

INTERNAL AUDIT SERVICES

Finance and Performance
West Sussex County Council

Final Report

CAPITAL SLIPPAGE - CYPS

Cliff Barber
April 2010

TABLE OF CONTENTS

1.	INTRODUCTION	3
2.	SCOPE	3
3.	APPROACH	3
4.	EXECUTIVE SUMMARY	4
5.	SUMMARY OF CURRENT POSITION	6
6.	FINDINGS AND RECOMMENDATIONS	8
	Appendix B Slippage Summary	
	Appendix C Main Scheme Slippage	

Draft Report Distribution list:

Richard Hornby	Executive Director Finance and Performance
Colin James	Head of Capital & Asset Manager
Geoff Tee	Capital Projects Manager
Peter Proudley	Capital Planning manager
Nigel Street	Capital Finance manager
John Edwards	Project Accountant
Sally Treacher	Capital Accountant
Lindy Nash	Scrutiny Officer
PRSC members & Officers	As appropriate

Final Report Distribution list:

Richard Hornby	Executive Director Finance and Performance
Francis Austin	Head of Finance

Final report also copied to all recipients of the draft report.

1. INTRODUCTION

- 1.1 This review was undertaken as part of the 2009 /10 Audit Plan following a request by the Policy and Resources Select Committee Business Planning Group at their meeting of 22 September 2009.
- 1.2 Members had received a presentation on capital slippage in the Children and Young People's Services. Key issues highlighted include delays in Government grants and corporate funding slippage. Pressure was occurring for medium sized projects, as there was not sufficient in-house capacity to undertake full feasibility work.
- 1.3 Members emphasized the importance of having strong project management in place, using the principles of the Prince 2 project methodology. They highlighted that sufficient work should be done at the feasibility stage to anticipate risks and potential problems, to reduce the risk of having to redesign an entire scheme at a later stage.

2. SCOPE

The scope of the review was to:

- Examine the capacity of capital project work, especially at the feasibility stage, for medium size projects countywide and whether Prince 2 methodology is in place. **(Objective No. 1)**
- Examine current causes of slippage and whether some of the delays should have been identified at the feasibility stage, and whether a sufficient risk register arising from experience is being kept for future projects. **(Objective No. 2, 4, & 5)**
- Consider whether the process for appointing external consultants is appropriate. **(Objective No. 6)**
- Examine reasons for the lengthening planning process and whether there are any variations between particular borough or district councils, and levels of negotiations with them. **(Objective No. 3)**

3. APPROACH

- 3.1 The audit approach included examining the system and identifying if the above objectives had been met. Testing methods included conducting interviews with key contacts; sample testing information and examining relevant records and documentation.
- 3.2 The Auditor was grateful for the help and information provided by all staff concerned.

4. EXECUTIVE SUMMARY

- 4.1 The review looked at the extent to which controls and procedures have been applied in the areas and objectives identified within the scope (Section 2). The audit opinion purely in relation to the scope would be that Satisfactory Assurance¹ can be placed on the effectiveness of the overall control environment and governance arrangements. The Executive Director Finance and Performance asked for more work to be undertaken comparing latest slippage information to that previously reported. This work highlighted an area of concern regarding the profiling and estimating of future costs giving rise to large amounts of slippage occurring and the audit opinion is revised to **Limited Assurance**.
- 4.2 The key reasons for this opinion are that: -
- The current processes fail to capture an accurate picture of the financial position and estimated costs of capital schemes which is subsequently used to populate the capital payment monitors.
 - The December CYPs capital monitor 2009-10 includes all updated figures and estimated payments for 2009-10. This monitor, as adjusted, showed no anticipated slippage. The January monitor, a month later, shows slippage from 2009-10 to 2010-11 of £15.8m.
 - Slippage in the Capital Programme could mean that decisions to borrow may be made based on expected capital expenditure when in reality there will be money in the capital programme which will not be used during the year.
 - The control processes fail to adequately integrate with financial planning and reporting.
 - There are sound arrangements for controlling projects, based on established processes within the Authority. These are consistent with Prince 2 and those used in the Authority's FSR programme.
 - There is extensive project governance and management with comprehensive monitoring reports being considered at appropriate levels.
- 4.3 Notwithstanding the above there are many factors that have influenced project delivery and timescales, many of which are external to the project management process. These are:
- The requirements of the planning process can delay projects. (**Objective 3**)

