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**The Executive****On 31<sup>st</sup> October**Report Title: **Programme Highlight Report August 2006**Forward Plan reference number (if applicable): **[add reference]**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 August 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 August 2006. The detailed programme report is shown in appendix 1, with the main highlights shown in the covering report on an exception basis.

**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 – Projects have been identified to allocate the remaining £1.6m of external resources. Agreement to proceed is still required for some projects. This will be closely monitored by the stream board;
- Primary Schools – Primary Schools Capital Projects will be the subject of a separate report to CEMB in September / October advising on a revised three-year capital programme for the Children's Service.
- Children's Centres – further work is required to ensure the detailed spending plan for delivery of the new centres can be funded within the budget available and in the year the funding is available;
- Updated spending plans for both Primary Schools and Children's Centres will be the subject of particular scrutiny when presented to the project board as part of next month's highlight report;
- Procurement – this project has a target of £2m of savings, equally split over 2005/06 and 2006/07. Only £1.2m has been identified with projects implemented, so there will be a shortfall of £0.8m against the target in 2006/07. This has been reported to the Executive within the budget monitoring report.

#### **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 and 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 31 August 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

#### 12.3.1 Tottenham High Road

12.3.2 Projects have been identified to allocate the remaining £1.6m of external resources. Agreement to proceed is still required for some projects. This will be closely monitored by the stream board.

### 12.4 Children and Young People Stream Board

#### 12.4.1 Primary Schools Capital Projects

12.4.2 The Primary Schools Capital programme has been re-phased to respond to changes and unforeseen variations in the buildings works. Re-phasing the programme means that construction timescales will increase and expenditure will be delayed. As a result, the projects are expected to underspend in the current financial year but the overall programme will cost more.

12.4.3 To resolve these concerns the Primary Schools Capital Projects will be subject to a separate report to the Executive in November advising on a revised five-year capital programme for the Children's Service.

- 12.4.4 **Coldfall Expansion:** There is a projected increase in project expenditure for client authorised variation, deferred works, additional design costs, presently unauthorised and unforeseen variations. A £500,000 overspend is anticipated across the life of the project. This overspend will be subject to the approval of the proposed five-year capital programme by the Executive in November.
- 12.4.5 **Coleridge:** The project will cost £800,000 more than the estimates upon which the current budget was based. This additional expenditure will be subject to the approval of the proposed five-year capital programme by the Executive in November.
- 12.4.6 **Tetherdown:** Phase I works are approximately £150,000 above pre-tender estimate. The Phase II works have not yet been designed but will need to reduce in scale to stay within overall budget.
- 12.4.7 **Broadwater Farm Primary:** 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.
- 12.4.8 Match funding of £1.48m is required from the Council to the approved Targeted Capital Fund (TCF) grant of £5m. This will be subject to the approval of the proposed five-year capital programme by the Executive in November.
- 12.4.9 **Crowlands:** Professional fees totalling £125,000 have been identified which are not covered by the insurers. These fees will be subject to the approval of the proposed five-year capital programme by the Executive in November.
- 12.4.10 Children's Centres
- 12.4.11 Budget and 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.
- 12.4.12 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.

## 12.5 **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 Community Care Strategy – The Red House**

12.6.2 The contractor was unable to meet the original completion date of 11<sup>th</sup> August for the Red House refurbishment.

12.6.3 Update: The refurbishment was substantively completed on the 22<sup>nd</sup> September and residents were returned to occupation the following week.

## **12.7 Housing Stream Board**

### **12.7.1 Repairs Procurement**

12.7.2 A revised project plan has been produced reflecting the delay in placing the OJEU Notice and advert from May to August. The revised timetable was considered at the project team meeting of the 25<sup>th</sup> August and has been amended to reflect the Homes for Haringey (HfH) Board decision that they want to award the contract prior to the Inspection which is planned for 30<sup>th</sup> April 2007.

12.7.3 The procurement strategy was agreed and the consultants have prepared a draft report recommending the preferred procurement strategy for HfH Management Team on 12<sup>th</sup> September and HfH Board on 27<sup>th</sup> September.

12.7.4 Once the plan is agreed the timescale traffic light will change from red to green.

12.7.5 Update: The project plan has now been agreed allowing the project status to return to green.

### **12.7.6 Empty Property**

12.7.7 The overall turnaround figure for empty properties continues to be high, reflecting the fact that we are still dealing with a substantial backlog of voids that have been void for a considerable length of time.

12.7.8 It is clear that the 27 day target will not be met for the full year and that urgent action is needed in the next 3 months to ensure that the backlog of outstanding voids is cleared and the target is being met for new voids when Home Connections is introduced from 1 November 2006.

### **12.7.9 Lettings and Allocations**

12.7.10 The revised and challenging timescales for consultation with prospective tenants on the existing housing register agreed by the

Housing Improvement Partnership Board on 2 August 2006 have been met. A robust and encouraging response has been received from all areas of consultation. A report on Lettings Policy and Pointing Scheme was presented to the Executive on 12 September.

#### 12.7.11 Prevention and Options Service

12.7.12 The prevention and options service when live on 16 August.

### **12.8 People Stream Board**

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

### **12.9 Value for Money Stream Board**

#### 12.9.1 Procurement Programme

12.9.2 There are ongoing concerns about achieving the £2m savings target. It was agreed at the August VFM stream board that a paper will be presented to CEMB in September setting out options to deal with the current issues.

12.9.2 The Agency Resource Centre is now in place. There have been initial difficulties with the submission of invoices to the Council and we are reviewing the management information reports on agency staff commitments to assess whether the savings are on target. There may be a slight shortfall as the contract didn't start until the latter part of May.

12.9.3 The remaining £1 million should be addressed through new projects that will be submitted to the Value for Money Board for approval. These are: 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.

12.9.4 However, there are significant 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.

12.9.5 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.

#### 12.9.6 Transactional Efficiency Project

12.9.8 **Contract Management System:** A revised project initiation document was circulated for comments on the 11<sup>th</sup> August. It has been agreed to delay the go-live date by a week to 14 December 2006 to allow additional time for system testing.

12.9.11 **Business Intelligence:** There have been some technical problems with the extraction of data out of the SAP system into the Business Intelligence system, which are currently being investigated.

12.9.12 Due to the technical difficulty with data extraction, the scheduled go-live of 1 August was not achieved. These issues are being investigated by SAP and a new go-live date will be confirmed shortly.

12.9.13 Update: Following technical difficulties, the Business Intelligence system is now live. This required a complete rebuild of the server and the reports are currently being tested to ensure they meet the original specification.

#### 12.10 Customer Focus Stream Board

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

### 13. Use of Appendices

13.1 Appendix 1: Programme Highlight Report