

Corporate Resources Scrutiny Committee



Scrutiny Review

A review of major corporate projects undertaken by the Council; their management, partnership arrangements and use of external funding.

Final Report April 2006

Councillor Chris Williams
Chairman Corporate Resources Scrutiny Committee
The Vale of Glamorgan Council
Civic Offices
Holton Road
Barry
CF63 4RU

Foreword



*Cllr Chris Williams
Chairman
Corporate Resources Scrutiny Committee*

I am pleased to present the Corporate Resources Scrutiny Committee's Report on Corporate Projects within the Vale of Glamorgan.

Each priority in the Corporate Plan contains several distinct projects that need to be delivered in order for the Council's key aims and targets to be achieved, consequently how corporate projects are managed is vital for shaping the future of the Vale. In particular it relates directly to the Council's Corporate Priority 'to manage the Council's workforce, money and assets efficiently in order to maximise its ability to achieve its service aims'.

As many of the actions in the regeneration priority rely upon the completion of physical projects the Corporate Priority 'to encourage the development of a diversified and sustainable community and to work in partnership with others to promote regeneration and economic development' was also a key consideration.

The review looked at how failure to deliver key projects would impact on the well-being of the community and upon Council priorities. It considered best practice and identified notable practice within the Council together with any areas for improvement. It was encouraging to discover good and notable practice that is already happening across several departments within the Council.

I would like to thank the officers involved with the review for providing their full help and assistance and my colleagues on the Corporate Scrutiny Committee.

I hope that Members and the public will be reassured by this report and that the recommendations of this Scrutiny Committee will form the basis of a best practice model.

Table of Contents

FOREWORD 3

EXECUTIVE SUMMARY 6

1 INTRODUCTION 6

2 CURRENT SITUATION..... 6

3 FINDINGS 6

4 NOTABLE PRACTICE 6

5 CONCLUSIONS 6

6 RECOMMENDATIONS 6

Executive Summary

The Corporate Resources Scrutiny Committee has a wide remit with responsibility to examine the work of the Council and its partners in the provision of services in the areas of Corporate Policy and Communications; Finance, ICT and Property; Legal and Regulatory Services; Human Resources and key projects, including surplus land and property, capital schemes and revenue proposals over £50,000 across the whole Council. Its task is to actively promote improvement by testing the effectiveness of this work and recommending ways in which greater benefit may be obtained for the community as a whole.

The review established a baseline understanding of the management of major corporate projects within the Vale of Glamorgan. It examined how projects benefit communities, examined partnership and levels of external funding to identify examples of notable practice and any areas for improvement.

Due to the number of corporate projects undertaken across the Council, the review concentrated on projects commenced and completed in the last five years at a cost of £500,000 and above. A survey form was sent to all Heads of Service within the Council asking them to identify any major corporate projects that fitted this criterion.

A number of recommendations have been made to the Executive in relation to the management of major corporate projects within the Council

Recommendations

- R1 The Corporate Resources Scrutiny Committee to consider the findings of the WLGA study on excellence in capital investment and implement any lessons that can be learnt to improve the management of large- scale projects within the Vale of Glamorgan Council.
- R2 The Project Management Unit to:
 - 1) make clearer their roles and responsibilities, especially between client and major project manager
 - 2) utilise the Council's corporate project management methodology
 - 3) introduce more quality control procedures to ensure greater consistency in the approach of those involved in delivering major corporate projects.
- R3 The Project Management Unit to provide a quarterly briefing note to Cabinet and Corporate Resources Scrutiny Committee on current major corporate projects and upon completion of a project (or a phase) an assessment of the impact upon the relevant community is reported.
- R4 To endorse the recommendations of the Environment and Economic Regeneration Scrutiny Committee in their recent review of community regeneration projects and extend to cover all major corporate projects.

- R5 That the Corporate Management Team assess the feasibility of one officer taking on the role of Corporate Grants Officer. The Officer's key role would involve identifying and advising all Council services on potential sources of funding available including those that can be accessed directly and those through partnerships with other organisations. The role would include the following:
- Coordinate bids for external funding, ensuring that they are linked to priorities agreed by strategic partnerships
 - Responsible for the Grantfinder software and Grants Network meetings
 - Provide support and assistance on grant applications
 - Provide support to services through the application process to reduce the burden on officers
 - Create and maintain a database of existing partnerships and grant applications which is accessible by all officers
- R6 That the Corporate Grants Officer, if established, provides a quarterly briefing note to Cabinet and the Corporate Resources Scrutiny Committee on current major corporate projects (other than those managed by the PMU) and upon completion an assessment of the impact upon the relevant community is reported.

1 Introduction

1.1 The Corporate Resources Scrutiny Committee

The Corporate Resources Scrutiny Committee has a wide remit with responsibility to examine the work of the Council and its partners in the provision of services in the areas of Corporate Policy and Communications; Finance, ICT and Property; Legal and Regulatory Services; Human Resources and key projects, including surplus land and property, capital schemes and revenue proposals over £50,000 across the whole Council. Its task is to actively promote improvement by testing the effectiveness of this work and recommending ways in which greater benefit may be obtained for the community as a whole.

1.2 Terms of Reference

The review of corporate projects forms part of the 2005/06 planned work programme of the Corporate Resources Scrutiny Committee. Review scope and timescales were agreed during 2005. In line with the agreed work programme the review commenced in October 2005 and work was completed in January 2006. Officers from the Improvement and Development Team and from various service areas across the Council supported the review process.

Appendix 1 of the report contains the review scoping document, which outlines the objectives and purpose of carrying out the review including the desired outcomes.

1.3 Methodology

The review was carried out in line with the Council's Overview and Scrutiny methodology. Comprehensive guidance is provided with regards to the overview and scrutiny function in the Vale of Glamorgan including:

- Identifying issues for scrutiny review
- Scoping the review
- Collecting and collating evidence
- Final report

The review aimed to establish a baseline understanding of the management of major corporate projects within the Vale of Glamorgan Council. In order to achieve this, it examined how projects benefit communities, examined partnership and levels of external funding.

The review identified areas of notable practice and proposed recommendations to improve our success in delivering such projects so that they make a real difference to communities, to improve and develop key partnerships and to maximise the outputs from externally attracted funding and creatively generated matched funding to give value for money.

