.213m
Radiology Replacement Programme (including remaining works Gamma Camera CT)	-	0.241m
Uncommitted	-	2.085m
Project Management & Feasibility	0.04m	0.260m
TOTAL Capital Expenditure 2017/18	0.229m	7.690m

At this early stage in the year the Board has incurred limited capital expenditure. Construction works at Eyemouth Health Centre are nearing conclusion. Knoll Health Centre works continue and the first interim certificate of 2017/18 has been received. . Lead Officers are currently confirming prioritised items for estates/state of the estate and medical equipment rolling programmes. Capital Planning Project Team costs to support the current plan total £40k to date.

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

- The progress made in project delivery in the first quarter of the year.
- The planned actions in the 2nd quarter of 2017/18.

Capital Project	Allocation 2017/18	Progress in Q1	Planned actions Q2
Roxburgh Street Replacement Surgery	£0.086m	<ul style="list-style-type: none"> Final elements of construction Handover and commissioning period from contractor to NHS Borders Relocation of GP Surgery and Primary Care Team to new surgery GP Practice finalised the sale of the GP owned premises. 	<ul style="list-style-type: none"> Use of accommodation by Scottish Ambulance Service personnel. Agreement to final account with hub and Construction Partner.
Primary Care Premises Programme Eyemouth, Knoll and Melrose	£1.271m	<p><u>Eyemouth HC</u></p> <ul style="list-style-type: none"> Final elements of construction programme. Handover preparation and commissioning from Contractor to NHS Borders. <p><u>Knoll HC</u></p> <ul style="list-style-type: none"> Commencement of phased construction programme. Support to site Health Centre users to achieve day to day operational use during works. <p><u>Melrose HC</u></p> <ul style="list-style-type: none"> Revised tender pricing Approval to award tender 	<p><u>Eyemouth HC</u></p> <ul style="list-style-type: none"> Final handover of building to GP Practice and Primary Care Team. Agreement of final account with the construction partner <p><u>Knoll HC</u></p> <ul style="list-style-type: none"> Continuation of construction programme Purchase of moveable furniture and fittings. <p><u>Melrose HC</u></p> <ul style="list-style-type: none"> Purchase of land for Melrose HC. Preparation for commencement of works.
IM&T Infrastructure and eHealth Division IM&T Investment	£2.950m (£2m to be confirmed by SG eHealth Division)	<ul style="list-style-type: none"> IM&T Investment Plan updates to the Health Board meetings in May. 	<ul style="list-style-type: none"> Seek confirmation of SG funding Approval of in

		<ul style="list-style-type: none"> • Confirmation of Capital Plan resource (£950k) • Discussions and report compiled with IT Specialist Contractor on prioritized investment requirements. 	<ul style="list-style-type: none"> • year Investment Plan • Project Board and Team put in place. • Procurement routes agreed and procurement progressed for prioritised elements.
Replacement Gamma Camera CT	£0.069m	<ul style="list-style-type: none"> • Turnkey works completed • Installation of equipment • Commissioning period 	<ul style="list-style-type: none"> • Operational use of new accommodation and equipment.
Rolling Programmes			
Estates & Backlog Maintenance	£0.435m Balance following reduction for purchases advanced from 2017/18 to 2016/17.	<ul style="list-style-type: none"> • Prioritised spend plan items detailed within the Rolling Estates Programme and the State of the Estate Register. • Progress on prioritised works. 	<ul style="list-style-type: none"> • Completion of prioritised works. • 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	£0.213m Balance following reduction for purchases advanced from 2017/18 to 2016/17	<ul style="list-style-type: none"> • Review of overall IM&T Investment Plan to identify prioritized rolling programme items for completion. 	<ul style="list-style-type: none"> • Completion of items on prioritised replacement programme.
Medical Equipment	£0.149m Balance following reduction for purchases advanced from 2017/18 to 2016/17	<ul style="list-style-type: none"> • Prioritisation schedule of requirements recommended by the Medical Equipment Committee. • Review of recommendation and allocation of 	<ul style="list-style-type: none"> • Procurement for approved items of equipment.

		resource as £95k over the level of funds within the current year plan.	
Radiology Replacement Programme	£0.172m	<ul style="list-style-type: none"> Discussions on prioritized schedule of requirements 	<ul style="list-style-type: none"> Approved replacement schedule Agreement from the Clinical Team to the specifications required for the items of equipment to be purchased Procurement process progressed for approved items of equipment.
Uncommitted Resources	£2.085m	<ul style="list-style-type: none"> Board discussions on IM&T Investment requirements and other prioritized capital projects e.g. Theatre Ventilation Approval to postpone Theatre Ventilation replacement. 	<ul style="list-style-type: none"> Board discussion I on allocation of resources to prioritized capital projects taking account of revenue position
Feasibility Works	£0.020m	<ul style="list-style-type: none"> Final elements of 2016/17 Feasibility Works on <ul style="list-style-type: none"> 1)Mammography Feasibility outcome- Project scope agreed and fundraising application being progressed. 2)Observation area within A&E Feasibility outcome- 	<ul style="list-style-type: none"> Following Approval of the Board's Clinical Strategy review of the prioritized capital project register to be taken forward to highlight any further feasibility works which are required.

