

Greater Glasgow & Clyde NHS Board

Board

28th June 2011

Paper No. 11/28

Proposed Capital Plan 2011/12

RECOMMENDATION

Members are asked to:

- Approve the proposed allocation of funds for 2011/12;
- Note that further discussions will be held with SGHD during the year ahead in relation to the level of capital funding for 2012/13 onwards;
- Delegate, to the Corporate Management Team, the authority to allocate any additional available funds against the 2011/12 capital plan throughout the year.

1 INTRODUCTION

- 1.1 During 2010/11, the Board has worked with SGHD colleagues to confirm the level of capital funding which is likely to be available for 2011/12. These discussions have enabled the Board to agree with SGHD a capital funding allocation against which it can plan for 2011/12. Discussions in relation to the level of capital funding that will be available from 2012/13 will continue with SGHD throughout the forthcoming year.
- 1.2 Funding for 2011/12 will comprise four elements. These are (1) ring-fenced funding for specific projects (2) funding for existing legal and other irrevocable commitments previously entered into by the Board (3) funding returned by the Board to SGHD during 2010/11 to support SGHD in managing capital expenditure within available funding across NHS Scotland as a whole in 2010/11; SGHD has confirmed that this will be available to the Board in 2011/12, and (4) the Board's share of new national capital funding for 2011/12, made available on a formula basis to all Health Boards.
- 1.3 Schemes classified as "ring-fenced" include the New South Glasgow Hospitals project, Possilpark Health Centre, Alexandria Medical Centre, GRI University Tower, PET CT, Radiotherapy Equipment Replacement and a contribution to be made to the HUB procurement initiative. Funding made available by SGHD in 2011/12 for each project will not exceed actual expenditure incurred on each individual project with any slippage/underspend on individual projects being returned to SGHD in year.

In addition, the Board will require to ensure that total spend incurred on each project does not exceed the total funding allocation approved for that project. Any overspend which occurs would require to be covered by the Board from within its share of the national formula capital allocation.

- 1.4 The second category of funding relates to existing commitments on projects such as Older People's Mental Health, Clyde Mental Health, ICT, Decontamination and Obstetrics schemes. Any underspends on these schemes will be returned to SGHD with any overspends incurred being funded from NHSGGC's share of the national formula allocation.
- 1.5 The third element represents the reprovision by SGHD in 2011/12 of £9m funding which was returned to SGHD at the end of 2010/11.
- 1.6 The fourth element relates to the Board's share of the national formula allocation for 2011/12. This will be utilised by NHSGGC to address prioritised requirements in areas such as HAI/ HEI and Health & Safety, and to fund other schemes aimed at statutory compliance, also Medical Equipment. Whereas in previous years each Board in Scotland had received a specific ring fenced allocation for Medical Equipment, for 2011/12 SGHD has confirmed that this area of expenditure should be covered by the national formula allocation.
- 1.7 In addition to the aforementioned allocations, the Board is anticipating a capital receipt of £400k in 2011/12.
- 1.8 The resultant forecast total capital resources which will be available to the Board in 2011/12 amount to £248.4m.
- 1.9 The purpose of this paper is to set out how the Board plans to deploy its allocation of capital funds on individual schemes in 2011/12. As allocations for 2012/13 and 2013/14 have yet to be confirmed the figures contained within Appendix 1 for future years are purely indicative and are provided for information purposes to assist members in understanding the likely scale of ongoing capital commitments beyond 2011/12.
- 1.10 The paper confirms a balanced capital position for 2011/12 with expenditure of £248.4m being matched by an equivalent level of funding.

2 AVAILABLE CAPITAL RESOURCES

- 2.1 The table below outlines the anticipated level of capital funding available for 2011/12.

Table 1 – Summary of Anticipated Capital Resources	2011/12 £'000
New South Glasgow Hospitals Project (NSGH) (1)	156,000
ASR Acceleration Completion of various schemes (1)	3,000
Alexandria/Possilpark Health Centres (1)	9,000
GRI University Tower (1)	10,000
PET Scanner (1)	2,100
Radiotherapy Equipment Replacement (1)	3,600
HUB Initiative (1)	500
Older People's Mental Health Projects (2)	4,400
Clyde Mental Health Projects (2)	10,900
ICT Projects (2)	5,100
Decontamination (Endoscopy and GDPs) (2)	4,700
Obstetrics Strategy (2)	1,900
Brokerage 2010/11 (3)	9,000
Share of National Formula (4)	24,700
IFRS PFI...technical allocation (other)	3,100
Capital Receipts (other)	400
Total Capital Resources	£248,400

2.2 The above figures have been agreed with SGHD.

3 PROPOSED CAPITAL PLAN

3.1 Detailed reviews of the Board's existing capital programme for 2011/12 have been undertaken by the Capital Planning Group which has prioritised and phased expenditure to ensure that plans match available resources.

