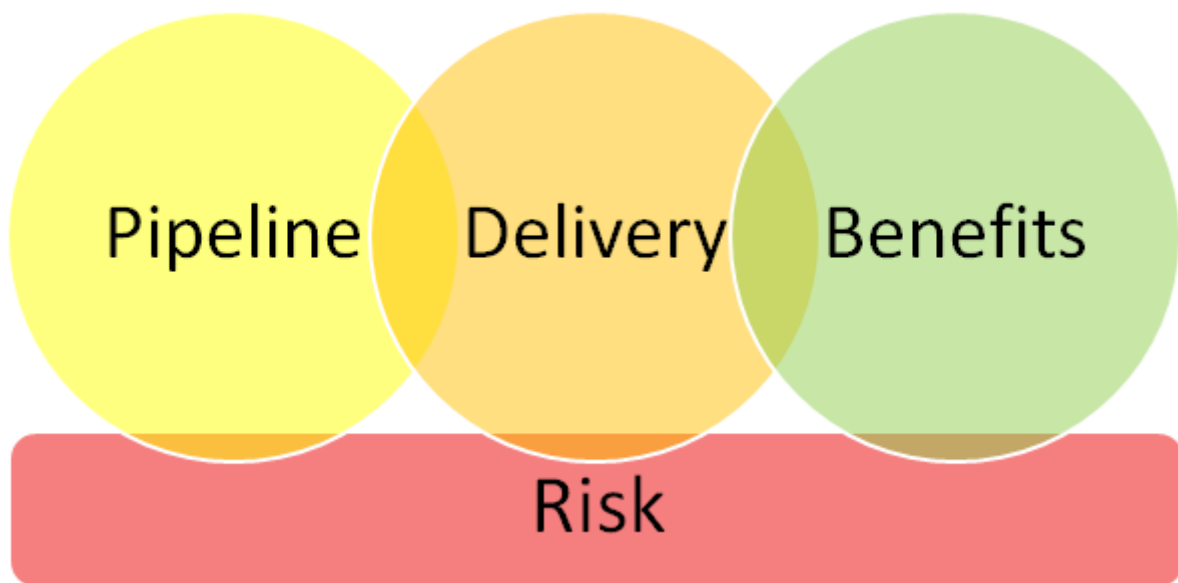


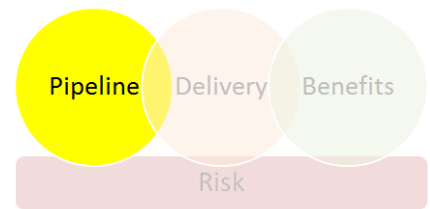
Capital Programme 2017/18 – 2021/22
2017/18 Quarter 4 and Outturn
Performance Report



Performance and Finance Select Committee
9 July 2018

Capital Programme 2017/18 – 2021/22

1. Pipeline

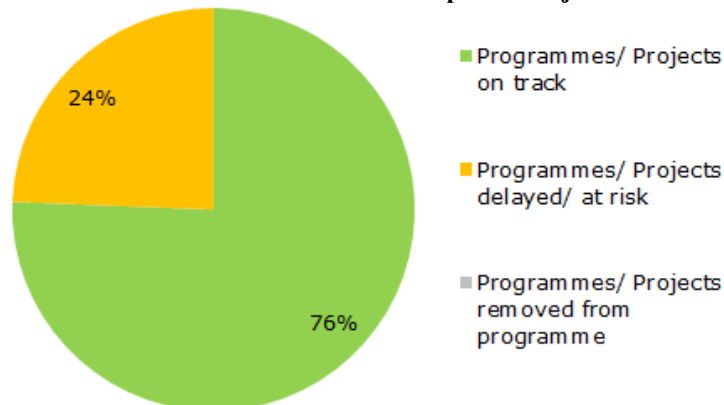


1.1 Projects that have had a Strategic Outline Case (SOC) approved and are included in the approved 5-year capital programme are considered to be in the pipeline. The preferred option/s will be developed into a Full Business Case (FBC) for a decision to proceed, in accordance with the approved capital programme governance, before the project can enter into delivery stage.