		<p>Range of options identified, requirement to link with Clinical Strategy outcomes.</p> <p>3)Cauldshiels Ward Feasibility outcome- Limited scope for development of existing location, Mental Health Services aspect of Clinical Strategy required to establish future options.</p>	
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. 	<ul style="list-style-type: none"> • Management of Project Programmes. • Development of future projects through feasibility. • 2018/19 work plan in draft for review.
TOTAL Capital Expenditure 2017/18	£7.690m		

Property Disposals

The Board currently holds one property for disposal, Orchard Park, St Boswells. Progress on the sale of this property is intended during 2017/18. The estimated sale proceeds of the property are £100k. Sale proceeds will not be committed to the capital plan until transfer of funds has concluded.

Future years indicative Capital Plan 2018/19 - 2021/22

LDP Capital Plan

Appendix 1 details the Capital Plan for 2017/18 including the in year adjustments as detailed in this report, with outline commitments for 2018/19 - 2021/22.

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. 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) 2017

The Board's PAMS 2017 has been drafted and was submitted to Scottish Government during June 2017. Following review by Scottish Government and feedback the Board will take forward any further actions relating to the Strategy as required. The draft PAMS will be presented to the Board in late summer.

Summary

The Board has agreed a draft 5 year Capital Plan as part of the financial plan presented at the board meeting on the 6th 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 2017/18 plan since the submission in response to scheme specific issues as detailed within this update. Following ongoing support and work with Scottish Government NHS Borders is awaiting confirmation that £2m will be made available to the Board during 2017/18 for IM&T investment.

The Board holds an uncommitted balance within the current plan totalling £2.085m pending further discussions on priority areas for investment and the overall revenue and capital financial outturn for 2017/18.

Work is ongoing to develop the draft capital plan for 2018/19 and the next three years. The Board's Clinical Strategy and 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 2018/19 - 2021/22.

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**NHS Borders LDP - Capital Resource Limit****5 year period 2017/18 - 2021/22**

	17/18 £000s	18/19 £000s	19/20 £000s	20/21 £000s	21/22 £000s
Board Capital Resources					
Formula Allocation	2366	2366	2366	2366	2366
Health Centre Roxburgh Street Replacement Surgery	500				
Agreed Slippage Clinical Strategy from 2015/16 (East/West Brig)		604			
Primary Care Health Centre Requirements - Tier 1 and 1a	1409	991			
Capital to Revenue Transfer 2016/17 Roxburgh Street	105				
Capital to Revenue Transfer 2016/17 East West Brig		200			
Capital to Revenue Transfer 2016/17 Gamma Camera	85				
Capital to Revenue Transfer 2016/17 Theatre Ventilation	1225				
eHealth Division Scottish Government IM&T Infrastructure & Development (tbc)	2000				
Capital Resource Limit Sub Total	7690	4161	2366	2366	2366
Capital Receipts Applied					
Orchard Park St Boswells	100				
Total Capital Receipts Applied	100	0	0	0	0
Total Board Capital Resource	7790	4161	2366	2366	2366
Prioritised Capital Schemes					
IM&T					
Programme IM&T	213	300	300	300	300
IM&T Strategy - Infrastructure	950	896			
eHealth Division IM&T Infrastructure & Development (tbc)	2000				
ESTATES & FACILITIES					
Programme Estates	85	200	200	200	200
Risk Assessed Backlog SoTE/Estates Strategy	350	350	350	350	350
MEDICAL EQUIPMENT					
Programme MEC	200	200	200	200	200
16/17 Advanced Spend	-51				
Gamma Camera CT replacement including Injector (advance purchase 17/18)	69				
Radiology Priority Replacement	172	477	465	465	300
OTHER					
Clinical Strategy			411	411	576
Shovel Ready - Feasibility Works	20	100	200	200	200
Roxburgh Street Replacement Surgery	86				
Primary Care Health Centres (including additional resource SG March 2017)	1271	1398			
UNCOMMITTED - From Theatre Ventilation	2085				
UNCOMMITTED - Dependent on Sale Proceeds	100				
Project Management	240	240	240	240	240
Total Capital Expenditure	7790	4161	2366	2366	2366
Balance	0	0	0	0	0
Capital Sales Proceeds to Scottish Government *	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	IM&T Capital Investment Plan being Developed
epex Replacement	6	Progressed through a revenue solution
Trakcare Upgrade	7	IM&T Capital Investment Plan being Developed
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	