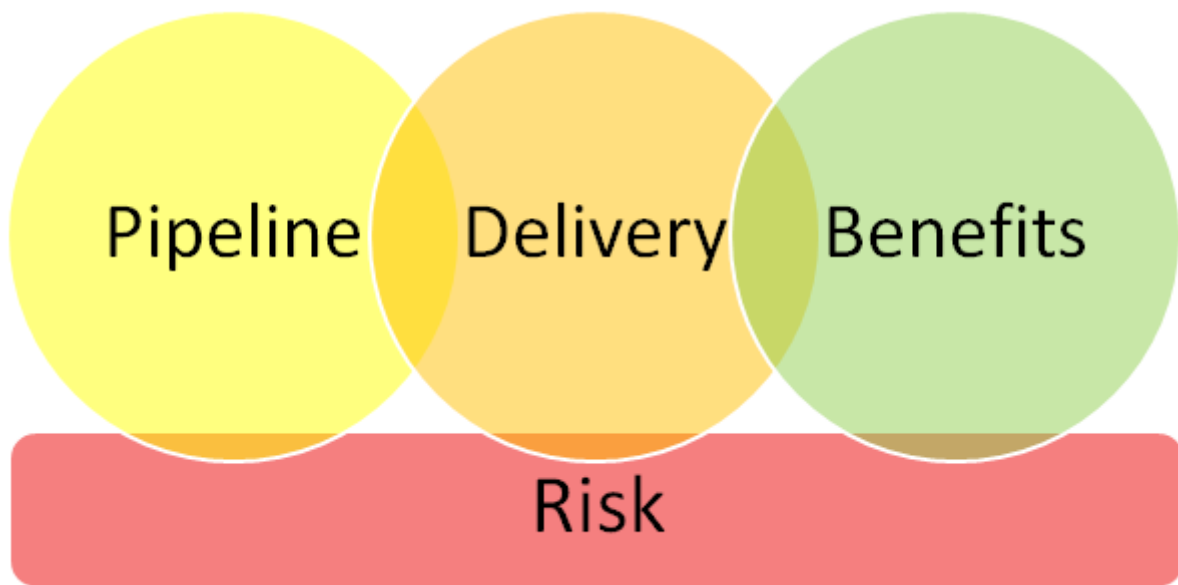


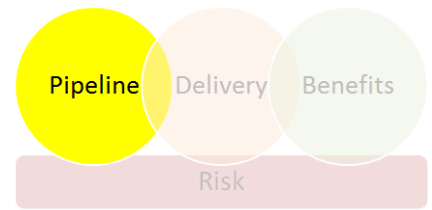
Capital Programme 2018/19 – 2022/23
Quarter 3 2018
Performance Report



Performance and Finance Select Committee
20 March 2019

Capital Programme 2018/19 – 2022/23

1. Pipeline

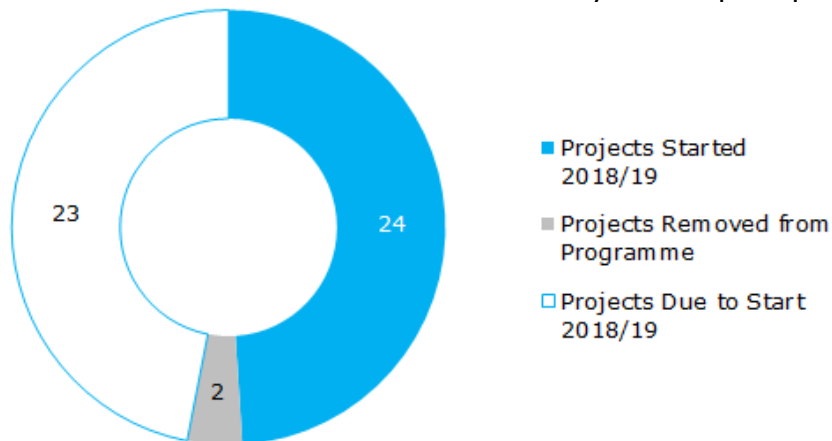


1.1 Projects that have had a Strategic Outline Case (SOC) approved and are included in the approved 5-year capital programme are considered to be in the pipeline. The preferred option/s will be developed into a Full Business Case (FBC) for a decision whether or not to proceed, taken in accordance with the approved capital programme governance.

