PUBLIC SERVICES NEWS!

AWICS

Independence…..Integrity…..Value
Adrian Waite (Independent Consultancy Services) Limited

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Contents:

'AWICS' provides a full range of ethical management consultancy and training services, principally to those who provide public services such as local authorities, schools, colleges, housing associations, health authorities, voluntary bodies and many more.

Housing Revenue Account Subsidy Determination for England 2008/09

It was expected that this would be a three-year determination covering the years 2008/09 to 2010/11 to be consistent with the period of the 2007 Comprehensive Spending Review. However, it is a one-year determination as ministers intend to review the future of the housing revenue account subsidy system. According to Anne Kirkham of 'Communities & Local Government':

"Stakeholders may have been expecting that the current determination would be the first in a two year settlement under the provisions introduced in 2006/07. The 2007 Green paper 'Homes for the Future: More Affordable, More Sustainable' suggested the need to explore the possibilities for wider reform of the housing revenue account subsidy regime; since then ministers have announced their intention to commission a full review of the housing revenue account subsidy system."

The main changes include:
- The extension of the period for convergence of guideline rents with formula rents from 2011/12 to 2016/17
- The ending of the Rental Constraint Allowance.
- The ending of the 'real' protection for authorities with management and maintenance allowances that are above 'target' and the introduction of 'cash' protection
- The Major Repairs Allowance calculation uses updated archetype weights and measures of geographical variation in construction costs

Anne Kirkham of 'Communities & Local Government' said:

"Solely for the purpose of calculating guideline rents for 2008/09, Ministers have decided to put back the date for rent convergence under rent restructuring to 2016/17. With the forthcoming wider review of the housing revenue account subsidy system, it is very likely that this convergence date will be revisited again in future determinations."

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For 2006/07 and 2007/08 the Rental Constraint Allowance was included as part of housing subsidy as a mechanism to reimburse all local authorities for the lost rental income. But the Housing Subsidy determination for 2008/09, while not including a recommendation to limit average rent increases, has removed the Rental Constraint Allowance. Therefore there is no recognition of the effect of the lower average rent over the remaining period of rent restructuring. This will inevitably result in significant amounts of lost income for some authorities that may affect their ability to achieve or maintain the decent homes standard.

This means a return to the 'caps and limits' regime with the loss of income for local authorities that results from application of this protection being taken account of through an adjustment to the guideline rent in the year following that loss of income.

Local Authorities have expressed concerns at the ending of the Rental Constraint Allowance. Where authorities applied the Government recommended increase of 5% in 2006/07 and 2007/08, average rent in council properties may now be less than they would have been if rent restructuring had been allowed to proceed. In 2007/08 a total of £130million was paid in Rental Constraint Allowance, the major recipients being Leeds (£7.0million), Birmingham (£4.5million) and Camden (£4.0million). These sums are now lost to these Councils.

The ending of the 'real' protection for authorities with management and maintenance allowances that are above 'target' and the introduction of 'cash' protection will have an adverse effect on housing subsidy in the authorities involved. This principally affects the London Boroughs. An additional allowance of £4 per dwelling per year has also been built into the management allowance to fund the production of energy performance certificates for local authority stock.

The national Management and Maintenance 'pot' did not receive a significant real terms increase - and so remains below the need to spend identified by Communities and Local Government research some years ago. Given the current level of inflation, with building cost inflation even higher, a cash freeze represents a significant real fall in the value of the subsidy.

The updating of the data used in the Major Repairs Allowance appears to have impacted adversely on the London Boroughs with the level of Major Repairs Allowance being received by the London Boroughs in 2008/09 being reduced by 9% in cash terms.

'London Councils' has claimed that the adverse settlement received in London will result in significant real increases in rents; reduced levels of major repairs, maintenance and other services; and difficulty in achieving the decent homes standard.

The 2008/09 housing revenue account subsidy determination, in common with all recent settlements, increased guideline rents by a higher proportion than management, maintenance and major repairs allowances. This has an adverse effect on most local authorities as levels of positive subsidy are reduced and levels of negative subsidy are increased.