¹ A list of standard definitions can be found in [Appendix A](#)

-
- The allocation and timing of grants can impact on the delivery of a scheme and affect the overall delivery of capital projects. **(Objective 4)**
 - Costs identified at an initial feasibility stage can result in a scheme being re-briefed. **(Objective 5)**
 - Role of Headteachers and Governors **(Objective 2)**
- 4.4 The reporting arrangements do not explain clearly where grants / contributions are effectively outside the Authority's control; where the expenditure profile needs to be changed to reflect uses of grants or joint contributions from schools, or where schemes are very complex and subject to joint working or funding from other bodies.
- 4.5 A previous audit review on Project Systems was completed in August 2008 (followed up in May 2009) highlighted a number of issues regarding the usage of Project Systems and the risk of inaccurate financial reporting. As at May 2009 a number of these recommendations were still outstanding.
- 4.6 The above are addressed in the main text along with issues about the general environment of project planning, the use of consultants and issues concerning improved working arrangements.

5. SUMMARY OF CURRENT POSITION

- 5.1 When schemes are approved there is a 'best estimate' of when completion should be achieved and a profile of the expected expenditure. Slippage on schemes is measured in financial terms by comparison of actual against anticipated payments. This largely reflects the progress against build etc.
- 5.2 The Children and Young People's Capital Programme for 2009 – 10 (Ref. Budget Book) had a total value of £88.2m. The total scheme costs listed for CYPS was £421.7m.
- 5.3 At its meeting of 22nd September 2009, Members received a summary paper showing 2008-09 slippage. The paper contained 56 schemes with a total scheme cost of £199m and slippage amounting to £13m. **(Appendix B).**
- 5.4 As would be expected, slippage varies significantly between schemes, viz:
- | | |
|------------|--|
| 20 schemes | slippage 5% or less of total scheme cost |
| 10 schemes | slippage 6% to 10% of total scheme cost |
| 5 schemes | slippage 11% to 20% of total scheme cost |
| 10 schemes | slippage 21% to 30% of total scheme cost |
| 11 schemes | slippage above 30% of total scheme costs |
- 5.5 Analysis shows that 94% of financial slippage (£12.2m of total slippage £13m) was attributable to 15 schemes. These are listed in **Appendix C**, including a brief summary of the reasons.
- 5.6 The slippage summary includes a number of amounts for administration of grants to schools and the private / voluntary sectors and an amount of contribution to the academies endowment fund over which the Authority has limited control. In addition, approximately £5m of expenditure was due to the phasing of expenditure on grants and a further £1.6m was in respect of phasing of works on the Bognor Regis campus development where the main works were advanced. It is considered that these circumstances should be more clearly identified in future reports with more up to date profiling, expenditure estimates and narratives.
- 5.7 The headline schemes are shown below with a brief description / explanation:
- | | |
|-----------------------------------|---|
| School kitchens plus meals grants | £2.43m (Timing of grants and requirement for significant building modifications.) |
|-----------------------------------|---|

Glade Infant / Michael Ayres	£1.6m (Part of BRCC campus development. Glade / Michael Ayres combined school which has now been completed on time and to target cost).
Childrens Centres All phases	£2.6m (Local Authorities have been given strategic responsibility for the delivery of childrens centres. This involves planning the location and development of centres to meet the needs of local communities in consultation with parents, the private, voluntary and independent sectors, primary care trusts, jobcentres and other key services. In WSCC this involves about 50 sites including part of Crawley regeneration and alternative uses of buildings such as church accommodation and libraries. Delays are attributable to difficulties obtaining sites, local community involvement, traffic matters and planning agreements and objections).
B'stone / L'hampton Academies	£1m (WSCC contribution to Endowment Trust. Not paid until charitable status of Trust clarified and Trust contribution made). £0.5m (Delays attributable to Partnerships for Schools and Government approvals. Outside WSCC control).
Community Schools Devolved Formula Capital Grant (DFCG)	£0.9m (Grant to schools with 3 year time span. Authority administers only.)
Extended Schools Grant	Phased expenditure over three years and matched to other income streams where available.
Angmering & Northlands Wood	£1m (Change of design due to costs in excess of school's financial contributions)
Early Years Capital Grant	Administration of three year grant for the private / voluntary / independent sector.

