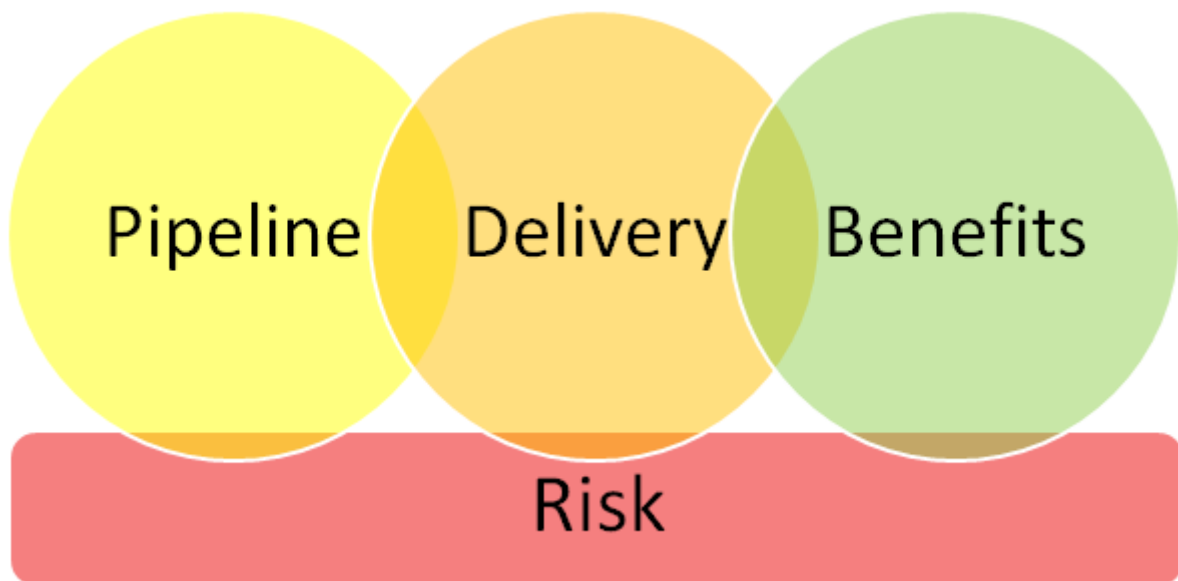


Capital Programme 2018/19 – 2022/23  
Quarter 2  
Performance Report



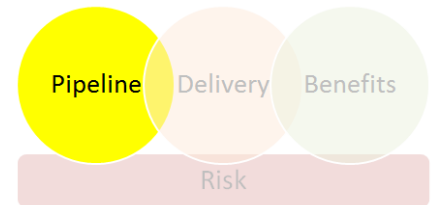
Performance and Finance Select Committee

22 November 2018

## Capital Programme 2018/19 – 2022/23

### 1. Pipeline

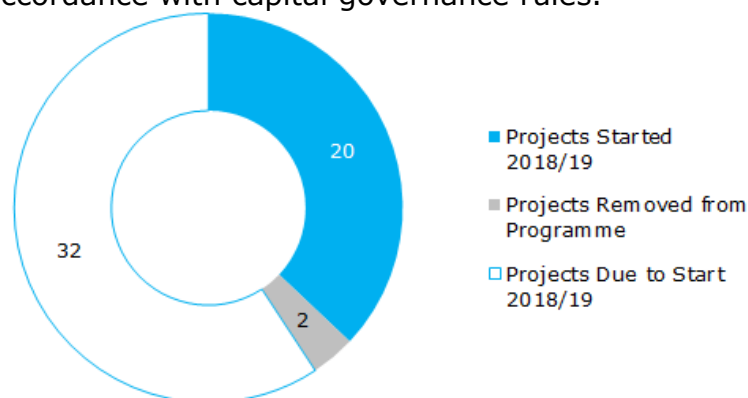
1.1 Projects that have had a Strategic Outline Case (SOC) approved and are included in the approved 5-year capital programme are considered to be in the pipeline. The preferred option/s will be developed into a Full Business Case (FBC) for a decision to proceed, in accordance with the approved capital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