1.2 For some programmes of work, further updated Strategic Outline Cases are required before individual projects start dates are identified. Once projects are approved in accordance with capital governance, they will be considered “in delivery” and produce highlight reports that will be reported in the delivery section of this report.

1.3 The Capital Programme Office is currently monitoring the development of 103 programmes and projects in the pipeline. 41 projects are due to have a Full Business Case approved in accordance with capital governance rules and go into delivery in 2018/19. Each of the projects is subject to monthly review at one of the officer Hubs to ensure that they remain on track. At the end of Quarter 4, 31 projects due to start in 2018/19 were reported to be on track. 10 projects due to start in 2018/19 reported an issue affecting the originally planned progress to reaching delivery stage.

2018/19 Starts - Status of Pipeline Projects



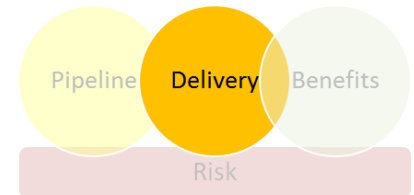
1.4 All of the issues currently being reported are to do with delivery against profiled timescales and at present there are no projects at risk of non-delivery. Despite a relatively high number of projects reporting delays, the majority reflect a level of optimism regarding how quickly progress can be made. Only 2 projects are currently reporting material obstacles to progression, caused by external factors. A summary of projects rated “delayed” or “at risk” is set out in the table below:

Profiled start	Project	Status	Reason	Current Status
February 2018	Westergate Extra Care Housing	DELAYED	Decision currently profiled for April	IN DELIVERY
March 2018	Worthing Growth Programme	DELAYED	Decision currently profiled for April	IN DELIVERY
March 2018	Capital Asset Delivery Plan	DELAYED	Prioritisation of Asset Strategy options required. Decision currently predicted in June	AMBER
March 2018	Minor Asset Improvement Programme	DELAYED	Decision currently profiled for April	IN DELIVERY
March 2018	Structural Maintenance	DELAYED	Decision currently profiled for May	IN DELIVERY

March 2018	Investment Portfolio Phase 1	DELAYED	Proposed changes to statutory codes of Investments and Minimum Revenue Provision leading to internal review of options	AMBER
March 2018	Maidenbower Junior SEND Project	DELAYED	Decision currently profiled for June	IN DELIVERY
May 2018	Crawley Growth Programme – Grade A Commercial in Crawley Town Centre	DELAYED	Original proposal to be delivered by external partner. Additional Grade A Commercial opportunities being scoped	GREEN
May 2018	School Basic Need - Angmering Secondary School	DELAYED	Decision currently profiled for July	GREEN
June 2018	PropCo, Angels Nursery	DELAYED	Decision currently profiled for July	GREEN

2. 2017/18 Delivery

2.1 Each of the projects in delivery are subject to monthly highlight reports by the Project Manager. The highlight reports are scrutinised by a service-specific officer “Hub” and reported to the Strategic Capital Investment Board.

