
**Report to the Select Committee on Regeneration, Culture and Adult Education –
8 September 2008**

Report of the Lead Officer

The Leasowes Restoration Project – An Investigation

Purpose of Report

1. To bring to this Committee's attention the background to the lengthy period of time taken to initiate on site development of the Leasowes Restoration work; the increase in budget for the scheme the balance between fees and restoration work and identify any lessons for the project management of future complex projects.

Background

2. The report is divided into three parts:
 - First a synopsis of the official history of the scheme as presented to the Halesowen Area Committee over the years since January 2001.
 - Second to look in more detail at the critical milestones and background events from the perspective of a lengthy and detailed examination of correspondence; project plans; formal memos; emails and media responses since the conception of the project.
 - Finally to identify from this detailed examination whether there are lessons from the protracted project timescale; the cost overruns and the level of fees for future projects.

PART A

3. The first report that went to a Committee was the submission to the Policy Committee on the 28th October 1997 to accept the grant aid of £1,306,500 from the Heritage Lottery fund. This was based on the formal announcement from the then National Heritage Memorial Fund (NHMF) which took place on the 15th May 1997.
4. It is unclear from both the Committee reports and the background files why there should be a delay between the announcement and formal acceptance but this did not delay the appointment of a project manager for the scheme as they were in place from the 19th August 1997.
5. What is clear is that the original bid for funding from the NHMF was less than the bid. The bid documentation signed by the previous Chief Executive on the 24th September 1996 was for £2,049,043 with partnership contributions of £495,000 from Dudley and an anticipated £205,000 from other sources including English Partnerships and the European Regional Development Fund. The latter funding of £145,000 needed to be completed by the 31st December 1998. The original

programme was scheduled to start in April 1997 and was envisaged as a 4 year programme.

6. It is not clear why the NHMF cut their grant funding from just over £2m to just over £1.3m but perhaps this was in line with the Council's expectations. It is also unclear whether the partnership contribution of £145,000 from ERDF and £60,000 from English Partnerships ever materialized.
7. However on the above spending basis the Leasowes Restoration Project officially starts on the 19th August 1997 with the appointment of the first Project Officer. The first time however the project surfaces in Committee terms again is at the Halesowen Area Committee on the 16th January 2001, nearly four years later and in fact a few months before it was due to complete in March of 2001.

Halesowen Area Committee 16th January 2001

8. This report indicates that in August 1999 a "combination of very heavy rainfall and a blocked outlet resulted in the water level in Beech Water over-topping the dam and erosion of the dam face resulting". The resultant investigation and reactive remedial work indicated that this dam and by implication others now had major questions over their long term viability indeed the real threat they might pose to health and safety.
9. In view of this potential major problem costing far more than originally envisaged it was "agreed" in August 2000 with the renamed Heritage Lottery Fund (HLF) to "suspend" the project i.e. three years in from its start.
10. It will become evident from the second part of this evening's report that the mutually consensual nature of the suspension in fact masked often acrimonious bouts of inter-agency management decision making.
11. This January 2001 report indicated that the project would be re-costed and re-scheduled with a re-submission to the HLF in the spring of 2001. The work for this bid to be funded from £60,000 approved by the Policy Committee.
12. After this initial report to the Halesowen Area Committee the number averaged probably just over one a year to the present day. Though in the Municipal year 2004/2005 there was a Leasowes Restoration Project at every cycle.

Halesowen Area Committee 9 October 2001

13. This report outlined that a revised bid would be submitted focussing on the North Valley from Beech Water to Priory Pool. Even though this was a scaled down bid it was now envisaged that the total cost would be in the order of £3.222m with the HLF funding 75% (i.e. £2.416m) of that. If agreed the anticipated completion date was June 2005.
14. Interwoven into the project report were questions about the Council selling Halesowen Golf Club to raise capital assets to support the revised package. The relationship between the Leasowes Project and the Golf Club has clearly from the background files been an uneasy relationship with accusations of golfers verbally abusing walkers on guided rambles to suggestions that the Golf Club have been less than diligent in their removal of valued trees.

15. For their part the Golf Club felt the Council were responsible for allowing vandalism to flourish on and around the pool and the Club's suggested preventative fencing measures had drawn outrage from the landscape purists. Also mentioned in this report was the relationship with the Canal Trust and the stability of the embankment around Priory Pool.

Halesowen Area Committee 3 July 2002

16. This report indicates that the Council's resubmitted bid has been turned down by the Heritage Lottery Fund but they were still prepared to invest the original £1,306.5m and the Council must therefore further cut its cloth accordingly or supplement this grant aid with their own resources.
17. The proposed phases under this £1.75m package were all the works and costs to date plus the necessary work to Beechwater Dam; Virgils Grove; the Leasowes Lane Dam and Lower Pool.
18. Given that this scaled down version is based on a previous scaled down version which was going to cost £3.2m it has been difficult to judge what the cost of the original conception of the scheme would have been but it must have been in the order of £5m which does make the original forecast cost of £2.75m seem on the light side.
19. The expectation at this stage is that the work will be completed by February 2004. Obviously less than the original 4 year programme but then in crude terms the works have been more than halved.

Halesowen Area Committee 10th March 2004

20. This 10th March report is very positive and indicates that whilst the second re-submission to the HLF was re-submitted to them in December 2002 they were only able to approve it in March 2003. The report notes that "it can be seen that a significant amount of time between the Council's submission of a request to the HLF to renegotiate the grant in July 2001 and the approval of details revised from the HLF ie. - March 2003 has been taken up with waiting for approvals from the HLF."
21. "In this time when no contract could be entered into with consultants or contractors the work that could be done to advance the restoration was limited". However considerable work has taken place in this period on the production of the 10 year management plan for the site. Whilst it is true that no "new" contracts were entered into in fact there appears to be existing consultancy contracts in place which were spending as annual expenditure figures show.
22. The report noted how well the archaeological "open day" had gone in January 2004 and how the newly appointed design team for the restoration who were appointed in September 2003 "were to be given a free reign". The completion date was now set for May 2005 with a "single works contract" in place.
23. Emphasis is placed on the "10 Year Management Plan" for the site which was suspended in 2003 but has now been restarted and will "follow current best practice by starting with the purposes that the Halesowen Area Committee would wish to see in place". No date is given for the production of this "10 Year Management

Plan" document though the previous one referred to was set to run from 2001 to 2011.

