

Borders NHS Board

Meeting Date: 5 December 2019

Approved by:	Carol Gillie, Director of Finance, Procurement, Estates & Facilities
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CAPITAL PLAN UPDATE	
Purpose of Report:	
The purpose of this report is to provide an update to the NHS Borders Board on the 2019/20 capital plan.	
Recommendations:	
The Board is asked to note the update provided on the 2019/20 capital plan.	
Approval Pathways:	
This report has been reviewed by the Board Executive Team (BET) and the Capital Management Group.	
Executive Summary:	
<p>The Board's draft 5 year Capital Plan was submitted to Scottish Government (SG) in March 2019 as part of the Annual Operational Plan for the period 2019/20 to 2023/24 and was approved at the Board meeting on the 4th April 2019.</p> <p>The Board received a report on the 2019/20 capital plan in June 2019. The key points to note from this update are as follows:</p> <ul style="list-style-type: none"> • The Board has a Capital Resource Limit for 2019/20 of £2.94m of which £0.48m has been spent at the end of October. • The key areas of spend during this financial year are: <ul style="list-style-type: none"> - Road to Digital - Rolling programmes - MRI installation & contingency works - ASDU equipment installation & contingency works - Primary Care premises • The Board also has access to charitable funding for the following projects: <ul style="list-style-type: none"> - To extend and refurbish the Macmillan Cancer Centre at the BGH - To create an Adult Changing Places Facility within the BGH - To create a dedicated mammography space within Radiology on the BGH site <p>Although there is much to do in the remaining months of the financial year the Board is on</p>	

course deliver on its Capital Resource Limit.	
Impact of item/issues on:	
Strategic Context	The Board has agreed a draft 5 year capital plan with a focus on year 1 of the plan. The in year Capital Plan is in part developed by the Capital Prioritisation process with a number of projects incorporated which have been recommended by the Clinical Executive Strategy Group and by the Board Executive Team.
Patient Safety/Clinical Impact	Safety/ clinical impact assessed as part of prioritisation process for the capital plan.
Staffing/Workforce	N/A
Finance/Resources	Included in the report.
Risk Implications	In line with agreed processes.
Equality and Diversity	In line with agreed processes.
Consultation	N/A
Glossary	SG - Scottish Government CMG - Capital Management Group PAMS - Property and Asset Management Strategy AOP - Annual Operational Plan

CAPITAL PLAN UPDATE

Capital Plan 2019/20

Background

The Board's draft 5 year Capital Plan was submitted to Scottish Government (SG) in March 2019 as part of the Annual Operational Plan for the period 2019/20 to 2023/24 and was approved at the Board meeting on the 4th April 2019.

This paper follows the update presented to the Board in June 2019 which noted the capital plan for 2019/20 and the position for quarter one and quarter two of this year.

During 2019/20 following discussion with the Board and Scottish Government the following capital plan adjustments have been put in place:

- Slippage to 2020/21 of the Primary Care Premises funding totalling £0.721m.
- Slippage to 2020/21 of the Borders Health Campus Development Funding £0.08m - still to be confirmed.
- Slippage to 2020/21 of Winter/Decant & Elective Facility of £0.20m – still to be confirmed.
- Notification of the funding requirement for 2020/21 to support the IM&T Road to Digital Programme totalling £1.5m - still to be confirmed.
- Additional funding in 2019/20 of £0.26m has been secured to fund, Forensic Examination Equipment, BECS reconfiguration, Simulation Training Facility and Ophthalmology equipment purchase.
- £0.04m as capital proceeds have been received due to the profit on the sale of Crumhaugh.

Capital governance is delivered by the Capital Management Group (CMG) and through the Clinical Executive Strategy Group to the Board.

Capital Resources for 2019/20

The table below details the capital resources received by the Board for 2019/20 as at 31st October 2019 and includes the impact of the agreed slippage from schemes in previous years and the transfer of capital resource to support the Board's revenue position.

Board Formula Allocation	£2.37m
Primary Care Premises Programme	£0.27m
SG/eHealth Division IM&T Investment	£1.00m
SG requested transfer of capital to support the revenue position	(£1.00m)
Medical Staffing Training Simulation Facility	£0.07m

Borders Emergency Care (reconfiguration works)	£0.03m
Ophthalmology Regional Service Equipment	£0.13m
Forensic Examination Suite Equipment	£0.03m
Property Sale (Crumhaugh)	£0.04m
Total Capital Resource Plan 2019/20	£2.94m

In addition the Board has access to charitable funds:

- To extend and refurbish the Macmillan Cancer Centre at the BGH
- To create an Adult Changing Places Facility within the BGH.
- To create a dedicated mammography space within Radiology on the BGH site.

Capital Expenditure for 2019/20

The table below details in summary the expenditure incurred for the period to 31st October 2019 across the approved capital schemes and projected spend as at 31st March 2020.

Project	Expenditure 31/10/19 £m	Year end Forecast £m
IM&T Road to Digital - core capital including rolling replacement of infrastructure & resilient facility	0.15	1.02m
Rolling replacement programmes		
- Estates and Backlog Maintenance	0.09	0.58
- Medical Equipment	0.00	0.05
Medical Staffing - Simulation Training Facility	0.07	0.07
Forensic Medical Suite Equipment	0.00	0.03
MRI installation & contingency works	0.00	0.38
ASDU equipment installation & contingency works	0.00	0.17
Ophthalmology Regional Service – equipment	0.00	0.13
Primary Care Premises (West Linton, Earlston, snagging Eyemouth & Duns)	0.00	0.27
Project Management & Feasibility	0.17	0.24
TOTAL Capital Resource Plan 2019/20	£0.48m	£2.94

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

- The progress made in project delivery in quarter 3 of the year.
- The planned actions for the final quarter of 2019/20.

