



Haringey Council

Agenda item:

**CEMB  
For The Cabinet**

**On May 2007  
On June 2007**

Report Title: **Programme Highlight Report End April 2007**

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 April 2007.

### **2. Introduction by Cabinet 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 Cabinet on 21 February 2006. 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 Cabinet each month.

2.3 Accordingly, this report sets out the highlight report for projects that report to the programme up to the end of April 2007. The detailed programme report is shown in appendix 1, with the main highlights shown in the covering report on an exception basis. The covering report endeavours to present a more updated position based on exception information from the February reporting period.

### **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 – Heartlands Spine Road – negotiations have taken place with National Grid to discuss the possibility of them contributing to the potential additional cost of £0.6m in respect of the diversion of a high pressure gas main. National Grid have indicated that they will look favourably at contributing to any overspend, but this figure cannot be agreed until the full costs are known. If National Grid cannot meet these cost overruns then traffic management measures contained in the project will have to be scaled down to meet the available budget.
- Children’s Centres – phase 2 planning is on-going. The Children and Young People’s Service is reviewing the business plans and ongoing sustainability of the phase 2 centres before committing further capital resources.
- Primary Schools Capital Programme – the 2006/07 year-end scheme variances (as outlined in the Outturn report) will need to be managed in 2007/08, which will result in a request to Cabinet to re-profile the programme.
- Equal Pay – Work is progressing on the local negotiations for ‘**single status**’ pay arrangements review (incorporating former manual staff): a Pay and Conditions Proposal has now been submitted to Union representatives and a base budget contingency sum has been provided. There may be significant costs arising from backdated or compensation payments and these will need to be contained within either unsupported capitalisation (subject to Government approval) and the subsequent additional revenue costs and/or the Council’s reserves. A request for capitalisation in 2007/08 has now been submitted to DCLG.

#### **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 Cabinet 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. It is important that we have undertaken an Equal Pay Audit and have an implementation plan in place to retain our present standard.

## **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 March 2007.

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 Cabinet/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 could 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 5% of the total budget.

## 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 Hale Urban Centre

12.2.2 Presently reporting 'AMBER' for budget and timescales as there is no long-term budgetary provision available for this project yet: the London Development Agency (LDA) are presently meeting most revenue costs.

12.2.3 There is a risk that we might not be able to secure long term funding for the full implementation of all elements of the Masterplan. The present uncertainty will be mitigated as the project team draw up a detailed implementation plan over the next two or three months. The team hope to quantify the possible management costs, the cost of the

developmental work to bring forward all elements of the Masterplan, and to explore possible funding options.

#### 12.2.4 Wood Green Town Centre

12.2.5 Presently reporting 'AMBER' for budget and issues whilst awaiting confirmation that last year's underspend will be rolled over.

12.2.6 The Mall's application for an extension to its western elevations (West side of the High Road), for the provision of a new department store received approval from the Council's Planning Committee on 30<sup>th</sup> April 2007.

#### 12.2.7 Tottenham High Road Strategy

12.2.8 The 'AMBER' rating for risks, issues and budget is due to a proportion of the European Regional Development Fund (ERDF) grant remaining unallocated and because there is a shortfall in the number of outputs for the area of space improved.

12.2.9 Government Office for London (GoL) has previously confirmed that it would consider outputs aside from those originally specified as eligible, however, it was advised on the 2<sup>nd</sup> of May that this is dependent upon other programmes' outputs across London.

12.2.10 The 3.2 UCCG programme is made up of 8 confirmed and active projects. £52.7k of EDRF grant is presently unallocated, which represents only 3.07% of total grant. The feasibility of using this remaining grant money on existing capital projects is being explored.

#### 12.2.11 Growth Area and Community Infrastructure Funds (GAF/CIF)

12.2.12 Mortuary – Budget is presently reporting 'RED' this month due to the need for a redesign of the underground mortuary following the geo-technical survey of the sub-soil conditions. The survey showed a high water table and mixed conditions / strata including shale. This has increased pre-tender estimates of Phase 2 substantially and a value engineering process has been undertaken.

