

Report to Trust Board

Date 27 July 2011

Agenda item no 8.3

Title Author Responsible Director Purpose	Capital Expenditure Programme for 2011-12 Don Richards – Interim Director of Finance Don Richards – Interim Director of Finance Decision
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Action required	The Board is asked to approve the Capital Expenditure Programme as reported to the Trust’s Executive Management Board.
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Executive Summary

This paper presents an updated capital expenditure programme to the Board for approval after having received support by the Trust’s Executive Management and Clinical Advisory Boards. The programme is budgeted for a net capital expenditure cost of £4.56m. The Trust’s capital resource limit is £4.7m. The programme is designed to:

- (a) Continue steady progress in reducing the Trust’s backlog maintenance;
- (b) Invest where appropriate to manage patient safety concerns;
- (c) Support the Trust’s clinical strategy and
- (d) Support efficiency.

Individual investments will be approved according to the Trust’s governance processes with business cases to the appropriate level of detail.

Relevant CQC standard/
NHS Constitution pledge

Link to strategy/plans	Capital Expenditure Programme 2011-12
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Impact assessment:

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|----------------------|--|
| - quality | Supports safety, patient experience and clinical effectiveness. Reviewed by clinical advisory boards |
| - financial/business | Capital expenditure of £4.7m and revenue implications through capital charges of £0.5m included within the financial plan. |
| - equality/diversity | N/A |
| - risk | Investments prioritised to address risks to achieving objectives. |
| - legal/statutory | Investments made to meet statutory requirements where appropriate. |
| - sustainability | Investments include those which support sustainability strategies. |

Previous consultation/decision/discussion/	Capital Planning & Control Group; Executive Directors; Executive Management Board; Medical Advisory Board; Non Medical Clinical Advisory Board.
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2011-12 Capital Programme

Introduction

This paper presents the programme of capital expenditure for the 2011-12 financial year for approval by the EMB, together with the key issues arising for consideration and action.

Background

The Trust's Long Term Financial Model as part of the Integrated Business Plan set a budget of £4.7m for capital expenditure in 2011-12. This budget was accepted by the East of England SHA and used to set a Capital Resource Limit (CRL) of £4.7m for the Trust this year.

Priorities for Capital Investment

The Trust's Integrated Business Plan identifies priorities for capital investment that supports:

- (a) Steady progress in reducing the Trust's backlog maintenance;
- (b) Patient safety;
- (c) The Trust's clinical strategy and
- (d) Financial efficiency.

The Trust's Capital Planning Group received bids from Business Units and sought advice from relevant professionals regarding investment necessary in the short term to support the four priorities listed above.

The Capital Planning Group prioritised these bids and liaised with the weekly Executive Directors meeting to arrive at a draft programme presented at appendix A.

The Head of Estates and Facilities presented this programme to the Trusts two clinical advisory boards¹ on the 30th June.

The issues arising from the discussion are listed below:

- The budget for ward refurbishment was accepted but further discussion is needed to decide on the most appropriate ward considering issues such as the bed reorganisation programme.
- Concerns were expressed over the source of funding for bed replacement as these could no longer be funded from capital resources.
- An E-prescribing system should be prioritised as an investment.
- The short term minor refurbishment of A&E was accepted as long as a longer term development of A&E in line with QIPP and a new Trust clinical strategy remained a priority.

¹ Medical Advisory Board and Non Medical Advisory Board

- An additional CT scanner was considered a priority and it was noted that the capital programme allowed for building refurbishment but that the Finance Director would consider leasing options for the scanner.
- The capital programme allowed £0.5m to support plans to develop the theatre complex. These plans needed further development.

Conclusion and Actions

The Executive Directors and Clinical Advisory Boards approved the draft programme subject to the actions listed in the table below. The EMB is asked to similarly approve.