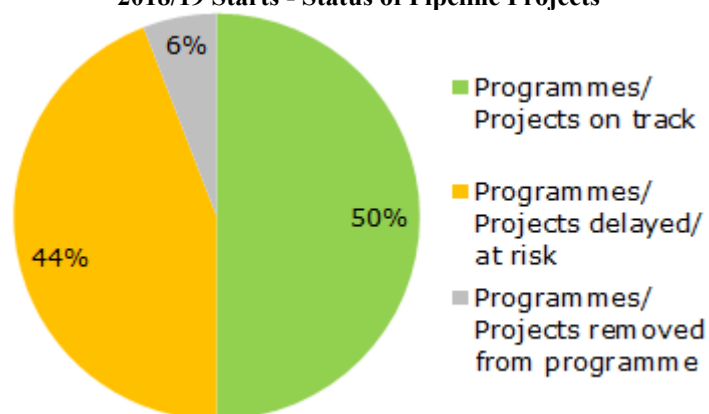
1.3 The Capital Programme Office (CPO) is currently monitoring the development of 92 programmes and projects in the 5-year pipeline.

1.4 So far in 2018/19, 20 projects have been approved to go to delivery stage, including the asset management block allocations. In September, 32 projects remain due to be approved to go into delivery in 2018/19, subject to the approval of a Full Business Case in accordance with capital governance rules.



1.5 Each of the proposed projects in the Pipeline is subject to monthly review at one of the officer Hubs to ensure that progress remains on track. At the end of Quarter 2, 17 projects due to start in 2018/19 were reported to be on track. 15 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



1.6 2 projects have been removed from the pipeline:

Project	Location	Reason
PropCo – Wallis Centre, East Grinstead	Mid Sussex	Review of the business case leading to revised estimated value for money indicating the project should not be progressed
Crawley Streetlighting LED Replacement	Crawley	Strategic review of project outcomes leading to the project being returned to pipeline

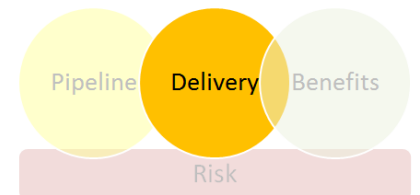
1.7 A summary of the project rated “delayed” or “at risk” is set out in the table below:

Profiled start	Project	Status	Reason	Outcome Status as at 12 Nov 2018
May 2018	Crawley Growth Programme – Grade A Commercial in Crawley Town Centre	<b>DELAYED</b>	Full business case delayed to enable a range of funding and delivery models to be considered	<b>GREEN</b>
July 2018	One Public Estate - Combined Horsham Blue Light Centres	<b>DELAYED</b>	Valuations of disposable land require consideration in line with wider Asset Strategy Full Business Case expected in April 2019	<b>GREEN</b>
July 2018	One Public Estate – East Street, Littlehampton	<b>DELAYED</b>	Issues with consultant capacity and resource planning, Full Business Case expected in May 2019	<b>GREEN</b>
October 2018	Relocation of Burgess Hill Fire Station	<b>DELAYED</b>	Full business case being prepared for decision in March 2019 – no impact on overall project timeline	<b>GREEN</b>
July 2018	One Public Estate – Drayton Depot Blue Light Maintenance Facility	<b>DELAYED</b>	Increased specification requirements from services being considered in revised feasibility, Full Business Case expected in April 2019	<b>GREEN</b>
July 2018	PropCo – Angel’s Nursery, Barnham	<b>DELAYED</b>	Design stage expected to reach practical completion in December 2018.	<b>GREEN</b>
Sept 2018	Worthing Community Hub	<b>DELAYED</b>	Public consultation during September, full business case to be developed on basis of responses for decision in March 2019	<b>GREEN</b>
June 2018	Solar Farms/Battery Storage – St Joseph’s, Hunston	<b>AT RISK</b>	Review of options leading to proposal to withdraw the project	<b>GREY</b>
June 2018	Watery Lane, Hunston Battery Storage	<b>DELAYED</b>	Delayed due to availability of surveyor resources and delay securing grid connection, Full Business	<b>GREEN</b>

