



**Haringey** Council

Agenda item:

| <b>For The Cabinet</b>  |   | <b>On 16 October 2007</b> |
|---|---|---------------------------|
| Report Title: <b>Programme Highlight Report End August 2007</b>   |   |                           |
| Forward Plan reference number (if applicable): n/a  |   |                           |
| Report of: <b>The Chief Executive</b>   |   |                           |
| Wards(s) affected: <b>All</b>   | Report for: <b>Non-Key Decision</b>   |                           |
| <b>1. Purpose</b>   |   |                           |
| 1.1 To set out the Corporate Programmes for August 2007 and to provide current project updates.   |   |                           |
| <b>2. Introduction by Cabinet Member</b>  |   |                           |
| 2.1 This monthly progress report forms part of Haringey's Project Management Framework.   |   |                           |
| 2.2 From October this report will reflect the planned new corporate programme structure with its three Corporate Programmes, 'Achieving Excellence', 'Regeneration' and 'Better Haringey'.  |   |                           |
| 2.3 In preparation for this restructure the 'Well-being' and 'People' Stream Boards have been disbanded and the governance arrangements for the projects within these streams will be reviewed for next month's report. The projects within the 'Children and Young People's' Stream will be integrated into the 'Regeneration' programme. The 'Value for Money' Stream Board will continue for the foreseeable future. |   |                           |
| <b>3. Recommendations</b>   |   |                           |
| 3.1 To note the report and progress against the Corporate Programmes as shown in Appendix 1.  |   |                           |
| Report Authorised by: <b>Dr Ita O'Donovan, Chief Executive</b>  |   |                           |
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#### **4. Director of Finance Comments**

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

- This report for period 5 (August 2007) shows that in 2007/08 the capital budget is projected to underspend by £4.2m This is mainly in respect of the BSF capital programme that is currently projecting an underspend in 2007/08 of £4.4m, although it is planned that this sum will be fully committed over the life of the BSF programme and is purely a profiling issue.
- The total project variation shown in this report shows a net overspend of £0.2m although it is expected that this will be contained and revised next month.
- Work continues on the local negotiations for 'single status' pay arrangements review (incorporating former manual staff): a Pay and Conditions Proposal has been submitted to Union representatives in accordance with the terms of the NJC for Local Authorities agreement and a base budget contingency sum has been provided. The costs arising from backdated or compensation payments will be contained within either unsupported capitalisation (subject to Government approval) and/or the Council's reserves. It is difficult at this time to place a reliable estimate on the likely backdated cost. The council has had a request for capitalisation in 2007/08 approved by the DCLG.
- Value for Money – the procurement programme delay in award of contracts puts pressure on the achievement of the target savings. This will be kept under review by the VFM Stream Board.

#### **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 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 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 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 Council's Performance report, shows the project status against key indicators, including:

- Overall Status
- 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 £50,000, 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. Report

12.1 In addition to the highlights provided for each project in appendix 1, key information about the progress of projects are shown below on an exception basis.

### 12.2 Regeneration Stream Board

#### 12.2.1 Tottenham High Road Strategy

12.2.2 Seven of the ten European Regional Development Fund (ERDF) projects are now complete. The remainder will complete by 30 November 2007. The Programme has already provided over 9,500 square meters of upgraded or new commercial space including a total of more than 50 shops front enhancements located on Seven Sisters Road, Tottenham High Road, Park Land and Fore Street. In addition, there were enhancements to over 25 full listed buildings facades as part of the Programme. New commercial space has been created at the former Blue School site, former Stoneleigh Road Depot, Rangemoor Road industrial estate and a formerly disused block at the N17 Studios. Improvement and upgrade works to Tottenham Green Enterprise Centre have also been completed.

12.2.3 The two new Haringey Council owned workspaces will be formally opened at launch events on October for 19<sup>th</sup> for the new build at Stoneleigh Road and October 30<sup>th</sup> at Rangemoor Road. Key funding

partners will be invited along with Ward Councillors, officers from other areas of the Council, North London Business, the North London Chamber of Commerce and other local business representatives.

- 12.2.4 The AMBER status at the end of August reflects a small percentage of unallocated grant money (£50k against an overall ERDF grant allocation of £1.927m) and a possible claw back due to a shortfall in output targets. These issues have been resolved during September. The remaining grant will now be taken up as match for the site value of the former Stoneleigh Road Depot; the grant will go towards the cost of the redevelopment project. Additional projects have also been identified to bring a number of units up to a let-able standard at Rangemoor Road, the Stonebridge Centre and Markfield Road and a shop unit at Park Lane. These will make a significant contribution to achieving the output required by the grant and we are confident that the output target will be achieved. The final total is subject to confirmation by Property Services from their records.
- 12.2.5 Growth Area and Community Infrastructure Funds (GAF/CIF)
- 12.2.6 Markfield – The contract for the café was approved by the procurement committee on 04 September.
- 12.2.7 The RED risk status at end August reflects very tight timescales for completion of the café and spend of GAF monies by end March. To reduce this risk, a revised schedule of work was produced in September, maximising time efficiencies by bringing forward and rescheduling the order of activities, where possible. This will reduce the RED risk status as at end of August to amber in next months' report.
- 12.2.8 Timescales will remain at amber next month, but is expected to return to green once the project board has approved the revised schedule of work in October.
- 12.2.9 Resourcing issues have now been resolved and will return to green next month.
- 12.2.10 Mortuary – The overall rating has improved from red to AMBER this month and is expected to return to green next month.
- 12.2.11 The funding gap of £769k has been found and was approved by Cabinet 18 September. The AMBER status at end August reflected a total spend of £3.149m against a previously agreed budget of £2.38m. Budgets will therefore return to green next month.
- 12.2.12 The updated project plan indicating a final completion in late July 2008 has been sent to and approved by GoL. This also details the commitment to spend the £1.5m GAF funding by 31 March 2008. Timescales will therefore return to GREEN next month.