6. FINDINGS AND RECOMMENDATIONS

6.1 Capital Monitor and Slippage Reporting

- 6.1.1 It is important to have accurate financial information available relating to capital scheme costs and the phasing of the payments over the years involved. This enables informed decisions to be made regarding the funding requirements of the Authority.
- 6.1.2 It is clear from the CYPS capital monitors for December 2009 and January 2010 that the current processes fail to capture an accurate picture of the financial position of the schemes and an accurate estimate of spend for future years.
- 6.1.3 The December capital monitor should include the revised figures for schemes and fairly accurately identify the estimated spend to the end of the year. The monitor showed £90m revised budget book figure and the estimated payments for 2009-10 showed the same figure. This assumes there was no further slippage expected. The profiles and actuals to date for the CYPS capital programme on the monitor only showed £121k under against profile.
- 6.1.4 The January monitor showed the latest estimated payments for the remainder of 2009-10 as £74.5m meaning that in 1 month slippage of £15.8m has effectively occurred. The information provided for the monitors in December varies greatly from the information given in January casting doubt over the validity of the December Information.
- 6.1.5 The current process used to collate information and complete the monthly capital monitors is not working effectively. The information should be available from SAP Project Systems by reporting the information held against orders. One issue with this is that when the order is raised it is profiled but if there are issues with the scheme during its lifecycle which changes the profiles this does not get reflected in SAP and therefore not in the monitors.
- 6.1.6 Project Systems was subject to an Internal Audit review in August 2008 which resulted in a limited assurance opinion. The report made a number of recommendations regarding the use of Project Systems including the financial information and the risk that inconsistent use of Project Systems could lead to inaccurate financial reporting. A follow up of recommendation implementation was undertaken in May 2009 and of the 6 recommendations made 1 had been implemented but 5 were only partially implemented.
- 6.1.7 The information flows and communication between the key teams of the CAMU need to improve to ensure all parties are aware of the implications of changes to schemes and the effects of slippage.
- 6.1.8 **Risk / Implication:** The true position of the capital programme is not reported and financial decisions may be made on that information.
- 6.1.9 **Recommendation:** The information flows between the CAMU teams is improved and more regular to fit in with the monthly monitors or failing

that accurate information is made available for the quarterly Cabinet monitors.

- 6.1.10 **Recommendation:** Project Systems is expediently updated with changes to schemes including profiling to ensure the up to date financial position is known.

6.2 **Objective 1: There are sound arrangements for controlling projects, based on established processes within the Authority. These are consistent with Prince 2 and those used in the Authority's FSR programme.**

- 6.2.1 Schemes are managed in accordance with the Authority's Capital Governance Framework, which is designed to ensure that schemes are appraised at the right time, are deliverable within the published timescales and are included in the Capital Programme at the right cost.
- 6.2.2 The service governance framework is controlled by three programme boards, of which one is specific to the Children and Young People's Service. The boards have senior level representation.
- 6.2.3 The boards meet on a regular basis and monitor progress on projects via highlight reports and recommend action to correct any exceptions on projects.
- 6.2.4 Projects must pass through six steps from inception to completion. These steps include approval to undertake feasibility studies; budget approval; approval for work to be carried out on detailed design; approval for tenders to be let / construction to begin; ongoing monitoring; handover and post contract review.
- 6.2.5 The project control processes include scheme risk registers. These were demonstrated in the audit and, in one case, management direction to ensure that they are included and up to date

- 6.2.6 **Comment:** Based on a sample of the schemes with the greatest reported slippage (Appendix C) the audit established that all the required stages of project governance and review were followed in accordance with set procedures. However, since scheme slippage does occur it appears that this is due primarily to factors outside the normal control processes. These are addressed in the following sections.