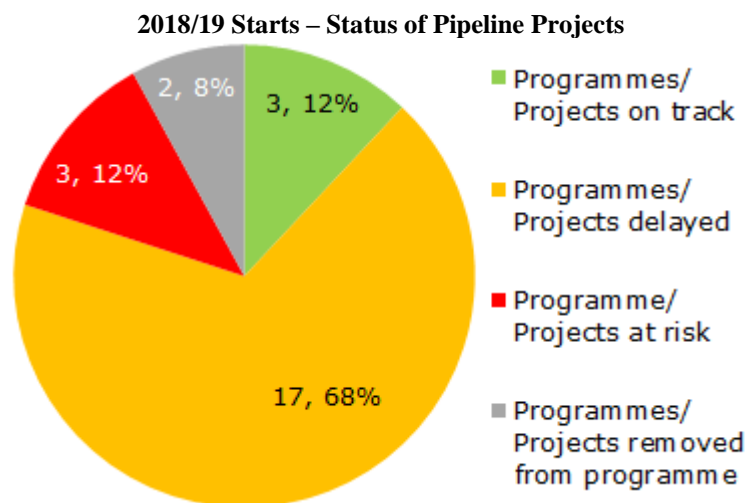
1.2 For some programmes of work, further updated Strategic Outline Cases are required before individual projects start dates are identified. Projects that go on to be approved in accordance with capital governance, are then considered to be “in delivery” and produce highlight reports contributing to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

1.3 The Capital Programme Office (CPO) is currently monitoring the development of 85 programmes and projects in the 5-year pipeline.

1.4 So far in 2018/19, 24 proposed projects have had a Full Business Case developed and approved, enabling the project to enter delivery stage. In December, 23 projects remain due to produce a Full Business Case to be considered for delivery of a capital project in 2018/19.



1.5 Each of the remaining 23 projects in the Pipeline proposed to start in 2018/19 is subject to monthly progress review at one of the officer Hubs. At the end of December, of the 23 projects, 3 were reported to be on schedule, 17 reported an issue affecting the originally planned progress and 3 were reported to be “at risk”:



1.6 So far in 2018/19, 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

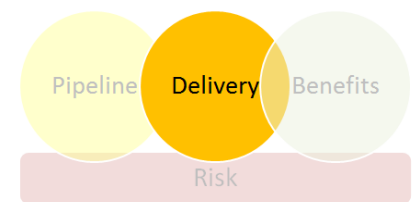
1.7 A summary of the proposed projects where development has been “delayed” or is considered “at risk” is set out in the table below:

Profiled GO/NO GO Date	Project	Status	Reason	Outcome Status as at 6 March
May 2018	Crawley Growth Programme – Grade A Commercial in Crawley Town Centre	DELAYED	Full business case delayed to enable a range of funding and delivery models to be considered	GREEN
Jan 2019	Crawley Growth Programme - Manor Royal Junction Improvements	DELAYED	Decision delayed to June 2019 due to need to align designs with Crawley Borough Council cycling and walking strategic projects and additional consultation activity in Manor Royal	GREEN
Jan 2019	Crawley Growth Programme - Manor Royal Bus Lane	DELAYED		GREEN
Jan 2019	Worthing Growth Programme – Portland Road Public Realm Improvements	DELAYED	Decision delayed to May 2019 to allow for consideration of alternative delivery options	GREEN
Jul 2018	One Public Estate – Combined Horsham Blue Light Centres	DELAYED	Valuations of disposable land require consideration in line with wider Asset Strategy Full Business Case expected in June 2019	GREEN
Jul 2018	One Public Estate – East Street, Littlehampton	DELAYED	Issues with consultant capacity and resource planning, Full Business Case expected in May 2019	GREEN
Oct 2018	One Public Estate - Relocation of Burgess Hill Fire Station	DELAYED	Full business case being prepared for decision in April 2019 – no impact on overall project timeline	GREEN
Jul 2018	One Public Estate – Drayton Depot Blue Light Maintenance Facility, Chichester	DELAYED	Increased specification requirements from services being considered in revised feasibility, Full Business Case expected in April 2019	GREEN
Jul 2018	PropCo – Angel’s Nursery, Barnham, Arun	DELAYED	Design stage complete, site being marketed	GREEN
Sep 2018	Worthing Community Hub	DELAYED		GREEN
Dec 2018	A29 Re-Alignment Design	DELAYED	Public consultation underway – funding decision expected in April 2019	GREEN
Sep 2018	Clympwick Bridge, Arun, Design Stage	DELAYED	Project brought forward from original 2020 – options report delayed due to complexity of works, including wholelife costings and options appraisal	GREEN
Oct 2018	Waste RDF Handling Facility, Horsham	DELAYED	Strategic approach required consideration, business case for revised project due to be recommended for approval in May 2019	GREEN
Oct 2018	Baystone Farm Former Waste Site, Horsham	DELAYED	Project scope subject to consideration of future use of the site for Solar Farm, leading to delay in taking decision.	GREEN
Jun 2018	St Josephs, Hunston, Solar Farm and Battery Storage	AT RISK	Feasibility investigations indicate grid capacity constraints. Project not considered to be viable and to be removed from the programme	RED