Halesowen Area Committee 13th July 2004

24. The next report reiterates the positive good news of March with the same scheduled completion date of May 2005. It does raise the issue of Leasowes Lane which though a public bridleway was used by vehicular traffic. In view of crime prevention and pedestrian safety it is proposed to limit access across the restored dam to pedestrians and horse traffic.

Halesowen Area Committee 15th September 2004

25. This report is less positive about the completion timescale which has now slipped marginally to July 2005 from May 2005. However given the reasons for slippage then this estimate in hindsight sounds over optimistic.
26. These issues include contaminant testing of the historic fill used to strengthen the Leasowes Lane dam ; the Environment Agency's rejection of the initial proposed arrangements of tipping sites for dredged silt from the pools; and finally a full sewer survey is now required as the sewer under the lower Pool in Virgils Grove is shallower than anticipated.

Halesowen Area Committee 17th November 2004

27. Whilst this report is technically about the Leasowes Countryside Stewardship Scheme it does take the opportunity to re-emphasise to Committee that the Leasowes ranks alongside "Bleinham and Stowe and is of international importance". Part of the proposed Countryside Stewardship Scheme is the Leasowes restoration landscape project largely funded with £1.3m from the Heritage Lottery Fund.

Halesowen Area Committee 2nd February 2005

28. This report moves the estimated completion date to October 2005 from July 2005 as the planning permission for the new proposed dredging site is proving more problematic than envisaged; the shallow sewer at Lower Pool in Virgils Grove is even shallower than originally anticipated and indeed is so shallow that it would be above the proposed new water level. Given the cost of a sewer diversion and the probable delays in dealing with the sewage authorities it was decided to alter the design to obviate that need.
29. Finally as well as the dredging issues thrown up by the Environment Agency they were also now raising issues about the licences required to impound and drain the pools.

Halesowen Area Committee 30th March 2005

30. This report indicates that the Environment Agency will not give their approvals until the end of April 2005. This coupled with the discovery of an 18th Century engraving revealing more details of the High Cascade in Virgils Grove and the consequent redesign implications from that means that Phase1 of the work will not complete until December 2005. There are as the report indicates "now no known obstacles

which will prevent the invitation of tenders for the works" and hence one might infer no further slippage.

31. The report also flagged up the necessity of removing some dangerous trees on "health and safety grounds".

Halesowen Area Committee 22nd March 2006

32. This report flags up a completion date of June 2006 as a result of increased unanticipated difficulties with the Environment Agency over the license which will now to be determined in March 2006.

Halesowen Area Committee 12th March 2008

33. Two years have passed since the last report and the estimated works completion date of June 2006 has not been met.
34. The delays with the Environment Agency over licence deliberation have now been resolved and the final licence was not issued until the 1st June 2006 some fifteen months after the original envisaged date of March 2005. However this good news was tempered by the fact that the licences included the requirement that no construction work can take place between October and April thereby reducing the contractual window of opportunity affecting start and completion dates.
35. This report identified a completion date by December 2008 and following a comment by a member of the public at the 24th January 2008 meeting did, for the first time, provide a detailed breakdown of the budget and anticipated spend.
36. A positive picture is painted and whilst there may have been questions about the scale of consultancy fees compared to the actual cost of works the report comments that it should be noted that the "cost of the Historic Landscape Consultant" are projected to be below the approved limits. In order however to accommodate project management and consultancy cost increases it has been necessary to transfer funding from the restoration works budget. As a result, the proposal to restore Leasowes Lane Dam has in consultation with the HLF been removed from the phase of the restoration project.
37. The report suggests that "the finances available for the restoration will have been reduced by a relatively modest amount as a result of unavoidable circumstances and certainly without the impact that recent press coverage has indicated."
38. Whatever the adverse press coverage there can be few projects where the balance of fees to the actual works is estimated respectively to be 55:45. If one takes into the calculation the full warden and ground maintenance costs then ultimately restoration works were estimated to cost just over a third (34%) of the total.
39. It was this Committee which resolved that not only would a further report be brought back to the July cycle but that a detailed analysis of the history of the project be referred to a Select Committee on Regeneration, Culture and Adult Education for a detailed investigation.

Halesowen Area Committee 2nd July 2008

40. Whilst this report did not change the forecast completion date (December 2008) it did indicate that the cost of the construction work was likely to rise by £265,000. This was to be taken from S106 receipts for improvements to public open space consequent upon residential development in the Halesowen area.
41. The report does not indicate why the costs seem to have gone up by around 45%, but clearly there were issues around alternative material for top dressing the dam in a way that in part met Shenstone's perceived conception but also met the present day Health and Safety requirements and was sustainable in the long term. In part the increased cost of work redressed the balance between fees and works i.e. works were now more than half the cost of the project.
42. The report also flagged up that the contractor had started on the 12th May 2008 as predicted in March 2008 and from the site visits it is very likely that the work will be completed before the end of 2008.
43. This report also flagged the conclusions of an extensive financial audit carried out in June 2005. "The objectives of that audit were to assess compliance with the following: the Council's project management processes; appointment of consultants in accordance with Standing Orders and Financial Regulations; operation of appropriate cost controls and adherence to HLF grant conditions. The report made no recommendations but found that "all systems were found to be operating to a high standard and a good level of control appears to be operating on the project."

PART B

THE YEARS 1996 TO 1999

44. Given that the scheme was originally bid for in 1996 then members will appreciate that the volume of background papers, reports, emails, memos, letters and press cuttings were substantial and were documented, not in strict chronological order, in at least seven full lever arch files. In an effort to give some kind of structure the second part of this report is ordered by broad chronological year.
45. As indicated earlier, the initial bid is dated the 24 September 1996 a week after it receives Policy Committee approval. It runs to over 100 pages with appendices and its key signatory was the previous Chief Executive. It requested just over £2m from the Heritage Lottery fund and indicates a completion date in March 2001. As indicated earlier the grant offer in practice was just over £1.3m.
46. It must be said that the files in this period were exceptionally light on project management type meetings and background material. A formal steering group meeting structure does not appear to have started until 11th June 1999.
47. However this critical period of the late 1990's is not without some background material as from the files there does appear to be a chequered relationship between the first project manager and a range of other stakeholders not least English Heritage the Historic Landscape Consultant; the Heritage Lottery Fund Staff and other officers of the Council.

