

item:

<b>CEMB</b>	<b>On 21st November</b>
<b>For The Executive</b>	<b>On 19<sup>th</sup> December</b>

Report Title: **Programme Highlight Report October 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 October 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 October 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.

Report Authorised by: **Dr Ita O'Donovan, Chief Executive**

Contact Officer: **Lauren Watson, Improvement and Performance**  
**Tel: 020 8489 2514**

#### **4. Director of Finance Comments**

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

- Primary Schools – Concerns about the current programme and finances will be addressed as part of the overall capital programme for the Council. This will be reported to Executive in January 2007.
- Children's Centres – detailed work is underway to identify how the 2005-06 overspend will be contained within 2006-07 and to ensure the detailed spending plan for delivery of the new centres can be funded within the available budget.
- 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. A review of further potential projects is underway jointly with all departments.

#### **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'.

## **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 October 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, or 5% of the total budget, whichever is the more appropriate.
- **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, or 5% of the total budget, whichever is the more appropriate.

## **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 Growth Area Funds / Community Infrastructure Funds – Markfield Recreation Ground**

- 12.2.2 Halcrow's first draft of the feasibility study report on the drainage problems in the park has now been produced. This highlights the problems of misconnections in the Stonebridge and Moselle catchment areas as having a direct negative impact on the quality of the watercourses in the park. This is in addition to the large amounts of silt in the Old Moselle Brook as well as the level of contaminants in the silt, which prevents the flow being discharged into the River Lee.

- 12.2.3 A meeting has taken place with Recreation Services, Enforcement, the Environment Agency and Thames Water to seek to address these misconnection problems. Enforcement, who is responsible for dealing with misconnections, will present this issue to CEMB for an assessment of whether the misconnections beyond the Markfield site should be taken forward as a separate issue by the Council. The misconnections are very complex as there are 30,000 homes in the 2 catchment areas and many of the misconnections are located in the Green Lanes area.

- 12.2.4 A proposed reallocation of £100,000 (from the overall GAF funding) to deal with misconnections has now been included in the misconnections budget. Progress has also been made by Thames Water on the identification of the misconnection issue but the problems have not yet been solved. The risk of future sewage disgorgement on the site is also still to be resolved.

12.2.5 Growth Area Funds / Community Infrastructure Funds – Relocation of the Mortuary

12.2.6 Planning restrictions on site as well as conservation concerns regarding the existing Lodge building have posed great difficulties in finding a satisfactory solution. These have caused delays to the overall project.

12.2.7 A solution has been agreed to construct operational parts of the mortuary in an extension underground, with a link to the existing Lodge building. The planning application will be submitted as soon as all plans and supporting documentation are completed.

**12.3 Children and Young People Stream Board**

12.3.1 Building Schools for the Future

12.3.2 The total project budget for the BSF programme 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.

12.3.3 Primary Schools Capital Projects

12.3.4 All projects, being large and multi-year, have been designed as a series of self-contained stages to give flexibility whilst external (DfES) forward funding commitments are uncertain, and to consequently minimise risk to the projects and the council's finances.

12.3.5 The red traffic lights reflect in one case an overspend (Coldfall) and in another, a risk to the delivery of the completion date of the project (Broadwater). The Coldfall overspend is for this financial year and will be contained within the overall project budget. The ambers reflect estimated overspend when looking at projected cost compared to original estimates.

12.3.6 Due to the Comprehensive Spending Review (CSR07) presently being undertaken by HM Treasury, DfES is unable to give formal capital funding commitments until next financial year. Correspondence has been received from DfES to inform us of this. DfES also indicated that spending will not fall in the period 2007-10 but this cannot be confirmed at this stage.

12.3.7 DfES will be approached regarding Broadwater Farm Primary School project's further slippage and rephrasing of the £5.0m grant drawdown.

### 12.3.8 Children's Networks: Children's Centres

12.3.9 The Children's Centres project has just completed Phase 1. Phase 1 has reported a £173k unfunded overspend: Children's Services are currently exploring how this will be funded from within their present budget.

12.3.10 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.

12.3.11 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.

12.3.12 The Terms and Conditions of the Capital funding state that the Children's Centres must be developed in the 20% of most deprived wards and 30% of the Super Output Areas. In some areas there is difficulty in identifying potential accommodation that would satisfy these criteria. A range of stakeholders are being contacted to identify other possible premises. Alternatively accommodation could be identified on the perimeter of a ward but this is not our preferred option.

12.3.13 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 **Better Haringey Stream Board**

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

## 12.5 **Well Being Stream Board**

### 12.5.1 E-Care Phase 2

12.5.2 There may need to be some system configuration changes to SAP in order to reflect changes arising from the corporate restructure project. There is currently uncertainty around the scope of change and timescales for implementation. Although it is unlikely that any major changes will be made to SAP this financial year, any changes made shortly after this time will impact on the impact of Phase 2 of the project (specifically Systems configuration and Data Migration).

## **12.6 Housing Stream Board**

### **12.6.1 Empty Property**

12.6.2 Further progress has been made on reducing the void turnaround time to 30.99 days in October bringing us closer to meeting the 27 day target. This has brought down our Year to Date figure from 63.61 calendar days last month to 37.82 days this month, which is a significant improvement.

12.6.3 The completion of the Lettable Standard is now five months late but is due to be signed off by the Executive in November.

### **12.6.4 Lettings and Allocations**

12.6.5 The electronic Re-Registration exercise, although originally delayed, is reaching its final phase in preparation for the production of the Housing Register. Daily contact with key suppliers is being maintained and Home Connections is on course for a go-live date of 4<sup>th</sup> December.

12.6.6 A number of intervention measures previously agreed have continued to be implemented, including the appointment of 2 consultants with strategic and operational experience in the implementation of choice based lettings schemes.

## **12.8 People Stream Board**

12.6.7 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 As previously reported, there are concerns about achieving the £2m savings target. A paper will be presented to CEMB on the 5<sup>th</sup> December setting out options to deal with the issues.

12.9.3 The Agency Resource Centre is now in place. From management reports, we calculate that £75k per month savings are being generated.

12.9.4 The remaining £0.8 million should be addressed through new projects. The paper to CEMB in December will address how this can be achieved, including: 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 Use of Resources

12.9.6 The review of effectiveness and costs of debt recovery was due to be completed by March 2006. A first draft exception report was presented to the Use of Resources Project Board and revisions have been requested. A revised report will be presented to the Debt Recovery Board and Use of Resources Project Board in December.

12.9.7 Transactional Efficiency – SAP Upgrade

12.9.8 Go-live was successfully delivered on time in December. This has saved the council money by avoiding the additional 2% on our annual maintenance fee.

12.10 **Customer Focus Stream Board**

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

**13. Use of Appendices**

- 13.1 Appendix 1: Programme Highlight Report
- 13.2 Appendix 2: Programme Finance Spreadsheet
- 13.3 Appendix 3: Programme Risk Log