Due to the number of corporate projects undertaken across the Council, the review concentrated on projects commenced and completed in the last five

years at a cost of £500,000 and above. A survey form was sent to all Heads of Service within the Council asking them to identify any major corporate projects that fitted this criterion. A summary of the responses received is outlined in section 3 of this report and the completed surveys are attached at Appendix 3.

2 Current Situation

2.1 Corporate Projects in Wales

The majority of the corporate projects led or supported by Welsh local authorities are linked to area regeneration initiatives. Regeneration in Wales is linked to a number of key themes and strategies emerging from the Welsh Assembly Government, including; a Winning Wales; Supporting People in Wales; People, Places and Future Prosperity: The Wales Spatial Plan; Sustainable Development Plan 2004-2007; Wales: a Vibrant Economy.

A study of regeneration in Wales undertaken by the Audit Commission in Wales, now Wales Audit Office (WAO) February 2005, defined regeneration as, 'the upgrading of an area, taking a balanced approach to improving the wellbeing of communities through social, physical and economic improvements'. The study identified holistic examples of notable practice in regeneration projects across the UK and these are summarised in section 4, 'Notable Practice' of this report.

The Welsh Local Government Association (WLGA) has recently commissioned PricewaterhouseCoopers (PWC) to undertake a research project across all Welsh authorities exploring the components of excellence in capital investment management. The purpose of the study is to identify the factors in excellent project management of capital schemes and to investigate the interface with grant awarding bodies.

The outcome will be a report highlighting common issues across Wales in capital project and programme management and the production of a series of best practice case studies demonstrating excellence in this area. The WLGA is expecting the final report from PWC by Easter this year and has agreed to make a draft available prior to its final publication. The WLGA has said that the first phase of the project has proved successful in identifying common themes, trends, issues, opportunities and innovative approaches to capital project management across Welsh local government.

R1 The Corporate Resources Scrutiny Committee to consider the findings of the WLGA study on excellence in capital investment and implement any lessons that can be learnt to improve the management of large- scale projects within the Vale of Glamorgan Council.

2.2 Corporate Projects within the Vale of Glamorgan Council

2.2.1 Management of Corporate Projects

The Joint Risk Assessment undertaken with the Council's regulators (Wales Audit Office) in 2003 highlighted the need to develop and enhance project management procedures within the Council. It developed and adopted a corporate methodology in 2004 based on the Prince2 standard. The methodology was designed to apply to all levels of projects enabling staff and the Council as a whole to benefit from a structured approach to the management of projects. A toolkit is widely available on the Council's intranet including a managers' guide. All Directors, Heads of service and Operational managers have undertaken a one-day awareness training of project management provided by external consultants. Training is also provided by the Council's in-house training section on an ongoing basis.

The Improvement and Development Team in the Chief Executive's Department is due to carry out a review of the Corporate Project Management methodology, this will include an analysis of its use by officers and recommendations on how it can be improved. The aim will be to ensure that the methodology is user friendly and meets the needs of officers across the Council who are leading on major corporate projects without being over bureaucratic.

Wales Audit Office Regeneration Study (2004)

In 2004, the Audit Commission in Wales, now Wales Audit Office (WAO) carried out an improvement study into regeneration across all Welsh Local Authorities. As a result they produce a report in February 2005 which provided an assessment of regeneration in the Vale of Glamorgan and also a national report on regeneration activities across Wales. (The findings of the national report are summarised in section 4.2 of this report).

The report on the Vale again highlighted as an issue within the Council, the limited project management expertise and the lack of project management quality systems. It was felt that the above issues had impacted on the Council's effectiveness in delivering projects. There is currently no corporate resource such as, a project board to ensure the establishment and use of appropriate management reporting and processes for all major projects and to make sure that appropriate levels of resources are available to effect project delivery.

The report reflected on four key aspects – identifying priorities, forging key partnerships, obtaining key sources of funding and engaging local communities. Their key findings included the following statements:

*'In terms of external working relationships we found that the Council:
- Recognises the need to working partnership and has a well developed framework for doing this;*

- Has been particularly reliant on the WDA for support and resources in the past and is concerned that the level of this support may not continue in the future; and

- Is starting to work more closely with the local community and voluntary groups to address community regeneration issues.'

'In terms of internal working relationships multi-disciplinary working groups have been used to deliver the regeneration agenda.'

'The report highlights a number of successful regeneration projects but draws attention to the fact that progress is being affected by the limited resources that the Council has access to. The number of staff available within the Council to deliver such projects is also an issue.'

'The Council has demonstrated that it can successfully manage change within a framework of difficult financial and political constraints. The case study that we carried out into the Project Management Unit is one illustration of this.'

The report provided seven recommendations. A recent report to Cabinet has provided an update on the actions arising from all of the WAO Improvement Studies. In the regeneration study the following three recommendations related to corporate projects:

Recommendation	Progress – as reported to Cabinet on 18 th January 2006.
<p>KR5 – An inventory should be carried out of the knowledge held by staff on different grant regimes and this information should be placed on the Council's website. Such staff should meet regularly to share experiences and to act as a conduit to their service of the opportunities that may be available.</p>	<p>Grantfinder software has been purchased for a three-year period and over 60 members of staff are able to access it. The Grantfinder Officer Network meets on a quarterly basis. Members have a user name and password for the website.</p> <p>The Management Development Programme established a cohort sub-group to examine better ways of; distributing grants ensuring that capacity exists in grant receiving organisations and that exit strategies are in place.</p>
<p>KR6 - The Council should raise awareness of the Rural Partnership, its role; its objectives and how Council services and the community can contribute to these.</p>	<p>The Golley Slater Group was engaged to develop a public relations strategy for the Creative Rural Communities Partnership, which is being updated internally with regular news articles in the press.</p> <p>There is a page dedicated to CRC on the Council's website.</p> <p>The work of the CRC team has been highlighted internally in the staff newsletter, Changing Times and on the intranet.</p>

<p><i>KR7 – With regard to the Project Management Unit the Council should;</i></p> <ul style="list-style-type: none"> • <i>Make clearer the roles and responsibilities, especially between client and major project manager;</i> • <i>Take on board the Council's new project management corporate guidelines, and</i> • <i>Introduce more quality procedures to ensure greater consistency in the approach to those involved in delivering regeneration projects.</i> 	<p><i>A Scrutiny review of corporate projects will report on progress in February 2006. To date, however, the project unit has worked effectively in progressing a series of major projects.</i></p>
---	--

The Council's Project Management Unit

The Project Management Unit (PMU), based within the Environmental and Economic Regeneration Directorate of the Council takes the lead on a significant number of major corporate projects. The PMU was set up in September 2002 in response to the significant capacity issues within the Council and the delays in delivering projects. These concerns came from both officers, members and from key partners such as the WDA.