Action	Lead
1. Agreement on which ward would be refurbished in 2011-12.	Eiri Jones
2. Finalise CT scanner business case and leasing options	Don Richards
3. Confirm timetable for E-prescribing system and incorporate into Capital Programme and revenue budgets	Mark Austin/ Don Richards
4. Develop revenue proposal for bed replacement	Don Richards/ Eiri Jones
5. Agree how capital funds will be used to support theatre reorganisation.	Steve Collins/ Clinical Support CBU/ Phil Eagles

Draft Capital Programme 2011-12 to 2015-16									
Schedule of projects	Total Scheme Value Ek	Category		2011-12	2012-13	2013-14	2014-15	2015-16	Comments, expectations & actions
1 Horseshoe Block Refurbishment Phase 2	280	Major Capital	1	280					Work tendered , capital to be agreed.
2 Old School of Nursing, Non Clinical Office accommodation	460	Major Capital	1	200	260				Schedule work in two phases. Allow Nursery to move in say 1 April office accommodation ready later in 2012-13
3 Primrose Project, Conversion of Clinic Rooms	30	Major Capital	2		30				Funding confirmation needed from Hospital Charity.
4 CT Scanner Development	1,200	Major Capital	1	600					B-Case to be completed and approved by Trust Board. Cash flow in years 2011/12/13 to be agreed. Assumes lease of scanner and E600k fit out and lease is qualifying operating lease.
5 Ward refurbishment	500	Major Capital	1	500					Needs discussion with COO to ensure complements ward closure plan.
6 Theatre Development (eg laminar flow)	1,600	Major Capital	1	500					Discuss with COO decide on best theatre for laminar flow? Move Moorfields any other theatre moves to support theatre strategy
7 Main Entrance Reconfiguration (Kempston Road)	80	Major Capital	2		80				Need better understanding of what's required
8 OPD Entrance Reconfiguration .	80	Major Capital	2		80				
9 Delivery Suite Bereavement Suite	50	Major Capital	1	50	0				Draft plans submitted to Division
10 Pharmacy Dispensary refurbishment.	150	Major Capital	2	0	150				Small improvements this year bigger investments 2012-13
11 A&E upgrade	3,150	Major Capital	1	150			1,500	1,500	Work to be scoped and agreed
12 Medical Equipment Purchase/ replacement including Monitoring for CCC and theatres , 2012/13 project	1,000	Equipment Bids	2		500	500			Project PID to be agreed and sent to EMB after discussing at EDs
13 Trust Air Tube System Site	100	Equipment Bids	2		100				Air Tube System 13 years old in need of refurbishment to extend life
14 Pot Wash Main Kitchen	25	Equipment Bids	1	25					
15 Main Dishwasher Main kitchen	47	Equipment Bids	1	47					
16 Bed Replacement Programme	1,000	Equipment Bids	2		333	333	333		
17 Audiology Bid Unity 2	102	Equipment Bids	1	102					Paper to follow from IM&T
18 Ultrasound Venous Equipment Bid Theatres	12	Equipment Bids	1	12					
19 Replacement Arthroscopy Equipment Camera System	109	Equipment Bids	1	109					Needs discussion at advisory boards
20 C-Mac Video Laryngo Scope	10	Equipment Bids	2		10				
21 Laryngo Scope	19	Equipment Bids	1	19					Needs discussion at advisory boards
22 SCI Medical Server	17	Equipment Bids	2		17				
23 New Air Pod Station to be installed in Orchard Ward	18	Equipment Bids	3			18			
24 Op Services TUG refurbishment, Bid agreed 17th Jan 2011 at CPG.	27	Equipment Bids	1	27					Work started
25 Trust Rolling Replacment Programme EBME	2,200	Equipment Bids	1	200	500	500	500	500	
26 Equipment reserve	200	Equipment Bids	1	100					
27 Other Estates bids (see overleaf)	1,978	Estates		613	1,101	100	100	100	
28 IM&T (see overleaf)	864	IM&T		433	521	475	370	295	
29 B/f commitments from 2010-11	1,284			1,284					
30 Property sales	-690			-690					
Total	15,902			4,561	3,682	1,926	2,803	2,395	