6.3 **Objective 2: The internal organisation is aligned to the processes to be carried out and the component parts integrate and function effectively.**

- 6.3.1 The key processes for designing schemes, placing tenders and achieving outcomes etc. plus all the associated project management have not

- fundamentally changed although there has been some rationalisation of select lists to frameworks and greater use of consultants.
- 6.3.2 The major changes are in respect of the delegation of powers to Headteachers and Governors; changes to funding arrangements and local autonomy. This has required a partnership approach to project management but it brings with it potential for delays, changes to designs and extensive liaison with interested parties. (**Reference examples Appendix C: The Angmering and Northlands Wood Schools**).
- 6.3.3 There appears to be good working relationships between central and schools staff but the expectations from schools can sometimes be unrealistic, generally in terms of what can be achieved within available funding. This is most significant where school monies contribute to the total package (**Reference examples Appendix C: The Angmering and Northlands Wood Schools**).
- 6.3.4 Previous audits have identified schemes where designs have been completed and work under way and then had significant modifications and deleted items added back. Management of the project in these circumstances becomes difficult and impacts on the resources available for other schemes.
- 6.3.5 There are recent examples of schemes (not yet in the Capital Programme), where school staff and governors have not accepted scheme prices and carried out their own local market testing. This is not unhealthy per se, but often there has been little or no reference to design drawings; quotations have been requested from firms that did not meet approved standards and some comparisons with other schemes and costs were invalid. These circumstances can result in extensive reworking of feasibility studies at significant cost and time.
- 6.3.6 There have been instances where the school has not accepted the advice of professional officers and undertaken the schemes on a 'self help' basis, sometimes with severe consequences. For example, a previous audit report on self managed projects highlighted a school that ignored planning guidelines, failed to establish a contract, mismanaged the project and incurred significant debt.
- 6.3.7 Significant improvements have been put in place as a result of the "lessons learned exercise" undertaken in 2004 following the delivery of the Age of Transfer project for Crawley when three primary schools opened several days late due to late completion.
- 6.3.8 In April 2008, as part of the Fundamental Service Review, the organisation was restructured to bring together 'Education capital planning' staff with those responsible for delivering building projects and also those responsible for financial planning and management in the newly formed Capital and Asset Management Unit.
- 6.3.9 Service management and project staff consider that the restructuring has improved efficiency and effectiveness. The process for project governance is now clearer and tighter with schemes only entering the

final capital programme starts list after a thorough checkpoint process (as outlined in 6.2). The skills of the former education capital planning teams are now being developed to support projects across the Council, for instance in the children and family centre programme.

- 6.3.10 The Head of Capital and Asset Management recognises that there is still progress to be made in improving the end-to-end process to ensure that customer requirements are fully understood, the appropriate feasibility is undertaken and sufficient budget identified.
- 6.3.11 In cases where there is only sufficient funding for a partial scheme, it is important that whole life cost implications are fully understood by all parties before any decision is taken whether to proceed. It is expected that the improvement work will be undertaken as part of the Fundamental Service Review of the Capital and Asset Management Unit. (See 6.7).
- 6.3.12 The current arrangements have brought together the various disciplines necessary to develop and take schemes forward. There is still a need to provide more joined up working within the CAMU to improve information flows across the 3 teams: Capital Finance; Capital Projects and Capital Planning.
- 6.3.13 **Recommendation:** The CAMU develop a process (regular management meetings) that enables all aspects of the Capital Programme and associated problems and issues to be addressed and to enable more accurate forecasting of expected expenditure.

6.4 Objective 3: Planning requirements are factored into the project programme based on realistic assessments of the building design and usage and the local environment and planning conditions.

