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**Part 1 Board Meeting, 31<sup>st</sup> May 2012**

**Capital Programme Endorsement of Expenditure Estates 2012/13**

The Board is asked to approve the release of capital in relation to some key estates schemes. The remainder of schemes are still in abeyance pending the agreement of the actions to achieve capacity and productivity improvements.

**Presented by:**

Louise Gaffney, Director of Strategy & Infrastructure (Interim)

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**1.0 Introduction**

- 1.1 At the Board meeting in March 2012, the Board agreed capital programme allocations for a number of schemes as priority investments. Any schemes that could be delayed were left as deferred decisions for the Board to review in May, pending the need for capital investment to deliver solutions for the capacity issues.
- 1.2 The Capital Programme presented in March set out indicative allocations for 2012/13 totalling £9.6m, this did not include £0.7m from land sales (excluding profit which is being treated as revenue) and there is £0.2m relating to further slippage at the end of 2011/12. In addition, it is proposed that up to £0.5m is available to facilitate Getting Better schemes, where there is a rapid payback, which brings the total available to £11m. In view of historical slippage on planned capital spend, the Board agreed building in some over programming of c£0.8m.

**2.0 Agreements in March and Allocation of Capital**

In March, essential schemes/commitments of £6.6m were agreed to progress. These included £2.8m for backlog maintenance and £3.8m for strategic schemes (decontamination items and endoscopy) and the balance was held back for review when external funding for additional capacity had been resolved.

**2.1 Re-prioritisation Review / New Schemes**

Within the capacity paper to the Board meeting in May 2012, there are still a number of schemes to be fully costed and reviewed in terms of deliverability. Once these are finalised, and the possibility of external funding is confirmed, the Trust will know how much has to be covered from the capital programme and what balance of funding is available for other priorities. This will allow decisions to be made in June/July 2012.

**2.2 High risk backlog maintenance**

Whilst there is recognition that there are competing priorities for the capital funding, there is a key risk to delaying progress on some specific estates schemes aligned to some of our higher risk backlog maintenance. This requires approval for a further £2.3m for backlog in advance of finalising the rest of the programme. There has been a rigorous review of this list to ensure it is appropriately targeted. This would allow planned timescales for implementing some of the bigger schemes to be met within the estate backlog programme of work. The progression of schemes is a priority element to ensure safe infrastructure for patient care and address items within the Board Assurance Framework.

**3.0 Recommendation**

The Board are asked to endorse the recommendation for the release of £2.3m capital for prioritised high risk backlog maintenance schemes to progress. This would leave £1.8m for other schemes, plus up to £0.5m for Getting Better (funded from savings delivered), before confirming a level of over programming.