'Communities & Local Government' has calculated that in 2008/09 a total of £194million will be taken out of housing revenue accounts to 'subsidise' central government. Furthermore, this figure is projected to increase to £894million in 2022/23 with a total of £7.5billion being taken out of housing revenue accounts over the next fifteen years. Paul Holmes MP, housing Spokesman for the Liberal-Democrats was quoted in 'Inside Housing' as saying:

"Every year council tenants face higher than inflation rent rises yet see none of the benefits of greater investment in their homes, thanks to the government's claw back."

'AWICS' is holding another series of 'All You Want to Know about Local Authority Housing Finance' at various venues around England between February and May 2008. Further details are on our website at: www.awics.co.uk/regionalseminars/housingfinancecourse.asp . A book of the same title can also be purchased. Details are on our website at: www.awics.co.uk/publications.asp .

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One Wales

In May 2007 a new Welsh Assembly was elected and in June 2007 a new Welsh Assembly Government was formed by the Labour Party and Plaid Cymru. Their agreement was entitled 'One Wales' and was described as a progressive agenda for the government of Wales. This article considers what 'One Wales' offered for housing.

The Welsh Assembly Government considers that a lack of good-quality housing affects people's health and well-being, and influences their long-term life chances. They consider that everyone has the right to an affordable home as owner, as part-owner or as tenant. They consider that a stock of good-quality, affordable homes is the foundation of thriving local communities in all four corners of Wales.

This programme of government commits the Welsh Assembly Government to: Meeting housing need, improving access to housing, increasing the supply of affordable housing and ensuring 21st-century housing.

Many communities experience severe housing pressure, with house prices far outstripping local wages. The Welsh Assembly Government is committed to tackling this problem in the worst affected areas using their new powers. They will:

- Draw down legislative power to the Assembly in order to suspend the Right to buy in areas of housing pressure.
- Provide local authorities with the ability to secure 100% affordable housing on development sites to meet local needs in areas of high housing pressure.

The Welsh Assembly Government considers that they need to ensure that there is enough housing to meet people's needs in all communities. The era of long waiting lists for social housing should end, and new build housing developments should include affordable homes. Together, they will ensure that the supply of affordable housing increases, through investing in social housing, including council housing, and stimulating the supply of affordable private sector homes. They will:

- Provide increased funding to support social housing.
- Require all sizeable new housing developments to include a percentage of social housing reflecting local need.
- Allow local authorities greater freedom to designate non-development sites for the sole purpose of affordable housing, taking into account the principles of adjacency and sustainability.
- Place a statutory duty on each local authority to prepare a delivery plan for affordable housing, consistent with their housing strategy, to include target numbers.

The Welsh Assembly Government is strongly committed to ensuring that social housing in Wales meets 21st-century standards. They will:

- Keep the Welsh Housing Quality Standard under review. Where, having secured the agreement of their local populations, individual local authorities put forward a case for compliance with the Standards to be achieved through an extended compliance timetable, and where applications are backed by a robust business plan, we will consider such applications on their individual merits.
- Ensure that, where a stock transfer ballot has taken place within the lifetime of a council, no re-ballot should occur within that local authority term of office unless a significant change of circumstances can be demonstrated to have taken place.
- Where local authorities decide to hold stock transfer ballots, work actively to ensure that tenants have access to impartial advice.

'AWICS' is holding the 2008 session of 'All You Want to Know about Local Authority Housing in Wales' in Cardiff on 26th February 2008. This will provide an introduction and overview of the subject. Details can be found on our website at www.awics.co.uk/regionalseminars/welshlahfin.asp .

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Value for Money and Procurement

Housing Associations, in common with all public sector bodies, are increasingly concerned with value for money and procurement. Two recent studies have identified the significant progress that Housing Associations are making in this area and provide useful pointers for Housing Associations, Local Authority Housing services and the rest of the Public Sector.

In June 2007 the Chartered Institute of Housing published 'Embedding Value for Money in Housing Association Services'. This report concluded that embedding value for money is about a host of characteristics, behaviours and processes permeating strategic and operational activity; and that collectively, these components may achieve a degree of critical mass where it may be said that a given organisation has a value for money culture.

The study found that the search for value for money within a housing association is a valuable process in itself, focusing the Board, staff at all levels and customers on the cost of procuring inputs to services (economy), the best way of doing things (efficiency) and doing the right things (effectiveness).