- 6.4.1 The sample did not identify schemes where delays were significantly attributable to planning delays or particular delays or obstacles presented by the different Planning Authorities. However, the children and family centres will be subject to planning constraints and possibly public objections because of the need to site these centres and utilise or change the use of buildings.
- 6.4.2 Notwithstanding the sample results; many schemes over the years have been delayed due to public objections, presence of artefacts or wildlife or unknown circumstances that necessitate changes to designs. Assessment of the potential risks is often a matter of experience and judgement balanced against the objectives and pressure to deliver within a specific timescale.
- 6.4.3 It is now necessary to provide far more information with a planning application than a few years ago when, in most cases, it was only necessary to submit a completed planning application form, supporting statement and planning drawings. The additional information that could now be required includes: -

- Design and access statement - in order to demonstrate adequate 'thoughtful design process' and provision for accessibility has been made.
- Environmental statement - with possibly an environmental impact assessment, acoustic report or external lighting report.
- Statement on archaeology – often a condition attached to the planning process but generally expected where works involve excavation. Processes include agreeing the scope of archaeological investigations with planners; obtaining approval to the archaeological mitigation strategy from planners; holding site meetings to review findings and possibly undertaking further archaeological investigations. These works usually need to be completed before construction can commence.
- Statement on ecology - including tree protection measures or details of tree removal, and full site ecology reports in some cases.
- Preplanning consultation report - including details of public open days/evenings on larger projects, and comments received.
- Traffic impact assessment - where Highways issues are anticipated if the new development could create extra traffic.

Note – Planning applications are now submitted on line and this has slightly streamlined the process. However, the efficiency gains have had only a marginal impact on the overall timescales because of the factors outlined above.

6.4.4 The audit did not identify any particular delays or obstacles presented by the different planning authorities, although it is understood that there can be a general problem if applications are submitted at peak times.

6.4.5 **Comment:** There is normally meticulous attention to the planning process. However the planning application stage has become protracted due to external requirements, the need to consider all eventualities and objections and involvement of interested parties. This must be taken account of at the feasibility stage to ensure that the timing of the scheme and subsequent payment profiles can be more accurate.

6.5 **Objective 4: Grants are assimilated into the capital planning process and used to maximum advantage.**

6.5.1 Grants, usually from central government, form an important part of the capital programme and have been used in combination with other funding sources to optimise capital investment for the benefit of services to West Sussex customers. For the Primary capital programme grant, a re-roofing project could, for example, be enhanced by a school development project funded by the school's revenue budget or own devolved formula capital grant.

- 6.5.2 There is, however, a balance between ensuring that as much work as possible is done "up front" to bring in different funding streams and getting on with a project to deliver within grant and funding timescales. It should be noted that 40% of the reported slippage is attributable to five grants to or for administration by the Authority (**Ref. Appendix C**).
- 6.5.3 There are some projects, such as school meals (total slippage £2.43m) where Government funding was virtually unknown until announced and then various additional grants were allocated. These grants generally need to be spent in a short period of time with subsequent impact on other projects. The full extent of the impact was not identified.
- 6.5.4 The report to the Business Planning Group identified slippage of just over £1m of the Extended Schools Grant. However, this grant is expendable over three years and the expenditure is being phased to fit in with other sources of finance and the Capital Programme overall.
- 6.5.5 Two other grants were reported as being subject to significant slippage: the Community Schools Devolved Formula Capital Grant (slippage £0.9m) and the Early Years capital Grant (slippage £0.5m). However, the Authority only administers these grants on behalf of schools (DFCG) and the private / voluntary / independent sector (Early Years). Moreover, both of these grants are expendable over three years. It could be unrealistic to show these grants as slippage because expenditure is outside the Authority's control but there is opportunity to review and revise figures throughout the year which should take account of these facts.
- 6.5.6 Similar comments apply when the Authority makes grants or contributions to other bodies. For example, The Boundstone and Littlehampton Academies were each due a contribution of £0.5m to their Endowment Funds but these were delayed until issues surrounding the charitable status of the Trust were resolved. The report to the business Planning Group indicated significant slippage from 2008-09. (**see also Appendix C**). The Boundstone endowment payment is shown on the January 2010 monitor as now slipping into 2010-11.
- 6.5.7 **Comment:** There is evidence that grants are used effectively. However the timing of grants is not always predictable and this can impact on other parts of the Capital Programme particularly if the grant needs to be incorporated into a larger project or its use must take priority. In addition, many grants extend over three years so reported slippage may just be phasing.
- 6.5.8 **Recommendation:** Grants to or from the Authority that are outside the Authority's control should be shown separately in reports with a clear explanation.
- 6.5.9 **Recommendation:** Reports should show revised profiling of expenditure particularly where these relate to grants, contributions and joint working.