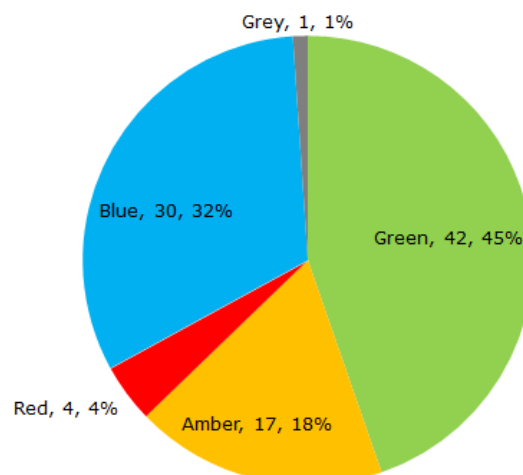


2.2 The highlight reports provide a colour-coded rating for each of the projects.

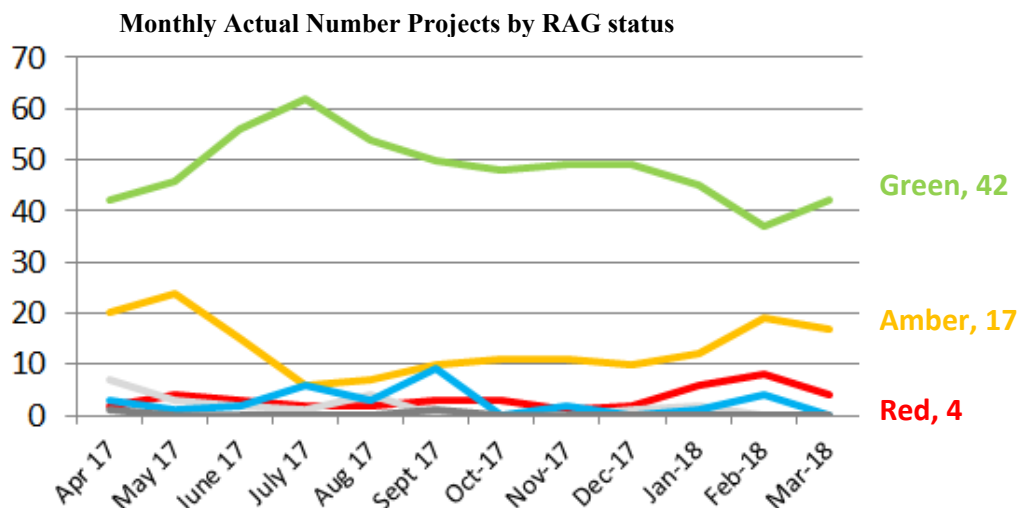
- **GREEN** indicates that the project is reporting to plan
- **AMBER** indicates that there is an issue having an effect on the project, but that it can be dealt with by the project manager or project delivery team
- **RED** indicates that there are significant issues with the project, requiring corrective action
- **WHITE**, where no highlight report was submitted
- **BLUE**, where a project had reached practical completion
- **GREY**, where a project has been withdrawn from the programme

2.3 The Capital Programme Office (CPO) is monitoring 63 projects that are in delivery. Each of the projects is subject to monthly and quarterly highlight reporting. The highlight reports provide a RAG rating assessment of whether projects are on track for delivery according to TIME, COST and QUALITY measures. All highlight reports are subject to scrutiny and assurance at one of four functional-area hubs – Assets, Economy, Education and Highways and Transport.

2.4 At the end of Quarter 4, 42 projects in delivery were rated **GREEN**. 17 were rated at **AMBER**. 4 were rated as **RED**. 30 individual projects have completed in 2017/18 and are reported as **BLUE**. One project has been removed from the programme and is reported **GREY**.



2.5 The graph below sets out monthly RAG statuses during 2017/18. There has been a significant increase in RED reports during January and February, with 2 projects adversely affected by the liquidation of Carillion added to an escalation of the seriousness of 2 known issues.



2.7 A summary of the projects rated **AMBER** and **RED** in at the end of Quarter 4 is set out by portfolio in Appendix A. The table below sets out the project rated **RED** at the end of Quarter 4, the action being taken to address the issues and a Capital Programme Office assessment of the impact on the project outcomes:

Portfolio	Scheme	Issue	Project RAG at 31 Mar	Mitigations	Outcome RAG
Safer Stronger Communities	Fire - Breathing Apparatus	Costs for essential works to exceed existing budget	RED	Change Request approved to meet costs within existing Fire and Rescue Service capital funding	GREEN
Education and Skills/ Children Start of Life	Littlegreen School	Costs to exceed budget due to condition issues with foundations and drainage	RED	Children accommodated safely on site. Scope and cost of further works to be confirmed	AMBER
Highways and Infrastructure	A284 Lyminster Bypass	Environment Agency requirements for flood mitigation causing changes in design leading to delay and additional cost	RED	Planning approval for revised design to be considered in July. Additional funding to be considered as part of 2019/20 – 2023/24 Capital Programme in December 2018	AMBER
Environment	Waste – RDF Handling Facility (Phase 1)	Project currently on hold as the facility may not be required	RED	RDF temporarily stored on adjacent site	AMBER

2.8 5 projects reached practical completion in Quarter 4:

January		
Project	Location	Description
Fire – Smoke Detectors	Various	Installation of specialist linked smoke detectors in the homes of some of the most vulnerable and at risk residents in the event of a fire
February		
Project	Location	Description
Fire – Aerial Ladder Platform	Various	Replacement of Aerial Ladder Platform

Downlands Community School	Mid Sussex	Extension and adaptations of existing school to provide an additional form of entry (150 places)
The Glebe Primary School	Adur	Extension and adaptations of existing school to provide an additional form of entry (210 places)
Crawley Town Centre	Crawley	Capital contribution towards public realm improvements in the town centre

2.9 As well as the delivery of regular block-allocation asset management programmes, 30 distinct projects have completed during 2017/18 across a wide range of areas and services. The summary below picks out the highlights of 2017/18 capital delivery.



