

BURTON HOSPITALS NHS FOUNDATION TRUST

CAPITAL INVESTMENT PLAN 2008-09 to 2013-14

1. Introduction

The capital investment plan has been considered by the Capital Planning Board based on the new capital regime. The level of capital investment in each year should be set within the resources affordable by the Trust and based on capital replacement plans for existing estates and equipment and approved business cases for new developments.

2. Source of Funds

The sources of funding available are (a) from internally generated resources (ie depreciation), (b) from external national funding, (c) sales of assets, or (d) from donated funds. The level of depreciation for 2008-09 is £5.7m and would increase year-on-year for changes in the asset base and for the level of increase in the value of the assets.

We are in receipt of £0.7m of donated funds which can be used to fund the proposed cardiology development as well as the £1.2m balance of the central funding for the boiler house scheme

The total capital funds available in 2008-09 is therefore £7.6m.

3. Existing Commitments

The 2007-08 capital programme is expected to spend the available resources in full. This is after re-phasing schemes planned for 2008-09 to accelerate expenditure to compensate for reduced costs of schemes and delays to the start of schemes already in the programme. Some of the savings on schemes relate to the avoidance of the requirement for backlog maintenance on buildings scheduled for demolition in the revised estate strategy.

The DoH has issued guidance on the claw-back of any under-spending of the resources made available in 2007-08. On this basis the Capital Planning Board has sought to ensure that schemes were re-phased to avoid (or at least minimise) the claw-back.

4. Planned Replacement/Maintenance

A risk prioritised five-year plan has been put forward to cover backlog/replacement of existing assets. There is an expectation that the trust will maintain its asset base over the longer-term. Failure to do this would lead to under-investment in the assets, deterioration in the quality/standards of the assets and building up financial commitments into the future.

Equipment replacement plans have been produced for medical equipment and IM&T equipment to ensure that sufficient resources are available to replace such equipment over the replacement lives of those assets.

5. Available Resources for New Investment

There are two major capital developments included in the five year capital plan.

The boiler house scheme secured national funding of £2.1m which was part of £100m available to improve the carbon emissions across the NHS. The approved funding did not include additional infrastructure works nor provide for a contingency or inflation.

The total value of the scheme included in the capital programme is £2.7m an increase of £0.6m which is a charge against the Trusts capital resources. A request was made to the DoH to fund the additional costs but they declined.

Details of the total capital cost of the new boiler house are set out in more detail in the business case that has been considered by the Capital Planning Board. The works must be completed by March 2009 as agreed with the DoH to secure the funding.

A provisional sum of £11m has been included for any potential re-provision of facilities as a consequence of moving off the Outwoods site as proposed in the estate strategy. The Outwoods site (excluding the Medical Education Centre, Nurse Education Centre and the Margaret Stanhope Centre) would be sold for [REDACTED] and the sale proceeds could be between [REDACTED] depending on the area to be sold, site clearance costs, the potential development opportunities and market prices.

The replacement of the MRI scanner and CT scanner have been noted but excluded from the programme. Alternative sources of funding are being considered – for example leased or managed service or from donated funds.

Any other new schemes being put forward will be subject to the usual business case process and the capital programme reviewed to accommodate them.

6. Capital Investment Plan 2008-09 to 2013-14

The capital programme for the next five years is attached.

The plan for 2008-09 includes £0.15m contingency to meet the cost of unforeseen price increases or additional schemes. The Capital Planning Board will manage the use of the contingency.

The plan for 2008-09 also includes £0.27m provision for slippage into 2009-10. This allows the capital plan to be over-committed so that slippage of schemes in 2008-09 should have less of an effect on the achievement of the investment plan than in previous years. The Capital Planning Board will monitor the in-year performance and, if necessary, manage the phasing of schemes between the years to ensure that capital investment remains within the resources available.

BURTON HOSPITALS NHS TRUST

CAPITAL INVESTMENT PLAN

	2007-08 £000's	2008-09 £000's	2009-10 £000's	2010-11 £000's	2011-12 £000's	2012-13 £000's	2013-14 £000's
Source of Funds							
Internally generated (depreciation)	5,623	5,736	5,736	5,736	5,736	5,736	5,736
Equipment transfer to revenue	-96	-100	-100	-100	-100	-100	-100
Charitable Funds	52	715					
Centrally Funded (Boiler House)	843	1,264					
Land sales and other resources				6,000	5000		
	6,422	7,615	5,636	11,636	10,636	5,636	5,636
Application of Funds							
Commitments from 2006-07							
Student accommodation	400	330	300	406			
X-ray room	194						
Beds, mattresses, bariaric equip	215						
Decontamination (single wards)	100						
PACS (including estate work)	96						
Medical Equipment	156						
Estate schemes	374						
	1,535	330	300	406	0	0	0
Planned Maintenance/Replacement							
Estate - committed	925	463					
Estate - planned	272	921	1,115	1,013	1,003	1,000	1,000
Facilities - planned	35	290	80	80	80	80	80
IM&T - committed	279						
IM&T - planned	285	375	630	500	500	500	500
Medical - committed	506						
Medical - planned	804	229	1,209	1,189	1,000	1,000	1,000
Decontamination - planned	95	100	100	100	100	100	100
	3,201	2,378	3,134	2,882	2,683	2,680	2,680
New schemes							
Site rationalisation (CTW, etc)	267	233					
Boiler House (central funding)	180	2,495					
Cardiology (from Donated funds)	25	675					
OPD refurbishment	75	75					
X-ray rooms 8 and 9	280	50					
CPU/HSSU development		1,500	500				
Additional replacement bed programme	572						
Decontamination (deep clean)	287						
	1,686	5,028	500	0	0	0	0
Planned future schemes							
Site rationalisation (HSSU, etc)			500	500	500	500	500
MRI scanner			<i>look for alternative source of funding</i>				
CT scanner			<i>look for alternative source of funding</i>				
New MAU (including enabling)			800	900	800		
IM&T replacement				800	1,000	700	
Re-provision of GHW onto main site				6,000	5,000		
Additional delivery room					500		
OPD relocation						1600	700
Additional single rooms (and offices)			<i>unknown value or date</i>				
Medical records - EPR/doc scanning			<i>unknown value or date</i>				
	0	0	1,300	8,200	7,800	2,800	1,200
Contingency/Reserves							
Contingency for cost pressures		150	131	148	153	156	1756
Provision for slippage into 2009-10		-271	271				
	6,422	7,615	5,636	11,636	10,636	5,636	5,636