6.6 **Objective 5: Feasibility studies are adequate for the scheme and provide a good assessment of the design and expected costs.**

6.6.1 Capital project staff undertake or procure various levels of feasibility studies according to needs, viz:

High Level – Generally desktop studies for a quick response. Cost estimates limited in detail. Reasonable for options appraisals. Study costs up to £2.5k.

General – Undertaken when a reasonable level of certainty over cost and programme is required and where the information is used for budget setting. Tends to be carried out by external resources. Should provide enough information to determine whether to proceed with the scheme. Study costs £3k to £15k but could be greater.

Detailed – Undertaken where there is a specific requirement for certainty and scrutiny over project costs programme and design (major schemes of some complexity). Carried out by external resources. Study costs of over £100k.

6.6.2 Projects cannot progress until they have passed through the checkpoints as outlined in governance arrangements (6.2). These include adequate feasibility studies. In practice some schemes have several feasibility studies before they commence due to the cost implications or contributions from schools or grants.

6.6.3 The fundamental problem is in achieving a balance between client expectations, the 'envelope' within which building works can be undertaken, realistic timescales for feasibility studies and detailed designs to be undertaken and the reality of tendered prices.

6.6.4 There are instances where feasibility studies have been delayed due to the involvement of outside bodies (**Reference example Appendix C: Academies programme**). In the stated example, progress was limited due to the involvement of the Partnership for Schools and necessity for Government approvals. Both of these matters were largely outside the control of the Authority.

6.6.5 One of the most significant projects in terms of slippage and complexity arose from the provision of Government grants for school meals. This project escalated from the concept of a microwave on a table to full-scale conversion of cupboards, storerooms and corridors etc. into mini kitchens that had to comply with Building Regulations for food preparation areas. These had to include ventilation, washing facilities, all relevant health and safety regulations and often significantly enhanced power supplies. None of this was anticipated at the outset and required dedicated staff to manage the process and identify accommodation etc with headteachers and then commission a large number of feasibility studies and cost estimates.

6.6.6 The above impacts significantly on the feasibility stages of the projects although some of this is mitigated by the good working relationships

between Headteachers and school staff and 'County' staff with responsibility for developing details and taking projects forward.

- 6.6.7 Building concept 'briefs' encompassing various directives and best standards have been in existence for many years and are known to the various consultants who are contracted to produce outline and detailed plans. However, despite these arrangements, projects do not always progress smoothly due to the factors outlined (costs, grants, planning etc.).

6.6.8 **Comment:** The processes for commissioning feasibility studies are sound. The level of detail included is a matter of professional judgement based on the value and complexity of the scheme.

6.7 **Objective 6: There are adequate trained staff and consultancy services to undertake required feasibility, design, project management and construction.**

- 6.7.1 WSCC has long operated with a minimum level of core professional buildings staff who commission various consultants and contractors to undertake feasibility studies, compile detailed designs, undertake project management and carry out the works. These consultants and contractors should be chosen from 'frameworks' or lists that have been compiled taking into account their professional capabilities etc. and costs.

- 6.7.2 It cannot be said that every consultant and contractor has always performed to requisite standards but the majority have provided very good services to the Authority. The frameworks and lists contain a good number of skilled and competent firms and, provided they are used correctly, should ensure good value.

- 6.7.3 It is inevitable that sourcing consultants takes longer than using in-house staff and this can be a factor that introduces delays when projects need to be undertaken quickly, for example when grants are obtained at relatively short notice or where the initial brief are significantly amended (e.g. school meals). There is a requirement to undertake mini-competitions between consultants, including preparations of specifications and briefs plus the time to issue documents and receive and evaluate bids.

- 6.7.4 The selection process can be a frustration to staff who are trying to meet tight deadlines to meet customer requirements. However, these processes cannot be shortcut without breaking the law and leaving the Authority liable to accusations of malpractice and possible claims from consultants and contractors who have been treated unfairly. Work is currently underway to review and replace the existing framework for consultants. This will consider best practice procurement advice and the potential use of a regional consortium framework, such as IESE (Improvement and Efficiency South East).