School Basic Need, various locations

Provision of an additional 1,610 primary places and 150 secondary places at schools across West Sussex.

Worthing Schools Reorganisation

Provision of additional temporary classroom space to accommodate a short-term bulge in pupil numbers following the age of transfer reorganisation of schools.

Storrington Area Rural Schools (STARS), Horsham District

Additional accommodation to enable the age of transfer schools reorganisation at Ashington, West Chiltington, Amberley, Storrington and St Marys Primary Schools.

Kamelia Kids, Worthing Borough

The County Council bought the Kamelia Kids Children’s Centre in order to provide medium term security for the services being delivered in the area.

Heene Primary School, Worthing Borough

Delivery of a new hard play area on land bought for the purpose.

East Wittering Primary School, Chichester District

Replacement of existing double classroom in poor state of repair with a new modular double classroom.



Montague Place, Worthing Borough

Public realm improvement scheme in the shopping centre, providing a new bandstand with open space for public events, new steps, lit paving and “wayfinder” feature.

Business Finance, various locations

A three-year grants programme to facilitate businesses to deliver capital projects, leveraging private sector funding and creating sustainable jobs. Over the three years, 51 enterprises were awarded over £2m, leveraging £3.7m in private sector funding to create 266 jobs (fte).

Queen's Square, Crawley Borough

The Queen's square project is the first delivered from the Crawley Growth Deal and Crawley Growth programme. The project delivered public realm improvements including replacement paving, street furniture and signage, creation of an attractive flexible open space available for planting, seating area or public art feature. The project also provides space that can be used for performance and community use. The project directly provides over 5000m² of commercial/ retail space and contributes toward the creation of a further 7000m². The project created over 60 new jobs in delivery stage and is anticipated to create over 200 new jobs in future years.



Findon Valley Library, Worthing Borough

Adaptations to the existing library building and flexible fittings to enable additional services to be delivered onsite and reduce running costs from the use of two buildings for the same type of activities.

Fire and Rescue - Aerial Platform Ladder

Replacement of the service's multi-purpose Aerial Ladder Platform appliance used at a variety of fire and rescue incidents. The vehicle can extend a ladder and firefighters up to great heights to rescue people from buildings like blocks of flats or direct large quantities of water onto a fire from above. An ALP can also be used to provide lighting at the scene of an incident or to monitor a fire from above.

Worthing Churches Homeless Project

The Drug and Alcohol Action Team facilitate a capital grant to Worthing Churches, housing an average 58 people who would otherwise be homeless and helping a 20-30 people every day at St Clare's Community Hub.

Smoke Alarms for the Vulnerable, Elderly and Disabled, various locations

Installation of specialised linked smoke detectors in the homes of some of the most vulnerable and at-risk residents in the event of a fire.



Burton Mill Pond, Chichester District

Construction of a new boardwalk and platform to provide disabled access to angling and wildlife watching facilities and purchase of a "wheelyboat" to enable wheelchair users to fish on the pond.

Highways Maintenance

Including:

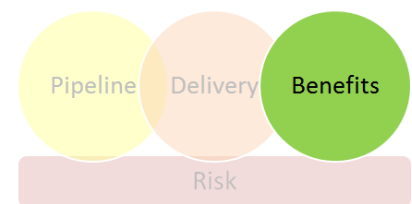
- Design and works to keep 25 bridges safe and open
- Over 140,000m² of carriageway resurfacing
- Over 485,000m² of surface dressing works
- Nearly 30,000m² of carriageway microasphalt treatment
- A wide range of local transport, road safety, signals, drainage and flood management improvements

Structural Maintenance

The County Council delivered a programme of planned and reactive maintenance and repairs to its asset estate, including schools, to ensure that buildings remain secure, safe and open for business.