It is considered that a value for money strategy that is well devised and implemented is crucial if a housing association is to embed value for money. Value for money strategies must focus on the organisation's overall aims and objectives and be integrated with other strategic decision-making processes such as business planning and the approach to procurement. Whilst the value for money strategy may be seen as a starting point for embedding value for money, its high level aims must mean something to all staff in terms of their day to day activity. The study found that this is achieved by cascading the objectives and actions of the strategy down through service, team and individual plans; and by ensuring that value for money is picked up in the organisation's approach to performance management.

The study found that good quality, timely information about services is essential for making value for money judgments. It allows a robust baseline position to be established from which the organisation may then measure its performance over time and as compared to others. Intelligent analysis of data informs decision making about where improvement action should be focused and enables assessment of the impact of improvement action and the extent to which value for money has been enhanced. Sound data is also critical for day to day performance management, for example in terms of taking remedial action and accountability to customers and regulators for value for money performance.

Procurement is a major spend area in any organisation. The study found that a strategic and focused approach, executed by expert staff, is the key to getting a grip on this spend and to securing the right cost and quality balance.

Most day to day activities undertaken by housing associations involve processes, the improvement of which provides significant potential for enhancing value for money, both in terms of cost and delivering what customers want. The study concluded that staff, in particular managers, should focus effort on reviewing systems and processes against customer requirements, minimising response times and 'failure demand' from errors that require costly re-work or the investigation of complaints.

The study concludes that it is imperative that service outcomes are what customers want (not forgetting the other key stakeholders, including the government around national policy objectives). Securing meaningful customer involvement and placing real power in the hands of customers is seen as essential to the search for value for money.

Calico Housing Association, where I used to be an Independent Board Member, is singled out as an example of good practice. It is reported that the association uses the Business Excellence Model in conjunction with its annual cycle of business planning, organisational objective setting, budget preparation and service delivery plans to ensure that it remains focused on the achievement of efficiency goals and to establish the priorities, objectives and actions of their Business Improvement Groups.

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These groups cover all aspects of its business, from equality and diversity issues to being a high performing organisation, and are resourced from throughout the organisation, engaging all staff in the delivery of the association's objectives, including those aimed at efficiency.

Finally, the study concluded that value for money is about maximising the organisation's use of resources to achieve desired outcomes, and that this represents sound business sense. It is considered that if an organisation approaches value for money on the basis that boxes need to be ticked to satisfy regulatory requirements, it will miss out – and so will its customers.

In February 2008 the Audit Commission published a report on improving housing association procurement practice entitled: 'Better Buys'.

The report concluded that housing associations face a range of internal and external pressures to improve the efficiency of their operations. Over the next three years the government has set the target of realising 3% net cash-releasing value for money gains per annum. Associations have several options for achieving these savings, including improving the way they procure goods and services.

The report found that the procurement of some activities, for example, cyclical painting or installing central heating, present associations with significant potential to realise efficiency savings. But these types of contracts can also be complex and time-consuming. More straightforward procurement decisions, such as renegotiating stationery or telecoms contracts, can give faster results. However, many associations had not even made progress on these quick wins. As a result, the contribution of procurement to efficiency gains varies markedly across the sector. Efficiency savings attributable to better procurement ranged from £1.66 to £220 per housing unit with an average of £40 per unit.

The key factors determining a successful approach to procurement were found to relate primarily to internal organisational capacity and culture. The choice of method or type of contract is less important. Similarly, while collaboration between housing associations, including the use of buying consortia and the forming of mergers, can give them more purchasing power, it does not automatically lead to benefits. Instead it was found that well managed associations, with the appropriate skills and knowledge, are more likely to improve services and release efficiencies regardless of their structures or methods.

The audit commission considers that procurement can be a powerful tool to secure greater value for money but it is also used, to varying degrees, to achieve wider objectives such as regeneration, environmental sustainability and the promotion of diversity and equality. In addition, procurement activities lend themselves to the involvement of residents. But while there are clear benefits to be had from involving residents in procurement decisions, associations' approach to involving them seems rather haphazard.