48. Whilst it is unclear what is happening on site, it is clear that the project Manager is less than happy with the fee scale being charged by the Historic Landscape Consultant; unhappy with this consultant's reluctance to enter into a formal contract preferring daily rates which appear to be in the order of £250 a day. The view of the HLF monitor at the time is that "£30k is a reasonable overall budget for this kind of work" and bluntly if the consultant does not like it then put it out to tender. If there are threats of a walk out (which there appeared to be) then "point to the door".
49. Whilst these tensions with the Historic Landscape Consultant maybe justified it does not help relationships for the first project manager to write to him in May 1998 replying for the first time to a letter from him in November 1997 despite follow up letters "that in future it would be useful if you addressed your letters on the Leasowes Restoration Project to myself rather than my line manager.
50. At the same time this first project manager engages in a written debate with the Chief inspector of Historic Parks and Gardens at English Heritage to do something about the archaic bureaucracy of the Heritage Lottery Fund in relation to financial approvals indicating that they adopt Housing Corporation project management and financial protocols. The response is pretty terse and suggests she get on with her job and work within the controls that exist.
51. Whether it is an attempt to resolve these issues the project manager is invited by her line manager to set up a steering group structure which is scheduled for June 1999. The response from the project manager seems to be more concerns that the Council has no standard forms for an invitation to tender by consultants, no guidance and she has only through 'hard work and perseverance' put together her own guide after discussions with Finance and Audit Services.
52. Hindsight is a precise science but a scheme scheduled to cost £2m in 1997 prices to be two years in before a steering group is established seems a shade relaxed. By November 1999 the first project manager had resigned and moved elsewhere and the HLF project monitor writes to the Council at this time in terms described as 'appearing to be critical, but really aimed at being positive and helpful for the future'
53. In essence this pivotal letter covers some key points. In it the HLF monitor:-
 - a. Welcomes the opportunity given by the "project manager's unexpected resignation to re-assess the management and delivery of the project which regrettably is under performing." Slipped by a year is the HLF monitor's assessment.
 - b. Suggests an **URGENT** need to realign the costs for more efficient monitoring. (The first project manager had already complained that "the accountants do not turn up for meetings" and "£202,000 of the HLF grant could not be used for some items of expenditure as they were not eligible")
 - c. Tells the Council in no uncertain terms that it should "not even think about approving any tenders for remedial work to Beech Water Dam and how could it invite tenders without our expressed approval".
(This issue of the works to the Beech Water Dam is to be a long standing thorn in the relationship between the Council and the HLF and certainly the dam was compromised by the heavy rain in August 1999. However earlier reports from our consultant engineers point out before this date that this was an issue of

concern and one report concludes "whilst not wishing to be over- pessimistic it needs to be stated that should these conditions deteriorate below the yet to be determined critical state the remedial measures are going to be large-scale, complex and costly").

- d. Advises that "whilst I should not really be given you advice this substantial project lacks senior management client control and possibly admin, financial and other support and it appears from the past that a new relatively junior member of staff has been left to struggle and this has impacted on the contract programme".
- e. Thanks the Council for the emphasis on project management in the new job description and not only will they fund this, the HLF monitor will personally observe at the interview board.
- f. Sympathises by noting that the relationship between the project manager and the Historic Landscape Consultant has been difficult but these 'historic landscape consultants are often temperamental highly strung and like all worthwhile academic artistes difficult to manage – stick with it and ensure you make yourself clear. Whatever you do don't let the consultant direct or supervise the works their role is to give **ADVICE**".
- g. Warns the Council that it should be aware from the file that the HLF monitor, in September 1999, recommended that this project should be transferred to 'Grade A monitoring' as it is now considered a high risk.
- h. Conclude by advising the Council to increase the frequency of your coordination groups. Your operational group should move from bi-monthly to monthly and your Steering Group quarterly to bi-monthly. "I would also suggest that a senior member of staff chairs the bi-monthly steering group meetings".

54. The measured reply from the Council about three week's later, agrees the points and the tone is very positive and ends what was clearly a difficult year in terms of project management continuity.

THE YEAR 2000

- 55. This year starts very positively with a new project manager brought in who clearly from her initial emails is "up for the considerable challenge". Her first Project Manager's report states Dudley is "a really friendly authority to work with and all my colleagues are lovely people".
- 56. The new project manager soon recognises that for the project to continue either to programme, or indeed at all, the Council must find the necessary capital funds to deal with the Beech Water Dam issue.
- 57. Her Corporate Capital Strategy Application in early 2008 for inclusion in the 5 year capital programme is typically forthright and uncompromising stating in capitals that "FURTHER PROGRESS ON THIS PROJECT WILL NOT BE POSSIBLE WITHOUT COMPLETION OF THOSE ENGINEERING WORKS. THESE WORKS ARE OUTSIDE THE SCOPE OF THE HERITAGE LOTTERY FUND ELIGIBLE GRANT".