12.2.13 The original additional funding package for the project is now insufficient to meet potential estimated costs. Additional work is being undertaken with the architect to reduce the cost of fees on the project. The Director and Directorate finance officers are aware of these latest estimates.

12.2.14 Greater London Stores (GLS) site – Planning permission for the overall site was granted at Planning Committee on 17<sup>th</sup> May 2007. This has resolved the main risk affecting this project, and we would expect the RAG status to reflect this from next month.

12.2.15 Heartlands Spine Road – estimated costs of decontamination work on the site is £740,000 and for diverting the main gas mains is £600,000. Work on a more detailed quote for the work is underway and we expect it to be completed by the end of May.

12.2.16 These estimations have been included in the scheme costs and consequently the overall cost is likely to be above the £5m budget. We cannot be certain what proportion of the budget overspend will be borne by National Grid until the decontamination and gas mains costs are confirmed.

### **12.3 Children and Young People Stream Board**

#### **12.3.1 Children's Centres**

12.3.2 The review of the financial sustainability of children's centres is making good progress. A report to the Cabinet has been timetabled for July.

12.3.3 This review may result in the number of Children's Centres delivered by the Council being rethought. SureStart regulations state that they will not cut a local authority's Children's Centres funding envelope if that authority reduces the number of Children's Centres they provide, as long as the Centres retain the same reach.

12.3.4 The 'AMBER' RAG statuses reflect the fact that this is a construction programme and thus has an inevitable inherent uncertainty.

#### **12.3.5 Primary Schools Capital Programme**

12.3.6 The contractor delivering the phase 1 programme at Tetherdown has informed the architect of a programme risk; however, this should not affect the new intake in September 2007. There is a risk to the budget in view of a potential extension of time claim and the outcome of discussions regarding the final cost of the steelwork.

12.3.7 The reinstatement work at Crowland is due to complete at the end of May. The decanting of the temporary school into the refurbished building is planned for the Summer Half Term holiday.

### **12.4 Wellbeing Stream Board**

12.4.1 There are no exception reports for the Wellbeing Stream Board.

## **12.5 Better Haringey Stream Board**

### **12.5.1 Better Haringey Estates Improvement Programme**

12.5.2 The AMBER status reflects the slippage into 2007/08, which was largely due to reprofiling of HfH programme spend in the latter part of 2006/07. Together with the risks associated with managing local expectations regarding delay on Campsbourne.

12.5.3 The Groundwork Millicent Fawcett / Love Lane pilot project is progressing. £950k of works completed in 2006/7, with the Campsbourne (Section 106) delayed to September 2007. Carry forward works to the value of £408k are to be completed in the first quarter of 2007/8.

### **12.5.4 Improving Green & Open Spaces**

12.5.1 Sports and Leisure Strategic Renewals 4-year programme of works is funded through the prudential borrowing of £4.6m. This budget is heavily front-loaded with £3.462m profiled for 2005/6, the first year. There is ongoing work to produce the settlement of final account, we are still awaiting confirmation of figures.

12.5.2 There is a risk of slippage of future projects whilst we await the final account and the smaller works over the next three years may have to be re-scoped depending on confirmation of Year 1 Actual Spend.

## **12.6 People Stream Board**

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

## **12.7 Value for Money Stream Board**

### **12.7.1 Procurement Programme**

12.7.2 In order to achieve the £1m savings (£0.5m in each of 2007/8 and 2008/9) we need to have identified procurement projects that offer sufficient scope for making these savings. Projects to contribute to the 2007/08 savings target have been identified and are progressing, projects to contribute to the 2008/09 target are still being researched. The 'AMBER' RAG status for 'Risks' and 'Issues' reflect this lack of certainty about 2008/9 savings.

## **12.8 Customer Focus Stream Board**

**12.8.1** Due to the low number of projects currently reporting to the Customer Focus Stream board and the possible restructure of the Programme, it has been recommended that this stream board is disbanded and alternative reporting arrangements are found for the projects. The best fit for Customer Services Implementation Plan is the Value for Money Stream Board and, for the Customer Focus Projects it is the People Stream Board, thus it is recommended that they should report to those Boards respectively.

## **13. Use of Appendices**

13.1 Appendix 1: Programme Highlight Report