

<b>To:</b>	<b>Trust Board</b>										
<b>From:</b>	<b>Finance Dept</b>										
<b>Date:</b>	<b>29 AUGUST 2013</b>										
<b>CQC regulation:</b>	<b>As applicable</b>										
<b>Title:</b> Update on the UHL Capital Plan for 2013/14											
<b>Author/Responsible Director:</b> Andrew Seddon, Director of Finance & Business Services Darren Stell, Capital Accountant											
<b>Purpose of the Report:</b>											
<ul style="list-style-type: none"> <li>▪ Highlight the year to date expenditure against the annual capital plan</li> <li>▪ Put forward a revised capital plan for approval</li> <li>▪ Advise on the progress of individual schemes and budgets</li> <li>▪ Highlight any potential problems or issues</li> </ul>											
<b>The Report is provided to the Commercial Executive for:</b>											
<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Decision</td> <td style="width: 50%;"></td> </tr> <tr> <td>Assurance</td> <td></td> </tr> </table>		Decision		Assurance		<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Discussion</td> <td style="width: 50%; text-align: center;">X</td> </tr> <tr> <td>Endorsement</td> <td style="text-align: center;">X</td> </tr> </table>		Discussion	X	Endorsement	X
Decision											
Assurance											
Discussion	X										
Endorsement	X										
<b>Summary / Key Points:</b>											
<ol style="list-style-type: none"> <li>1. The year to date (YTD) capital expenditure at the end of July was £5.9m. This represents 16% of the current annual plan of £37.8m.</li> <li>2. The current UHL capital plan for 2013/14 is £37.781m but this paper presents a revised plan of £39.781m that reflects changing priorities and additional schemes. The additional £2m of funding is anticipated to come from DoH transitional funding to support the Brandon Unit development.</li> <li>3. Further orders have been placed for another £10.8m of goods and services to be delivered within the current financial year. Combined this represents 44% of the current plan.</li> <li>4. Scheme slippage from the last financial year is likely to add around £2m to the expenditure in the current year.</li> <li>5. The year end forecast remains at a breakeven £37.781m. It is anticipated that slippage to the current year programme will offset overspends relating to the prior year.</li> </ol>											
<b>Recommendations:</b>											
The Trust Board is asked to note the attached report on the progress of the capital plan and to approve the revised capital plan of £39.781m.											
<b>Strategic Risk Register</b>		<b>Performance KPIs year to date</b>									
		N/A									

<b>Resource Implications (e.g. Financial, HR)</b>
N/A
<b>Assurance Implications</b>
N/A
<b>Patient and Public Involvement (PPI) Implications</b>
N/A
<b>Equality Impact</b>
N/A
<b>Information exempt from Disclosure</b>
No
<b>For further review?</b>
No

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

**TO: UHL TRUST BOARD**

**FROM: ANDREW SEDDON, DIRECTOR OF FINANCE & BUSINESS SERVICES  
DARREN STELL, CAPITAL ACCOUNTANT**

**DATE: 29 AUGUST 2013**

**SUBJECT: CAPITAL PLAN UPDATE**

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**1. PURPOSE**

1.1. To update the UHL Trust Board on the position of the UHL Capital Plan as at the end of July 2013.

**2. POSITION (See Appendix A)**

2.1 The capital plan for 2013/14 is currently £37.781m although additional funding allocations are expected to take this up to £39.781m as reflected in the revised plan.

2.2 Year to date expenditure at the end of July was £5.902m. Commitments in the system on top of this were approximately £10.796m. Combined this represents approx. 44% of the annual plan.

2.3 The full year forecast remains unchanged at £37.781m. It is anticipated that the overspends we are seeing against some schemes will be offset by delays to other schemes later on in the year. If these delays do not occur then expenditure will be managed to ensure we do not overshoot the plan.

**3. SUB GROUP BUDGETS**

3.1. IM&T. IM&T have submitted a revised plan for how they intend to spend their budget which is a mixture of business as usual with some new developments. Their large business cases such as EDRM & EPR are not included within this plan.

3.2. Medical Equipment. The medical equipment plan for 2013/14 was approved at the May commercial executive. Divisions have been informed of their successful bids and orders and plans are starting to come through.

3.3. Facilities. Approximately £2.6m of the £6m budget is already committed, mostly to finish off schemes that were planned or started last year. Horizons are still working with Interserve to produce a prioritised backlog programme and as such have not allocated the remaining budget to individual schemes. They continue to forecast that they will spend their entire budget by year end.

**4. ACUTE CARE DIVISION**

4.1. Work is ongoing on the discharge lounge expansion as part of the Emergency Department works. This is on track to finish in September.

