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<b>CEMB</b>	<b>On 24<sup>th</sup> October</b>
<b>For The Executive</b>	<b>On 21st November</b>

Report Title: <b>Programme Highlight Report September 2006</b>	
Forward Plan reference number (if applicable): <b>[add reference]</b>	
Report of: <b>The Chief Executive</b>	
Wards(s) affected: <b>All</b>	Report for: <b>Non-Key Decision</b>
<p><b>1. Purpose</b></p> <p>1.1 To provide highlight reports for all the Council's corporately significant projects, covering the period up to the end of September 2006.</p>	
<p><b>2. Introduction by Executive Member</b></p> <p>2.1 Following the Audit Commission review of project management, members expressed concern about the need to strengthen programme and project management processes.</p> <p>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.</p> <p>2.3 Accordingly, this report sets out the highlight report for projects that report to the programme up to the end of September 2006. The detailed programme report is shown in appendix 1, with the main highlights shown in the covering report on an exception basis.</p>	
<p><b>3. Recommendations</b></p> <p>3.1 To note the report.</p>	
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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:

- Primary Schools – Due to concerns about the current programme and finances, Primary Schools Capital Projects will be the subject of a separate report to CEMB on 31<sup>st</sup> October and Executive in November 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;
- 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 1 '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 September 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 There are no exception reports for the Regeneration Stream Board.

### 12.4 Children and Young People Stream Board

#### 12.4.1 Building Schools for the Future

12.4.2 The total project budget for the BSF programme has been updated since this highlight report was produced for the September period. The project budget has been increased to £178.7m due to adjustments for abnormal site preparation costs, inflation, fees relating to the PFI partner's participation and possible enhancements to the Pupil Referral Unit provision.

#### 12.4.3 Primary Schools Capital Projects

12.4.4 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 may cost more.

12.4.5 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.

- 12.4.6 **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.
- 12.4.7 **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.
- 12.4.8 **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.
- 12.4.9 **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.
- 12.4.10 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.
- 12.4.11 **Crowlands:** Professional fees totalling £125,000 have been covered by the insurers. This sum was attributed for the costs of existing staff.
- 12.4.12 Children's Centres
- 12.4.13 Budget and risks are showing red status this month owing to two concerns. It is too early in the development to know if the allocated funding of £4.5m is sufficient. It is likely most of the new centres will be refurbishment of surplus space so will be less expensive than new build, however this assumption needs to be tested.
- 12.4.14 Some phase II funding has had to be allocated to complete the phase I centres which will impact on available spend for phase II – we wait final out-turns on each capital project.
- 12.4.15 Throughout the country local authorities are joining together to express their concerns that phase II funding is insufficient and that the uplift for London local authorities will not meet the higher costs. We await the response from the Sure Start Unit.
- 12.4.16 The main risk is whether there is sufficient capital to develop all 8 new centres. The Children's Centres have to develop a wide range of services across broad areas, which require flexible accommodation.

We are awaiting the response from the Sure Start Unit to issues raised around affordability. We await the outcome of the current round of visits to interested organisations.

12.4.17 In addition, we are aware that there may develop issues around revenue funding for particular centres and will be working with all centres to closely monitor the situation.

#### 12.4.18 Youth Centre Improvement Project

12.4.19 The JAR inspection in June 2006 included an Extended Youth Inspection. The final report was published on 10 October 2006. The inspection requires a Post Inspection Action Plan (PIAP) to be prepared to address the areas identified for improvement / development. It is therefore proposed that PIAP should be monitored through the Project Highlight Report. Progress with the PIAP will therefore be the main agenda item from the next meeting.

### **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 refurbishment was substantively completed on the 22<sup>nd</sup> September and residents were returned to occupation the following week. However, a practical completion certificate has still to be issued because the definitive list of incomplete items is currently being worked through.

### **12.7 Housing Stream Board**

#### 12.7.1 Repairs Procurement

12.7.2 The revised project plan has been agreed and the project timescales have returned to green.

#### 12.7.3 Empty Property

12.7.4 For the month of September, there has been significant progress on reducing the monthly turnaround figure, reducing the total number of current voids to the lowest figure for this financial year and on increasing the percentage of voids being repaired and let within the 27 day target to the highest figure for this financial year.

- 12.7.5 Progress has been made on reducing the backlog of voids held within the Voids Repair Team and this reduction will allow the team to concentrate on turning around new voids more quickly.
- 12.7.6 The Lettings Team have also made progress on increasing the monthly acceptance rate to the highest figure for four months and in maintaining the number of successful lets to the high level achieved in August – these improvements are predominately due to offers being validated more effectively as well as last month's introduction of accompanied viewings.
- 12.7.7 Work has been completed this month to project the monthly and year to date turnaround performance taking into account the current voids held and the anticipated number of new voids from October 06 to March 07 inclusive. From this, the year to date turnaround performance which currently stands at 63.61 days is projected to fall to 45 days by the end of March 07.
- 12.7.8 Lettings and Allocations
- 12.7.9 The start date for the electronic Re-Registration exercise projected to begin on 21<sup>st</sup> August 2006 was delayed but commenced on 30<sup>th</sup> August 2006. All forms were dispatched and the formal date for return has passed. There have been approximately 11,000 returns to date.
- 12.7.10 The impact of the Re-Registration delay means that the Home Connections go-live date is pushed back to the end of November. Every effort is being made to achieve this date.
- 12.7.11 A number of intervention measures have been agreed to minimise any delay. These intervention measures include the appointment of additional expert staff on a temporary basis and steps to reduce the day-to-day management workload of key staff involved in the project. An action plan outlining these measures has been prepared.

## **12.8 People Stream Board**

### **12.8.1 liP Project**

- 12.8.2 Given the excellent results from the staff survey, it has been agreed that we should reschedule the re-recognition process to October 2007. The implementation plan is however still a priority and is progressing. The new timescales will enable the Council to learn more from the process and provide the opportunity to embed and then assess the effectiveness of the new competency framework, performance appraisal and other initiatives to improve management effectiveness.

## **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. A paper was presented to CEMB at the beginning of October setting out options to deal with the current issues. A further paper was presented to CEMB on the 31<sup>st</sup> October.

12.9.3 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.

12.9.4 The remaining £1 million should be addressed through new projects. These are: Transport Services, 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 potential savings.

12.9.5 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.

12.9.6 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.

#### 12.9.7 Transactional Efficiency Project

12.9.8 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 Customer Services Strategy

12.10.2 Parking Permits are available in the Customer Service Centres (CSCs) however printer configuration issues mean that 2hr Visitor parking vouchers cannot be printed. Civica is unable to make the necessary configuration changes. Implementation of the Civica Radius solution has been put on hold to be revisited in 2008. An



Exception Report will be presented to the Customer Focus Stream Board in October.

12.10.3 The swipe card readers to enable 'customer present' e-payments in CSCs were unsuccessfully tested on thin client machines. Central IT has investigated this issue and an Exception Report will be presented to the Customer Focus Stream Board in October.

### **13. Use of Appendices**

13.1 Appendix 1: Programme Highlight Report