			Case expected in May 2019	
Oct 2018	Easthampnett, Aldingbourne Solar Farms and Battery Storage	<b>DELAYED</b>	Delay due to resource capacity with the team. Full Business Case expected in May 2019	<b>GREEN</b>
August 2018	Halewick Lane, Sompting Battery Storage	<b>DELAYED</b>	Decision delayed until after Planning	<b>GREEN</b>
April 2018	Small Commercial Battery Storage Pilot	<b>DELAYED</b>	Originally proposed at Oathall Community College, expanded to include other smaller-scale sites as a pilot for further works. Full Business Case expected in February 2019	<b>GREEN</b>
July 2018	School Basic Need – Bourne Community College	<b>DELAYED</b>	Decision currently profiled for November 2018	<b>GREEN</b>
June 2018	School Basic Need - Crawley Down Primary	<b>DELAYED</b>	Cabinet Member approved in October 2018	<b>IN DELIVERY</b>
June 2018	School Basic Need - St Mary's RC Primary School	<b>DELAYED</b>	Cabinet Member approved in October 2018	<b>IN DELIVERY</b>

## 2. 2018/19 Delivery

2.1 Each of the projects in delivery are subject to monthly highlight reports produced by the Project Manager. The highlight reports are scrutinised by a service-specific officer "Hub" and a summary and analysis is presented in this report.

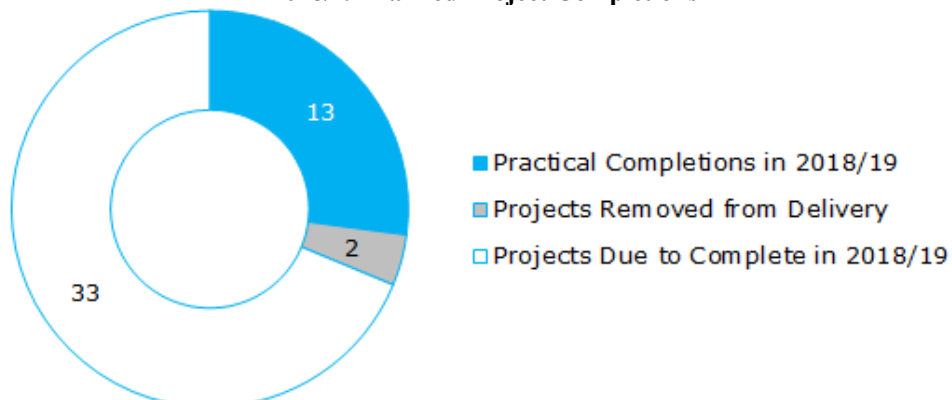


2.2 The highlight reports provide a colour-coded rating for each project as follows:

- **GREEN** - the project is reporting to plan
- **AMBER** - 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** - there are significant issues with the project, requiring corrective action
- **WHITE** - no highlight report was submitted
- **BLUE** - a project had reached practical completion
- **GREY** - a project has been withdrawn from the programme