- 6.7.5 It is outside the scope of this report to comment on the cost effectiveness of internal as opposed to external resources. However it is

clear that there must be an adequate internal skills base with commitment to the Authority (the 'intelligent client') to drive the process and ensure value for money. This analysis will again be the subject of a FSR service review. This situation needs to be kept under review.

6.7.6 Risk / Implication: Inadequate resources could prejudice the progress of the Capital Programme with a potential for a loss of grants and / or bypassing essential controls; skimping on feasibility and design details and inadequate project management.

6.7.7 Recommendation: That work is undertaken as part of a service line review in 2010/11 to further improve the internal processes and cooperative working of the various components of the Capital Asset Management Unit. The review should also consider the most appropriate internal skills base to deliver best value to the Authority.

Appendix A

Standard Definitions

Full Assurance: There is a sound system of control designed to achieve the objectives. Compliance with the control process is considered to be of a high standard and few or no material errors or weaknesses were found.

Satisfactory Assurance: While there is a basically sound system, there are weaknesses which put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.

Limited Assurance: Weaknesses in the system of controls are such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.

No Assurance: Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.

Link back to [Executive Summary](#).

Capital Programme - Slippage Summary

Appendix B

Slippage in Payments	Total scheme cost per Budget Book 2009-10	Slippage (numbers)	Slippage as % of total scheme
Scheme	£000	£000	
Boundstone Academy (Endowment)	500	500	100
Littlehampton Academy (Endowment)	500	500	100
Beechfield (Phase 2)	255	233	91
Integrated Childrens Systems Grant	268	186	69
Surplus Place Removal 2008-09	500	311	62
Centrally Managed Structural Maintenance 2008-09	555	283	51
Community Schools Access Initiative 2007-08	513	248	48
Extended Schools Grant	2,492	1084	43
Non School Minor Works 2008-09	75	31	41
Special Schools 2006-07	159	60	38
Academies programme (feasibility)	1,500	479	32
Centrally Managed Structural Maintenance 2007-08	442	133	30
School Kitchens Grant	5,570	1661	30
Non School Minor Works 2007-08	100	26	26
Angmering School	2,500	638	26
Community Schools Access Initiative 2008-09	586	145	25
School Meals Grant	3,100	766	25
Durrington Special Unit	1,025	247	24
Colgate	582	138	24
St Pauls Catholic College Playing Field project	1,130	250	22
Children's Centres Maintenance Grant	728	160	22
Langley Green Primary School	2,085	426	20
Payments on Completed Schemes	1,561	239	15
Children's Centres/Extended Schools	10,547	1570	15
The Glade Infant/Michael Ayres Junior	11,059	1615	15
Steyning Grammar ATP	545	78	14
Out of School Learning & Support Centres 2007-08	350	48	14
Children's Centres Phase 3	5,892	593	10
Surplus Place Removal 2007-08	400	38	10
Community Schools Devolved Formula Capital Grant	10,555	913	9
Pupil Referral Units - Area A and Area B	1,805	155	9
Beechfield (Phase 1)	686	56	8
Downlands School STP	578	40	7
Academies programme (technical implementation support)	1,350	90	7
Northlands Wood	5,640	365	6
Steyning Grammar School Boarding Facilities	4,940	297	6
Harlands	1,850	104	6
Early Years Capital Grant	9,376	500	5
Manhood Community College	2,140	104	5
Estcots	567	26	5
Bolnore Village Primary School	6,200	263	4
Palatine/Heronsdale	8,288	317	4
Ashurst Wood	830	27	3
Horsham Nursery & Childrens Centre	3,170	89	3
Site Purchases	37	1	3
Estcots Primary School Phase 2	3,750	100	3
Other Secondary Schools	1,980	46	2
Rother Valley Age of Transfer	4,100	94	2
Secondary Basic Need 2009-10	255	5	2
Primary Basic Need 2007-08	1,085	17	2
Boxgrove CE Primary School	5,500	72	1
Shoreham & Lancing Age of Transfer	19,000	244	1
Primary Basic Need 2009-10	505	5	1
Steyning Grammar	2,206	7	0
Chichester High School for Boys - Sports Hall	1,463	1	0
BRCC - Building Schools for the Future	39,686	-2146	-5
Birchwood Grove	5,738	-957	-17
Total Children and Young People's Services	198,299	13021	7