3.2 Table 2, below, summarises the outcome of these reviews, setting out an updated capital expenditure plan, incorporating proposed Capital Schemes across Acute Services, Acute Strategy, New South Glasgow Hospitals, ICT, Board and Partnerships including Mental and Oral Health.

Table 2 – Summary of Proposed Capital Schemes	2011/12 £'000
Acute Schemes – Directorates	28,476
Acute Schemes – Other (including local Formula and Medical Equipment Allocation)	14,813
Acute Strategy – Related Schemes and Enabling Works	3,277
New South Glasgow Hospitals	155,460
ICT Schemes	5,876
Board Schemes	6,751
Partnerships, Mental Health and Oral Health Schemes	33,747
TOTAL	£248,400

- 3.3 A full list of individual schemes is contained within Appendix 1 of this paper.
- 3.4 An amount of £8.042m is included within “Acute Schemes – Other”. This represents the proportion of the Board’s share of national formula capital which is provided as a general allocation of funds for minor value capital projects to the Acute Division. In a similar vein, an amount of £2.016m is included within “Partnerships, Mental Health and Oral Health Schemes” in respect of national formula capital. These allocations include minor slippage of spend carried forward from 2010/11. As for 2010/11, local allocations of formula capital for 2011/12 have been scaled back by one third relative to historic 2009/10 levels, reflecting the reduced availability of capital funding in 2011/12.
- 3.5 Local formula allocations allow for expenditure on minor works, normally of an estates/ building nature. These works are normally of a value less than £500k, and include minor building upgrades/ refurbishments. A main priority for formula allocations during 2011/12 will continue to be HAI/ HEI requirements, also addressing Health & Safety and Legislative Compliance issues.

Financial Summary

- 3.6 The table below summarises the financial position of the Capital Plan for 2011/12.

<u>Table 3: Summary Capital Plan – 2011/12</u>	<u>2011/12 £'000</u>
Estimated Available Resources (Table 1)	£248,400
Forecast Capital Expenditure (Table 2)	£(248,400)
Surplus/(Deficit) on Capital Programme	£0

- 3.7 In line with guidance received from SGHD in March 2011, Table 3 confirms that the Board is planning to balance planned expenditure with available funding.

Monitoring Arrangements

- 3.8 Expenditure on all capital schemes will be monitored throughout the year and reported by the Capital Planning Group to the Corporate Management Team to ensure that a balanced capital position for 2011/12 is maintained.

4 CAPITAL PLANNING PROCESS

- 4.1 The Capital Planning Group continues to meet routinely on a quarterly basis, with additional meetings as required, in order to oversee the process of managing expenditure levels within available funds. In line with recent guidance the Capital Planning Group will also continually review the potential for schemes to be delivered through Scottish Government revenue financed models e.g. HUB Initiative.

5. RECOMMENDATION

Members are asked to:

- Approve the proposed allocation of funds for 2011/12;
- Delegate, to the Corporate Management Team, the authority to allocate any additional available funds against the 2011/12 capital plan throughout the year.