2.3 The CPO is monitoring the 66 projects that are in delivery, of which 33 remain due to complete during 2018/19.

2018/19 Planned Project Completions



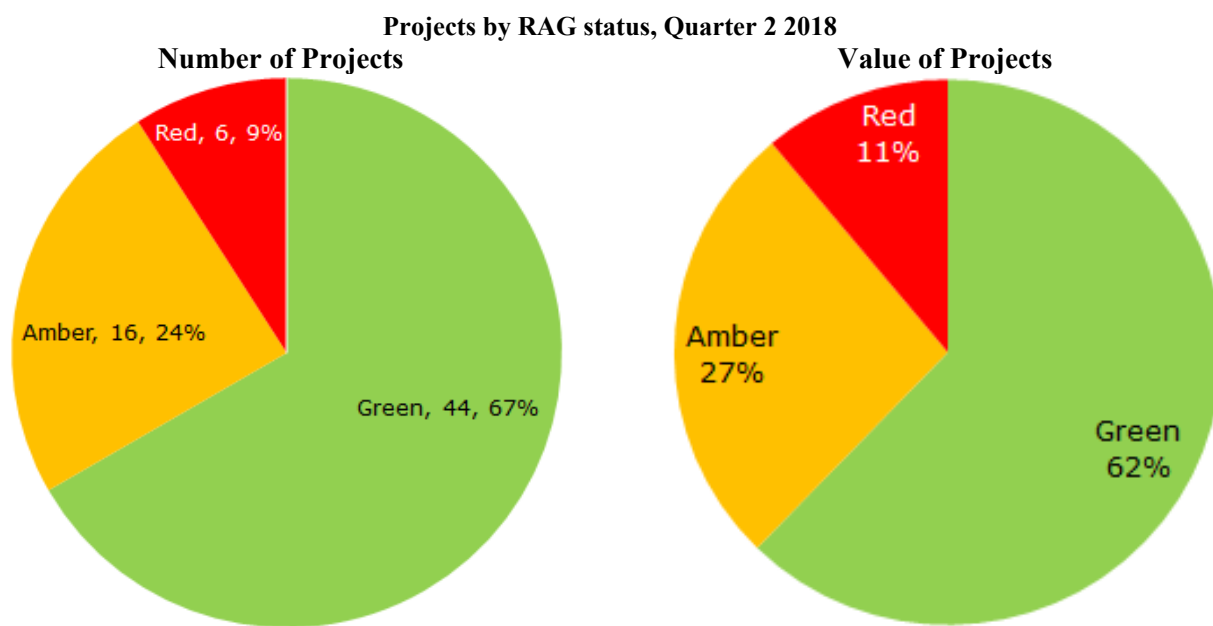
2.4 2 projects reached practical completion during Quarter 2:

September		
Project	Location	Description
Turners Hill Fire Station Breathing Apparatus Cleaning Facilities	Mid Sussex	Building modifications at Turners Hill Fire Station to provide cleaning facilities for fire service breathing apparatus
Westhampnett Gas	Chichester	Construction of a gas extraction system on the Westhampnett closed landfill site

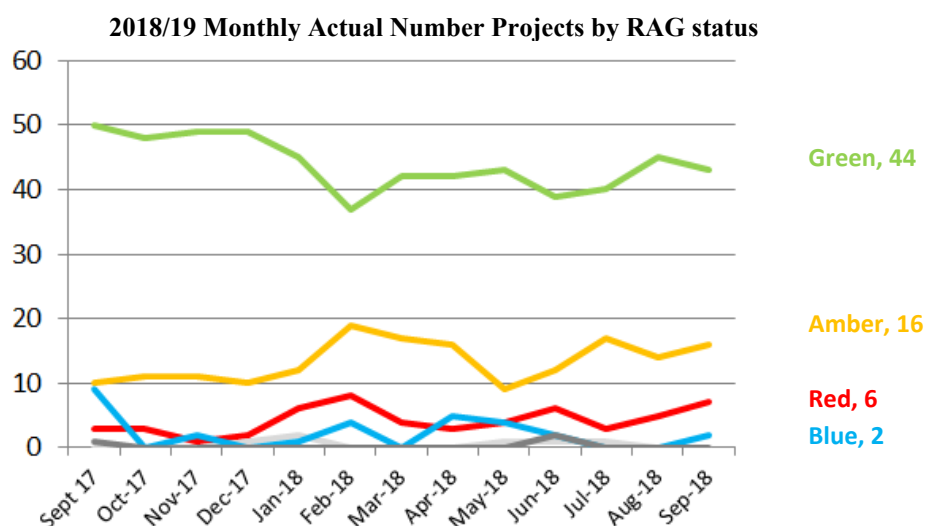
2.7 2 projects have been removed from the delivery section of the programme:

Project	Location	Reason
Crawley Streetlighting LED Replacement	Crawley	Strategic review of project outcomes leading to the project being returned to pipeline
Waste RDF Handling Facility	Horsham	Strategic review of project outcomes leading to the project being returned to pipeline

2.4 At the end of Quarter 2, 44 projects in delivery were rated **GREEN**. 16 were rated at **AMBER**. 6 were rated as **RED**.