3. Benefits

3.1 Project benefits are the positive outcomes that a project/ programme delivers, which justify the investment and contributes towards one or more organisational objectives.

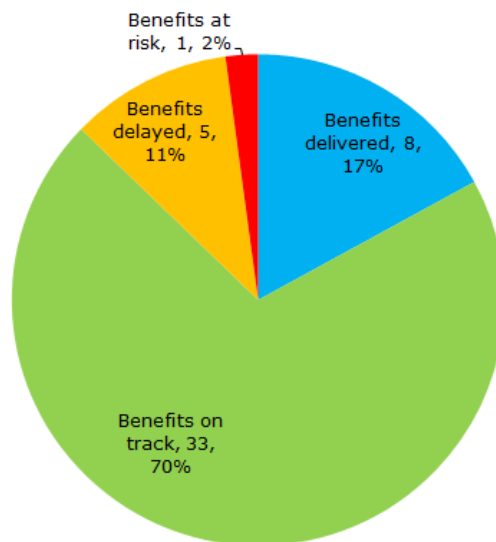


3.2 A benefits realisation framework was put in place in September 2016. Projects approved since then identify at least one benefit which will be tracked throughout the lifecycle of the investment and beyond project closure. Project benefits and measures are identified in each project's Full Business Case, along with review dates for monitoring their delivery and the benefit owners.

3.3 All projects approved since the introduction of the benefits realisation framework are required to identify key benefits of the delivery of the project in a benefits profile. The delivery of benefits is scrutinised by the service-specific officer "Hub" and reported to the Strategic Capital Investment Board. A RAG rating is provided for each of the benefits:

- **GREEN** indicates that the benefits remain on track to be delivered
- **AMBER** indicates that benefits will still be delivered but may be reduced or that there may be unexpected disbenefits
- **RED** indicates that the benefits will not be delivered

3.4 At the end of Quarter 4, 23 projects were reporting 38 benefits, of which 32 benefits were reported to be on track, 5 benefits were reported as being delayed and 1 benefit was reported as being "at risk".



3.5 A summary of the projects where the benefit is reported reduced or at risk is set out below:

Project	Location	Status	Issue	Benefit Outcome Status
Compton Primary School	Chichester	AT RISK	Additional places delivered – current year take-up lower than expected. Future years admissions numbers to be reported at review	AMBER
East Preston Infants School	Arun	DELAYED	Project delivery delayed leading to delay in benefit reporting. Project to complete in April	GREEN
Findon Valley Library and Children and Families Centre	Worthing	DELAYED	Building vacant but financial clawback clause restricting options for use. Options for future use of the building being reviewed	AMBER
Northgate Primary School	Crawley	DELAYED	Project delivery delayed leading to delay in benefit reporting against 2 benefits. Project to complete in June	GREEN
Crawley Street Lighting LED Replacement	Crawley	DELAYED	Project delivery delayed leading to delay in benefit reporting.	AMBER

3.6 The Benefits Framework is tracking the delivery of projects approved since September 2016. As many of the projects have benefits deliverable over many years (as far ahead as 2043 in some cases) only a small number of the tracked benefits have completed so far. However in 2017/18, 8 benefits were delivered, including provision of 195 additional school places for the 2017/18 academic year (with further places to be delivered in future years, tracked as a separate benefit).

3.7 The range of benefits reported includes short-term achievement of key deliverables and realisation of wider, longer-term benefits. The range of benefits are also categorised as:

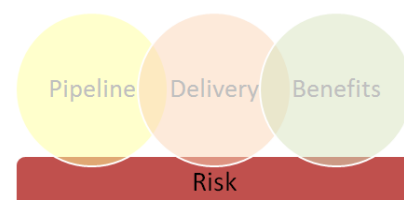
- Financial (cashable) – cost savings/ income generation
- Financial (non-cashable) – cost avoidance/ contribution to wider economic growth
- Non-financial (tangible) – where specific deliverables can be measured
- Non-financial (intangible) – where the project is expected to contribute to wider strategic objectives but where the impact of the project itself cannot be directly measured
- Disbenefits – where an effect of the project results in a negative outcome for the County Council or residents of West Sussex

3.8 As further projects are approved and delivered, their benefits will be added to the tracker and a broader picture of the delivery of capital benefits will emerge in future years.