The PMU comprises two Major Projects Managers that report directly to the Director of Environmental and Economic Regeneration and a Project Officer. There is a clear line of communication with the Corporate Management Team via the Director, and the Cabinet. The unit does not have an Operational Manager but reports directly to the Director of Environmental and Economic Regeneration. Cabinet has recently approved a report with a proposal that the major project manager posts be re-graded in line with Operational Manager Level II, (2005 rates £42,003 - £46,203). This decision was subject to a call-in by this Scrutiny Committee and at the time of writing the original report is being re-drafted to fully address a number of questions raised.

The project managers act on behalf of their clients, usually within another directorate of the Council or on behalf of a partnership comprising internal departments and external organisations. Their involvement usually ends with the execution of a deliverable (usually a physical structure such as a building) with the client taking the lead in delivering the service and ensuring its sustainability including ongoing maintenance of any physical structure.

The Unit was originally set up within the Environmental and Economic Regeneration Directorate as the initial group of projects undertaken had that directorate as its client. However, major projects will be undertaken by the PMU and other officers across departmental boundaries in respect of both physical and other regeneration schemes. However, as the findings of this report demonstrate major projects are undertaken by numerous departments across the Council and do not only concern physical regeneration.

Interviews with the Council's Major Projects Managers identified inconsistency in the use of the Council's Project Management Methodology on projects commenced to date although, it was highlighted that the basic

principles of project management were followed on all projects. It must be noted that when the PMU was set up in 2002 the Council had not developed its Corporate Project Management Methodology and the majority of projects reviewed commenced prior to introduction of the methodology in 2004. Furthermore, that specific conditions attached to the majority of grant funding secured by the Council for its major projects, have had an impact on overall management of projects including partnership, project management and financial management arrangements. In the majority of projects considered as part the review, a comprehensive business case including project objectives, outputs, outcomes, and an implementation plan was required as part of respective bid applications.

The Unit is currently carrying out a review of documentation it uses and will ensure that the corporate guidance is fully implemented.

R2	The Project Management Unit to: 1) make clearer their roles and responsibilities, especially between client and major project manager 2) utilise the Council's corporate project management methodology 3) introduce more quality control procedures to ensure greater consistency in the approach to those involved in delivering major corporate projects.
R3	The Project Management Unit to provide a quarterly briefing note to Cabinet and the Corporate Resources Scrutiny Committee on current major corporate projects and upon completion of a project (or a phase) an assessment of the impact upon the relevant community is reported

Report to the Economy and Environment Scrutiny Committee (2005)

The Economy and Environment Scrutiny Committee has recently received a report entitled 'A review of whether the existing management and organisational arrangements for those staff involved in community regeneration are appropriate to maximise the use of its limited resources.' The final report was considered in December 2005 and the following recommendations have been endorsed by Cabinet:

Recommendation 1

In order to make certain that the basic principles of project management are followed including the involvement of relevant officers from within the organisation as well as other public and voluntary bodies with community participation at the project initiation stage of any community regeneration activity, it is recommended that: All officers involved in community regeneration activities must be trained in and use the principles of Prince2 project management. Where an officer is to regularly lead community regeneration activities it is suggested that they are trained to a minimum of foundation level, and wherever possible trained to practitioner level.

Recommendation 2

The Head of Economic Development and Leisure to establish a small steering group of internal officers with external input to develop an action plan to establish area priorities based on the proven needs of those communities.

Recommendation 3

That from the action plan developed by the steering group the Directorate of Environment and Economic Regeneration develop a range of priority 'off the shelf' projects, which the Council can implement should funding become available.

Recommendation 4

That prior to project initiation for any regeneration initiative under Prince2 guidelines the following considerations be made:

- i. Is the project sustainable?*
- ii. Can the money be spent on time?*
- iii. Does it compete with other Vale initiatives?*
- iv. Will it help us to achieve our overall strategy?*
- v. Does it meet clear community demand and need?*
- vi. Will it be financially beneficial (The grant or project must not cost more to attract than we get out of it).*
- vii. Do we have a clear exit strategy for the regeneration project?*

Should the response to any of the above considerations be negative then the viability of the initiative is questionable.

Recommendation 5

The Council establish a contingency fund of £50,000 to be held centrally by the Director of Finance, ICT and Property in order to develop feasibility, planning and design studies for appropriate community regeneration activities and projects. The Improvement and Development Team within the Department will be responsible for ensuring the viability of the initiative.

Recommendation 6

The next revision of the Vale of Glamorgan's Community Strategy should consider the following key themes;

- A Winning Wales*
- WAVE – Wales a Vibrant Economy*
- Supporting People in Wales*
- People, Places and Future Prosperity – The Wales Spatial Plan*
- Sustainable Development Action Plan 2004-2007.*

R4 To endorse the recommendations of the Environment and Economic Regeneration Scrutiny Committee in their recent review of community regeneration projects and extend to cover all major corporate projects.

2.2.2 External Funding of Corporate Projects

External funding comprises resources available from: European Union; central government; government agencies; National Lottery; private sector; trusts and foundations.

The Council regards the use of external funding as a key contribution towards making the best use of resources and is constantly striving to improve its effectiveness in this area. Whilst Wales has continued to benefit from significant European funding, in comparison to many other authorities in Wales, the Vale of Glamorgan is a low funded Council and one that receives very little assisted area status. It is currently only partly eligible for European Objective 2 Transitional funding and fully for Objective 3 funding until 2006. With the advent of EU enlargement the medium term prognosis is for a decline in funds and this is causing anxiety about meeting funding needs in the medium to long term.

With its own capital resources stretched by a variety of competing service needs, external funding is becoming increasingly essential in developing and sustaining some services in the long-term. Working against this goal is the short-term nature of the majority of external funding schemes, which hinder long-term strategic planning and project sustainability overall.

