Barnet, Enfield and Haringey NHS
Mental Health NHS Trust

A University Teaching Trust

Title:	2017/18 Capital Programme
Report to:	Trust Board
Date:	27 March 2017
Security Classification:	Restricted to Committee Attendees
Purpose of Report: This is a report on the proposed Capital Programme for 2017 / 2018. This report was considered by the Capital Review Group at their meeting on 13 March 2017, and discussed at the Finance and Investment Committee on 20 March 2017, which recommends the Trust Board to approve the Capital Programme for 2017/18.	
Recommendations: The Trust Board is asked to approve the Capital Programme for 2017/18.	
Report Sponsor:	Simon Goodwin Chief Finance and Investment Officer
Comments / views of the Report Sponsor:	The report gives the current situation and actions comply with requirements.
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Report History:	Annual Report
Budgetary, Financial / Resource Implications:	Indicated within the paper
Equality and Diversity Implications:	None
Links to the Trust's Objectives, Board Assurance Framework and / or Corporate Risk Register	
List of Appendices: • Appendix 1 – Draft 2017/18 capital programme.	

Report

1. Introduction and Background

1.1 This report provides an update on the proposed capital spend for 2017/18.

1.2 The capital budget for 2017/18 is based on the estimated depreciation charge for the year, plus the capital receipt from disposal of property of £1.7m. The depreciation charge has not been finalised as the Trust's estate is being revalued as at 31 March 2017. However, any change is not likely to be material.

2. Forecast spend for 2017/18

2.1 The Trust's financial strategy is that the capital expenditure in a year is funded from the depreciation charges in that year, together with any sale proceeds from the sale of capital assets, less any repayments of capital on outstanding capital loans. The sale of surplus land at the St Ann's Hospital site is excluded from this, as the proceeds will be used in full to fund the redevelopment of the site but this offsetting expenditure will be spread over a number of years. The latest forecast, before the revaluation of the Trust's estate at 31 March 2017, is depreciation of £6.35m less capital loan repayments of £0.5m resulting in a maximum capital programme of £5.85m. As other capital assets are forecast to be sold in 2017/18 the capital investment budget for the ear will include the sales proceeds, estimated to be £1.7m. This gives a total capital budget for 2017/18 of £7.55m.

2.2. A high level capital investment plan for 2017/18 has been prepared (see Appendix 1).

2.3 The capital investment plan for 2018/18 as discussed at the Capital Review Group meeting on 13 March 2017 totalled £8.213m with no built in contingency. As capital expenditure in 2017/18 is currently capped at £7.55m a further refinement of the proposed capital expenditure is required. Projects such as statutory compliance are fixed but other areas such as backlog maintenance and Estates Strategy Implementation will be reviewed and prioritised to manage 2017/18 expenditure within the capital budget. It should also be noted that the recommendations in the CQC report have been incorporated into the plan, as far as possible, however some of the recommendations can only be delivered by the redevelopment of the St Ann's site.

2.3 Refinements to the capital investment plan will be presented to subsequent meetings of the Finance and Investment Committee for approval.

Implications

3. Budgetary / Financial Implications

3.1 Capital expenditure is limited by the Capital Resourcing Limit ("CRL") which is approved by the Department of Health and is one of the 3 key financial measures that a Trust must achieve.

4. Risk Management Implications

4.1 The Trust must ensure that its capital programme ensures that the Trust has adequate infrastructure to achieve all care and quality requirements.

5. Equality and Diversity Implications

5.1 None.