Jun 2018	Watery Lane, Hunston Battery Storage	DELAYED	Delayed due to availability of surveyor resources and delay securing grid connection, Full Business Case expected in May 2019	GREEN
Oct 2018	Easthampnett, Aldingbourne Solar Farms and Battery Storage	AT RISK	Feasibility investigations indicate the site is too small for a viable scheme. Project to be removed from the Pipeline	RED
Aug 2018	Halewick Lane, Sompting Battery Storage	DELAYED	Delayed to allow time for member engagement and consideration at Procurement Board. Decision expected June 2019	GREEN
Apr 2018	Small Commercial Battery Storage Pilot	DELAYED	Originally proposed at Oathall Community College, expanded to include other smaller-scale sites as a pilot for further works. Full Business Case expected in April 2019	GREEN
May 2018	Additional SEND Capacity, Manor Green Primary, Crawley	AT RISK	Slow market response to original tender, leading to re-tendering and delay of project delivery beyond September 2019	RED

2. 2018/19 Delivery

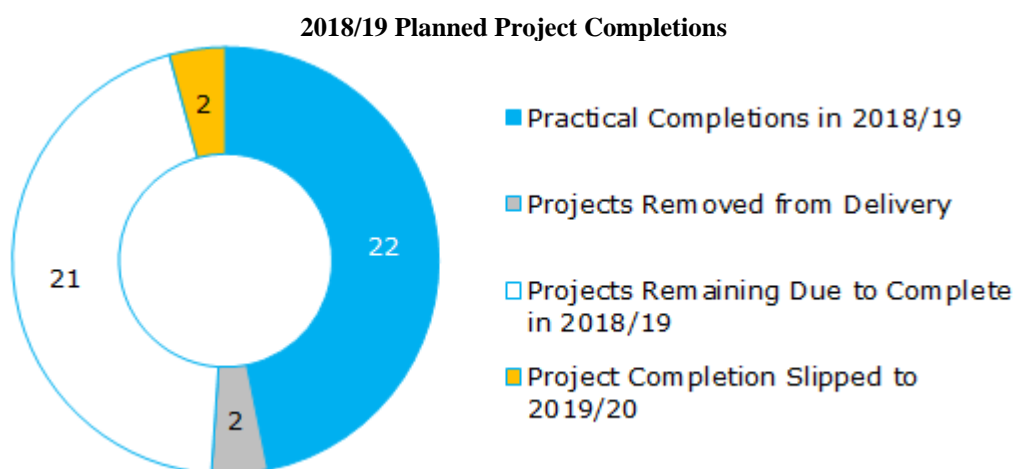
2.1 Each of the projects in delivery are subject to monthly highlight reports produced by a Project Manager. The highlight reports are scrutinised by a service-specific officer "Hub" and a summary and analysis is presented in this report.



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 62 projects that are in delivery, of which 21 remain due to complete during 2018/19. 2 projects originally planned to complete in 2018/19 will now complete during 2019/20.



