
Capital Programme 2008/9 and five-year programme to 2012/13

Details of the 2008/9 proposed capital programme are shown below:

Maintenance of the existing asset base £14.79m

Despite depreciation resources of circa £19m as a contribution to funding, it has only been possible to allocate £14.79m in 2008/9 on this heading with the cost pressures from other schemes.

Lines 1-13 Medical Equipment (covering replacement and new equipment/instrumentation of £5k and under £500k) – total £6.913m

- **Lines 1 and 2** Annual programme including capital instrumentation £3.1m.

MEPG have requested a higher allocation than this. During the last 5 years the Trust inventory of medical equipment has grown steadily, with a current replacement value exceeding £90m. Even for an extended 10 year assumed lifetime, the annual replacement cost exceeds £9m, whilst MEPG funding for the last 5 years has averaged £2.5m. Despite additional charitable and other capital funding the net result is a backlog of ageing equipment, with approximately £16m being ideally due for replacement in 2008/09.

It is recommended by the PRG that if any second tranche funding becomes available in 2008/9, up to £3m should be considered a priority for medical equipment.

- **Line 4** Horton replacement mammography equipment and ultrasound reconfiguration £850k – there is a contribution against this of £200k from charitable funds. The current machine is repeatedly breaking down and if replaced by a digital version will need the room to be expanded. Ultrasound adaptations could not be completed as planned if they did not take place together with the mammography expansion. This would also be the most efficient construction – together with scheme which provides separate facilities for children in the Horton Emergency Department. An ORH business case is required.
- **Line 6** Second MRI at the Churchill £1.1m – funding from the Department of Health has already been received in 2006/7. Total cost is £1.2m.
- **Lines 7 and 8** Purchase and installation of a replacement CT scanner £533k – this was approved as a lease in 2007/8 but delayed for operational and capacity reasons.
- **Line 10** Installation of a replacement MRI at the JR £1.31m – the current equipment has been fully depreciated and was approved originally in 2007/8 (equipment to be leased). The scheme has been delayed so as to enable the second Neuro-MRI to be operational before the current one is taken out of use (see line 91).

Lines 14-46 Estates and Facilities total £5.742m

- **Line 14** JR/Horton laboratory accreditation £550k – part of a £2.2m programme for which a business case is being prepared.
- **Line 16** Projects Team £880k (previous £350k pa) – from 2007/8 all now charged to capital rather than part revenue.

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- **Line 21** Bed/trolley/cot and mattress replacement programme £200k – part of continuing programme for all sites.
 - **Line 22** Annual programme for Estates backlog and major repair £764k – items £100k and under and including JR chiller £150k and JR1 roof £120k.
 - **Line 24** All sites Disability Discrimination Act programme £200k - £1m over four years.
 - **Line 34** JR window replacement £300k – part of £8m programme for which an SHA business case will be written.
 - **Line 37** Churchill additional transformer and generator for west side of site £400k
 - **Lines 39 and 39A** Decontamination Unit £1.3m – part of business case to the SHA for £4.4m

Lines 47-61 Information Technology total £2.135m

- **Line 48** Care Records Service £900k – part of £3.5m business case already approved by EB – expenditure over two years. This line will be reviewed at the second tranche review in September 2008 and the amount for 2008/9 be amended depending on the exact start date of the national scheme.
- **Line 49** Ongoing annual modernisation and replacement programme £500k
- **Lines 53 and 54** OXPAS upgrade and compliance £550k – part of £650k programme over two years.

Lines 62-66 Expenditure associated with the Relocation of the RI and Children's Hospital total £1.85m

- **Line 62** Relocation of the RI traffic and transport £200k – continuation of road resurfacing and bus turn-round/car park 2 and 2A area (part of four-year programme) This formed part of the original RI Relocation full business case and monies were brokered forward. The work needs to fit with the Cardiac Expansion completion.
- **Line 66** Geratology Inpatient accommodation £1.65m – part of two-year programme. Business case approved.

Lines 67-79 Expenditure associated with the Cancer Centre total £5.54m

- **Line 68** Reuse of old theatre block 21 and block 38, £270k – overspill of accommodation for theatres, clinic preparation, equipment library and medical records – business case approved.
- **Line 78** Additional theatre equipment £500k to be leased – business case to be approved
- **Line 79** Additional equipment not part of the PFI £4.5m (total £9.593m – business case approved.

Lines 80-98 Performance Improvement and 18-week Wait total £1.19m

- **Line 91** Second MRI at the JR £850k – MRI from RI to be taken out of storage and housed in OMRI. Business case approved, total cost estimate £1m.

