

Report Title: **Programme Highlight Report June 2006**

Forward Plan reference number (if applicable):

Report of: **The Chief Executive**

Wards(s) affected: **All**

Report for: **Non-Key Decision**

1. Purpose

1.1 To provide highlight reports for all the Council's corporately significant projects, covering the period up to the end of June 2006.

2. Introduction by Executive Member

2.1 Following the Audit Commission review of project management, members expressed concern about the need to strengthen programme and project management processes.

2.2 The Council's response to the Audit Commission recommendations was presented to the Executive on 21 February. One of the key actions agreed by members was that the programme highlight report, which contains progress reports and management summaries of key Council projects, should be reported to the Executive each month.

2.3 Accordingly, this report sets out the highlight report for projects that report to the programme up to the end of June 2006. The detailed programme report is shown in appendix 1, with the main highlights shown in the covering report on an exception basis.

2.4 In addition to projects that report to the programme, highlight reports are also attached for the Local Area Agreement shown in appendix 2, and for the Community Strategy shown in appendix 3.

3. Recommendations

3.1 To note the report.

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4. Director of Finance Comments

4.1 The Director of Finance has been consulted on this report and comments are as follows:

- Regeneration – Tottenham High Road - £1.6m of resources remains unallocated to specific projects and the majority of external funding is time limited to the end of March 2007 – the delivery of the programme will need to be closely monitored;
- Primary Schools – Coldfall – additional funding will need to be identified or savings in the scheme found to finance the additional costs of £95k for the reception and entrance area;
- Primary Schools – Coleridge – the scheme design will need to be reviewed to contain the additional costs within budget;
- Children’s Centres – further work is required on ensuring the detailed cost plan for delivery of the new centres can be funded within the budget available and in the year the funding is available;
- Housing adaptations – government funding for this was withdrawn for 2006/07 and the Council agreed to put in some of its own resources to maintain a programme in the short term – this will need to be reviewed again as part of this years capital planning process, and;
- Procurement – this project has a target of £2m of savings, equally split over 2005/06 and 2006/07. Only £1m has been identified with projects implemented, so there will be a shortfall against the target in 2006/07. This has been reported to Executive in budget monitoring.

5. Head of Legal Services Comments

5.1 There are no specific legal implications to comment on in this report.

6. Local Government (Access to Information) Act 1985

6.1 Report to Executive on 21 February: Programme and Project Management – Response to the Audit Commission Review of Project Management.

6.2 Detailed project highlight reports.

7. Strategic Implications

7.1 The programme is the vehicle for the Council to deliver corporately significant projects and projects that are key political priorities. It underpins the Council’s corporate planning process, ensuring that the projects we undertake reflect and help to deliver Community Strategy and corporate priorities.

- 7.2 This report provides an opportunity to monitor, challenge and support the Council's key projects to ensure that they finish on time, to budget and deliver the outcomes for the community.

8. Financial Implications

- 8.1 A key driver in developing the programme structure has been to improve financial oversight of the Council's key corporate projects. Accordingly, projects are required to report detailed financial information in their project highlight reports each month and a budget summary for each project is shown in Appendix A 'Programme Highlight Report'.
- 8.2 Key areas of financial concern this month are reported in the Director of Finance comments.

9. Legal Implications

- 9.1 There are no legal implications

10. Equalities Implications

- 10.1 This report deals with the way that we manage projects many of which have an impact on different sections of our community. Improved management of these projects will therefore improve the services we provide to all sections of our community.
- 10.2 Specifically, the Business Intelligence project aims, amongst other areas, to capture information on equalities through robust contract monitoring.
- 10.3 The Equal Pay Review is a crucial element towards the Council achieving levels 3 & 4 of the Equalities Standard for Local Government by March 2007.

11. Background

- 11.1 The programme highlight shown in Appendix 1 provides details of all the Council's corporately significant internal and external projects that report through the Council's programme structure. The information in the report is taken from detailed project highlight reports for each project that have been agreed by the respective Project Boards. Due to the reporting cycle, there is a time lag in the information presented and this report shows projects' status at 30 June 2006.
- 11.2 For each project, there is a management summary that sets out progress over the reporting period. A traffic lights system, like the one used in the Finance and Performance report, shows the project status against key indicators, including:

- Overall Status
- Status last month
- Timescales
- Budget
- Resources
- Issues
- Risks

11.3 The traffic light annotation is used as follows:

- **Green Status:** Project progressing to plan and scheduled to deliver on, or ahead of, time. All risks and issues under control and none outstanding requiring Executive/Senior Management attention. Committed costs on track and within sanctioned budget
- **Amber status:** Project is progressing but subject to small delays. Issues outstanding which could pose significant threat to the Project. There may be a budget variance but it is less than £25,000.
- **Red status:** Project progress is well off track and implementation date will be delayed. There are major issues/risks which pose immediate threat to the project. The project has stalled because of lack of project resources and / or there is a budget variance in excess of £25,000.