Capital Plan 2011/12

	<u>Proposed Allocation 2011/2012 £'000</u>	<u>Indicative Allocation 2012/2013 £'000</u>	<u>Indicative Allocation 2013/2014 £'000</u>
<u>Glasgow & Clyde Acute</u>			
<u>Rehab & Assessment</u>			
Total Rehab & Assessment Projects	£0	£0	£0
<u>Surgery&Anaesthetics</u>			
OPD Transfer from WIG to GGH	£300	£2,700	£0
Total Surgery & Anaesthetics Projects	£300	£2,700	£0
<u>Women's & Childrens Services</u>			
Obstetrics strategy	£1,908	£0	£0
Total Woman & Childrens Projects	£1,908	£0	£0
<u>Regional services</u>			
RAH Renal Unit	£0	£5,785	£0
Radiotherapy Equipment Replacement	£3,608	£5,406	£0
Regional- Chemo Elec. Prescribing (CPAS)	£206	£0	£0
OMFS Ward	£0	£620	£0
Total Regional Services Projects	£3,814	£11,811	£0
<u>Diagnostics</u>			
GRI Labs University Tower - Refurb Levels 4/5	£4,327	£3,500	£0
GRI Labs University Tower - Refurb Level 1	£950	£0	£0
GRI Labs University Tower - Infrastructure	£5,072	£3,570	£0
PET Scanner	£2,100	£0	£0
Total Diagnostics Projects	£12,449	£7,070	£0
<u>Emergency Care & Medical</u>			
Total Emergency Care & Medical Projects	£0	£0	£0
<u>Facilities</u>			
Decontamination-Endoscopy (SGH)	£383	£0	£0
Decontamination-Endoscopy (GGH)	£1,764	£0	£0
Decontamination-Endoscopy (RAH)	£1,526	£0	£0
Decontamination-Endoscopy (IRH)	£627	£0	£0
Reconfiguration of IRH/RAH	£1,104	£4,800	£0
IRH Cladding	£325	£100	£1,000
Catering Bid - CPUs	£3,800	£0	£0
Energy Bid	£276	£660	£0
Stone Masonary at GRI	£200	£800	£0
Total Facilities Projects	£10,005	£6,360	£1,000
<u>Acute Directorate Total</u>	£28,476	£27,941	£1,000

Capital Plan 2011/12

	<u>Proposed</u> <u>Allocation</u> <u>2011/2012</u> <u>£'000</u>	<u>Indicative</u> <u>Allocation</u> <u>2012/2013</u> <u>£'000</u>	<u>Indicative</u> <u>Allocation</u> <u>2013/2014</u> <u>£'000</u>
<u>Glasgow & Clyde - Acute Other</u>			
Formula-Acute	£8,042	£12,000	£12,000
Medical Equipment	£6,000	£8,000	£8,000
Vale of Leven	£771	£0	£0
Total Acute Schemes - Other	£14,813	£20,000	£20,000
<u>Acute Strategy Related Schemes</u>			
GGH Ward Refurbishment Programme	£1,382	£0	£0
GGH Infrastructure	£852	£1,100	£0
GRI Plastics	£100	£0	£0
GRI Infrastructure Services	£448	£0	£0
Final Completion of WIG ASR Acceleration	£112	£0	£0
ACH Post Opening Variations	£233	£0	£0
Stobhill review	£0	£500	£0
Sub Total Acute Strategy Related Schemes	£3,127	£1,600	£0
<u>Acute Strategy Enabling works</u>			
SGH Refurbishment - Remaining Accomodation	£0	£0	£500
Car Park 1	£150	£0	£0
Car Park 2	£0	£1,000	£12,500
Car Park 3	£0	£0	£400
Car Park 1B	£0	£0	£0
YPD	£0	£0	£600
Sub Total Enabling Works	£150	£1,000	£14,000
Total Acute Strategy Related Schemes and Enabling Works	£3,277	£2,600	£14,000
<u>New South Glasgow Hospitals & Laboratory Funding</u>			
Technical Advisor, Supervisor and Design Fees etc	£466	£538	£480
Site wide upgrade of HV network (PH2) (2011/12 Onwards)	£700	£100	£0
Site wide upgrade of drainage infrastructure. (2011/12 Onwards)	£600	£500	£300
Demolition of Chest Clinic for MacDonald House	£115	£0	£0
Demolition of BA Psychiatric Block for Univ	£420	£0	£0
Renewal of Water Mains Ph2	£0	£600	£200
NSGH - Main Works	£153,059	£242,586	£251,335
NSGH - Supplementary Works	£100	£0	£0
Total New South Glasgow Hospitals & Laboratory	£155,460	£244,324	£252,315
TOTAL GLASGOW & CLYDE ACUTE	£202,026	£294,865	£287,315