It is concluded that housing associations have an opportunity to improve their performance in procurement. There is the potential for them to make further savings from procurement of over £100 per home. In order to do this, associations need to adopt a more strategic approach to procurement which goes beyond looking just at unit costs. They need to make linkages between their strategic objectives and the procurement cycle and they need to learn from elsewhere. The private sector's approach to supply chain management is particularly applicable and associations have found it can lead to improved processes and cost control.

'AWICS' is holding a series of seminars between March and May 2008 that will examine 'Achieving Efficiencies and Value for Money in Social Housing. Speakers include Adrian Waite, Stephen Harriott ('AWICS' Associate and former Chief Executive of Amicus Horizon), and representatives of the audit commission. More information can be found on our website at: www.awics.co.uk/regionalseminars/housingvfmcourse.asp .

National Affordable Housing Programme 2008 to 2011

The merging of the Local Authority Housing Investment Programme and the Housing Corporation's Approved Development Programme into a single regional investment 'pot' in 2004/05, managed by Regional Housing Boards has led to a redistribution of resources. The allocations for 2006/08 saw £3.9billion allocated to affordable housing, £0.7billion to council housing and £0.9billion to other programmes. Of this total of £5.5billion, £2.3billion was allocated to London, £0.8billion to Southeast England and £2.4billion to other regions.

The government's plans for increasing the number of new affordable homes are dependent on an increasing proportion of the cost falling on Developers. It is believed that housing associations will be able to meet this requirement because of the level of their reserves and their unused borrowing capacity.

The Housing Corporation issued a consultation paper in 2006 on future approaches to investment. This focused on modernisation, new relationships and new ways to invest. It was proposed to modernise the process by improving the infrastructure of bidding and programme management, relaxing programme management rules and streamlining quality and design. New relationships involve improved timing of bidding rounds, and flexibility in programme management with incentives (known as 'partnership plus'). New ways to invest would include equity shares, housing corporation investment in community land trusts and the writing down of historic grant. This paper and the responses to it will feed into the 2007 comprehensive spending review.

In February 2007 the Housing Corporation published a report – 'Unlocking the door: Delivering more homes from the comprehensive spending review 2007'. The objectives of the paper are to:
- Increase new supply
- Release further capacity
- Promote community empowerment and greater mobility between tenures

The paper contained independent analysis of 348 Housing Associations that estimated that Housing Associations have £6.8billion of spare borrowing capacity, including £1.8billion that arises as a result of property sales. It was also found that the 'top' thirty Housing Associations would accumulate reserves of £6billion over the next ten years. As a result of this, it was concluded that reducing grant rates to Housing Associations by between 10% and 20% to between 24% and 34% would be 'theoretically achievable'. The report calculates that if this spare capacity was used an additional 61,000 homes could be built over five years. However, the report concludes that Housing Associations will:

"Have to make key strategic decisions on whether to develop at lower grant rates or whether they would prefer to develop without recourse to public subsidy... An overall reduction in the intervention rate of 10% may well be, in itself, a significant challenge to the Housing Association sector."

Successful local authorities and arms length management organisations will have to compete with the grant rates offered by housing associations.

'Unlocking the Door' asked the following questions:
- How much further can the costs (land and/or construction) of new supply be reduced?
- How much further can the balance of private finance versus government subsidy be shifted during the 2007 comprehensive spending review?
- How do different outcome frameworks help increase or decrease new housing supply numbers?
- What policy options exist that could help increase supply further?

It is envisaged that the costs of new supply can be reduced through procurement efficiency, the improved use of section 106 agreements and more effective land supply. However, developers are facing cost pressures including the code for sustainable homes and land and building cost inflation that is forecast at 6% a year during the period 2008 to 2011.

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Different outcome frameworks envisaged included targets that would be simple to measure including the new market for sale homes, diversification of tenure on 'mono' tenure estates and affordable homes being built without grant and outside the national affordable housing programme. Greater flexibility is envisaged through developing 'floor' and aspirational targets and introducing flexibility between years.

Policy choices include shorter life asset funding, rent reform and tenure reform.

The 2008/11 National Affordable Housing Programme will be based on new relationships between the Housing Corporation and developers. A proportion of funds will be allocated on a biennial basis with a proportion allocated following periodic 'market engagement'. This gives developers opportunities to bid between rounds thus overcoming the problem of short-term resource-intensive activity in preparing bids. The Housing Corporation is looking for schemes that are ready for development with guaranteed delivery (ready to start on site) as this would lead to lower risks and more competitive bidding. However, this means that developers would have to work up schemes and acquire land before grant is committed.