Senior Managers Development Programme

In 2005 the Council provided an opportunity for managers to participate in a Senior Management Development Programme. The programme was divided into cohorts, each of which had a project to work on as a team. One of these cohorts considered how the Council can build organisational capacity to access and utilise grants to the maximum benefit of the Council.

The scope of the cohort's study was greater than that of this review as they also considered grants awarded by the Council. In relation to accessing external grants consultation was carried out with other local authorities in Wales and 16 responses were received. The findings of this exercise showed that there is a lack of co-ordinated arrangements and limited partnership arrangements between authorities. An exception to this being the success partnership used by the Society of IT Managers (SOCITM) which obtained joint funding for Broadband installation.

In its findings, the cohort concluded that the scope of the European Policy Officer should be extended to address all external grant funding; that additional training is required for the Grantfinder software and that grant applications should be recorded on the Council's Intranet in order to raise awareness of current applications and identify strengths and weaknesses.

The cohort reported its finding to the Corporate Management Team at the end of last year. The Director of Environmental and Economic Regeneration presented the report to CMT and the following points were agreed:

- too much officer time was being spent on bidding for pots of relatively little money
- expertise in bidding for grants was scarce
- there were insufficient co-ordination in how bids related to the Council's priorities and objectives
- the way in which the council itself disbursed grants to other organisations was in need of improvement.

To address these issues the following would be considered:

- the role of Strategic Partnerships in agreeing proposed bids for grants and in distributing grants to other organisations above a certain financial threshold;
- the establishment of a central Grants Unit in the Council;
- the role in this regard that the current Partnership Co-ordinators could play;
- the criteria that needed to apply when distributing large-scale grants to other organisations.

Grantfinder Software

Online grants and funding search facilities such as 'Grantfinder', are not yet consistently used throughout all Council services with some still relying largely on professional networks and word of mouth. The WAO regeneration study (2005) also highlights issues around the sharing of knowledge on grant regimes.

To improve its effectiveness in this area, the Council has recently subscribed to 'Grantfinder', an online database which holds details on over 4,000 initiatives administered by a variety of funding providers including the European Commission, UK government departments, local government, major charitable trusts and corporate sponsors. It also has information on subsidies, loans, venture funding and other incentives available to all types of business including voluntary and community groups. The database provides an overview of all schemes available and channels search results back to the Council and for the purpose specified. Access to the database is currently being rolled out council-wide to appropriate officers within all directorates although no resource has as yet been identified to help the Services assess the likelihood of a successful grant application and provide advice and assistance in submitting quality bid applications. To date 60 members of staff across the Council are able to access Grantfinder.

A Grants Network has also recently been established – this is a group of Council officers who regularly use the software. The first meeting took place in November 2005. At this meeting the network requested further information on how the actions recommended by the cohort will be taken forward. The network meets on a quarterly basis in order to share information however; there is no dedicated officer who provides a central point of assistance in between meetings.

Carmarthenshire County Council are developing an in-house IT grants package to help them maximise grant opportunities. The Council's European Policy Officer is in contact with Carmarthenshire and hopes to see the database in action to assess whether it could be utilised in the Council, particularly to ensure that bids meet strategic priorities and the efficient delivery of projects together with effective monitoring and evaluation at the end.

Financial Breakdown of Grants Received

No corporate overview is currently taken of the effectiveness of the Council as a whole in securing external funding.

The table below gives a breakdown of successful grant approvals secured by the Council for Capital Schemes over the past three years (2003/4 – 2005/6), together with known grants for 2006/07.

Capital Scheme	Prior to 2003/04	2003/04	2004/05	2005/06	2006/07	Total Capital Grants
WDA	0	1,079,904	2,394,000	0	0	£3,473,904
European Regional Development Fund	0	191,833	1,342,637	0	0	£1,534,470
Local Regeneration Fund	738,610	907,921	228,957	846,325	9,859	£2,731,672
WAG	791,925	2,770,012	4,213,656	6,377,941	6,090,000	£20,242,904
Article 33	0	0	714,867	1,021,453	0	£1,736,320
Big Lottery PE Fund	0	0	0	1,566,022	0	£1,566,022
Big Lottery Fund	0	0	0	470,293	0	£470,293
Heritage Lottery Fund	3,256,000	0	0	4,146,000	0	7,402,000
Sportlot	0	48,000	36,106	0	0	£84,106
Other	0	21,660	232,283	54,403	0	£308,346
Total	£4,786,535	£5,019,330	£9,162,506	£14,482,437	£6,099,859	£39,550,037

Source: Vale of Glamorgan Finance Department

Appendix 2 provides a detailed breakdown for each funding stream showing expenditure on individual projects. Also attached at appendix 2 is a list of major projects to be undertaken during the coming financial year.

It must be noted that Cabinet consent is required for all capital grant funding regardless of value and for revenue grants of £50,000 and above. The reason for this is that under the Council's Constitution all amendments to the capital programmes require Cabinet approval. Officers across the Council have reported that this can cause problems, mainly due to the time involved in the Cabinet reporting process, together with the potential delay in completing and submitting an application which may result in deadlines being missed and opportunities for funding being lost.

Wales Audit Office, Financial Standing Report 2004/05

The following extract is taken from the WAO Financial Standing Report 2004/05, published in January 2006:

'Scope remains to improve the profiling and project management of the capital programme.

26. The level of slippage in the capital programme over the last three years raises concerns over the profiling and project management of the programme.

27. As part of our review we completed a review of the reasons for the revisions to the programme in 2004/05. There were two main reasons:

- Three major schemes equating to over £6 million were intended to be funded by external grants. These three schemes have either been delayed or cancelled for reasons that were outside the Council's control.*
- The remaining revisions relate in the main to slippage in the projects due to weaknesses in both profiling and project management.*

28. For a capital programme to be effectively managed, planned expenditure should be fully profiled. During the first six months, only 21% of the capital programme was profiled to be delivered, with 37% of the programme being scheduled to be delivered in March alone.

29. The documentation used by Directorates requires them to project anticipated annual costs. However, no further breakdown is required. This limited information has been a major factor in the delay and changes that have been made to the programme. Once an application is approved, officers responsible for the bids should be asked to revisit the bid and submit a detailed profile of the planned expected expenditure on a month by month basis.