12. Exception Report

12.1 In addition to the management summaries provided for each project in appendix 1, key highlights from the programme are shown below on an exception basis.

12.2 Regeneration Stream Board

12.2.1 Tottenham High Road

12.2.2 £1.6m of resources is still unallocated to specific projects and the majority of external funding is time limited to the end of March 2007. The delivery of the programme will need to be closely monitored to ensure that this funding is not lost.

12.3 Safer Communities Stream Board

12.3.3 The stream board is in the process of identifying projects that should report through the programme. Once these projects have been identified and scoped they will be reported in the programme report.

12.4 Children and Young People Stream Board

12.4.3 Primary Schools Capital Projects - Coldfall

- 12.4.4 Works on Coldfall School are proceeding in accordance with the plan to handover the new classroom and finish phase two of the works by November 2007. The construction works are approximately 80% complete.
- 12.4.5 However, additional cost of £95,495 has been incurred for improvement to school entrance and reception although this is not expected to impact on the overall programme. The scope of the works has been reduced to adhere to the budget and finishing works have been omitted to three classrooms.
- 12.4.6 Primary Schools Capital Projects – Coleridge
- 12.4.7 The Planning Conservation Officer and Development Planner advised that as the school is in a conservation area, they would not support complete demolition and that the Victorian house must be retained. This scale of adaptation has increased costs.
- 12.4.8 The design is under review and whilst the scheme is currently within budget, this does not allow for the additional school items which will add a further £400 - £500,000.
- 12.4.9 The programme has been issued to the Council for approval, this has now reached a critical date as Stage D design should have commenced.
- 12.4.10 As a result of reusing existing buildings, additional areas are available to use which exceed the DfES Design Guide. Additional capacity within the existing TUC building and Victorian house needs to be agreed to determine whether it should be for school or alternative uses. The project manager is reviewing design options for accommodation in the Victorian House with the architect and is awaiting a response regarding the possibility of extending school uses in the additional capacity.
- 12.4.11 Primary Schools Capital Projects – Broadwater Farm
- 12.4.12 The Broadwater Farm project has been delayed by the decision to phase both Targeted Capital Fund projects with the secondary scheme at White Hart Lane. The White Hart Lane scheme has been now subsumed into the Building Schools for the Future plan for the whole White Hart Lane campus.
- 12.4.13 The budget for Broadwater Farm is only sufficient to re-provide Primary Special Educational Needs facilities and the shared new entrance, kitchen, dining and resource area, with some modernisation to the primary school (toilets etc). The programme is under review regarding contract options, EU requirements, consultation and Haringey procurement approval process.

12.4.14 The budget for the year was estimated in October 2005-06. To date there is no sketch design to base accurate costs on however project progress is slipping and projected expenditure for this year is expected to be £500,000 below budget as a result. There will be no main contractor works during the current financial year.

12.4.15 Children's Centres

12.4.16 Risks are showing red status this month owing to two concerns. Firstly whether there is sufficient capital to develop all eight new centres. The suitability assessments suggest that this should be achievable and will now be tested through feasibility studies.

12.4.17 The second risk relates to the spend profile against funding profile and concerns whether we can achieve sufficient spend this year. This will be addressed in negotiations with the Sure Start Unit and fed back to the Children and Young People Stream. Board.

12.4.18 Youth Service Improvement Project

12.4.19 The Youth Service did not provide a highlight report this month so it has not been possible to monitor progress. This issue will be addressed with the Head of the Youth Service and dealt with via the Children and Young People Stream Board if the problem persists.

12.5 **Better Haringey Stream Board**

12.5.1 There are no exception reports for the Better Haringey Stream Board.

12.6 **Well Being Stream Board**

12.6.1 There are no exception reports for the Well Being Stream Board.

12.6 **Housing Stream Board**

12.6.3 Repairs Procurement

12.6.4 The purpose of this project is to procure a value for money responsive repairs and maintenance service for Haringey's tenants and leaseholders.