The Housing Corporation intends to provide funding for starts on site up to five years in advance on strategic sites giving certainty and flexibility but raising the question of how to manage unpredictable land and construction prices. Future guaranteed resources will be capped by the government. The grant level will be fixed with the risk being borne by the developer. A longer programme with freedom of substitution for high performers is envisaged.

The Housing Corporation issued the National Affordable Housing Programme pre-prospectus in April 2007. The programme is based on the following principles:

- Modernising processes – making them efficient and proportionate
- Modernising relationships – making them flexible for providers, giving certainty and providing responsive funding opportunities
- New ways to invest
- Allocations for starts on site to be made available over three years

The National Affordable Housing Programme 2008/11 framework includes:

- Investment Partnerships – including bids for starts on strategic sites up to five years in advance
- Regular market engagements
- Private sector partners
- New entrants – including arms length management organisations
- Specialist provision
- Partnership plus – including land banking, grant used as equity and greater facility for substitutions

The timetable for the National Affordable Housing Programme 2008/11 is as follows:

- Prospectus to be launched – September 2007
- Close of bidding – November 2007
- Regional programmes agreed – January 2008
- National programmes agreed – February/March 2008

The criteria that will be used to assess bids are: Value, Quality, Deliverability and Policy Fit.

'AWICS' is holding the 2008 series of seminars of 'All You Want to Know about Housing Association Finance' at various venues in England during April to June 2008. These provide an introduction and overview of the finance of housing associations in England. Scottish and Welsh versions of the course will be held later. Details can be found on our website at: www.awics.co.uk/regionalseminars/housingassociationcourse.asp . A book of the same title can also be purchased. Details are on our website at: www.awics.co.uk/publications.asp .

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Local Government Finance Settlement 2008/09

The 2007 Comprehensive Spending Review provides for a real increase in funding for local government of 1% a year, with the Chancellor stating that annual increases in Council Tax would be capped at 5%. This has led to warnings from the Local Government Association that Council Tax would increase by 5% a year and that at the same time services would be 'cut' as Councils would struggle to find ways of funding increased needs. Much of the increase in funding is to provide additional support to private finance initiative projects leaving an effective 'funding freeze' for other services after the first year.

To provide additional flexibility to respond to local priorities, more than £5billion of grants will be mainstreamed over the Comprehensive Spending Review, removing ring fencing and other controls. Alongside a real reduction in central targets and proposals to introduce powers for local authorities to raise business rates supplements to improve local economic growth, the Government considers that it has significantly advanced its agenda of devolution to the local level.

The plans for net aggregate external finance for local authorities (revenue support grant plus national non domestic rates) are shown below:

	2007/08	2008/09	2009/10	2010/11
Net AEF	£23,120m	£24,081m	£24,920m	£25,763m
Change		£961m	£839m	£843m
Change %		4.2%	3.5%	3.4%

However, these figures include provision for grant to support private finance initiative projects – of £563million in 2007/08, £677million in 2008/09, £853million in 2009/10 and £1,069million in 2010/11. The increase in general grant if the private finance initiative grant is excluded is shown below:

	2007/08	2008/09	2009/10	2010/11
Net AEF less Private finance initiative	£22,557 m	£23,404 m	£24,067 m	£24,694 m
Change		£847m	£663m	£627m
Change %		3.8%	2.8%	2.6%

'Ring-fencing' has been removed from £5billion of specific grants and the funding switched to revenue support grant or area-based grants by 2010/11. The main transfers into formula grant will be:

- Access and Systems Capacity Grant
- Delayed Discharges Grant
- Children's Services Grant
- Part of the Waste Performance and Efficiency Grant.

In addition, in the recent consultation paper on formula grant distribution Communities & Local Government consulted on proposals to transfer a number of Police Grants into general grant.

Local authorities are expected to be able to develop services within this funding regime through a more rigorous pursuit of the efficiency agenda. The target for cashable efficiencies in local government was confirmed at £4.9billion (equivalent to a 9.3% gain over three years). Better procurement and business processes are expected to deliver most of the gains.