4.2. Emergency Floor. The Strategic Outline Case was approved by the Trust Board in June. The order for the ED business case has been placed in July for delivery in December. The intention is for this to go to the NTDA for approval in the final quarter of this year.

**5. PLANNED CARE DIVISION**

- 5.1. Osborne Ventilation. Odames is now being used to provide decant facilities which has allowed the works to commence on Ward 41. Though delayed the scheme will complete this year although the need to carry out works to support the decant will likely increase the overall cost.
- 5.2. Endoscopy redesign at LRI to meet JAG accreditation standards. Work is nearing completion and should complete in September as planned and within budget.

### **6. WOMEN'S & CHILDREN'S**

- 6.1. Maternity Interim Development. Construction work is ongoing. Work is planned to run through until the end of June 2014.

### **7. RECONFIGURATION SCHEMES**

- 7.1. Advanced Recovery Area LGH. This scheme is now complete. There is an £150K overspend in this financial year although £110K of this relates to slippage from the last financial year.
- 7.2. Theatre Assessment Area (TAA). Work has started on this scheme at the LRI with the intention of completing in December. The work is being done by Interserve under Lot 2 of the facilities management contract.
- 7.3. Advanced Recovery Area LRI. Scheme being developed so that this can start when the TAA completes.
- 7.4. Renal / Transplant. The feasibility for the relocation has been completed; this delivers a clinically functional solution using part retained estate and part new build at GH. This will be progressed alongside the university. The business case, pending the outcome of the reconfiguration option appraisal, will be progressed in 2014/15.
- 7.5. Odames Education Centre. As this area is now being used as a decant ward the scheme has been moved back into 2014/15. The intention is to get the scheme developed and designed this year so that building work can start in April 2014.
- 7.6. Daycase / OPD Hub. Work is ongoing to validate the activity data. The location of the Hub should come out of the option appraisal work that is being undertaken. The plan is to take this to Trust Board in October.

### **8. Corporate / Other Schemes**

- 8.1. Aseptic Suite. Building work has now commenced and will run through until early 2014/15. Due to the delay in the project start it is anticipated that the scheme will overspend by £150K that had been planned for last year.
- 8.2. Diabetes BRU. Delays last year mean that this scheme will also overspend by completion to the region of £150K.
- 8.3. Respiratory BRU. Scheme complete. Delays last year in getting the 3<sup>rd</sup> floor delivered mean that this scheme is going to overspend by £270k against the current year budget.
- 8.4. MES Installation Costs. Delays last year on the CT & MRI replacement programme mean a forecast £300K overspend against this years budget just to complete these works. In addition another £700K will be needed to deliver the programme of work planned for the current final year that has now started.

### **9. Capital Plan (Appendix B1 & B2)**

- 9.1. A revised capital plan of £39.781m is being put forward for approval.
- 9.2. The overall value of the revised plan has increased from £37.781m to £39.781m. The increase of £2.0m is transitional funding that we envisage we will receive from the DoH

that will be used to fund the conversion of the Brandon Unit to house OPD 1-4 from the LRI.

- 9.3. It is acknowledged that further changes to the plan are likely as the year progresses. These will be needed to meet changing demands and to allocate any slippage that occurs elsewhere.
- 9.4. Slippage and delays have been identified on a number of schemes in the original plan for this year primarily the vascular relocation to GH and the Single site take project. In addition the education centre development at the LRI has been moved back to 2014/15 partly due to delays in the space being available but also to free up funds for other projects.
- 9.5. A number of additional projects have been brought into the plan, the business cases are currently being developed for the 2 main ones which are:
  - 9.5.1. £4m to build 2 modular wards at GH.
  - 9.5.2. £5m to introduce a new stock management system at UHL. £3m of this relates to 2013/14. This scheme was approved at the July Trust Board.

### 10. Conclusion

- 10.1. At the end of July we have only spent 16% of the annual budget. Detailed monitoring will be needed to ensure we meet our target of spending the full budget allocation.
- 10.2. Whilst work is under way on a number of material schemes there remains a number of projects that are still only at an early stage of development which increases the risk that they will not delivery their forecast expenditure by year end.
- 10.3. The Trust Board is asked to support the revised capital plan of £39.781m.

