

# Scottish Executive: supporting new initiatives

How Government Works series

Key messages / Prepared for the Auditor General for Scotland

November 2005



# Key messages

## Introduction

During 2004, the Scottish Executive announced funding for 74 projects or schemes with specific policy objectives.

Associated expenditure will exceed £1.4 billion over time and will be distributed to a range of delivery partners, including local authorities and the voluntary sector.

These initiatives and their funding represent priority areas for the Executive and it is important that funds are well-controlled and results monitored.

## The study

We undertook this study to assess the quality of the arrangements in place to manage and monitor the initiatives. We developed a set of good practice principles and used them to assess a sample of 20 projects. These principles and why they are important are summarised below:

- **Project management** – it is important that projects are aligned with the Executive's corporate aims and objectives. Clear objectives should enable evaluation of a project's success.
- **Costing** – clear and accurate project costings should help ensure funds are used effectively for the intended purpose.
- **Delivery arrangements** – a clear and consistent approach to assessing funding requirements for delivery partners should ensure funding is directed to those best placed to deliver the project objectives.
- **Agreements and contracts** – a clear contract or agreement, that sets out the responsibilities of both the funding provider and recipient, should help avoid protracted disputes.

- **Monitoring and evaluation** – clear arrangements should ensure the Executive can monitor progress against plans and evaluate the success of the project.

We also sought the views of delivery partners.

## Main findings

### Arrangements for managing and monitoring funding

Half of the projects complied with most important aspects of good practice, and most projects complied with the majority of aspects (Exhibit 1).

- All of the projects demonstrated a clear link to departmental aims and objectives.
- In all cases, there was evidence that stakeholders were consulted.
- The Executive identified potential delivery partners in advance of launch and provided guidance and support.
- Some form of agreement between the Executive and delivery partners was in place in all cases.

There is scope to improve on setting objectives, agreements and contracts, and monitoring and evaluation.

- Objectives and targets were not clearly defined for around a third of the projects.
- Costing proposals for all of the projects complied with the Executive's internal guidance.
- Bid assessment and scoring models were developed individually. This suggests that good practice and experience is not shared effectively. Doing so could deliver efficiencies.

- Formal agreements with delivery partners complied with all important aspects of good practice in less than half of the projects.
- The framework for monitoring and evaluation was often developed after bids for funding had been approved. Arrangements fell short of good practice for monitoring in 40% of projects and, for evaluation, in 55% of projects.

## Views of delivery partners

Delivery partners indicated substantial variation in their experiences of project funding (Exhibit 2, page 4).

- Delivery partners were most positive about roles, responsibilities and outcomes, and the overall impact of funding.
- They were most negative about consultation, the application process, and timing of funding.
- Voluntary organisations tended to be positive about their experience, while local authorities were more negative.

Delivery partners cited a number of specific concerns about project funding arrangements.

- To engage effectively, delivery partners need sufficient time to consult and progress implementation of new projects.
- The short-term nature of funding can cause difficulties when trying to recruit staff for the project or scheme.
- Uncertainty about long-term funding for projects can threaten sustainability.