2.4 So far in 2018/19, 22 projects have been completed. 9 projects reached practical completion during Quarter 3:

October

Project	Location	Description
Bramber Primary School	Worthing	Construction of playing field to deliver PE curriculum on-site
East Preston Infants School	Arun	School Basic Need expansion by 1 Form of Entry
East Preston Junior School	Arun	School Basic Need expansion by 1 Form of Entry
Littlegreen School	Chichester	Modular classroom block providing 4 classrooms, groups rooms and offices
Northlands Wood Primary School	Mid Sussex	Provision of a single classroom and associated alterations to complete the expansion to 5 forms of Entry
Oathill Community College	Mid Sussex	Renovation of the Science and Mathematics building
Growth Is Digital	Various	A grant scheme supporting businesses to access superfast broadband services

November

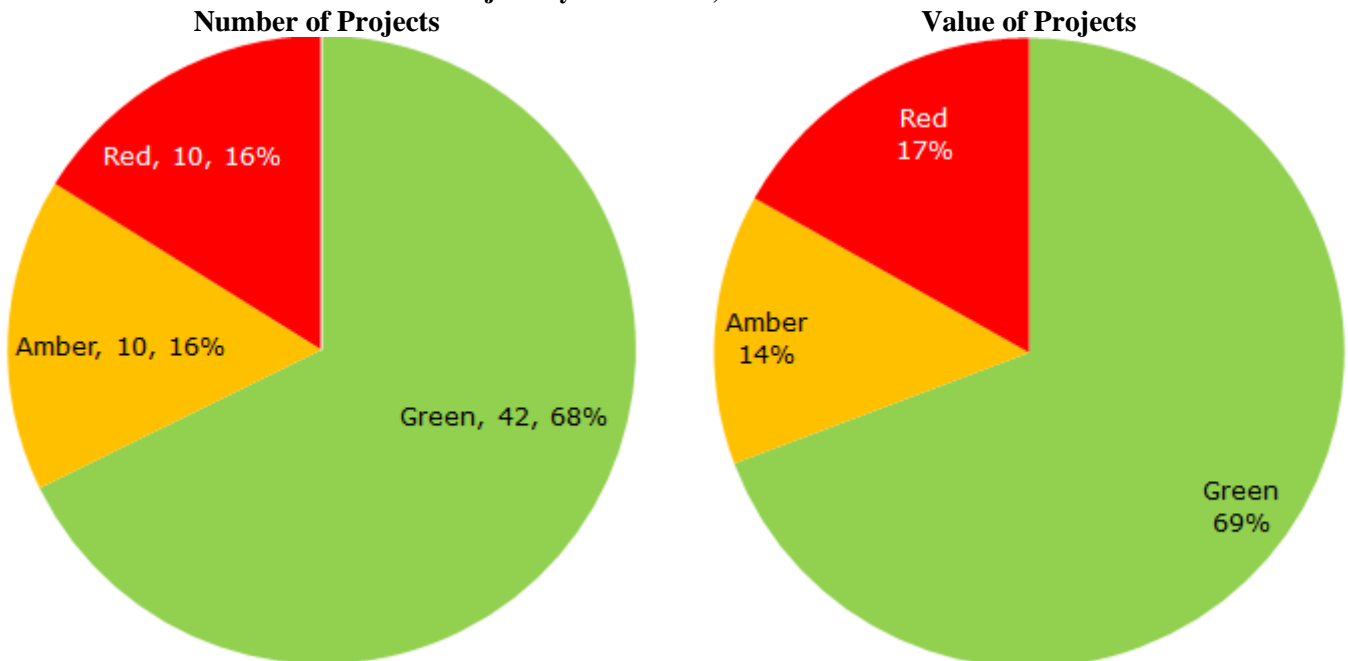
Project	Location	Description
Forest Comprehensive School	Horsham	School Basic Need expansion to increase intake from 228 to 270 per year group and additional classroom and dining space
Sackville School	Mid Sussex	Replacement roof and windows