58. For the necessary works to be done the internal Capital Strategy Application Bid in total came to £203,291.90. The application is hard hitting and makes copious references to the Health & Safety implications of not doing the work and how this project sits squarely within the Community Plan priorities of its day.
59. Given that the financial year 2000/2001 had already started when the bid was submitted in May 2000 inevitably this is going to give headroom problems for the budget.
60. For the first time the then Director of Planning and Leisure takes a formal interest in the project and writes to the project manager expressing his nervousness in respect of the Beach Water Dam (sic) capital bid. Reference in this memo is made to various previous notes to her though these did not exist on file but this memo confirms his uneasiness about the whole project bearing in mind potential "accusations of technical and financial incompetence". Whilst the bid will be "included on the Departmental list he is concerned that the fragility of the dam was not picked up before and therefore could have entered the bidding process earlier".
61. This is a fair point as it is clear from mid 1999 and possibly before that there is a major problem of instability at the dam but hardly one to be levelled at an officer who had been the project manager for less than two months.
62. The second concern and again a legitimate one is that a quarter of million pounds seems a lot of money to contain a small pool of water. To paraphrase the concluding sentence we are not building a dam "to hold back Lake Nasser". A reference no doubt to the Aswan High Dam.
63. In June 2000 the then Director confirms his concerns about the 'substantial amount of money on the Beach Water Dam (sic) but affirms his "confidence in the determination of the present project manager and indeed her predecessor".
64. A meeting was to be arranged to analyse the relative positions and 'set about assertively resolving them'. In a somewhat melodramatic final flourish he requests that we 'need anyone at the meeting that would contribute to our salvation'.
65. Probably the pivotal meeting of the year if not the whole project took place on the 7th July 2000 between the HLF monitor and the second project manager. The HLF monitor was very concerned about further delays due to a lack of decision making on the funding of the Beech Water and Leasowes Lane Dam safety works.
66. In a very telling phrase the HLF monitor writes in her minutes of the meeting "despite the best efforts of the new project officer there appeared to be a lack of general support from Dudley MBC for the project. Regrettably there was now a serious prospect of recommending the withdrawal of grant aid by the HLF unless the programme would be put back on target".
67. To address the serious nature of the project the HLF monitor agreed to speak to the then Director on the gravity of the situation. This she did by phone later that afternoon on the 7th July. The Director confirmed a bid was going to the Policy Committee on the 19th July with an Officers recommendation for the full amount. This would be confirmed within five days by writing. It was further agreed that the Director would meet the HLF monitor at the next planned monitors meeting.

68. The HLF monitor made very clear that if the extra funding was not forthcoming as a very minimum the project would have to be suspended. It is unclear whether a report was taken to the Policy Committee on the 19th July. Democratic Services could find no evidence of a report, let alone a Policy Committee on that date. Certainly there is no confirmation in writing within five days as promised on file.
69. This 7th July meeting then turned its attention to the continuing problem with the engineering consultants over the Beech Water Dam account and "Dudley were warned that the cost of the re-tender would not be eligible as the first tender had gone ahead without HLF approval of the detailed design".
70. If problems with the financial situation were not enough in the background the second project manager was wrestling with an acrimonious debate between the Historic Landscape Architect and the Borough's Archaeological Officer about the interpretation of the pathways on The Leasowes. This background consternation about "woodland banks, ditches and hedges" ends with a written comment from the Borough Archaeological Officer that the Historic Landscape Consultant "can ignore historical evidence if he so chooses, but to ignore archaeological evidence as well suggests an over zealous desire to get his ideas accepted regardless of the facts".
71. In fact this interchange on path routes evidenced by a whole morning site visit and a couple of emails was taking place between the 11th August and the 16th August 2000; a critical period for the financial future of the project.
72. On the 4th August 2000 the HLF monitor writes to the Chief Executive and effectively suspends the funding until the 26th September 2000 when "we will meet to discuss the way forward". The rationale for the suspension is the "lack of financial support available from your Authority over Health and Safety responsibilities in relation to the maintenance of dams".
73. A copy of the letter was sent to the then Head of Leisure on the 7th August. As one might anticipate there was a flurry of activity, largely about who would pay for abortive consultant and scheme costs. A provisional meeting date was set for the 26th September though this later had to be postponed as the then Director of Planning and Leisure could not make that date.
74. The meeting is re-arranged for the 2nd October though it is clear from a memo on the 9th August 2000 to the then Director from the Head of Leisure that the HLF are being helpful and not talking about cancellation of the project just cessation.
75. Two days later on the 11th August 2000 the then Head of Leisure wrote to a concerned Councillor who had raised some wider issues in a note of the 7th July 2000. Given that the scheme funding had ceased on the 4th August though not cancelled the tone is extremely positive.
76. The then Head of Leisure commented that "Whilst I cannot deny there have been concerns and disputes in the programme which are simply down to the inability to fund some emergency works on the dam which English Heritage are unable to support. I will be meeting with English Heritage in early October where I hope we will be able to reach a solution on this."
77. Over the rest of August 2000 there is a frustrated interchange of emails between the project manager and the HLF monitor which ends with a note from the HLF

which states strongly that the “ball is now firmly in Dudley’s court. You must get your senior managers to discuss the situation with you or are they continuing their lack of interest? My advice to you is to get a very senior Dudley member of staff actively supporting and promoting the project and speaking positively of a way forward”.

78. The project manager prepares a well argued and reasoned contingency project options plan but unfortunately the meeting on the 2nd October is cancelled by the regional manager of the HLF at what appears to be the last minute.
79. Intensely frustrated the project manager emails the regional HLF manager and asks him whether she “should report to work on Monday 2nd October as from this date my salary is no longer supported by the HLF. Whilst I remain committed to the project I am not in a financial position to offer my services free of charge. Please confirm that Dudley MBC will assume responsibility for the payment of my salary and advise me of the time period for which this would be effective”. The HLF area manager is even invited to ring her over the weekend on her personal home number.
80. Unsurprisingly there is no formal reply to this heart-felt plea to the HLF regional manager but it must have prompted some concerns about the organisational arrangements in place in Dudley at the time.
81. In September 2000 The Engineering Consultants produce their formal risk assessment on the dams and recommend that the “no further action option is the most satisfactory solution in interim”. Measures need to be taken to “maintain and monitor the outlet particularly in the Autumn months”.
82. The dam however "continues to be in a precarious state of stability due to the flaws in its design and construction. There is a continued risk that failure would occur at any time and we would recommend that all permanent remedial works be completed at the earliest opportunity."
83. In September the Express and Star carry the story of the funding loss under the headline ‘Dam Nuisance as work at park hit!’ The then Head of Leisure talked positively to the press of the meeting in October which will resolve the issue with the HLF.
84. In late October the halt to the funding and the six months review of costs demanded by English Heritage is making the front page of the Express and Star. Unusually for such a story and in contrast to previous press statements the comments were provided by the project manager and not the then Head of Leisure.
85. Unlike the positive previous comments the project manager expects the restoration work to be put on hold until the Summer of 2001 and a number of the key phases of the Park's original restoration programme would have to be scrapped to let the rest of the project continue. She makes an appeal to local businesses to come up with sponsorship money. The Leisure Directorates Council phone number was given to help drum up support. It is unclear precisely when but shortly after these press comments the second project manager resigns and moves elsewhere.
86. There is a letter dated 27th November 2000 from the then Head of Leisure to the then Chair of this Select Committee based on a request for further information at

the Council meeting of the 20th November. This letter briefly covered the position in relation to both dams and is a much more positive interpretation than the Express and Star story.