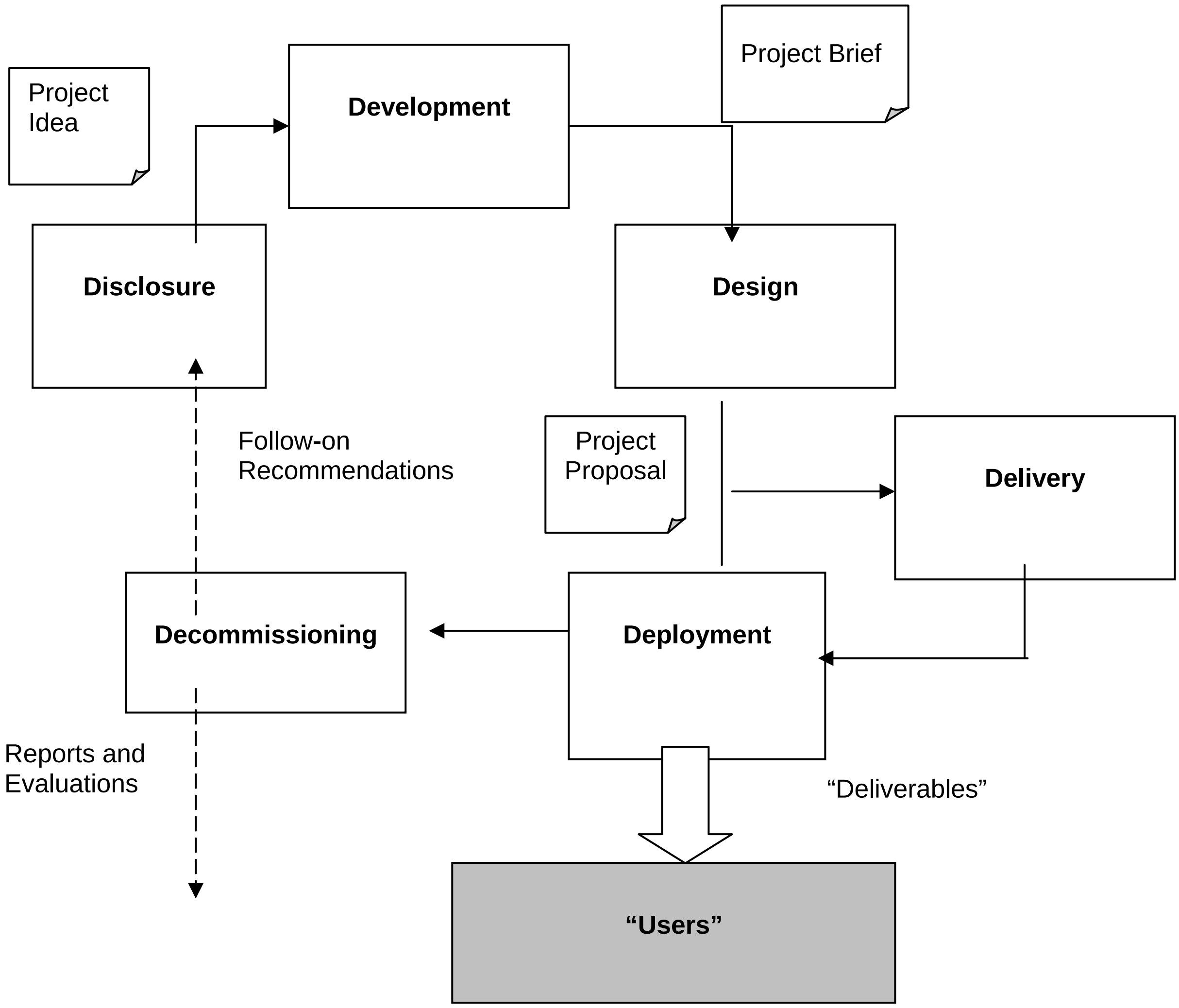
The 2008 series of 'All You Want to Know about Local Authority Finance' will be held at venues around England during May and June 2008. The course provides an introduction and overview of the subject. Scottish and Welsh versions will be held later in the year. Details can be found on our website at: www.awics.co.uk/regionalseminars/lgfinancecourse.asp .