The Council maximised its use of external funds when financing the 2004/2005 capital programme

30. The capital programme is funded from both internal and external resources. Given that the Council's programme has slipped by a considerable margin, a review of the budget and outturn funding of the programme was carried out to ensure that the Council has maximised the use of external funding before using internal monies (revenue, reserves and capital receipts) and, as a consequence has optimised its cash flow position.

31 Our review showed that wherever possible the Council maximised its use of the Welsh Assembly Government general capital grant, the Supplementary Credit Approvals and other grants. Use was only made of internal funds where no external funding was available.'

The relevant extract from the action plan agreed between the Council and the WAO is replicated below.

Page	Recommendation	Priority 1=Low 2=Med 3=High	Responsibility	Agreed	Comments	Date
12	R2 The project management and profiling of the capital programme should be reviewed to ensure that the programme can be fully delivered in 2005/06	3	Operational Manager Accountancy /Audit	Yes	Since the 05/06 budget process, all capital bids have been progressed through the Corporate Asset Management Group and prioritised according to pre-defined criteria. Following consideration of the initial capital programme proposals by Cabinet and scrutiny committees, officers responsible for those bids remaining in the indicative capital programme are asked to provide a breakdown of the phasing of each scheme in order that expenditure can be profiled appropriately across financial years. Subsequent, monitoring of the Capital Programme includes not only financial appendices but also progress of major schemes against the planned timeframe including key dates for design, physical completion together with any scheme constraints.	Jan 06

European Objective 2 Transitional and Objective 3 Funding

The European Office within the Chief Executive's department reports to Corporate Resources Scrutiny on its performance in this area on a quarterly basis as part of the Council's performance management arrangements. The table below demonstrates that the Council continues to improve its effectiveness in securing European Objective 2 Transitional and Objective 3 funding.

Performance Indicator	2002/3	2003/4	2004/5	2005/6
Allocation for the period	£3,668,565 (2001-3)	£4,275,050 (2004-6)	£4,275,050 (2004-6)	£4,275,050 (2004-6)
Target	5%	10%	55%	90%
Percentage of European grants approved: Objective 2 Transitional	6.4% (£235,191)	34% (£1,456,764)	60% (£2,580,375)	73% (£3,135,199)

Performance Indicator	2002/3	2003/4	2004/5	2005/6
Allocation for the period	£1,532,880	£2,909,416	£2,909,416	£2,909,316

Performance Indicator	2002/3	2003/4	2004/5	2005/6
Target	5%	50%	60%	88%
Percentage of European grants approved: Objective 3	74% (£1,140,392)	39% (£1,124,837)	88% (£2,571,513)	88% (£2,571,513)

The Vale is a low funded Council and one that receives very little assisted area status monies. Its own limited capital resources are stretched by a variety of competing service needs. Whilst inadequate funding and overly complicated grant procedures are major issues for all those involved in the process, it is fair to say that the Vale of Glamorgan Council suffers from external short term funding structures that work against development and delivery of long term goals.

Short term funding can raise expectations both within the Council and by service users. All services must consider exit strategies when initially submitting bids for grants to ensure the sustainability of the project. Exit strategies should consider whether sourcing alternative funding or generating income could extend a project. However, the service should also be conscious that not all projects need to go on forever; alternatively there may be a new approach or innovative way of taking the project forward after the fixed term funding ends.

2.2.3 Partnership Working

As previously mentioned (in paragraph 2.2.1) the WAO improvement study on Regeneration (February 2005), highlighted that the Council has a well developed framework for partnership working.

Partnerships existed for all the major projects considered in the review and these involved other public (statutory and non-statutory), voluntary and private sector organisations with the Council acting as lead organisation. The Council as lead organisation has responsibility for maintaining auditable financial records and ensuring good financial management. In the majority of the projects considered the Council was identified as the key driver ensuring that the partnership achieves its stated objectives.

The make up of these partnerships are in some cases influenced by grant conditions, which specify involvement from particular organisations. In addition, where the Council has no direct access to funding schemes, partnerships have been created with organisations that have direct access to funding in order to progress local priorities. Limited capital funding within the authority means that many of the Council's priorities are driven by the availability of funding. Partnership arrangements to access external funding have mostly been with organisations from within the voluntary sector. The partnerships involving major projects all have agreed terms of reference covering partnership and financial management arrangements and performance reporting. A lead officer is always identified to act on behalf of the partnership.

In 2004, officers from the Community Services Directorate created a table of joint working groups according to the Vale Partnership key strategic planning partnerships. This table was reviewed in June 2005 and is available under the 'Policy' section of the Intranet pages. It provides contact details for the Council's own lead officer together with details of the purpose of the group, its main areas of work and all of the agencies involved. However, there is no central monitoring point for any other partnerships that exist across the Council or one officer with responsibility for collating such information. If this database were easily accessible and well publicised then this would enable officers to utilise existing partnerships for the delivery of new projects across the Council, thereby reducing the burden on Council resources and maximising the use of existing and strong partnerships.

The European Office based within the Chief Executive's department already provides advice and guidance council-wide and to external applicants for European grant funding programmes. The future of such programmes is currently uncertain, although it would appear that Objective 3 funding will come to an end after 2006. Therefore, it is a possibility that scope may exist, post 2006 for the European Office to take on a wider grants role.

- R5 That the Corporate Management Team assess the feasibility of one officer taking on the role of Corporate Grants Officer. The Officer's key role involves identifying and advising all Council services on potential sources of funding available including those that can be accessed directly and those through partnerships with other organisations. Their role would include the following:
- Coordinate bids for external funding, ensuring that they are linked to priorities agreed by strategic partnerships
 - Responsibility for the Grantfinder software and Grants Network meetings
 - Provide support and assistance on grant applications
 - Provide support to services through the application process to reduce the burden on officers
 - Create and maintain a database of existing partnerships and grant applications which is accessible by all officers.
- R6 That the Corporate Grants Officer, if established, provides a quarterly briefing note to Cabinet and the Corporate Resources Scrutiny Committee on current major corporate projects (other than those managed by the PMU) and upon completion an assessment of the impact upon the relevant community is reported.

2.3 Role of Scrutiny Committees

All Scrutiny Committees receive monthly overview reports on all projects including major projects within their remit via capital programme monitoring reports prepared and reported by the Finance Department.