87. The year ends with a letter on the 28th December to the Friends of Leasowes (FOL) from the Council picking up issues from a meeting in November 2000 on a range of issues. In particular a "written explanation of the projects suspension will be displayed in the warden base and an update report to the Halesowen Area Committee on the 16th January 2001 will be submitted". Both of these commitments were carried out.
88. The letter does seem to flag an obviously troubled relationship between the Head Warden at Leasowes and the FOL wanting him to be more high profile on The Leasowes. For example at one of the FOL meetings he is asked to stand up and identify himself to the FOL Group so that "they know what he looks like" despite him being in post several years.
89. Despite the delays in getting the meeting arranged between the HLF monitor and the Council when it does take place it is very positive. The Director of Planning and Leisure does submit a report to the 30th October Policy Committee and this report recommends that £60,000 will be allocated from the feasibility budget to fund the "consultancy and design work to reschedule and re-submit". In response to the HLF concerns the then Director writes committing Dudley to enhance the project management arrangements – "I personally have already established a new steering group/ project team chaired by me, meeting on a frequent basis to manage and energise the current work" Certainly a new meeting structure is established but without the personal energising presence of the then Director if the meeting minutes are accurate.
90. The then Director's letter is in response to a two page email from the HLF monitor spelling out the conditions for the future in relation to The Leasowes Project. The most significant of these are a "revised" project submission by the 31st March 2001; an improved and robust project management structure including direct supervision by a senior member of staff; the inclusions of financial controls and a letter of support from the Chief Executive.
91. If these conditions are not met and a "satisfactory agreement reached between the HLF and Dudley MBC by the 31st June 2001 then the HLF will terminate the contract".
92. By the end of the year the second project manager has left after nine months and after much consideration and some internal and external advertising it is decided that a third project manager be appointed.
93. To ensure continuity the third project manager is to be the then Landscape Practice Manager. At this stage continuity was vital in relation to the HLF's concerns and despite some overtures to an external project management consultancy the Council decided to stay with its in-house resource.

THE YEAR 2001

94. The year 2001 starts with the third project manager in place from February and a major re-submission to meet the deadline set by the HLF. The Council concurs

with the HLF that the loss of the second project manager was a "tremendous loss".

95. There is clear evidence from the file that a re-energised project management structure emerges with the third project manager. It is evident that the Council are working well towards the re-submission. Despite this the HLF still offer to provide complementary project management skills but we prefer to do it ourselves. This resubmission and the £60,000 feasibility budget still attracted adverse comments from the public with press releases about whether a "medium should be employed to contact William Shenstone" and find out how he built a "safe dam over 250 years ago using only a wooden wheelbarrow". In fact it is clear from the consultant engineer's advice that the dam is not safe and one email even refers to potential loss of life if remedial measures were not put in place.
96. A multi-discipline design team of consultants are brought in to prepare the re-submission. For the first time formally Audit Services are requested to be involved in a contract advice capacity.
97. The preliminary project re-assessment report is available on the 30th May, 2001 and whilst it is clear that the 'restoration of the entire landscape would no longer be possible due to the additional work requested on the dam in the North Valley it has a coherence and links through to "the original Shenstone vision". The revised project cost is estimated at £2,972.119 and the final completion would be April 2005.
98. This report is sent immediately to the HLF monitor with the request that the HLF support 'our application for a variation to the existing grant based upon the new figures'. By July of 2001 despite the re-submission to the HLF in May and a meeting in June between the Council and HLF officials there seems to be little progress.
99. As a result of this the Council write a strong letter of concern (recorded delivery) to the HLF imploring them for an update as further stoppage will incur further consultancy and project management costs.
100. Obviously the HLF are having staff problems and by August 2001 a number of letters have been written expressing concern about the giving of feedback.
101. Despite this period of quiet with the HLF in the background the summer of 2001 is marked by a period of intense media interest. In May of 2001 The Leasowes attracts the interest of the national press. Monty Don (less well known then) writes a piece in the Observer which is construed as a 'mocking' piece about the efforts of the Council restoring The Leasowes.
102. In fact it is a fairly unsubtle critique of the then MP for Stourbridge quoted as saying "that there is no sympathy for the farmers within the Parliamentary Labour Party at this time of foot and mouth because they did not support the steelworkers made redundant earlier". There are also one or two fatuous asides about golfers from the writer.
103. Such is the outrage that the then Director of Planning and Leisure writes a two page letter to the editor of the Observer and accuses the Observer of shoddy investigative journalism. The editor does not appear to have replied.

104. At the same time there also appears to be problems with the end of year budget accounting for The Leasowes as the then Director is moved to write the “situation appears now to be a figment of our accountants imagination” whilst the expenditure forecast finally appears to be corrected the then Director is clearly very “exercised about the accounting treatment of the figures”.
105. The latter part of 2001 continues to be a quiet period in our relations with the HLF though toward the end of the year the then Director is moved to write to the HLF ‘that whilst The Leasowes does not lie within the Council’s priority neighbourhoods and thereby does not have easy access to the Council’s capital funding at present the delivery of the Leasowes Restoration is still a key aim for the Council”.