12.6.5 The overall traffic light status has stayed Green, although the timescale status is now showing as red. This is because the indicative timetable included in the original project initiation document expected that the OJEU Notice and advert would be placed in May but this has been revised to August. The indicative timetable was contingent on putting in place technical consultants to inform Best Practise in the Repairs and Maintenance service. Consultants have now been

identified and a scoping day has been set up for July 27th which will produce a robust timetable and key milestone plan.

12.6.6 Adaptations Project

12.6.7 Homes for Haringey Executive have decided that any decision to transfer Disabled Facilities Grant (DFG) work to Homes for Haringey will not take place until after the Housing inspection in April 2007.

12.6.8 Whilst this decision will impact on the agreed staff structure for Occupational Therapy and Adaptations, Social Services will seek alternative commissioning arrangements for the capital works relating to DFG to ensure that the restructure goes ahead.

12.6.9 Process improvements have already been made and will be completed with the full implementation of Framework I in August 2006.

12.6.10 The financial systems, working processes and protocols and performance management arrangements for the restructured Adaptations Service need to be established. This work will require substantial change management input as the change in structure and working practices is a large culture change for staff. Dedicated resources need to be identified to undertake this work and the project manager is raising this with the Assistant Director of Adult Services.

12.6.11 No additional capital is available in 2006/07 over the 2005/06 standstill position despite an increase in the base budget. Therefore there will be a funding gap which will lead to a waiting list for major adaptations. A report has been drafted on the likely capital requirements to continue progression towards the 164 day best practice target (from the first point of contact with the Council to completion and sign off of adaptations) and what the likely achievable target is with the current capital allocation.

8.7.4 Lettings and Allocations Project

12.6.12 The Housing Register Re-Registration exercise has been delayed by approximately two months by the decision to use electronic data capture. The project is currently awaiting an implementation date for these forms before assessing the impact on the overall end date for the project. This will be clarified in the next report.

12.7 People Stream Board

12.7.3 There are no exception reports for the People Stream Board.

12.8 Value for Money Stream Board

12.8.3 Procurement Programme

- 12.8.4 The 2005-7 efficiency target for the Procurement Programme is set at £2 million cashable savings. In 2005/6, £200,000 was achieved through the procurement of Insurance and in 2006/7 £800,000 should accrue from the Agency Resource Centre.
- 12.8.5 The remaining £1 million should be addressed through new projects that will be submitted to the Value for Money Board for approval. These are: Bought in Legal Services, Transport Services, Temporary Accommodation, Marketing & Communications and Training Consultants. There is a pressure to conduct these reviews quickly so that any new arrangements can be implemented in this financial year to accrue the necessary efficiency savings.
- 12.8.6 However, there are concerns over ownership of individual projects that have been identified to deliver efficiency savings. This is having an adverse effect on the ability of the Procurement Programme to deliver its savings targets. The need for delivery of individual projects has been reinforced through Management Board.
- 12.8.7 All current projects are not due to deliver until the last quarter of 2006-07 or the first quarter of 2007-08. Given that these projects are at the project initiation stage, the £1 million savings target for 2006/7 is at risk. New areas for efficiencies need to be examined by Directors and the results will be passed to Procurement Project Board and Value for Money Stream Board.
- 12.8.8 Transactional Efficiency Project
- 12.8.9 The Contract Management System (CMS) blueprint was signed off on 15th June following clarification of outstanding issues
- 12.8.10 Change management has been identified as a key area of work and planning has started to identify the people within the business that will need to be informed, trained and kept abreast of CMS developments. Procurement has approached OD&L for resources to support this part of the project. In view of the scale of business task and change management work and the need to align with technical implementation, it is likely the original planned go-live date of 31st of October will need to be reviewed.
- 12.8.11 Due to severe delays in the delivery of key milestones by the third party supplier, the Business Intelligence project plan was completely re-written and a new implementation approach has been agreed. This was agreed as the only practical way to move the project forward and involves the supplier delivering the standard build and Haringey checking it to see if our top ten transactional reports and other strategic reports can be delivered.

12.8.12 The revised approach uses up all of the allocated development days. Additional resource will be needed to complete Phase 2 (CMS reports) although this will be mitigated by the knowledge and skills gained by internal resources who should be able to take on some of the work required.

12.9 Customer Focus Stream Board

12.9.3 There are no exception reports for the Customer Focus Stream Board.

14. Use of Appendices / Tables / Photographs

14.1 Appendix 1: Programme Highlight Report