The Council recognised the importance of major projects when developing its Constitution and established Scrutiny Committees to ensure performance in the delivery of key corporate projects is reviewed and scrutinised. The terms

of reference for the Corporate Resources Scrutiny Committee therefore involves the monitoring of key corporate projects including Surplus Land and Property, Capital Schemes and Revenue Proposals over £50,000.

At present, the Corporate Resources Scrutiny Committee generally receives a monthly capital programme monitoring report, which gives an overview of all projects including major projects. The reports essentially give a brief financial overview of the capital budgets of all projects over their lifecycle. It also highlights their current status that is, whether they are on target, are delayed or been completed ahead of schedule.

A significant proportion of major corporate projects fall within the economic development and regeneration field and updates on these are reported at the Economy and Environment Scrutiny Committee. Whilst some specific projects are reported in detail, these are undertaken with the sole purpose of seeking approval for the next phase of a project rather than on achievement of project objectives and outcomes. The Scrutiny Committee has also requested updates on specific projects to receive updates on progress.

On completion, key outcomes from major projects do not appear to be consistently reported and consequently the Corporate Resources Scrutiny Committee does not appear to have an overview of the Council's effectiveness in delivering major projects.

3 Findings

- 3.1 An overview of the major projects undertaken in the last five or so years has identified areas of good practice in the Vale and this is highlighted below. Due to the number of projects undertaken, the review concentrated on projects in the region of £500K and above.

Surveys were sent out to officers across the Council and a total of 12 completed surveys were received as detailed below:

	Project	Lead Directorate	Total internal investment to date*	Total drawings from external sources to date**
1	New Sports Hall – Barry Sports Centre, Colcot	Environmental and Economic Regeneration	£360,000	£330,000
2	Creative Rural Communities	Environmental and Economic Regeneration	£168,248	£2.8 million
3	Hood Road Goods Shed Regeneration Project	Environmental and Economic Regeneration	£570,000	£1.18m
4	Alley Gates	Environmental and Economic Regeneration	£80,000	£350,000

	Project	Lead Directorate	Total internal investment to date*	Total drawings from external sources to date**
5	Dyffryn Gardens Restoration Project	Environmental and Economic Regeneration	£2.23 million	£6.15 million
6	Barry Steam Railway	Environmental and Economic Regeneration	£1.19m	£4m
7	Western Vale Integrated Children's Centre	Community Services & Learning and Development	£263,952	£798,893
8	Waterfront IT Resource Centre	Learning and Development	£46,000	£1.57 m
9	Penarth Central Renewal Area	Community Services	£343,000	£6.3 m
10	Cadoxton Renewal Area	Community Services	£2.65m	£11.35m
11	Sure Start	Community Services	-	£601,305
12	One Vale Programme	Chief Executive's Department	Total capital investment £14.8m	None

* Total internal investment includes, revenue and capital funding

** Total drawings from external sources could include, capital, revenue, private funding and volunteer time.

A survey was not completed in relation to one of the largest projects, namely the Ysgol Gyfun Bro Morgannwy development, where between 2000/01 and 2005/06 the Council has invested £10.1 million.

Copies of the completed surveys are attached at Appendix 3.

3.2 Key Issues for Officers involved in Corporate Projects

Through subsequent meetings with the key officers on the majority of the projects outlined above the following issues were identified:

- Whilst the Grantfinder software is used by several officers, many still rely heavily on word of mouth and networking in order to find out about new funding streams becoming available. This can result in opportunities occasionally being missed.
- There is limited support and time to compete bids for various funding schemes. There is also a need to balance resources spent applying for funding against the potential returns from the application. Example given of no bids being made for grants of less than £5,000.
- A council wide 'Grants Officer' whose key role would involve identifying and advising all Council services on potential sources of funding available including those that can be accessed directly and those through partnership with voluntary sector organisations would

maximise opportunities. Their role could also include providing support through the application process to reduce the burden on officers.

- There is no centrally established corporate control or monitoring of major projects currently being completed across the authority.
- The majority of funding schemes (including European funding) target areas of disadvantage or high deprivation. The Vale has limited access to these types of grant funding because it does not generally fall within these categories. Grant funding opportunities for Objective 2 (which the Council can access) are limited.
- There is a negative impact of limited and short term funding on long-term planning and project sustainability. Also where accessed, the funding is often time limited so has to be used within a short timescale.
- Stringent grant conditions often dictate how a project is to be managed including the partners to involve and this can impinge on successful delivery of the outcomes.
- In some instances, there is limited capital funding from the Council with which to undertake major projects. Limited council match funding can result in short term and therefore less sustainable use of funds. For example, the building of a short-term building (prefabricated corrugated structure) that is likely to require earlier replacement as opposed to a brick building that would have a longer life expectancy.
- The requirement for Cabinet consent for access to funding for all capital grants and for revenue grants of £50k and above often results in delays.
- Inability to act against a partner who is failing to satisfy the conditions of their service level agreement, especially when the involvement of that partner is essential to the securing of external funds.

3.3 Project Benefits

The major projects considered within the review focused on town centre led initiatives, renovation of derelict land and historical buildings, older private and public sector housing, community safety and life long learning. Overall, it has been difficult to identify fully the benefits of major projects to communities within the Vale for the following reasons:

- On completion of major projects, no formal evaluation appears to take place at a corporate level to review outcomes against original project objectives and assess the benefits realised for the community. Where some evaluation has taken place, this has not been reported or publicised.
- There is inconsistency in the reporting of project outcomes to Scrutiny Committees and the Cabinet as a whole.
- A number of projects are long-term, comprising of a number phases that are currently still ongoing with no evaluation taking place as each phase is completed.
- A number of projects are smaller elements within larger schemes and whilst complete, the full benefits will only be realised on completion of

the overall scheme (e.g. the Innovation Quarter and the Barry Masterplan). There is no impact evaluation carried out as each smaller element is completed, or the role that it will play within the larger scheme, although evaluation is undertaken in respect of finance, programmes and authorities etc.

The review of the corporate project management methodology should address incorporating evaluations on the benefits of the project to the community into the process.

3.4 Equalities Assessment

The Council has a duty to consider the needs and requirements of the community who are affected by our policies and procedures. Therefore as part of this review an impact assessment on equalities was completed.

Generally the impact of a major corporate project will affect the whole community. However, in many cases the conditions of the external funding grant is such that the projects has to be limited to a particular geographic area based on deprivation indicators, or to the benefit of a particular group e.g. teenage mothers. In such cases that particular section of the community receives a positive impact from the project.