## APPENDIX A

	Capital Plan 2013/14 £000's	YTD Spend 13/14 £000's	Expenditure Profile				Committed £000's	Total Spend & Committed £000's	Variance to Annual Plan £000's
			Actual						
			Apr £000's	May £000's	Jun £000's	Jul £000's			
<b>Sub Group Budgets</b>									
IM&T	3,375	788	69	226	290	203	698	1,486	-1,889
Medical Equipment	4,187	599	264	7	209	119	415	1,014	-3,173
Facilities Sub Group	6,000	1,071	286	204	193	388	1,555	2,627	-3,373
<b>Total Sub Groups</b>	<b>13,562</b>	<b>2,458</b>	<b>619</b>	<b>437</b>	<b>693</b>	<b>709</b>	<b>2,669</b>	<b>5,127</b>	<b>-8,435</b>
<b>Acute Care</b>									
Divisional Discretionary Capital	200	22	8	1	3	11	1	23	-177
Emergency Flow	5,000	102	2	7	14	79	3,262	3,364	-1,636
Acute Care: Other		132	132	0	0	0	0	132	132
<b>Total Acute Care</b>	<b>5,200</b>	<b>256</b>	<b>142</b>	<b>8</b>	<b>16</b>	<b>90</b>	<b>3,263</b>	<b>3,519</b>	<b>(1,681)</b>
<b>Planned Care</b>									
Divisional Discretionary Capital	200	167	126	42	0	0	7	174	-26
Osborne Ventilation	566	0	0	0	0	0	532	532	-34
Endoscopy Redesign	255	103	0	80	(1)	24	60	163	-92
Planned Care: Other		(5)	(8)	2	2	0	151	147	147
<b>Total Planned Care</b>	<b>1,021</b>	<b>266</b>	<b>118</b>	<b>123</b>	<b>2</b>	<b>24</b>	<b>751</b>	<b>1,016</b>	<b>(5)</b>
<b>Women's &amp; Children's</b>									
Divisional Discretionary Capital	200	45	16	23	6	(0)	1	46	-154
Maternity Interim Development	2,800	303	3	18	9	273	2,443	2,746	-54
Women's & Children's: Other		180	50	50	70	10	72	251	251
<b>Total Women's &amp; Children's</b>	<b>3,000</b>	<b>528</b>	<b>69</b>	<b>91</b>	<b>86</b>	<b>282</b>	<b>2,515</b>	<b>3,043</b>	<b>43</b>
<b>Reconfiguration Schemes</b>									
LRI Surgical Triage	1,000	0	0	0	0	0	0	0	-1,000
Theatres Assessment Area (TAA)	1,549	71	4	10	27	30	64	135	-1,414
Advanced Recovery LRI & LGH	625	123	63	(7)	55	11	33	156	-469
GGH Vascular Surgery	1,656	0	0	0	0	0	14	14	-1,642
Hybrid Theatre (Vascular)	1,500	0	0	0	0	0	0	0	-1,500
Daycase / OPD Hub	2,000	0	0	0	0	0	0	0	-2,000
LRI Additional CEC	1,500	0	0	0	0	0	0	0	-1,500
GH Imaging	1,500	0	0	0	0	0	0	0	-1,500
Feasibility Studies	100	0	0	0	0	0	27	27	-73
<b>Total Reconfiguration</b>	<b>11,430</b>	<b>194</b>	<b>68</b>	<b>3</b>	<b>82</b>	<b>41</b>	<b>138</b>	<b>332</b>	<b>(11,098)</b>
<b>Corporate / Other Schemes</b>									
Aseptic Suite	650	8	7	0	1	0	14	22	-628
Diabetes BRU	600	314	0	62	125	128	298	612	12
Respiratory BRU	500	757	3	809	(245)	190	25	782	282
MES Installation Costs	1,750	1,014	38	178	343	455	1,091	2,105	355
Other Developments	68	107	(10)	29	50	38	34	141	73
	<b>3,568</b>	<b>2,200</b>	<b>38</b>	<b>1,079</b>	<b>273</b>	<b>810</b>	<b>1,461</b>	<b>3,661</b>	<b>93</b>
<b>Total Capital Programme</b>	<b>37,781</b>	<b>5,902</b>	<b>1,054</b>	<b>1,741</b>	<b>1,152</b>	<b>1,956</b>	<b>10,796</b>	<b>16,699</b>	<b>(21,082)</b>