Capital Project	Allocation 2019/20 £m	Progress in Q3	Planned actions Q4
IM&T Road to Digital Programme Programme of upgrade to IM&T services – part of this programme is the resilient server facility	1.02	<ul style="list-style-type: none"> Resilient Facility detailed design Internet fire walls replacement Replacement of XP with Windows 7 Windows 10 applications 	<ul style="list-style-type: none"> Delivery of resilient facility Internet fire walls replacement Replacement of XP with Windows 7 Windows 10 applications Radiology PACS v12 Upgrade
Rolling Programmes			
Estates Programme & Backlog Maintenance	0.58	<ul style="list-style-type: none"> Ventilation authorising engineer and validation engineer Fire protection works Drainage inspections Bin compactor 	<ul style="list-style-type: none"> Boiler and pressure systems - NSS consultants Anti ligature surveys Electrical Installation Condition Reports Catering equipment
Medical Equipment	0.08	<ul style="list-style-type: none"> Prioritised list collated 	<ul style="list-style-type: none"> Purchase of prioritised items
Medical Staffing - Simulation Training Facility	0.07	<ul style="list-style-type: none"> Project completed 	<ul style="list-style-type: none"> N/A
MRI installation and contingency works	0.38	<ul style="list-style-type: none"> Requirements for contingency works gathered Contingency estimates gathered with contractors Specification of project works agreed 	<ul style="list-style-type: none"> Contingency works progressed Orders placed for key lead equipment items Project agreed and planned
ASDU installation and contingency works	0.17	<ul style="list-style-type: none"> Requirements for contingency works gathered Requirement for the project agreed Contingency planned and agreed Project planed and agreed 	<ul style="list-style-type: none"> Contingency and project delivered

Ophthalmology Business Case Shared Service	0.13	<ul style="list-style-type: none"> • Acute services business review of regional service Business Case • Identification of need for equipment due to compatibility • Conversation with Scottish Government to secure funding for equipment purchase 	<ul style="list-style-type: none"> • Confirmation from Scottish Government on funding (National position) • Purchase of equipment
Primary Care Premises (West Linton, Earlston, snagging Eyemouth & Duns)	0.27	<ul style="list-style-type: none"> • West Linton – tender documents prepared and issues • Professional fees • Tender awarded • Project started on site 	<ul style="list-style-type: none"> • Project progressed live on site
Project Management & Feasibility	0.24	<ul style="list-style-type: none"> • Management of projects as above • Space Utilisation work progressed • Capital Prioritisation session held 	<ul style="list-style-type: none"> • Management of projects as above • Space Utilisation work progressed • Planning based on Capital Prioritisation and work with the PMO on Capital Plan for 20/21
TOTAL Capital Plan resource 2019/20	2.94		

Charitable/ Externally Funded Capital Projects	Projected resource	Progress in Q4	Planned actions Q4
Borders MacMillan Centre Development Refurbishment and extension to the Borders Macmillan Centre.	Under review	<ul style="list-style-type: none"> • Requirements work progressed with the Project Team. • Agreement to the requirements for Borders Macmillan Centre with the Project Board. 	<ul style="list-style-type: none"> • Progress with design
Mammography Relocation of machine/service	Under review	<ul style="list-style-type: none"> • Requirements confirmed with the service • Updates to fundraising and Walk the Walk 	<ul style="list-style-type: none"> • Project plan agreed • Tender documents progressed
Adult Changing Facility The creation of an adult changing facility at the BGH.	TBC	<ul style="list-style-type: none"> • Option appraisal for the project completed • Preferred location selected and confirmed with the project group • Begin progress with design 	<ul style="list-style-type: none"> • Design work progressed and finalised with project group • Tender documents prepared • Project costs confirmed
Forensic Examination Facility The creation of a forensic examination facility at the BGH.	TBC	<ul style="list-style-type: none"> • Option appraisal for the project completed • Preferred location selected and confirmed with the project group • Begin progress with design 	<ul style="list-style-type: none"> • Design work progressed and finalised with project group • Tender documents prepared • Project costs confirmed

Property Disposals

The Board declared Crumhaugh House in Hawick surplus to operational requirements at its meeting in April 2018 and the property was sold in November 2019.

Future years indicative Capital Plan

Capital Plan

The draft 5 year capital plan will be updated as part of the Annual Operational Plan (AOP) process with a focus on the capital plan for 2020/21 which will include completion of projects started in 2019/20. These include the conclusion of the MRI installation, the primary care premises scheme at West Linton Health Centre as well as the next phase of IM&T Road to Digital.

Property and Asset Management Strategy (PAMS)

The Board's annual PAMS templates were submitted to Scottish Government during June 2019. In line with Scottish Government guidance the NHS Borders Property and Asset Strategy is reviewed every 2 years and the next planned update is in 2020.

The PAMS document this year noted an increase in backlog maintenance costs and an increase in High Risk areas being reported. A mitigation plan is currently being drawn up by Estates and the implications of this are expected to impact upon the Capital Plan in future years.