This review has highlighted that the benefits of a project on the community is currently not evaluated either during or upon completion of the project. The recommendations of this report together with the review of the corporate project management methodology will address this.

3.5 Sustainability Assessment

A failure of the Council to meet community needs in a sustainable way is a failure to perform in a fully effective and efficient way.

Different projects have varying impacts on sustainable communities for example redeveloping brownfield sites; taking measures to reduce ill health and improve access to health advice; increasing employment opportunities; improving the quality of housing stock and supporting business development within the community.

However, looking at the Council's overall management of major corporate projects, partnership working and utilisation of external funding; there are two key areas that arise from the sustainability assessment.

- Use of exit strategies – every project must have an exit strategy from conception to ensure the sustainability of the project. Exit strategies should consider whether sourcing alternative funding or generating income could extend a project. However, the service should also be conscious that not all projects need to go on forever; alternatively there may be a new approach or innovative way of taking the project forward after the fixed term funding ends.
- Ineffective use of grant funding resulting in short life span of project outcomes. For example, limited council match funding can result in

short term and therefore less sustainable use of funds. For example, the building of a short-term building (prefabricated corrugated structure) that is likely to require earlier replacement as opposed to a brick building that would have a longer life expectancy.

4 Notable Practice

There are many examples of notable practice with respect to, in particular, regeneration projects. As part of the review examples were considered from beacon authorities, Audit Commission lessons from inspections and Wales Audit Office studies on regeneration. The examples reviewed included initiatives covering physical, social and economic regeneration. In all cases, there had been local authority involvement in identification of regeneration priorities, forging of partnerships, sourcing of funding and developing innovative approaches to managing the projects.

The paragraphs below summarise the key findings from each area and general lessons learnt.

4.1 Beacon Authorities

The Beacon Scheme identifies excellence and innovation in local government in England. The scheme exists to share good practice so that best value authorities can learn from each other and spread the delivery of high quality services.

In order to achieve Beacon status, authorities make submissions demonstrating attributes such as their vision, leadership, partnership working, targets and monitoring.

Beacon authorities provide many examples of good practice including common attributes, most notably the following:

- Effective community engagement in initiatives
- The use of innovative partnerships and management arrangements involving public, private and voluntary sector organisations
- Robust systems and processes secured through support and participation of the communities involved
- A customer centred approach

Importantly, all beacons identified the support of an effective network of partnerships as key in delivering their respective initiatives.

4.2 Wales Audit Office – Regeneration Study, 2004/2005.

This recent study, referred to earlier in this report, identified holistic examples of notable practice in regeneration projects across the UK. Some of the common themes and notable practices highlighted included:

- Strong leadership

- Well established and clearly laid out decision-making process and financial reporting arrangements.
- Strong commitment to local ownership.
- Partnerships effectively used to maximise income streams.

4.3 'Economic and Community Regeneration' - Audit Commission, 2003.

In its report 'Economic and Community Regeneration: Learning from Inspection' the Audit Commission identified examples of notable practice in regeneration. Based on best value assessments of 60 council initiatives and departments in England. It examined community leadership, partnership working, projects specifically supporting regeneration, and the contribution of mainstream services. The Audit Commission highlighted a number of characteristics common to authorities that are doing well on economic regeneration including the following:

- They are lucid about why they are involved and what they want to achieve. For example, they take the lead in developing a clear economic strategy, setting out key priority areas such as harnessing the strengths of knowledge institutions and providing the skills required by industry.
- They draw up a socio-economic profile and consult the community to develop an understanding of local needs.
- They have outcome-based aims, targets and performance indicators.
- They add value within partnerships. For example, Durham County Council co-ordinates and facilitates bids for business support and infrastructure, working with the Business Link network, One North East and Government Office North East. Caradon Council in Cornwall funds local forums which have brought regeneration partners together.
- They ask for feedback about their performance and change their practice to meet local needs.

4.4 Good and Notable Practice within the Vale of Glamorgan

Impact on communities

The Alley Gating Crime Prevention Project

This project aimed to install a number of security gates across back lanes and alley ways as a positive form of crime prevention, in targeted wards in Barry. The scheme sought to reduce the opportunities to commit crimes such as domestic burglary and reduce the opportunity for anti-social and illegal activities. One of the other main aims of the project was to reduce the fear of crime experience by residents, especially the vulnerable members of the community.

The scheme has been an unqualified success with the Council winning the APSE Best Community Initiative for 2005. Not only have burglary and other crimes rates been substantially reduced, but just as importantly, in surveys carried out with residents they extol the virtues of the project and report that their fear of crime has all but vanished. Associated outcomes have included the promotion of ownership and pride in the alleyways amongst residents and a restored sense of community pride.

Creative Rural Communities

This project commenced in 2003 when the Council identified an opportunity to source external funding to address identified social, economic and environmental community issues across the rural Vale. The Creative Rural Communities Partnership was established involving the private, public and voluntary sectors. Council officers are able to work with rural community groups to build capacity and funds are applied to both minor and major projects. A key condition for all projects is that they are community initiated, led and sustainable over the long term, thereby maximising the benefits and involvement of the communities directly affected.

Although the external grant is awarded via the Council, the establishment of the partnership with a strong community focus has ensured that all projects are agreed and prioritised by community representatives, this adds considerable weight to bids by way of evidencing community support. A dedicated office in Cowbridge and branding of the partnership has helped in maintaining community ownership. Also, the partnership decided at an early stage to spread investment across a number of smaller projects to maximise the number of rural communities that benefited, as opposed to concentrating on a smaller number of large projects. This has helped to maintain enthusiasm and community ownership of the project and also delivered real, visible benefits.

Partnership working

Penarth Central Renewal Area

This ongoing project involves the urban regeneration of approximately 500 houses in the Alexandra Ward, together with the development of social and environmental initiatives.

The project benefited greatly from lessons learnt in the earlier Cadoxton Renewal Area. Key to this was ensuring that a management structure consisting of Members, Heads of Services from across the Council together with a finance officer and the Health Alliance Co-ordinator was established from the beginning. Under this steering group sub-groups were set up to address housing, environment, community and health issues. These groups are chaired by senior Council officers they also include representatives from community groups and other private, public or voluntary groups; for example health trusts, as projects require.