2.5 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

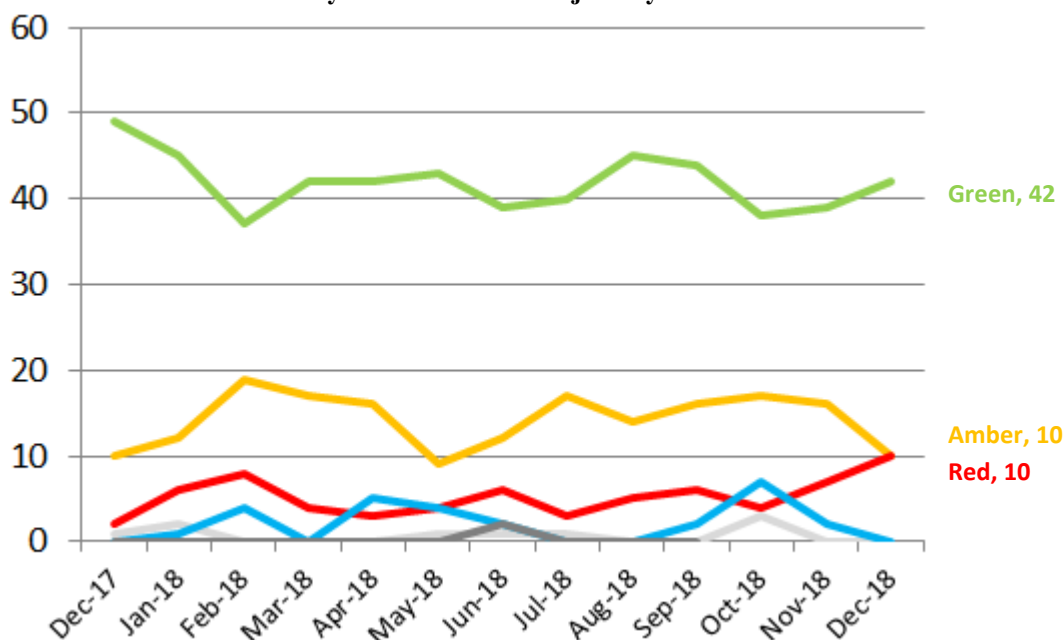
2.6 At the end of December, 42 projects in delivery were rated **GREEN**. 10 were rated at **AMBER**. 10 were rated as **RED**.

Projects by RAG status, December 2018



2.7 The graph below sets out monthly RAG statuses over the last year.

2018/19 Monthly Actual Number Projects by RAG status



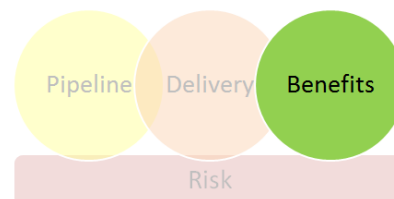
2.8 A summary of all projects is set out by portfolio in Appendix A. The table below sets out the projects rated **RED** at the end of December, the action being taken to address the issues and a CPO assessment of the impact on the project outcomes:

Scheme	RAG at 31 Dec	Reason	Updated position at 08/02/19		
			Updated RAG	Latest Update	Impact
Tempe, Chichester	2	Additional costs due to essential works excluded from original scope, subject to approval of Change Request	Green	Change Request approved. Project complete	Low (cost)
Alternative Provision, Littlehampton	1	Additional works completed leading to increased costs subject to Change Request	Green	Additional costs approved, practical completion reached, end of project report due in March	Medium (cost)
Camelsdale Kitchen	1	Small overspend subject to Change Request. Practical completion has been reached. Awaiting building control sign-off in February	Green	Change Request approved. Project complete	Low (cost)
Community Schools Capital Maintenance Programme	6	Slower start to programme and delayed Purchase Order due to service restructure and handover to MDC. Underspend planned	Red		Low (time)
Northgate Primary School, Crawley	3	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 to provide additional funds subject to Cabinet Member approval in March 2019	Medium (cost)
Parklands Primary School, Chichester	8	Project completed. Ongoing issues with significant defects being rectified before project closure	Red		Low (cost/quality)
St Mary's Catholic Primary School, Bognor Regis	1	Statutory requirements for schools buildings not identified at feasibility stage leading to additional costs to deliver as required	Grey	Current data predicts lower demand than anticipated. Project to be withdrawn from programme	N/A
A284 Lyminster Bypass	8	Changes in design to meet enhanced Environment Agency flood mitigation standards leading to increased costs beyond current budget. Alternative funding options are being considered	Red	Additional funds identified in the draft 2019/20 - 2023/24 capital programme	High (cost)