## Exhibit 1

### Assessment of arrangements for managing and monitoring projects

	Project	High-value					Medium-value					
		1	2	3	4	5	6	7	8	9	10	11
	Value (£ million)	318	127	50	49	42	28.8	22.5	20	18	12.2	11
<b>Project strategy and planning</b>	Clear strategy and objectives	●	●	●	●	●	●	●	●	●	●	●
	Success criteria identified	▲	●	●	●	●	●	●	●	▲	●	▲
	Consultation	●	●	●	●	●	●	●	●	●	●	●
	Feasibility	●	●	●	●	●	X	●	●	▲	●	●
	Project planning	▲	▲	●	●	●	●	●	●	▲	●	●
<b>Costing proposals</b>	Costed proposal	●	●	●	●	●	X	●	●	●	●	●
<b>Delivery arrangements</b>	Announced/Advertised	●	●	●	●	●	●	●	●	●	●	●
	Clear guidance provided	▲	●	●	●	●	●	●	●	●	●	▲
	Assessment of bids	●	●	N/A	●	●	●	●	●	●	N/A	▲
	Clear allocation of funds	●	●	●	●	●	●	●	●	▲	N/A	●
	Ability to deliver	▲	●	●	●	●	▲	●	●	●	●	●
	Approval	●	●	●	●	●	●	●	●	●	●	●
<b>Agreement or contract</b>	Formal agreement/contract	●	▲	▲	●	●	U/D	●	●	●	●	▲
<b>Monitoring and evaluation</b>	Monitoring framework	U/D	●	●	▲	●	U/D	▲	U/D	▲	●	●
	Audit considered	●	●	●	●	●	U/D	●	●	●	▲	▲
	Project final assessment	U/D	●	●	▲	●	U/D	●	●	▲	U/D	●
	<b>Overall score</b>	▲	●	●	●	●	▲	●	●	▲	●	▲

#### Level of risk key:

- Significant unmanaged risk
- ▲ Some unmanaged risk
- Little unmanaged risk
- X Insufficient evidence to reach a conclusion
- U/D Under development
- N/A Aspect of control did not apply to this case

Source: Audit Scotland checklist and assessment

Low-value								
12	13	14	15	16	17	18	19	20
8.6	75	4	3.1	3	2	1	0.6	0.3
●	●	●	●	●	●	●	●	●
●	●	▲	▲	●	●	▲	●	●
●	●	●	●	●	●	●	●	●
●	●	▲	●	●	●	●	●	●
●	●	▲	●	●	●	●	●	●
●	●	●	●	●	●	●	●	●
●	●	▲	●	●	●	●	●	N/A
●	●	▲	●	●	●	●	●	N/A
N/A	●	▲	●	●	●	●	●	N/A
N/A	●	●	●	●	●	●	●	N/A
N/A	●	●	●	●	●	●	●	●
N/A	●	●	●	●	●	●	●	●
▲	■	●	■	●	▲	▲	●	■
▲	●	●	U/D	●	●	●	●	●
▲	▲	▲	▲	▲	▲	●	●	N/A
●	●	▲	▲	U/D	▲	▲	●	▲
▲	▲	▲	▲	●	▲	●	●	●

**Project key:**

1. Community Regeneration Fund
2. Antisocial Behaviour Funding
3. Working for Families Fund
4. Education Maintenance Allowances
5. Rural Stewardship Scheme
6. Sports Facilities Network
7. Bus Route Development Scheme
8. Urban Regeneration Companies
9. Futurebuilders
10. Scottish Youth Football
11. Youth Crime Prevention Fund
12. Business Start-up Grant Scheme
13. Orthopaedics Programme
14. Funding for Money/Debt Advice
15. Well Man Clinic Pilots
16. Health Research Funding
17. Waste Audit & Prevention Plans
18. Rural Broadband Incentive
19. Biodiversity Action Grants Scheme
20. Business Benefits Unit

## Exhibit 2

### Summary of delivery partner responses



Source: Audit Scotland

# Key recommendations

## On managing and monitoring project funding

The Executive should:

- improve guidance for staff to encourage consistency and good practice
- raise staff awareness of guidance and promote compliance
- encourage staff to make better use of individual departments' existing experience of projects ie, better sharing of good practice.

In doing so, the Executive should ensure that, for all projects:

- measures of success are defined in a way that will allow monitoring of progress against objectives
- formal agreements with partners, where appropriate, cover all important aspects of delivery, including both the level and duration of funding
- plans for monitoring and evaluation are clearly defined at the point delivery partners are engaged.

## On dealing with delivery partners

The Executive should:

- consider the implications of individual project funding arrangements for the core work of prospective partners
- ensure sufficient time is allowed for consultation and applications to help partners to engage effectively
- consider the implications of short-term funding for overall objectives and project sustainability.

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