THE YEAR 2002

106. In January the HLF seem to ‘spring back into life’ and respond to earlier correspondence along the lines that we were going to take the resubmission to our Board in December 2001 but the “additional information we requested did not arrive until the 7th November hence it was too late for that quarter’s Board” and so the “resubmission decision is now scheduled until the 26th March 2002”. The HLF still had concerns Dudley did not appear to be putting real capital funds into the scheme but rather revenue funding for ground maintenance works.
107. The response from the HLF is immediate after this meeting as on the 27th March 2002 they write to Dudley and indicate that whilst they cannot agree the re-submitted bid they will stand by their original grant offer and if this is accepted they will lift the current suspension of funds.
108. This announcement is met with a degree of furore in the local media and concerns were raised whether an ex councillor who was on the regional Heritage Board might have been a stronger advocate for the revised and increased grant request.
109. Given the warnings over the years from the HLF about how the project was not being managed either operationally, financially and strategically the advocacy skills required (even if this ex councillor had been called on for his views and that seems unlikely) would have been Herculean.
110. Almost immediately there is a flurry of activity from consultants within the new improved financial landscape. For example – in August 2002 when the suspension is formally lifted the Council contacts the Historic Landscape Architect and in view of the delay he promptly raises his day rate from £250 to £300.
111. In early September with the lifting of the suspension The Leasowes Restoration Steering Group is resurrected and the date for the first meeting of the group is set for 18th October 2002. The agenda for the meeting says the 18th October 2003 but clearly it did take place in October 2002. This meeting considers revised Draft Terms of Reference and is the same month the third project manager thankfully remains but changes his substantive post title.
112. Despite this further re-energising of the project management structure there arises at this time a potential major problem with the Environment Agency as we seek to get them to confirm exemptions in relation to future work on the site. The year ends with a letter to Councillors indicating that the restart is about to begin.

THE YEAR 2003

113. Whist there appears to be little activity at the start of the calendar year from the start of the financial year the files really do demonstrate the re-energised project enthusiasm promised well over two years earlier.
114. There is a clear project infrastructure, the involvement of the corporate communication staff to ensure a consistent message and a calendar of dates for the interlocking meetings.
115. Despite the greatly improved and enhanced project management structure the project is not without its critics. Concerns from the Friends of Leasowes about the degree of feedback; concerns raised by the Golf Club that the realisation of the project will lead to an increase in attracting the 'job element'; concerns from the HLF monitor that claims were still being submitted on the wrong claim forms; concerns about the Historic Landscape Consultants fee requests as without these the level of expenditure would drop dramatically and concerns raised by the public through the Area Committee about 'mismanagement'.
116. These concerns are addressed and September of 2003 brings the appointment of a lead co-ordinating consultant who as engineers should be able to deal with the 'dam issues'. Even the move of the project manager to Mary Stevens Park is carried out without any hitch or impact on the programme.

THE YEAR 2004

117. The enthusiasm and progress that started at the beginning of the financial year 2003/2004 continues and an email from the project manager to staff talks about the "really good start to the New Year".
118. The year is characterized by a plethora of strategy and operational meetings with detailed if some lengthy action points. If there is a criticism then it is two fold;
 - Firstly the interlocking meeting structure assumes a series of distinct financial meetings separate to the main project management groups. There is evidence that the frequency of these meetings did not match that of the wider group and often appear to be cancelled as a result of sickness of staff or more likely because it was felt that there was little to discuss. In view of the HLF's view on the issue of financial returns being on time indeed received, then this must be seen as a criticism.
 - Secondly at times of reduced project activity, perhaps inevitably, operational, meetings seem to be cancelled in an arbitrary fashion. In a project like this then continuity and links with stakeholders like the Friends of Leasowes might have been enhanced if the rationale for those meeting cancellations were either shared or indeed went ahead to share the reasons progress was stalled.
119. Throughout 2004 in contrast to previous years there is a steady flow of reports to the Halesowen Area Committee. To reiterate the key milestones points made earlier in Part 1 of the report. The Committee in March is told that works are due to commence in September 2004 and complete by May 2005. At the July Committee

the commencement date has moved to October 2004 with completion still in May 2005. At the September Committee 2004 the completion date is now estimated to be July 2005. No start date is forecast.

120. As referred to earlier a three month forecast slippage on programme when problematic contamination, tipping and sewage works issues have been identified is optimistic. But to be fair there is no sense from the background material that this optimistic picture is simply a veneer for Committee. The enthusiasm and optimism is a cornerstone of the various strategic and operational meetings.
121. Despite the optimism and the frequent meetings behind the scenes there are background concerns. The longstanding interrelationship issues between the wardens, particularly the head warden, and the Friends of Lesowes take a different course with him leaving during the year. A number of trees are removed in Virgil Grove in a manner that creates tension. Whilst "the monthly financial meetings are proving to be a useful vehicle" there are continuing problems in monitoring spend and one meeting notes that "financial management has proven problematic in the past with changes of staff; misunderstandings between capital and revenue spend and divergent financial information being required for the HLF and our own accounting team".
122. This situation is clearly improved with the introduction of Microsoft project software which for the first time provides an accurate cash flow which can be instantly and accurately generated from the project plan.
123. There are still instances where the HLF appear to have lost grant claims which have to be re-issued though from correspondence the HLF now seem more relaxed about this and feel these represent the kind of issues that "accountants and invoice teams across the country will be used to".
124. The other issue that appears to be emerging from "informed public quarters" is the production of The Leasowes Maintenance and Management Ten Year Plan. This proves to be a continuing bone of contention which may well have been an informal issue earlier but now does appear to be gathering momentum in formal notes.

THE YEAR 2005

125. The report to the Halesowen Area Committee in February continues to be positive though the forecast works completion date has now moved to October 2005 from July 2005 and whilst the contamination issues referred to earlier appears to have receded the tipping and sewerage and the delays in the Environment Agency Licences have markedly increased. One key Environment Agency licence is not forecast to be approved until the end of March 2005.
126. The report to the March Area Committee has to admit that the Environment Agency licence will not be granted by the end of March but will be determined by the 20th April. The works completion date has now moved to Christmas 2005 from October 2005.
127. Behind the scenes as negotiations take place with the Environment Agency issues surface or re-surface; trees that were planted as part of the Millenium Forest look to have been destroyed; the Golf Club looks for more secure vandalism preventative measures which it is felt will compromise the restoration project's underlying "core

ethos"; allegations that the maintenance of the park is allegedly being sacrificed for the production of "an expensive showcase". The expectations raised by the 10 year Leasowes Management Plan are still being deliberated upon and is obviously fuelling those tensions.