Adrian Waite

A Model for Project Management in Small Voluntaries

As a PRINCE2 Practitioner, working in both the public and voluntary sector and also as a Trustee of a small local charity, I have been giving some thought in recent months to what – from the welter of systems and advice out there – can best be applied to projects in small voluntary bodies. There's been no attempt to re-invent the wheel, rather an attempt to create a 'scaled' application of PRINCE2 ideas, mixed with 'imports' from other areas. As a result, I have come up with a working model which I call '6-Ds'.

These stand for **Disclosure, Development, Design, Delivery, Deployment and decommissioning** as shown below.



Disclosure explains 'where projects come from' – we identified four (maybe five) – not totally exclusive – categories:

- Vision-led (projects deriving from our Strategic and Business Plan)
- Market-led (projects deriving from an analysis of what Funders want and are willing to support)
- Mandatory (projects deriving from legislation or policy changes)
- Emergent (projects deriving from an analysis of what we do, and how we do it, leading to 'improvement' projects to our systems and operations or 'development' projects tied to matters including bringing in new services).

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It is important that the Management Committee or Trustees have a mechanism for capturing these project ideas, carrying out an initial evaluation and authorising where appropriate resources and time to develop the idea further. In our case, one of our ‘improvement’ projects relates to developing our Fundraising capabilities, a prime function of which is to identify and develop ‘market-led’ projects.

It is important that the Management Committee assesses each project not just for its viability, but also in terms of its ‘fit’ within corporate goals, priorities and culture and its fit into our three year programme. The Management Committee should appoint one of its members to be the ‘Sponsor’ and a member of staff (or volunteer) to take on the ‘developer’ role. The Management Committee should set out the budget (time and resources) for development and the date by which the Project Brief is expected back with the Management Committee for appraisal.

Development takes an ‘approved’ project idea and develops a Project Brief. The aim of development is to clarify:

- The outcome objectives of the project
- How the objective sits within corporate (or perhaps funders’) plans
- The benefits – to the organisation and service users from the project
- The “deliverables” products to be provided by the project
- How the project might be executed
- The risks associated with the project
- The likely resource requirements (and budget) of the project
- The likely timeframe for the project
- How the project fits into the on-going work programme of the organisation.(can it “compete” for scarce resources?)

Development should be a joint effort between the Sponsor and the Developer I(although obviously most of the detailed work is done by the developer). Development is also a good time to ‘bring on board’ service user representatives and technical advisers either from the professional functions of the organisation or from the advisory members of the Management Committee.

The Sponsor then brings the Project Brief before the Management Committee and it is evaluated. If the Management Committee concludes that the idea has sufficient merit then it will set aside resources and a budget to conduct a Design exercise (this equates to the Initiation stage in a PRINCE2 system). The Sponsor continues their role and the Developer (or possibly someone else) becomes the Project Manager – designate.

In the **Design** phase – the team (Sponsor and Project Manager) create a Project Proposal that covers:

- The desired outcome / desired impact of the project
- The benefits that will accrue to funders, users and the organisation
- The products which the project will deliver (the deliverables)
- The activities that will be conducted in order to deliver those deliverables – the Overall Project Plan
- The time frame in which the activities will be conducted (including Milestone statements – that define project stages – sub-divisions of the Overall Plan)
- The risks associated with those activities and those products
- The resources required by those activities
- The budget required to acquire those resources

The above statement should cover both aspects of a project:

- Executing the work content – what is done to create and deliver the deliverables
- The Project Control System – how the work is guided, controlled, checked and corrected.

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The Project Proposal is then presented to the Management Committee for evaluation. If the Management Committee approve this proposal then:

- If it is to be funded internally – the Sponsor and Project Manager are authorised to begin work that is given a budget and timeframe. On larger projects authority may be for a single stage not the entire project. This authorisation begins the Delivery phase.
- If external funding is to be sought, then the proposal provides the information for the bid document. If the bid is successful, then the Management Committee will authorise the project as above.

Delivery means executing the activities plan in order to deliver the deliverables – the aim of delivery is to deliver the project's deliverables – to specification, on time and within budget. Product specifications remain an important area, as does the issue of 'change control' often associated with them.