Capital Programme – Main Scheme Slippage

Appendix C

Slippage in Payments	Total scheme cost per Budget Book 2009-10	Slippage (numbers)	Slippage as % of total scheme	Comment
Scheme	£000	£000	%	
Boundstone Academy (Endowment)	500	500	100	WSCC contribution to academy endowment fund. The Trust contributed £3m and WSCC £1m. The WSCC contribution was not made until issues surrounding the Trust's charitable status had been resolved and their contributions made. (Para. 6.5.6 refers)
Littlehampton Academy (Endowment)	500	500	100	
Extended Schools Grant	2,492	1084	43	Grant available over 3-year period. Early actions related to the identification of priority schemes. There was deliberate phasing of expenditure following proper evaluation of schemes and assessment of other streams of funding to maximise the effectiveness of the programme. (Para. 6.5.4 refers)
Academies programme (feasibility)	1,500	479	32	There was a requirement to submit an Outline Business Case to the Partnership for Schools which was contributing £0.6m. and also for approval by Government. The responses from Partnerships for Schools and Government took longer than expected. This was outside the Authority's control. (Para 6.6.4 refers)
School Kitchens Grant	5,570	1661	30	Grant amounts and timing could not be predicted with certainty. Project escalated significantly requiring identification of accommodations to provide mini kitchens. There were several grants due to national pressures but amounts and timing could not be predicted. Initial estimates of conversions were in the order of £5k to £7k per school but works were typically 4 to 5 times that amount and have currently been applied to 200 schools. (Paras. 6.5.3 and 6.6.5 refer)
Angmering School	2,500	638	26	Joint venture with school. Redesign to fit in with school budget constraints. (Paras. 6.3.2 and 6.3.3 refer).
School Meals Grant	3,100	766	25	See Kitchens grant. There was a temporary cessation of the roll-out programme during the year but this has now progressed and about 200 schools now participate in the schemes.

Slippage in Payments	Total scheme cost per Budget Book 2009-10	Slippage (numbers)	Slippage as % of total scheme	Comment
Langley Green Primary School (Childrens and Family Centres Phase 1)	2,085	426	20	Collaborative project with Crawley Borough Council as part of their regeneration project. Crawley Borough Council contributes 50% of cost. Specific project involved use / relocation of doctors surgery and involvement of Primary Care Trust. Complex issue requiring alternative uses of land and associated highways problems. (Para. 6.4.1 refers)
Children's Centres/Extended Schools Phase 2	10,547	1570	15	Progress is behind schedule due to problems in finding suitable premises. This involves about 50 sites, which could have extended or alternative uses and requisite planning approvals, some of which are contested. (Para. 6.4.1 refers)
The Glade Infant/Michael Ayres Junior	11,059	1615	15	Part of Bognor Regis campus development. This section of work slipped slightly in the master programme but the combined school has now been completed on time and on cost.
Children's Centres Phase 3	5,892	593	10	Identification of suitable sites has delayed some Phase 3 C and F Centre projects - Comments as per Phase 2. (Para. 6.4.1 refers)
Community Schools Devolved Formula Capital Grant	10,555	913	9	Authority administers the grant, which goes to the schools. The grant has a 'shelf life' of three years and is drawn down by the schools when they are ready to commence work, often when topped up by other school monies and contributions. (Para. 6.5.5 refers)
Northlands Wood	5,640	365	6	Original design has had to be reviewed in the light of higher than anticipated cost estimates to meet the school's financial contribution to the scheme. (Paras. 6.3.2 and 6.3.3 refer).
Early Years Capital Grant	9,376	500	5	Administration of three year grant for the private / voluntary / independent sectors. Bidding process not ended until the end of 2009. Bidding process to identify to allocate funding to priority areas. Administration of grant only. No slippage attributable to WSCC. (Para. 6.5.5 refers).
Palatine/Heronsdale	8,288	317	4	The amount slipped represents the retention payments that are still due on this project.
Total		12,238		