

NHS Ayrshire & Arran



Meeting:	NHS Ayrshire & Arran Board
Meeting date:	Monday 25 May 2020
Title:	Capital Programme 2020/2021
Responsible Director:	John Wright, Director of Corporate Support Services
Report Author:	Bob Brown, Assistant Director of Finance

1. Purpose

This is presented to the NHS A&A Board for:

- Approval

This paper relates to:

- Annual Operational Plan (AOP)

This aligns to the following NHS Scotland quality ambition(s):

- Effective

2. Report summary

2.1 Situation

The Capital Programme Management Group at a meeting held on 27 February 2020 finalised its recommendations on the content of the Capital Investment Plan (CIP), covering the year 2020/21. This report highlights the resulting Capital Programme for 2020/21 for approval by the NHS Board to enable allocations to be issued to nominated managers.

Due to the impact of COVID-19 it has been necessary to revise the Capital Plan for 2020/21 as a result of a number of facilities no longer being available for decant or refurbishment. The following planned programmes have therefore been deferred until 2021/22 and include (1) The Board-wide Chemotherapy Review and (2) the Board-wide ITU Review.

This has resulted in the following reductions in the Board's planned Capital Expenditure for 2020/21: (1) £1.0M for Chemotherapy and (2) £2.5M for the ITU review. An allocation of £0.1M has however been retained in the 2020/21 Plan to progress the design work for the ITU review.

As a result, the funding being requested under "Whole Systems Estate" has been reduced from £6.0M to £2.5M and the Total Capital Allocation has been reduced from £20.005M to £16.505M.

2.2 Background

This report highlights the proposed Capital Programme for 2020/21. The Performance Governance Committee met on 3 March 2020 to review the content of the Annual Operating Plan (AOP) including the Capital Programme for 2020/21 so that a recommendation can be made to the NHS Board and to issue a draft submission to the Scottish Government Health and Social Care Directorate (SGHSCD). As a result of the COVID-19 situation the programme was subsequently reviewed by the Directors of Corporate Support Services and Finance on 23 April 2020.

2.3 Assessment

The funding sources for 2020/21 are to be confirmed by Scottish Government, taking account of the following:-

- Annual core capital allocation of £8.305m *in line with the SGHSCD Capital Accountant email*
- Earmarked Building for Whole Systems Estate funding totalling £2.500m
- Earmarked National Secure Adolescent Inpatient Service funding of £4.400m as contribution towards proposed national solution for this specific patient cohort;
- Support the Caring for Ayrshire programme sum of circa £2.500m
- Reduction in respect of the income from the sale of the surplus land at ACH £1.200m.

In addition to the above, a revenue allocation of £2.830m will be provided for Estates Formula projects (£2.775m) to address infrastructure replacements / backlog maintenance / ward refurbishment; Furniture and Equipment (£0.015m) for mattress replacements; and a Contingency (£0.040m).

The following capital allocations are recommended for the proposed Capital Programme for 2020/21:-

Available funding	£000	£000
Core Capital Allocation	8,305	
Whole Systems Estate	2,500	
Caring for Ayrshire	2,500	
National Secure Adolescent Inpatient Services	4,400	
Sale of Surplus land at Ayrshire Central Hospital	<u>(1,200)</u>	
Total Capital Allocation		16,505

Planned allocations to cover expenditure

Formula allocations for replacements:-

Electro Medical Equipment	2,267	
Digital Services Delivery Plan	398	
Furniture & Equipment (larger items)	72	
Theatre Instrumentation	181	
Value Adding elements recharged from revenue	<u>750</u>	
		3,668
National Secure Adolescent Inpatient Services		4,400
Digital – Telephony Platform Upgrades		80
Digital – Radiology PACS – Year 1 of 3 Capital to Revenue		163

Digital – Radiology Information System	300
Digital – Year 2 Digital Refresh Capital to Revenue	1,130
UHA/Ailsa – Security Review	400
UHA Day Surgery Trolleys	58
West of Scotland Laundry Asset Replacement Programme	200
UHC Cardiology Upgrade of 1D and Clinic K	850
UHA Outpatients – Ophthalmology/Paediatrics	412
UHC Ward 5D Dementia Upgrade	350
UHC Ward 4E Upgrade	300
Boardwide Chemotherapy Review (deferred to FY21-22)	0
Boardwide ITU Review (deferred to FY21-22)	100
Vascular Service contribution to NHS Lanarkshire	1,138
ACH CDU Equipment Upgrade	200
Boardwide Theatre Light Replacement Programme	75
Ailsa Elderly Mental Health Ward Upgrade	150
GP Premises Contingency	500
Caring for Ayrshire	2,500
Spend to Save Initiative on Boardwide Energy Schemes	250
Income from the Sale of Property	(1,050)
Contingency	<u>331</u>
Gross Capital Expenditure	<u>16,505</u>

2.3.1 Quality/patient care

The Capital Programme as outlined will have a positive impact on patient care and quality of services provided.

2.3.2 Workforce

Any workforce implications from approved business cases have been covered in the NHS Board's medium term finance strategy.

2.3.3 Financial

All capital resource implications are covered in the proposed programme and all directly relevant impacts have been taken into account.

2.3.4 Risk assessment/management

A risk based approach has been used in prioritising spend on Electromedical Equipment and Property Backlog Maintenance.

2.3.5 Equality and diversity, including health inequalities

Impact assessments have been carried out as part of the business case process and no adverse implications have been identified.

2.3.6 Other impacts

This report reflects the best value principles of governance and accountability in respect of use of resources.

2.3.7 Communication, involvement, engagement and consultation

These proposals have been subject to consultation in line with the Board's capital governance arrangements including Capital Programme Management Group and Corporate Management Team.

2.3.8 Route to the meeting

This has been previously considered by the following groups as part of its development. The groups have either supported the content, or their feedback has informed the development of the content presented in this report.

- Clinical Directors' Forum meeting, 5 December 2019 (Electro Medical Equipment)
- Asset Management Programme Group (AMPG), 13 December 2019 (Electro Medical Equipment, Digital Services Delivery Plan, Furniture & Equipment, Theatre Instrumentation, etc.)
- The AMPG paper was supported at Capital Programme Management Group on 30 January 2020, Capital Programme Management Group, 27 February 2020
- Performance Governance Committee, 3 March 2020
- Directors of Corporate Support Services and Finance COVID-19 Impact Review, 23 April 2020

2.4 Recommendation

The NHS Board is asked to approve the Capital Programme for 2020/21.