During delivery, the Project Control system should specify the monitoring, reporting and reviewing regime plus the filing and record keeping arrangements. This regime will include:

- Project workers and contractors to Project Manager
- Project Manager to Project Sponsor
- Project Sponsor to Management Committee

A feature of the regime should be a schedule of 'Gate Reviews' tied to the Milestones set out in the Project Proposal. At each Milestone, the Sponsor should conduct the Gate Reviews (that will include a re-appraisal of the justification of the project in the light of current circumstances) on behalf of the Management Committee and report back.

Once the project is complete and the deliverables have been delivered the project enters the deployment phase. **Deployment** can vary depending on the nature of the project. If the project was to install a new accounting system then deployment would cover the handover to its new owners and ensuring that there are systems and resources to operate and support it. If the project was to develop and evaluate a new service initiative, then deployment would cover advocating its adoption. If the project was to research an issue then deployment would cover creating and circulating a report and presenting papers. Deployment basically defines the execution of an 'Exit Strategy'.

At the end of the project, there is a phase of **De-commissioning**. This has four aspects:-

- Follow-on actions – these represent new project ideas – and the sponsor will ensure that they go forward to the Management Committee.
- Performance Evaluation – a report summarising how well the project has been managed and what lessons can be learned
- Impact Evaluation – a report summarising the impact made by the project – whether the desired outcomes were achieved and the projected benefits realised – often this appraisal is delayed and the 'product' of decommissioning is a plan setting out what will be measured, when, how and by whom.
- Resource Release – standing down, disposing of, and re-assigning all resources (including personnel) who have been engaged on the project.

As I said at the beginning, this was not reinventing the wheel, but an exploration of how best to apply tools primarily designed for larger organisations and larger, more complex projects to the needs of a small organisation doing relatively straightforward projects. In many ways we are simply taking the advice of PRINCE2 gurus such as Colin Bentley and using the scalability options of PRINCE2 – with a few additions. We have also tried to reflect some successful applications we have seen in which the organisation has taken Project Management very seriously, and built into its management and governance structures the means to facilitate project management effectively – this covers job definitions, committee cycles, delegated powers and the efficiency and speed of vertical communication. A key notion would seem to be creating a tailored in-house manual.

Dave Jackson
Associate Consultant

Services on offer!

'AWICS' offers a wide range of management consultancy and training courses in management and financial topics. These include:

• Regional Seminars
• In-House Training
• Management Consultancy (including Business and Best Value Reviews, Advice on Procurement, Housing Finance, Housing Stock Options Appraisals, Housing Association finance, Public Authority accounting, Advice to voluntary bodies and Performance Management)
• Independent Tenants' Advice

For further information, please contact Adrian Waite on: Adrian.Waite@awics.co.uk or 017683-52347 or 52165.

'AWICS' 2008 Programme of Regional Seminars

Our 2007/08 programme of regional seminars has now been arranged as follows:

- All You Want to Know about Local Authority Housing Finance (separate English, Scottish and Welsh versions – February to July 2008)
- Achieving Efficiencies and Value for Money in Social Housing (March to May 2008)
- All You Want to Know about Local Authority Finance (separate English, Scottish and Welsh versions – April to July 2008)
- All You Want to Know about Housing Association Finance (separate English, Scottish and Welsh versions – March to July 2008)
- Developments in Local Authority Housing Finance in England (September to October 2008)

Details will be placed on our website: www.awics.co.uk/regionalseminars/index.asp .

Opportunities with 'AWICS'

'AWICS' are looking for people who would like to become Associate Consultants. The role requires not only appropriate qualifications and significant relevant experience, but also a strong commitment to public services to working with independence, integrity and value.

We are especially interested in appointing Associate consultants with expertise in the following fields:

• Local Government Finance
• Housing Management
• Arms Length Management Organisations
• National Health Service Finance
• Finance of Voluntary Bodies

Applicants should send a copy of their curriculum vitae to Adrian Waite at AWICS Limited, Appleby Business Centre, Bridge Street, Appleby in Westmorland, Cumbria. CA16 6QH. Or e-mail Adrian.waite@awics.co.uk. Further details will be made available on our website: at www.awics.co.uk/opportunities.asp.

Note: Any views that are expressed in this newsletter are those of the author of the article and do not necessarily reflect the views of 'AWICS' or of Adrian Waite.

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