128. The Environment Agency appear to be becoming increasingly intransigent and require further work in a way that the Council Officers' view as reinterpreting the rules of the licence arrangements. There is clearly an impasse developing as the Environment Agency will "not budge".
129. There is a real dilemma here as how can the Council "recreate an 18th Century Feature" (to keep the Historic Landscape Consultant on side) and yet do it to 21st Century Engineering Standards (to ensure the Environment Agency licences are granted). The statement by the Historic Landscape Consultant that the Environment Agency are guilty of "overkill" maybe accurate but aggressive arguments with the "referee" normally have only one outcome.
130. The problems with financial accounting still seems to be an issue and one steering group notes "the monthly financial meetings continue to be a useful vehicle but have been erratic recently due to sick leave".
131. This year sees the novel if unhelpful spectacle of one part of the Council suggesting that they might be in a better position to project manage The Leasowes Scheme as part of wider work they are doing in the area and their greater expertise in this kind of civil engineering field. This "kind offer" is rejected.
132. This year also sees the first full scale internal audit of the project which was completed in June 2005. This concluded "that it is pleasing to note that all systems were found to be operating to a high standard and a good level of control appears to be operating on the project".
133. It is clear from the background papers that this is a justifiable conclusion given the objectives of the audit which were to ensure:
 - Corporate project management methodology was being used
 - The appointment of consultants and other contractors was in line with standing orders
 - Appropriate cost control was being operated on the project and capital reporting rules were being followed.
 - Grant conditions set by the Heritage Lottery Fund were being adhered to.
 - All recommendations from the previous report and also any related capital audit reports have been actioned.

THE YEAR 2006

134. The year starts with a report to the 25th January Halesowen Area Committee though unlike previous years' reports this is a verbal one but the minutes indicate that the final licence from the Environment Agency which had been due in November 2005 would not now be issued until the end of March 2006.
135. The Heritage Lottery Fund clearly understood fully the situation and were sympathetic and had approved the design for the work which managed to offer the "best blend of engineering and faithful heritage content".

136. A presentation had been given to the public in the back end of 2005 and the outcome from the presentation and clearly the view of the FOL was that whilst they were clearly "frustrated at the delays, understood the processes and the need to get it right". The Ten Year Management and Maintenance Plan preparation tenders had now been invited from a range of consultants.
137. As indicated earlier the concerns about maintenance were being addressed with the Council allocating £80,000 of Feasibility Funding for area and path improvements outside the Restoration area. These would be complete by August 2006.
138. A further written report taken to the 22nd march 2006 Halesowen Area Committee re-enforces the point about the licence not being granted until March 2006. This report makes reference to the Ten Year Management and Maintenance Plan, which it is forecast will be ready in October 2006 and the complementary maintenance work on the park referred to at the previous Committee would now be completed in June 2006 not August 2006. It is actually brought forward. This is the last report to the Committee for two years until the 12th March 2008.
139. Behind the scenes the frustration with the Environment Agency obviously builds and the most obvious manifestation of that is the Council's involvement of the MP for Halesowen and Rowley Regis who forcefully offers her assistance to break the log jam with the Environment Agency
140. Though her offer is in the context of wanting reassurance that the Leasowes money has not been "used for other things"; any assistance to break this impasse was welcome and whatever took place behind closed doors the final Environment Agency licence approval gets issued on the 1st June 2006.
141. Problematically and unexpectedly one of the licences will not allow construction work on the watercourses between October and April. This obviously impacted on the time available to the Council to carry out watercourse works i.e. the summer months (May- September) but also means that, in affect, no work could start until May 2007.
142. Behind the scenes there appears to be continuing concern about the interaction between the Golf Club and the Restoration Project raised by the Friends of Leasowes but their relationship with the Council looks to be thawing.
143. However behind the scenes a serious dispute has arisen with the lead consultant, though it is unclear what its fully about but probably reading between the lines, it revolves around the issue of increased consultancy payments. This has "slowed down the project" but is unclear for how long.
144. However by the 8th December 2006 this dispute has been resolved and the following revised programme agreed with the key forecast dates being to start on site May 2007 and complete in December 2007.

THE YEAR 2007

145. This understandable desire for increased consultancy monies is not confined to the lead consultant for The Leasowes Project it has now affected the consultants charged with producing a Ten Year Management and Maintenance Plan. To be fair

it is a request for around a £1000 which is less than 10% of the contract sum and is linked to delays in the programme.

146. Needless to say the scheme does not start on site in May 2007 and the reasons for this are outlined in a letter from the Council to the Friends of Leasowes in October 2007 indicative of the warmer relationship that looks to have started in the summer of 2006.
147. The Council letter states "As you will be aware, tenders for the main restoration contract have been returned and assessed. We are currently in dialogue with the preferred tenderer and intend to award the contract in the very near future. While we are happy with the quality and experience of the tenderer this company has offered some alternative design solutions which we believe have benefits in terms of cost and buildability and we are currently undertaking negotiations on these prior to award of contract".
148. The cordial reply from the Friends of Lesowes thanks the Council for its timely response particularly in the face of a postal strike but is concerned that the frequency of the "operations meetings" has fallen off.
149. This letter of the 28th October 2007 makes some key points most eloquently, "Operational meetings have always provided a direct formal and accountable opportunity to discuss the operation of The Leasowes and make an input based on the views of local residents. It is also a vital forum of keeping in touch on all the main issues and receiving information that can be fed back to the regular park users". We understand fully the present position in relation to the restoration programme of works but this is "precisely the time when it becomes even more important to involve the public otherwise the situation is seen as one of stagnation".
150. Though this letter is reasoned and reasonable it is unclear whether its wide ranging points are answered formally by the Council. There is no evidence on the file for this in 2007 nor indeed by the end of February 2008 when they write in frustration about a lack of reply.

THE YEAR 2008

151. The year starts with a story in the Halesowen News headlined "Council admit two thirds of £1.8m Lotto Grant is GONE but Leasowes Restoration has barely started 11 years on". Despite the warmer words at the back end of 2007 the Friends of Leasowes are extremely critical in this article. Allegations of being "cheated, unacceptable level of spend on ideas and salaries"
152. The Halesowen Area Committee report of the 12th March arises from a question raised at the January Area Committee and provides the detail about the balance of spend between fees, wardens, ground maintenance and restoration works in a clear and unequivocal way. It is made absolutely clear however that the funding agency (ie. HLF) have been kept fully informed about the reasons for the delay and have approved the expenditure headings as appropriate.
153. The most recent report to the Halesowen Area Committee was on the 2nd July 2008. This confirmed the start on site of May 2008 and most significantly identified that the scheme had a short fall of £265,000. Approval to use S.106 requests had been given through a decision sheet to meet that shortfall.