## APPENDIX B1

## Capital Plan 2013/14

Version 27 - August 2013

	2013/14 £ ' 000	2014/15 £ ' 000	2015/16 £ ' 000	2016/17 £ ' 000	2017/18 £ ' 000
<b>Recurrent Budgets - Approved</b>					
IM&T Sub Group Budget	3,375	2,000	2,000	2,000	2,000
Medical Equipment Executive Budget	4,187	4,000	4,000	4,000	4,000
Facilities Backlog Maintenance	6,000	6,000	6,000	6,000	6,000
Divisional Discretionary Capital	600	600	600	600	600
MES Installation Costs	1,750	1,000	750	750	750
Feasibility Studies	21	100	100	100	100
- Northampton Dialysis Unit - feasibility	15				
- Renal & Single Site Take Feasibility	48				
- LRI Additional CEC (Odames)	16				
	16,012	13,700	13,450	13,450	13,450
<b>Schemes - approved Business Cases</b>					
Maternity Interim Development	2,800	200			
Theatres Assessment Area (TAA)	1,549				
Advanced Recovery LRI	625	1,875			
Osborne Ventilation	566				
Endoscopy redesign LRI (JAG compliance)	250				
	5,790	2,075	0	0	0
<b>Schemes approved re. annual Cap Prog</b>					
Emergency Floor (?DoH funding)		£1m			
immediate works		£3m			
Business Case development	4,000	19,000	19,000		
Daycase / OPD Hub		12,350	6,200		
SST - GGH Vascular Surgery	1,156	1,700			
SST - Hybrid Theatre (Vascular) Build & Equipment	500	3,000			
SST - GH Imaging (Vascular)	500	1,000			
Renal Relocation to GH			8,225	9,775	
ITU consolidation LRI		4,000	4,000		
	6,156	41,050	37,425	9,775	0
<b>Current activity outwith approved programme/not yet approved</b>					
Isolation of 'H Block' LGH	33				
Ward 4 refurbishment (releases OP space at LRI)	250				
Modular 2 generic wards at GH - feasibility	50				
Modular 2 generic ward build GH - Construction	4,000				
Brandon Unit refurb - Clinics 1-4 (to support Em Floor)	2,000				
ITU Interim development - feasibility	30				
ITU consolidation LRI - Business Case development	110				
LRI Additional CEC (Odames)		1,500			
Poppies conversion	250				
Daycase / OPD Hub - BC Development	350				
Stock Management Project	3,000	2,000			
	10,073	3,500	0	0	0
<b>Slippage from 12/13</b>					
Aseptic Suite (001052)	650				
Diabetes BRU Development (001491)	600				
Respiratory BRU - Third Floor (001703)	500				
	1,750	0	0	0	0
	<b>39,781</b>	<b>60,325</b>	<b>50,875</b>	<b>23,225</b>	<b>13,450</b>
<b>Total Capital Plan</b>					
<b>Funding</b>					
Depreciation / CRL / Disposals	32,481	31,000	31,000	30,000	30,000
DoH Transitional Funding	2,000				
Unspent capital cash from previous year	5,000				
Donations	300	300	300	300	300
<b>Total Source of Funds</b>	<b>39,781</b>	<b>31,300</b>	<b>31,300</b>	<b>30,300</b>	<b>30,300</b>

## APPENDIX B2

	<b>Original Plan</b>	Changes	<b>Revised Plan</b>
	Version 22		Version 27
	£ ' 000	£ ' 000	£ ' 000
<b>Recurrent Budgets</b>			
IM&T Sub Group Budget	3,375		3,375
Medical Equipment Executive Budget	4,187		4,187
Facilities Backlog Maintenance	6,000		6,000
Divisional Discretionary Capital	600		600
MES Installation Costs	1,750		1,750
Feasibility Studies	100		100
	16,012	0	16,012
<b>Business Cases</b>			
Emergency Flow	5,000	-1,000	4,000
LRI Surgical Triage	1,000	-1,000	0
Maternity Interim Development	2,800		2,800
Theatres Assessment Area (TAA)	1,549		1,549
Advanced Recovery LRI	625		625
Osborne Ventilation	566		566
GGH Vascular Surgery	1,656	-500	1,156
Hybrid Theatre (Vascular)	1,500	-1,000	500
GH Imaging	1,500	-1,000	500
Daycase / OPD Hub	2,000	-1,650	350
LRI Additional CEC	1,500	-1,500	0
Endoscopy redesign	255	-5	250
Other Anticipated Developments	68	-68	0
Isolation of 'H Block' LGH		33	33
Ward 4 refurbishment (releases OP space at LRI)		250	250
Modular 2 generic ward build GH: Feasibility		50	50
Modular 2 generic ward build GH - Construction		4,000	4,000
Brandon Unit refurb - Clinics 1-4		2,000	2,000
ITU Interim development - feasibility		30	30
ITU consolidation LRI - Business Case development		110	110
Poppies conversion		250	250
Stock Management Project		3,000	3,000
	20,019	2,000	22,019
<b>Slippage</b>			
Aseptic Suite (001052)	650	0	650
Diabetes BRU Development (001491)	600	0	600
Respiratory BRU - Third Floor (001703)	500	0	500
	1,750	0	1,750
<b>Total Capital Plan</b>	<b>37,781</b>	<b>2,000</b>	<b>39,781</b>