Appendix 1

Capital Plan 2011/12

	<u>Proposed</u> <u>Allocation</u> <u>2011/2012</u> <u>£'000</u>	<u>Indicative</u> <u>Allocation</u> <u>2012/2013</u> <u>£'000</u>	<u>Indicative</u> <u>Allocation</u> <u>2013/2014</u> <u>£'000</u>
<u>ICT Schemes</u>			
ICT Formula	£824	£1,000	£1,000
ICT Formula - PMS Server Hardware	£600	£0	£0
ICT Formula - PMS RAH/ VOL Requirements	£200	£0	£0
ICT PMS	£1,390	£1,000	£1,000
ICT Scanning	£489	£750	£0
ICT GP Replacement System	£2,146	£0	£0
ICT West of Scotland - Regional Infrastructure - Phase 1	£227	£0	£0
TOTAL ICT	£5,876	£2,750	£2,000
<u>Glasgow & Clyde - Board</u>			
Occ Health	£30	£0	£0
PCAT Estates & Facilities	£1,468	£0	£0
Carbon Emissions	£300	£300	£300
Pharmacy Off site	£185	£0	£0
IFRS Conversion	£3,099	£3,099	£3,099
Investment in Hub Co	£500	£0	£0
Marie Curie Cancer Care	£500	£0	£0
Server for St Vincent's Hospice	£17	£0	£0
N3 Connections for Hospices	£52	£0	£0
Quarriers Epilepsy Centre	£600	£400	£0
TOTAL GLASGOW & CLYDE - BOARD	£6,751	£3,799	£3,399

Capital Plan 2011/12

	<u>Proposed Allocation 2011/2012 £'000</u>	<u>Indicative Allocation 2012/2013 £'000</u>	<u>Indicative Allocation 2013/2014 £'000</u>
<u>Glasgow - Partnerships</u>			
<u>South West Glasgow</u>			
Total South West Glasgow	£0	£0	£0
<u>West Glasgow</u>			
Drumchapel c&f modernisation	£161	£0	£0
Total West Glasgow	£161	£0	£0
<u>South East Glasgow</u>			
East Pollokshields modernisation	£2,300	£0	£0
Total South East Glasgow	£2,300	£0	£0
<u>North Glasgow</u>			
Possilpark HC	£6,047	£3,448	£0
Total North Glasgow	£6,047	£3,448	£0
<u>East Glasgow</u>			
Total East Glasgow	£0	£0	£0
<u>East Dunbartonshire</u>			
Total East Dunbartonshire	£0	£0	£0
<u>North Lanarkshire</u>			
Total North Lanarkshire	£0	£0	£0
Total Glasgow Partnerships	£8,508	£3,448	£0
<u>Clyde - Partnerships</u>			
<u>Renfrewshire</u>			
Renfrew HC	£833	£0	£0
Total Renfrewshire	£833	£0	£0
<u>East Renfrewshire</u>			
Barrhead HC	£821	£0	£0
Total East Renfrewshire	£821	£0	£0
<u>Inverclyde</u>			
Pharmacy services from Ravenscraig	£212	£0	£0
Total Inverclyde	£212	£0	£0
<u>West Dumbarton</u>			
Alexandria HC	£3,076	£17,510	£0
Total West Dumbarton	£3,076	£17,510	£0
Total Clyde Partnerships	£4,942	£17,510	£0

Capital Plan 2011/12

	<u>Proposed</u> <u>Allocation</u> <u>2011/2012</u> <u>£'000</u>	<u>Indicative</u> <u>Allocation</u> <u>2012/2013</u> <u>£'000</u>	<u>Indicative</u> <u>Allocation</u> <u>2013/2014</u> <u>£'000</u>
<u>Other CHCP's & CHP's</u>			
Formula Capital incl. H&S	£2,016	£3,000	£3,000
Older Peoples Mental Health Inpatient Beds - Phase 1	£2,420	£4,220	£0
Older Peoples Mental Health Inpatient Beds - Phase 2	£1,747	£3,280	£2,000
Total Other CHCP's & CHP's	£6,183	£10,500	£5,000
<u>Mental Health</u>			
Dykebar - Refurb Bute Ward and Reconfigure AAU	£2,382	£0	£0
IRH SSPU	£5,407	£0	£0
Leverdale Addictions Beds and Day Hospital	£0	£1,000	£1,000
SGH Psychiatry relocations (2 Wards at Leverdale)	£1,582	£5,400	£0
Perinatal Mother & Baby unit SGH (8 Beds)	£1,250	£1,250	£0
Total Mental Health	£10,621	£7,650	£1,000
<u>Oral Health</u>			
Dental Hospital Phased upgrade	£1,428	£4,000	£0
RAH Dental- Completion of Laboratory	£170	£0	£0
Dental Facilities (including Satellite Clinics)	£230	£0	£0
GDPs (Decontamination)	£1,665	£0	£0
Total Oral Health Schemes	£3,493	£4,000	£0
TOTAL GLASGOW & CLYDE P'SHIPS, MENTAL HEALTH AND ORAL HEALTH SCHEMES	£33,747	£43,108	£6,000
TOTAL GLASGOW & CLYDE CAPITAL	£248,400	£344,522	£298,714