2.5 The graph below sets out monthly RAG statuses over the last year:

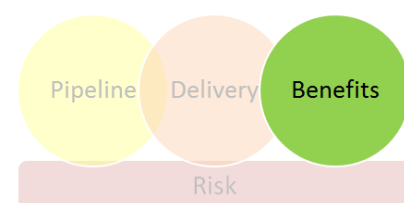


2.6 A summary of all projects is set out by portfolio in Appendix A. The table below sets out the projects rated **RED** at the end of Quarter 2, the action being taken to address the issues and a CPO assessment of the impact on the project outcomes:

Scheme	RAG at 30 Sept	Reason	Updated position at 12 November		
			Updated RAG	Latest Update	Impact
Community Schools Capital Maintenance Programme	3	Staff Resource issues leading to delays in progressing the programmed works	Red	Vacant posts advertised. Multidisciplinary Contractor resources assigned	High
Northgate Primary School	1	Additional costs due to kitchen, highways, electrical, drainage and IT works required - Change Request by Key Decision pending to add school contribution to meet costs	Red	Change Request required to add school contribution to meet additional costs	Low
Oathall Community College	5	New IT equipment required to complete the works – additional costs subject to Change Request	Red	Change Request required. Project due to complete in November	Low
Parklands Primary School	5	Project completed. Significant defects leading to additional works and costs subject to Change Request	Red	Change Request required	Low
Sackville School	1	Unexpected asbestos and roof maintenance works leading to additional costs, subject to Change Request	Red	Asbestos issues resolved within contingency budget. Change Request required to transfer funds for roof maintenance works	Low
A284 Lyminster Bypass	6	Changes in design to meet enhanced Environment Agency flood mitigation standards leading to increased costs beyond current budget. Alternative funding options are being considered	Amber	Additional funds to be included in the 2019/20 – 2023/24 capital programme	High

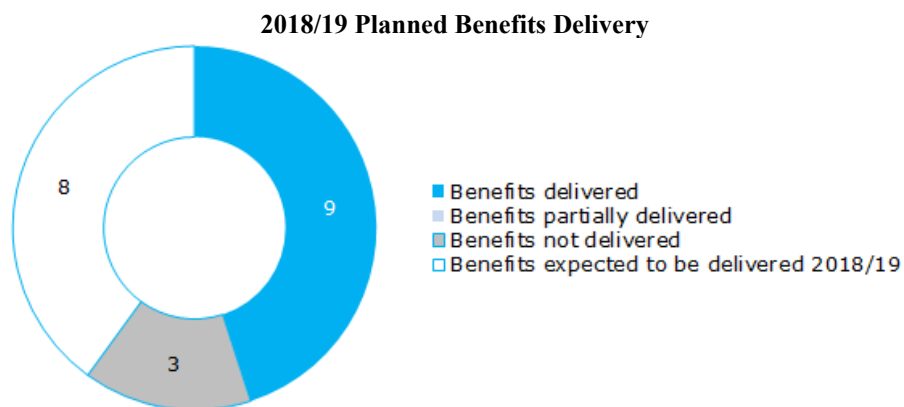
### 3. Benefits

3.1 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 October 2016. Projects approved since then are required to identify at least one benefit to 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. The delivery of benefits is scrutinised by the service-specific officer “Hub” and progress is reported to the Strategic Capital Investment Board.

3.3 The Benefits Tracker is currently monitoring 70 benefits to be delivered between now and March 2043. There are 8 benefits that remain profiled to be delivered in 2018/19. 9 benefits have been fully realised so far in 2018/19.



3.4 3 benefits have been removed from delivery and returned to the Pipeline:

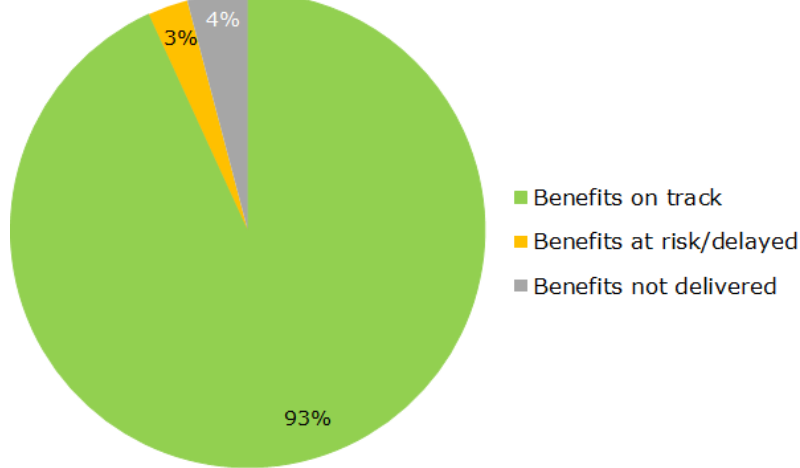
Project	Location	Benefit Type	Mitigation
Crawley Streetlight LED Replacement	Crawley	Revenue saving	Project returned to pipeline, revised project/benefits to be developed
Waste RDF Handling Facility	Horsham	Reduced Tonnage RDF to landfill	Project returned to pipeline, revised project/benefits to be developed
		Revenue saving	Project returned to pipeline, revised project/benefits to be developed

3.6 A RAG rating is provided for each of the benefits:

- **BLUE** – benefits have been delivered
- **GREEN** - benefits remain on track to be delivered
- **AMBER** - benefits will still be delivered but may be delayed, reduced or there may be unexpected disbenefits
- **GREY** - benefits have been withdrawn from the tracker

3.7 Of the 70 benefits in the tracker at the end of Quarter 2, 68 were reported to be on track for planned delivery and 2 were reported as delayed or “at risk”. So far in 2018/19, 3 benefits have been withdrawn from the tracker:

**Benefits by RAG status, Quarter 2 2018**

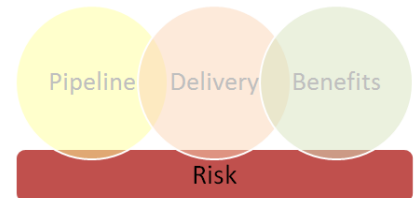


3.8 A summary of the projects where the benefit is reported reduced or at risk is set out below:

Project	Location	Status	Issue	Benefit Outcome Status
NHS Capital Grant - BC	Worthing	<b>AT RISK</b>	Changes in clients leading to amended benefit. Initial projection for a reduction in savings against approved business case – options for additional client placements to be considered	<b>AMBER</b>
Findon Valley Library and Children and Families Centre	Worthing	<b>AT RISK</b>	Grant clawback clause restricting options for use. Reduced rental income agreed with school – benefit to be reset to lower amount	<b>AMBER</b>

#### 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. The capital programme risk register sets out programme risks being managed by the Capital and Assets Board and project risks, which are managed by the appropriate service.



4.2 The CPO is managing 9 programme risks and reporting 8 project risks managed by services. 1 new risk was added to the register at Hub meetings on September's performance:

Risk	Impact	Status	Owner	Mitigations
Capacity of delivery services	Ability to deliver maintenance block allocations reduced, works may not be completed in programmed timeframes and funding may be required to be reprofiled	<b>Impact 5</b> <b>Likelihood 5</b>	Lee Harris	Multidisciplinary Contractor engaged to provide resource. Posts advertised to fill vacancies



## 5. Finance

### Core Programme

#### Adults - £211k

- Tempe £102k was approved to undertake the necessary repair and redesign of Tempe to be funded from the Asset Improvement allocation in the Capital Programme.
- Westergate Extra Care £211k - A total budget of £1.5m funded by grant was approved from the pipeline to enable the Westergate extra care housing scheme to proceed. This will be delivered by Housing and Care 21 with £750k to be paid in 2018/19 and £750k in 2019/20 meaning acceleration of £211k from 2019/20 to 2018/19.
- NHS Capital Grants (£102k) – Scheme has not progressed as first estimated and so has been re-profiled into 2019/20.

#### Education - £14,274k

- Manor Green Primary SEND Provision (£200k) - Scheme has not progressed as first estimated and so has been re-profiled into 2019/20.
- Titnore Lane (£50k) - Scheme has not progressed as first estimated and so has been re-profiled into 2019/20.
- Basic Need Pipeline – (£14,024k) - Schemes have not progressed as first estimated and so have been re-profiled into future years.