12.2.13 The final costs of the project (the Agreed Maximum Price) which will be entered in the contract with the builders are expected over the mid-October. There will be a short mobilisation time for them and the anticipated start of work on site during the first week of November should be achieved.

12.2.14 Hale Village – The overall status has changed from AMBER to GREEN this month following approval of the revised programme plan by GoL. The revised programme plan delivers the project and the Growth Area Fund spend of £2.5m by March 2008, within required timescales.

12.2.15 Heartlands Spine Road –The overall status remained unchanged at AMBER at the end of August. We obtained verbal confirmation from National Grid that they will meet £400k of the cost of de-contamination in August, but required a signed agreement to reflect a green status against the project. This has been obtained in September and on this basis, we would expect the overall status to return to GREEN next month

#### 12.2.16 Council Owned Land

12.2.17 All of the schemes have progressed during the past month which will result in greater certainty over the delivery timetable. The timetable for each of the schemes is being reviewed and will be presented for approval. In the meantime the overall status remains AMBER due to slippage in the original timescales.

12.2.18 Hornsey Town Hall - The timeline for selecting a developer partner was extended due to the new procurement process adopted which involves a longer period of engagement with short listed bidders. This approach has been reviewed and we have now started competitive dialogue with three selected developers. The length of time for competitive dialogue has also been extended with a view to completing the whole exercise by January 2009, when the developer will be in a position to start on site. A new technical adviser for the project is being engaged in order to ensure the project remains on track.

12.2.19 Tottenham Town Hall – The Heads of Terms with Newlon have been signed and negotiations are in progress to sign the Development Agreement by the end of October. Newlon and their professional team are making progress on the scheme design and are scheduled to attend a Design Panel meeting on 11 October with a more detailed scheme design. Newlon are continuing to engage key stakeholders and they are making preparations to commence public consultations on their proposed scheme during November.

12.2.4 Hornsey Depot – The Heads of Terms and Development Agreement will be signed as soon as the detailed specification is agreed.

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

### **12.3.1 Building Schools for the Future**

12.3.2 Good progress is being made on the MSP (Managed Service Provider) procurement and the transformation / change management activities with schools to achieve the education outcomes we are seeking to deliver. Procurement Committee has approved the appointment of the Educational Advisors to the Framework contract.

12.3.3 The overall programme status remains unchanged at AMBER this month. The first four wave 2 schools continue to report delays against the planned schedule. It is not anticipated that new baseline timescales will be drawn up for these schools and it is therefore likely that delays will be reported against these four schools until the start of the construction works in 7-10 months.

12.3.4 As at 01 October, the anticipated delay to the projects is as follows: 14 weeks at St Thomas More Roman Catholic School, 9 weeks at Woodside High School, 5 weeks at Gladesmore Community School and 15 weeks at Park View Academy. In addition, the Pupil Support Centre is reporting a twelve week delay due to extended consultation periods.

12.3.5 These delays have an impact on the cost of each of these projects through inflation. This has been managed by “value engineering” on each project, i.e. through altering the scope, time and cost parameters. The planned construction periods are currently indicative and will only be confirmed once contractors are appointed on each project. The programme is still on track to deliver the transformational objectives of the schools within the cash limit, and the overall budget for the programme remains at GREEN.

12.3.6 All other schools are proceeding on time or ahead of schedule.

12.3.7 Work continues to revisit the validity of key assumptions and decisions underpinning our cash limit budget; we will provide a further update on this next month. The PFI / DOV negotiations are also ongoing.

### **12.3.8 Primary Schools Capital Programme**

12.3.9 The associated works following the Crowland Primary School fire reinstatement project is now complete.

12.3.10 The overall status has remained unchanged at AMBER this month, due to risks and issues associated with the Tetherdown and Coleridge projects. Phase 1 of the Coleridge project has been completed and the first expanded cohort is in place.

12.3.11 The project team is working to identify additional funding from within existing known resources to cover the projected overspend for this

year of £250k and it is expected that the budget will be re-profiled from next month to reflect these changes.

#### 12.3.12 Children's Centres

12.3.13 Welbourne and Earlsmead construction completed 14 September, and both are scheduled for handover Friday, 05 October.