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- **Line 94** Churchill Direct Admissions Unit feasibility study £10k – feasibility part of scheme estimated to be £2m in total for which an ORH business case is required. The scheme might be higher in cost if the best strategy is to build new rather than refurbish existing vacated space.
 - **Line 97** Innovation Fund £300k to be leased. An ORH business case is required.

Lines 99-110 Horton General Hospital services investment plans (pending IRP report) £861k. A range of separate or a composite business cases to support the possible IRP outcomes totalling £11.161m over five years is needed for the following schemes plus those starting in later years (Midwife-led Units at the JR and the Horton and the relocation of JR Ultrasound).

- **Line 99** Changes to the Horton Children's ward from an inpatient ward to a day assessment unit £100k
- **Line 100** Separate facilities for children in the Horton Emergency Department £200k – see also Line 4. This is part of a scheme cost of £450k spread over two years and should be carried out even if there is no change at the Horton.
- **Line 101** Minor changes to the Maternity Block to form a temporary Midwife-led Unit (MLU) at the Horton £100k
- **Lines 102 and 103** Minor refurbishment of Horton F and G wards £120k
- **Line 110** JR Transitional Care Ward £200k - brought forward from monies approved in 2006/7.

Lines 111-174 Divisional Priorities £2.535m

Lines 111-123 Corporate schemes

- **Line 118** Horton Post-graduate Education Centre £400k funded from revenue transferred in 2007/8. Business case required.

Lines 124-141 Division A

- **Line 139** Installation of two new Catheter Laboratories £200k – these will be leased and form part of the Cardiac Expansion scheme. The installation of the new cath labs was excluded from the business case as the equipment is to be leased.
- **Line 141** Chest Medicine expansion feasibility study and initial works £50k – Business case for full works commencing in future years to be commenced in 2008/9.

Lines 142-157 Division B

- **Line 148** All sites Endoscopy equipment compliance £100k – total £200k over two years and ORH business case to be completed.
- **Line 150** JR Theatres feasibility £50k - Strategic Outline Case to be commenced in 2008/9.
- **Line 155** Cardiac theatres equipment £280k to be leased except installation.

Lines 158-174 Division C

- **Line 164** Churchill Pharmacy expansion £50k – part of total scheme of circa £300k to use vacated space from Cancer Centre. ORH business case to be completed.
- **Line 166** Clinical Genetics Ward 7 £600k - works approval brought forward from 2007/8 and awaiting business case completion. This is a joint project with the Biomedical Research Centre.
- **Line 174** Paediatric Cardiac equipment £120k – business case approval required.

Lines 112, 134, 157 and 173 Divisional discretionary allowance £200k - £50k each division – this is a new proposal which provides a fund to be prioritised at divisional level for small items under the business case limit. In future it is hoped that this sum per division might be increased.

Other Schemes and Initiatives with external funding streams or bids

- **Line 175 Capitalisation of the PFI Unitary Payments** £1.95m – this is an annual accounting adjustment which brings the PFI buildings onto the balance sheet in full by the time the contract finishes and the buildings become owned by the Trust. It is unavoidable expenditure.
- **Lines 180-193 Biomedical Research Centre 2007/8 schemes** £1.573m. This programme was in the original bid or subsequently agreed by the BRC Steering Committee within the total approval proposal sum. This item is for noting only.
- **Lines 194-202 Biomedical Research Centre 2008/9 anticipated schemes** £1.325m. If funding is not received from the NIHR then these schemes will not advance. The schemes still have to be approved by the BRC Steering Committee and are for noting only.
- **Line 203 Energy and sustainability bids** £6.2m. First stage bids are awaiting confirmation from the Department of Health. This scheme will be revenue neutral and contribute to carbon reduction.
- **Line 205 Cardiac Expansion Scheme** £13.186m – the scheme is already approved at £29.1m over four years and received 75% funding direct from the Department of Health. Due to the change in financial regime, the Trust now needs to borrow money for the remaining 25% whereas in the past the SHA would have funded from strategic capital. A total recharge of £1.5m to Oxford University is set off against this expenditure for the Cardiovascular Research Facility included in the scheme.
- **Line 207 Oxford Acute Vascular Imaging Centre** £1.8m – this scheme is being constructed with the Cardiac Expansion Scheme on behalf of Oxford University and is being totally recharged.
- **Line 208 Paeds EEG** £200k – this scheme is being funded by OBMHT as part of the transfer of these services.

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10 March 2008