West Sussex Gigabit	2	Milestone payments missed, funding required outside of DCMS cut-off		Extension of funding deadline agreed with DCMS in February	N/A
Bognor Regis Creative Hub	1	Delay in completion of the lease with Network Rail leading to risk regarding expenditure of LEP funding within agreed timeframes		Flexibilities to be discussed with LEP	High (cost)

3. Benefits

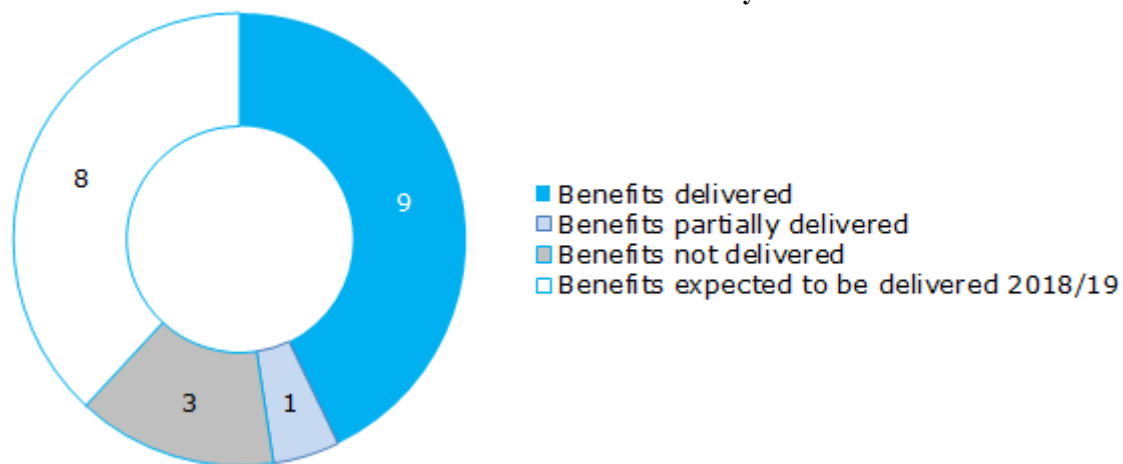
3.1 Benefits are the positive outcomes that a project/ programme delivers, which justify the investment and contributes towards one or more organisational objectives.



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 Capital and Assets Board.

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

2018/19 Planned Benefits Delivery



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

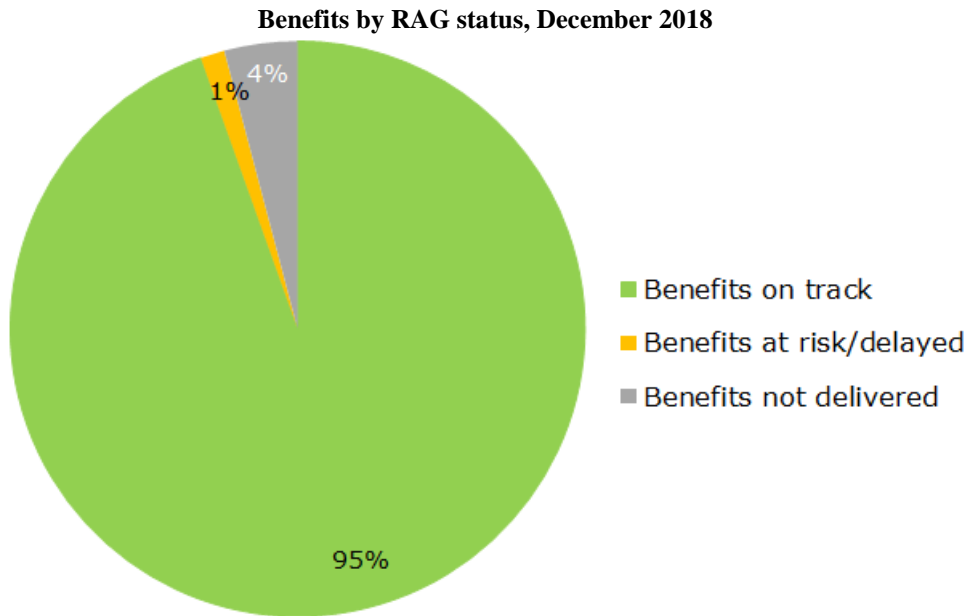
Project	Location	Benefit Type	Mitigation
Crawley Streetlight LED Replacement	Crawley	Revenue saving	Project returned to pipeline, revised project/benefits to be developed
Waste RDF Handling Facility	Horsham	Reduced Tonnage RDF to landfill	Project returned to pipeline, revised project/benefits to be developed
		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 December, 68 were reported to be on track for planned delivery and 1 was reported as delayed or "at risk". So far in 2018/19, 3 benefits have been withdrawn from the tracker:

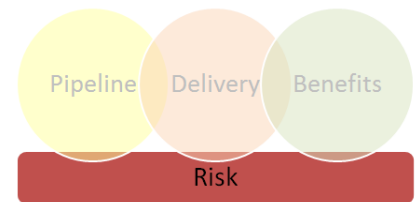


3.8 A summary of the projects where the benefit is reported reduced or at risk is set out below:

Project	Location	Status	Issue	Benefit Outcome Status
NHS Capital Grant - BC	Worthing	AT RISK	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	AMBER

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 13 programme risks and reporting 8 project risks managed by services.

5. Finance

5.1 As at December, the overall capital monitor demonstrates that £108.3m of the original £136.0m Capital Programme is projected to be spent in the 2018/19 financial year. This represents a shortfall of £27.7m from the programme approved by the County Council in December 2017. This is partly offset by £6.8m of expenditure on projects in the 2017/18 capital programme which are still in delivery in 2018/19.

5.2 Since November, the year-end projection has changed by £0.5m as detailed below:

Corporate Relations £0.282m

- Broadband £0.282m – BT have met specified milestones therefore spend has been accelerated from 2019/20 into 2018/19.

Education & Skills (-£0.144m)

- Parklands Primary £0.080m – Additional budget has been added to remedy the known defects.
- East Preston Primary £0.083m - Additional budget has been added due to inclusion of a roof replacement to the scheme.
- Bramber Primary £0.113m – Additional budget has been added as additional top soil was required due to flint shards in the soil.
- Weald £0.150m – Additional budget has been added to complete the refurbishment of Design and Technology classroom space at Weald school.
- Steyning Grammar School (-£0.540m) – DfE have advised that they will not require our first contribution to the scheme until June 2019 when contracts are exchanged, this will have no impact on the delivery date of September 2020.

Environment (-£0.200m)

- Carbon Reduction Programme (-£0.200m) – Further checks that previously were thought wouldn't be needed have now been required prior to installing solar panels which have led to minor delays.

Finance & Resources (-£0.060m)

- Sompting Waste (-£0.060m) – Scheme has come in under budget meaning a reduction in expended expenditure.

Highways and Infrastructure £1.287m

- A285 Road Safety Improvements £1.157m - Commitment from the contractor to increase resources means there is confidence the majority of the scheme will be completed in the current financial year.
- Operation Watershed £0.045m - Funding brought forward from pipeline 2022/23 to cover oversubscription.
- On Street Parking £0.85m - Total cost of Pay and Display machine replacement in Worthing higher than estimated therefore additional budget has been added.

Income Generating Initiatives

Environment (-£0.650m)

- Your Energy Sussex - Schools Solar PV (-£0.650m) - Potential to extend the installation period beyond March 2019, taking advantage of pre-accreditation provisions for larger systems. Received additional expressions of interest from schools which will allow full budget to be utilised albeit in 2019/20.

Finance and Resources £0.003m

- Orchard Grove Propco £0.003m - Legal fees are now payable in 2018/19 when it was expected to be in 2019/20 meaning a small acceleration of funding.