12.3.14 At Earlsmead, the school has now taken partial possession of the Nursery. The AMBER status at the end of August reflects the three weeks delay in the constructions works for this and the Welbourne centre.

12.3.15 We submitted revised projected milestone and expenditure profiles to The DCFS (The Department for Children, Schools and Families) and these have now been approved.

### 12.4 **Wellbeing Stream Board**

#### 12.4.1 E-care

12.4.2 This project is currently on target to hit the go-live date of 26 November.

12.4.3 The e-care project was included in the recent IT Scrutiny Review carried out by SOCITM Consulting. In general, project management / governance (based on the 4 projects examined) was considered to be very good and certainly in the top 10% of local authorities of which SOCITM have experience.

12.4.4 Furthermore, the project manager and business change manager have been asked by the suppliers of Framework-i (Corelogic), to speak at the CORELOGIC National Finance User Group event, which is being hosted in Haringey during October. Both have been chosen by Corelogic to provide a "best practise" example to other local authorities on how to successfully manage and deliver a structured IT Systems implementation within a social services / local government environment.

12.4.5 The AMBER status at the end of August reflects some resourcing issues some of which have now been resolved, as well as technical issues identified during testing. This is no more than what would be expected within an IT project of this kind and we do not foresee any significant impact on go-live at this stage.

12.4.6 There is a risk that the interface may not be developed and fully tested in time for go-live and will instead need to be implemented shortly thereafter. This is a known risk to the project identified during project initiation and accepted by the project team.



## **12.5 Better Haringey Stream Board**

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

12.5.2 The overall status of this programme has changed from GREEN to AMBER this month. This is due to the anticipated costs regarding the Campsbourne landscaping project. The costs submitted by the lowest tenderer for the work exceeded the budget provision by £19k, this in a contract estimated to cost a total of £60k. Actions are being taken to contain this cost.

12.5.3 The total value of the Estates Improvement Programme for this financial year is £1,209k and is projected to come in on budget.

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

12.5.5 Sports and Leisure Strategic Renewals – Negotiations between project management consultants (AYH) and build contractors (Crispin & Borst) is proceeding to schedule.

12.5.6 Officers met with AYH 18 September to review and respond to C&B final account position. There is no significant change in value / variation from the current approved contract sum. We sent a formal response together with a reissue of the final account to C&B w/e 28 September; making clear that this is our final position and that the next step would be formal dispute resolution.

12.5.7 Officers and AYH believe that the Council has clear an audit trail and therefore a robust defence against any future claim. We expect this to be resolved by the end of the calendar year and the project will report RED until then.

12.5.8 Associated revised investment needs and related capital bid have been submitted as part of 2008/9 Pre Business Plan Review. In the interim renewals work is limited to the Changing Room Accommodation Refurbishment at Park Road Leisure Centre. Work commenced on site w/e 21/9 and is due to complete by 10 December.

12.5.9 Usage and income continue to improve in line with business plan targets following the phase 1 investment in new health and fitness facilities and as reported in the Council's Performance Report.

## **12.6 People Stream Board**

12.6.1 There are no exception reports for People Stream Board this month.

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

### **12.7.1 Assets Strategy**

12.7.2 Phase 1 of the accommodation plan is substantially complete resulting in the reduction of buildings and completion of refurbishment projects

which has enabled significant relocations to Wood Green. However, the growth in demand for space in the past two years has resulted in the vacation of the Town Halls and Civic Centre being delayed. This has resulted in the reassessment of space requirements and long term solutions are being planned. This includes the introduction of flexible working and consideration of options to intensify the use of existing spaces through refurbishments and revised space standards. In the meantime some additional space is being acquired from within the Council's portfolio to provide interim solutions. Alternative accommodation is also being actively considered for those voluntary sector groups and council functions that will be displaced from the Town Halls and need to remain in the locality. Options and solutions are being investigated in conjunction with work on Phase 2 of the Accommodation Strategy. The overall status of this project is shown as AMBER pending agreement of a revised timetable with achievable timescales.

### 12.7.3 Procurement Programme

12.7.4 Since the last report, spend data has been produced for all categories of spend and meetings have taken place with all category managers to brief them on ongoing progress and to begin planning the next steps of the procurement programme.

12.7.5 A meeting has taken place with a potential training provider to plan a training programme for category managers on appropriate management tools and techniques. A draft training plan will be agreed in November and training sessions for Category Managers should commence in December 07, subject to final agreement

12.7.6 The Councils Contract Management System (CMS) has been implemented and populated with over 700 contracts. This gives the Council a single corporate view of all commercial contracts; this information will be used to further develop the procurement programme.

12.7.7 The reported RED status reflects the current shortfall of £316k across the Procurement Programme (2006 to 2009). Lead officers (category managers) have been identified and the Corporate Procurement Unit will work with the category managers between now and December to identify and agree the projects that will be taken forward.

12.7.8 It is expected that this project will remain RED until this work is complete; the overall status will therefore remain red until December and reviewed for January 08. It is expected that savings to meet the target will be identified by this time.

## **13. Use of Appendices**

13.1 Appendix 1: Programme Highlight Report