Project	Location	Benefit Type	Benefit Delivered
Compton Primary School	Chichester	Non-financial (tangible)	35 additional school places to meet predicted Basic Need requirements
Bartons Primary School	Arun	Non-financial (tangible)	30 additional school places to meet projected Basic Need requirements
Childham Primary School	Chichester	Non-financial (tangible)	70 additional school places to meet projected Basic Need requirements
St Wilfrid's Primary School	Arun	Non-financial (tangible)	60 additional school places to meet projected Basic Need requirements
East Wittering Primary School	Chichester	Non-financial (tangible)	Double modular building provided (condition-based replacement)
Kamelia Kids	Worthing	Financial (Cashable)	Revenue saving of £15K per year
Schools Solar PV Pilot	Various	Financial (Non-cashable)	60% of spend project spend in local economy through use of local contractors
Findon Library and CFC	Worthing	Non-financial (tangible)	Consolidation of building stock (Findon Valley Library co-sharing with Children and Family Centre)

4. Risk

4.1 The capital programme risk register sets out the key risks to the delivery of the programme and significant risks to individual projects.



4.2 The Capital Programme Office is managing four programme risks and reporting seven project risks managed by services.

5. Finance

The overall capital monitor to the end of March, as set out in Appendix 2 in the March TPM, shows the revised budget for 2017/18 totalling £114.6m, with £101.0m on Core Services and £13.6m on Income Generating Initiatives. The actual spend for 2017/18 is £98.0m, representing a variance of £16.6m (or 14% of £114m) from the revised budget. This is an increase of £0.08m from the February forecast and is due to the following changes during March:

Acceleration - £2,302k

- Education and Skills / Children & Young People

Community Schools Capital Maintenance Grant £690k – Works have progressed quicker than first estimated therefore acceleration from 2018/19 to 2017/18 required.

- Finance and Resources

Structural Maintenance £543k – Works progressed quicker than first estimated therefore acceleration from 2018/19 to 2017/18 was required.

- Highways and Infrastructure

West Of Horsham £134k - Detailed design works have moved ahead of schedule resulting in acceleration of funding.

Highways Block Allocations £668k – Numerous schemes progressed quicker than first estimated therefore acceleration from 2018.19 to 2017.18 was required.

Additions - £682k

- Environment

MRMC £336k - A change request was approved through the capital governance for funding towards the 'bale and wrap' facility that is being constructed at the MBT plant.

- Finance and Resources

Asset Improvement Programme £261k – Six business cases were approved through the capital governance with all of them enhancing assets within West Sussex, these included Gypsy & Travellers (£20k), CHC Generator Rewiring (£31k), Tangmere Access Road (£57k), St Wilfrid's Hospice (£50k), Ifield School Layby (£25k) and Lancing Library (£78k).

Cancellations (£992k)

- Education and Skills / Children & Young People

Defect Projects (£459k) – Numerous projects that had already been completed and have been in defects have come in under budget meaning a reduction in borrowing.

- Finance and Resources

Staff Capitalisation (£254k) – Staff capitalisation costs were lower than estimated due to a number of vacancies being carried over the financial year therefore the cancellation will reduce borrowing.

- Highways and Infrastructure

Integrated Transport Block (£268k) – Numerous schemes delivered under budget therefore a reduction of £268k s106 funding to the block allocation. The funds will be returned to the budget once new schemes are identified.

Slippage (£1,914k)

- Education and Skills / Children & Young People

Age of Transfer Storrington (£431k)- Provisional sums in the contract have yet to be fully closed out and therefore the Final Account has not yet been agreed, negotiations are under way which may result in the project coming in under budget.

Three Bridges Primary Phase 2 (£345k) – Numerous delays in March due to adverse weather conditions have meant a lower payment than first estimated, works to be caught up in April 2018.

Parklands Phase 2 (£173k) - Final account delayed whilst the contractor rectifies defects identified by WSCC.

- Highways and Infrastructure

Pothole Action Fund (£178k) - Costs for work programmed in 2017/18 has come in lower than anticipated, budget to be reprogrammed in 2018/19.

Even Better Pavements (£269k) - Slippage due to adverse weather conditions in March and the availability of road space has meant work has been delayed until April.