There is also a residents' forum, a constituted group who consider all Renewal Area proposals, promote the area through newsletters and identify additional funding opportunities.

Sure Start

Sure Start provides a preventative and supportive role for families and proactive intervention that attempts to break the cycle of children becoming looked after by the Council. The programme is in essence a one-stop shop for parenting, health and development of children up to four years old, offering initiatives in play support, speech and language therapy, family support, learning opportunities, social work, midwifery for teenagers and 18+ and

volunteering/befriending to families within Barry and outreach to the Western Vale.

Delivery of the programme involves joint working between the Council, Cardiff and Vale NHS Trust, the Local Health Board and the voluntary sector, NCH Cymru. Key officers from all organisations are represented on the Partnership Management Group (PMG). The PMG and Children's Partnership meet monthly to make decisions that affect delivery of the project.

External funding

The Western Vale Integrated Children's Centre (WVICC)

This project incorporates early years education, childcare, open access play, training and community development activities. It will also provide out of hours learning and care. Strong partnership working has secured a wide variety of funding sources and agencies have been involved in the development of the WVICC.

Revenue costs for the centre are currently being met via Cymorth funding. The Council is also in partnership with voluntary bodies, such as the Llandaff Diocese Board (Church in Wales) who can access other revenue funding to meet the running costs of the centre. Indicative funding from the New Opportunities Fund (now the Big Lottery Fund) and the WAG early years grant, earmarked for the Vale enabled the development to happen.

An interagency Project Development Group involving key statutory and non-statutory partners has overseen the development of the centre. The service delivery is being undertaken in partnership with statutory and voluntary sector partners in order to maximise access to revenue funds and to help sustain service provision. Each partner to the project contributes some form of resource and whilst the service provision is integrated budgets are held in different partner organisations. Examples of contributions by partner organisations include; day nursery and centre staff employed by the Llandaff Diocese, Sure Start services delivered partly by NCH Cymru and partly by the Council. School, youth service and play staff are Council employees and a health drop-in services will also be delivered at the centre.

5 Conclusions

In relation to corporate projects across the Council, the main priorities for action are outlined in the Community Strategy and the Council's Corporate Plan and these target the areas within the Vale that suffer from significant economic, environmental and social difficulties such as high unemployment, sub-standard housing, low educational achievement, poor health and high levels of crime.

The Corporate Plan 2005 – 2009 lists the economic regeneration priority actions and these are supported by an action plan for implementation. As with the rest of Wales many of the priorities and achievements to date have been driven by the availability of funding. The priorities in the Corporate Plan are supported by a number of other strategies, project plans and policy statements. On the whole, there is extensive officer involvement from the

Council's departments in major projects undertaken ensuring a holistic approach that considers social, economic and environmental issues of each project.

The Council does not have an External Funding Strategy in place. To date no one directorate takes an overall lead in improving the effectiveness of Council services in attracting external funding. Furthermore, there is no External Funding Unit to support the Council's services in making the most of external funding schemes including navigating the often, complicated application procedures.

The European Office based within the Chief Executive's department provides advice and guidance council-wide and to external applicants for European grant funding programmes that are not available through core Council budgets. The Unit also processes the grant applications for submission. The Unit does not provide this support council-wide for any other external funding. It must be noted that since some grants such as Lottery funding are awarded on merit, it is dependent on the quality of the applications. It is likely that the current lack of support and advice council-wide, particularly in meeting the requirements of a multitude of external grant schemes including completing comprehensive applications may be proving a barrier to some services within the Council.

On completion, key outcomes from major projects do not appear to be consistently reported consequently, the Corporate Resources Scrutiny does not appear to have an overview of the Council's effectiveness in delivering major projects.

The WAO improvement study on Regeneration (February 2005), highlighted that the Council has a well developed framework for partnership working. However, there is limited evidence of sharing either good practice or of utilising existing partnerships for the delivery of new projects across the Council as a whole.

The review identified an absence of a corporate framework to enable assessment of the impact of major projects on relevant communities within the Vale of Glamorgan. Although some evaluation does take place with the reporting of the key outcomes of various projects to respective grant funding organisations as per grant conditions, more consistency is required in the reporting of these outcomes at a corporate level, including to Scrutiny Committees and the Cabinet. Reported outcomes should include achievement of desired improvements in both the economic and social wellbeing of communities.

6 Recommendations

The following recommendations have taken into account issues identified during research, discussions with specialist officers, both internal and external and officers working in best practice authorities. Cabinet is requested to consider and approve each of the following recommendations made by the Corporate Resources Scrutiny in relation to corporate projects within the Vale of Glamorgan:

Recommendations

- R1 The Corporate Resources Scrutiny Committee to consider the findings of the WLGA study on excellence in capital investment and implement any lessons that can be learnt to improve the management of large- scale projects within the Vale of Glamorgan Council.
- R2 The Project Management Unit to:
- 1) make clearer their roles and responsibilities, especially between client and major project manager
 - 2) utilise the Council's corporate project management methodology
 - 3) introduce more quality control procedures to ensure greater consistency in the approach to those involved in delivering major corporate projects.
- R3 The Project Management Unit to provide a quarterly briefing note to Cabinet and Corporate Resources Scrutiny Committee on current major corporate projects and upon completion of a project (or a phase) an assessment of the impact upon the relevant community is reported.
- R4 To endorse the recommendations of the Environment and Economic Regeneration Scrutiny Committee in their recent review of community regeneration projects and extend to cover all major corporate projects.
- R5 That the Corporate Management Team assess the feasibility of one officer taking on the role of Corporate Grants Officer. The Officer's key role would involve identifying and advising all Council services on potential sources of funding available including those that can be accessed directly and those through partnerships with other organisations. Their role would include the following:
- Coordinate bids for external funding, ensuring that they are linked to priorities agreed by strategic partnerships
 - Responsibility for the Grantfinder software and Grants Network meetings
 - Provide support and assistance on grant applications
 - Provide support to services through the application process to reduce the burden on officers
 - Create and maintain a database of existing partnerships and grant applications which is accessible by all officers
- R6 That the Corporate Grants Officer, if established, provides a quarterly briefing note to Cabinet and the Corporate Resources Scrutiny Committee on current major corporate projects (other than those managed by the PMU) and upon completion an assessment of the impact upon the relevant community is reported.