154. This raises a number of questions that cannot easily be answered from the background papers.

Firstly - if S.106 receipts have now been used to supplement the work budget by nearly 50% why were they not used in 1999/2000 to deal with the Health & Safety issues over the dams? The answer is probably that the 'pot' of S.106 resources is now a good deal healthier than back in 2000.

Secondly - if the tenders were received back in May 2007 then the 'results of the tender exercise identifying a shortfall of £265,000 must have been known for much of 2007 and certainly by the Halesowen Committee of the 12th March 2008. The forecast estimated cost at that date for the restoration work was identified as £584,569 against an eligible cost limit approved by the HLF of £737,147. The question must be asked why was the estimated final cost of 'restoration' works not forecast as £849,569 (ie. £584,569 + £265,000).

Concluding Remarks

155. Firstly – As a Council we should be pleased and indeed proud that there are a wide range of stakeholders including staff but particularly the Friends of Leasowes who have stayed the course in very trying adverse circumstances and ultimately will ensure the finish of a scheme which protects and enhances “a local treasure of national and international significance in the Borough”.

Secondly - It will be evident that many of the project management inadequacies apparent in the late 1990's were addressed through out the course of the project, particularly from the start of the financial year 2003/04. However the present corporate project management guidelines may need to be revised to establish clearer ground rules about the level of responsibility a project chair should have in complex schemes of this nature. Thought needs to be given to whether the decisions to suspend project boards and indeed operational sub groups are the responsibility solely of the project manager or should involve the Board.

Thirdly - Whilst optimism and positive timescales are welcome there are clearly some organisations, and The Environment Agency appear to be one where perhaps we should anticipate that they won't meet their promised deadlines, and build longer contingency times into the project. It undermines the creditability of a project if every month the start date is put back two months but in reality ends up as starting many years later.

Fourthly – Whilst it is recognised that there are a wide range of other pressures on a project manager, particularly if they have other staff management responsibilities, is not only unacceptable but ultimately damaging to the stakeholder/Council relationship if letters which on the surface appear both measured and reasonable are not answered for months.

156. The final remarks relate to the key questions that obviously lie at the heart of the Halesowen Area Committee's concerns.

Q. Was the action or inaction of the Council responsible for The Leasowes Project taking nearly a dozen years to complete rather than four?

- A. Certainly in the late 1990's the delays in the project which were estimated as one year in 1999 by the HLF some two years after the project start, can be levelled at what appears to be an inadequate project management regime. However, since the original suspension of the project in August 2000 through to the present day, the delays look to be a combination of factors outside of the control of the Council, either with the Heritage Lottery Fund or more latterly with the Environment Agency.

It is conjecture but had the Council resolved the project management issues earlier and more importantly found £200,000 to meet the Health and Safety issues associated with the dams, then potentially the HLF would have not suspended the project and indeed might have been more susceptible to overtures for increased funding. There is no evidence that the Environment Agency would have moved more quickly than they ultimately did or place less onerous conditions on the permit licences, whatever the Council did.

- Q. Was the action or the inaction of the Council responsible for the final cost overrun and did this adversely affect the Council Tax payers of the Borough?

- A. Clearly the original budget forecast for the work back in 1996 was probably around half of the level required to carry out the full works and must call into question the original estimating. However, the £265,000 of S.106 monies required to finish off the Phase 1 restoration works is Public Open Space resources from developers and the formula used to distribute this across parks both in the Borough and Halesowen would have 'allocated' this level to Leasowes anyway. The money used to pay consultants has legitimately been set off against the HLF grant aid. In both these circumstances the Council Tax Payer has not suffered. An alternative financial question might have been – what would have happened if the HLF had permanently suspended funding? then clearly there would have been substantial funding pressures for the Council if we were obliged to pay the money back.

- Q. Is the balance between consultancy costs and works costs acceptable and justifiable?

- A. This is a complex project and required a multi-disciplinary team over a programme period nearly three times longer than originally envisaged. The HLF have not challenged the balance between consultancy costs and works costs and indeed from the background material are probably pleased the Council has at last invested its own match funded capital resources rather than solely relying on revenue resources, which in affect were already funding existing services anyway.

Finance

157. Any costs which might be associated with responding to the issues raised in the report which cannot be met from within existing budgets will need to be assessed in due course.

Law

158. Under Section 9 and 10 of the Open Spaces Act 1906 the Council is empowered to acquire and maintain land for the purposes of Public Open Space.

159. Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 enables the Council to provide recreation facilities within, or outside of its area, with or without a charge.
160. Section 111 of the Local Government Act 1972 enables the Council to do anything that is calculated to facilitate or is conducive to or incidental to the discharge of its functions.

Equality Impact

161. Access improvements in Leasowes Park are being carried out with regard to the requirements of the Disability Discrimination Act and in accordance with best practice in improving access to open space.

Recommendations

162. That the Council reviews its present project management arrangements taking on board any lessons learned from The Leasowes Project and others taking place since the revised corporate project management arrangements were put in place in 2003/2004.



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Background Papers

1. Report to Halesowen Area Committee – The Leasowes Restoration, 16th January 2001.
2. Report to Halesowen Area Committee – The Leasowes Restoration 9th October 2001.
3. Report to Halesowen Area Committee – The Leasowes Restoration 3rd July 2002.
4. Report to Halesowen Area Committee – The Leasowes Restoration 10th March 2004.
5. Report to Halesowen Area Committee – The Leasowes Restoration 13th July 2004.
6. Report to Halesowen Area Committee – The Leasowes Restoration 15th September 2004.
7. Report to Halesowen Area Committee – The Leasowes Restoration 17th November 2004.
8. Report to Halesowen Area Committee – The Leasowes Restoration 2nd February 2005.

9. Report to Halesowen Area Committee – The Leasowes Restoration 30th March 2005.
10. Report to Halesowen Area Committee – The Leasowes Restoration 22nd March 2006.
11. Report to Halesowen Area Committee – The Leasowes Restoration 12th March 2008.
12. Report to Halesowen Area Committee – The Leasowes Restoration 2 July 2008.