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CEMB	On 2nd January
For The Executive	On 23rd January

Report Title: Programme Highlight Report November 2006	
Forward Plan reference number (if applicable): [add reference]	
Report of: The Chief Executive	
Wards(s) affected: All	Report for: Non-Key Decision
<p>1. Purpose</p> <p>1.1 To provide highlight reports for all the Council's corporately significant projects, covering the period up to the end of November 2006.</p>	
<p>2. Introduction by Executive Member</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 November 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>3. Recommendations</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 – the concerns surrounding the current programme and finances have been considered in detail and the updated position presented within the overall capital programme for the Council. The programme is part of the financial planning report also being considered on this agenda.
- Children's Centres – the 2005-06 overspend will be contained within the 2006-07 funding allocation. Phase 2 is being further considered in the light of experience from Phase 1 and a revised programme for Phase 2 will be produced before the start of the 2007-08 financial year.
- 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 and the savings target is being re-phased as outlined in the budget 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'.

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 November 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 – Relocation of the Mortuary

12.2.2 As previously reported, planning restrictions on site as well as conservation concerns regarding the existing Lodge building have posed great difficulties in finding a satisfactory solution.

12.2.3 The solution agreed is to place operational parts of the mortuary in an extension underground.

12.2.4 A planning application for the underground extension will be submitted in early January. All six Ward Members have been briefed on the plans.

12.2.5 It is expected that, because of the underground works and the additional works to the existing building and landscape, the project costs will exceed the £1.5m GAF funding. It is expected that the increased costs of the prudential borrowing necessary to raise the additional capital will be met through increased income.

12.3 Children and Young People Stream Board

12.3.1 Building Schools for the Future

12.3.1.1 The Children and Young People (CYP) Stream Board has decided that the Building Schools for the Future programme will no longer be discussed at the CYP Board to minimise duplication. It is the largest capital programme within the Programme with strong governance and challenge structures around it. Instead it will be challenged and discussed at its fortnightly programme board meetings. It will continue to send through highlight reports through Corporate PMO however.

12.3.2 Primary Schools Capital Projects

12.3.2.1 The Department for Education and Skills has advised that the funding arrangements for 2008/09 and beyond will not be known until after the Comprehensive Spending Review in 2007. However, the government has announced that capital investment in schools will increase. Formulaic funding is based on pupil number projections, which remain high. Similar projections in recent years have resulted in over £7m per year for basic need formulaic funding, plus funding for modernisation and access. A prudent estimate of future funding allocations of £5m has been included within the programme which will be updated when actual allocations are known.

12.3.2.2 There are three major projects already approved that form the primary expansion programme and are included in the capital programme. In two of those schemes there are significant cost variations from the approved budget as follows:

Project	Budget (April 2005 Executive) £m	Budget Revisions (January 2006) £m	Revised Budget £m	Forecast Total Spend £m	Variance £m
Coldfall	3.75	0.80	4.55	5.50	0.95
Coleridge	5.50	0	5.50	6.50	1.00
Tetherdown	5.50	0.40	5.90	5.80	-0.10

12.3.2.3 Coldfall

The project is now completed, but the final account is still under discussion between council officers, our cost consultants and the main contractor. There are also unresolved concerns about fees charged by the design team.

Additional costs and fees have been incurred due to additional works, compliance with planning conditions and an outstanding classroom fit-out. The forecast total spend is a worse-case estimate. The additional overspend will be met through re-phasing of the formulaic funding in future years and has the effect of reducing the amount available for other projects.

12.3.2.4 Tetherdown

Phase 1 (new build) is progressing to the revised timetable. Phase 2 (refurbishment and adaptation of current accommodation) is pre-tender and current forecasts suggest this project will come in within budget.

12.3.2.5 Coleridge

Invitations to tender were scheduled for the first stage of a two stage procurement process on 12 January 2007 from five contractors from the Council's framework agreement. Return of the tenders is due on 2 February 2007. These will provide overheads and profits percentages based upon a cost model prepared by the consultant quantity surveyor.

Following evaluation of tenders and subject to planning approval, a single construction partner will be recommended to procurement committee. With this partner the second stage of the tendering process will be progressed. This will include the contractor inviting sub contract tenders for all pre agreed packages of works. The sub contract tender returns will be evaluated and measured against the cost model leading to commercial certainty, and the agreement of a lump sum contract with the main contractor in June 2007.

The estimate shown is a prudent assumption given the need to comply with planning conditions and the likely need for additional works on the TUC site.

12.3.2.6 Programme contingency

The programme from 2008/09 onwards now includes a programme contingency, in recognition of the inherent unpredictability of construction costs, given the impact of the Olympics and the Mayor's housing targets. Arrangements for 'gatekeeping' this contingency will be developed with the Acting Director of Finance.

Detailed consideration is being given to how the variances shown in the table above will be managed. The current assumption is that the general schools modernisation and maintenance programmes will have to be significantly reduced, which may cause some difficulties. This can be reviewed in later in 2007 if the announcement of future year's funding is above current assumptions.

12.4 Children's Centres

- 12.4.1 The Children's Centres project has completed Phase 1. Phase 1 reported a £928k gross overspend which will be funded from various sources including revenue contributions. The service still needs to find a further £152k in the current financial year and accepts that it will have to be managed and contained within their present budget.
- 12.4.2 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.
- 12.4.3 The main risk continues to be our ability to deliver all 8 new centres within the Phase II funding envelope. The Children's Centres have to develop a wide range of services across broad areas, which require flexible accommodation.
- 12.4.4 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.

12.5 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 E-Care Phase 2

- 12.6.2 As reported previously there may need to be some system configuration changes to SAP in order to reflect changes arising from the corporate restructure project. This will potentially impact on Phase 2 of the e-care project. Work is being undertaken to assess this impact and a decision on any likely proposal is expected in January 2007.

12.6.3 Community Care Strategy: Osborne Grove

- 12.6.4 The contractor for Osborne Grove has reported a six-week delay on this project which is now expected to be completed on the 7th May 2007.
- 12.6.5 The main issue for this project is that a boundary wall is collapsing onto the site. The owner of the wall has been written to asking that rectification works are undertaken and Building Control have condemned the wall and issued a 7 day notice to the owner.

12.7 Housing Stream Board

12.7.1 Repairs Procurement

12.7.2 OJEU PQQs returned from 14 contractors, including all of the biggest contractors in this type of work.

12.7.3 November was a crucial month for collation of data required for tender much of which is still outstanding including:

- TUPE lists for repairs operations and all other affected departments
- Vehicle leasing details
- Customer Services
- TUPE lists for vehicle maintenance and Customer Services staff
- IT detail and flow chart
- Property lists/geographical split
- Code of Conduct
- Void Standard
- Complaints Policy
- Depot details including plant and equipment
- Standard Bond wording
- TUPE details from existing external contractors
- Clarification of pension issues relating to TUPE transfer

12.7.4 Empty Property

12.7.5 Steady progress is being made on reducing void turnaround time: now down to 27.33 days in November, 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 37.02 days this month.

12.7.6 Lettings and Allocations

12.7.7 The electronic re-registration exercise was not completed within timescales: Home Connections went live 11th December.

12.8 People Stream Board

12.7.8 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 was presented to CEMB on the 5th December setting out options to deal with the issues.

12.9.3 CEMB agreed to a shared ownership of the corporate savings target and Corporate Procurement are working closely with departments to identify new projects to deliver the additional £0.8m savings.

12.9.4 Early indications predict that the savings target for Print and Design will be revised upwards from £57k to £100k.

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