#### Environment – (£4,493k)

- Brookhurst Wood Site HA (£4,493k) - Scheme has not progressed as first estimated and so has been re-profiled into 2019/20.

#### Finance – £1,234k

- Gypsy £150k - Budget from the 2019/20 capital allocation held in the pipeline has been accelerated into 2018/19 to facilitate the next phase of dilapidation repairs.
- Asset Improvement Programme - £1,134k Acceleration from 2019/20 to 2018/19 to deliver numerous minor asset improvements.
- OPE (£50k) - Scheme has not progressed as first estimated and so has been partly re-profiled into 2019/20.

#### Highways – (£2,198k)

- A259 Corridor Enhancement Capacity, East Arun £9k - Scheme has progressed quicker than first estimated and so has been accelerated into 2019/20.

- Crawley Transport Package Phase 1 £135k - Scheme has progressed quicker than first estimated and so has been accelerated into 2019/20.
  - Block £2,461k - Additional works approved and progressed funded from external sources.
  - A2300 Corridor capacity enhancement, Burgess Hill - £920k - £2,005k was approved from the £22.58m Capital Programme allocation to support the next stage of scheme development profiled to spend £920k in 2018/19 and £1,130k in 2019/20.
  - Pothole Action Fund £1,765k - Additional grant received for potholes in West Sussex from the DfT.
1. A284 Lyminster Bypass (£3,960k) - project has been further delayed due to the Environment Agency requiring a change in design standards to now include a viaduct. Up to £8.5m of additional funding may be required to allow the scheme to proceed to the new design.
- Flood Management (£441k) - Scheme has not progressed as first estimated and so has been re-profiled into 2019/20.
  - West Of Horsham (£2,405k) - Budgets have been revised to reflect changes to design development, and subsequently to take account of environmental factors and framework contract procurement processes.
  - Broadband (£282k) - Underspend from contract 1 has not yet been reallocated by BT for the future rollout of the project.
  - Crawley Street Lighting LED (£400k) - Scheme has not progressed as first estimated and so has been re-profiled into 2019/20.

#### Leader including Economy – (£2,301k)

- Worthing Public Realm £400k - was approved from the Growth Programme line in the Capital Programme to support the progression of the detailed design for the delivery of public realm improvements in Portland Road, South Street South and South Street North. This is all profiled to spend in 2018/19.
- Broadband (Growth is Digital) (£28k) - Project completed under budget and so grant money has been returned to the LEP.
- Crawley Growth Programme (£2,673k) - Schemes have not progressed as first estimated and so have been re-profiled into 2019/20.

#### Safer Stronger Communities – (£513k)

- Fire Equipment (£163k) - Projects associated with emergency rescue equipment have come in under budget in particular the hydraulic rescue equipment. This

underspend was funded corporately and so will be used to finance the future capital programme.

- Haywards Heath Adaptations for Sussex Control Centre (£93k) - Project has completed under budget, the remaining budget was funded equally between external contributions and corporate funding.
- Future Years Fire Equipment (£247k) - Schemes have not progressed as first estimated and so have been re-profiled into 2019/20.

## **Income Generating Initiatives**

### Environment (£1,800k)

- YES (£1,000k) - Schemes have not progressed as first estimated and so have been re-profiled into 2019/20.
- Waste Infrastructure (£800k) - Scheme has not progressed as first estimated and so has been re-profiled into 2019/20.

### Finance and Resources (£9,106k)

- Propco: Orchard Street £35k - Two year liability amount has now been settled and paid for therefore budget has been accelerated from 2019/20 to match expenditure.
- Investment Property Opportunities (£8,500k) - Schemes have not progressed as first estimated and so have been re-profiled into 2019/20.
- PropCo- Barnham (£641k) - Scheme has not progressed as first estimated and so has been re-profiled into 2019/20.

### Highways and Infrastructure £2,610k

- County Gigabit £2,610k – Scheme has progressed quicker than first estimated and so has been accelerated into 2019/20.

### Leader including Economy £20k

- Horsham Business Park £20k - Scheme has progressed quicker than first estimated and so has been accelerated into 2019/20.