
**MINUTES OF THE MEETING OF THE RESOURCES AND SERVICES OVERVIEW
AND SCRUTINY COMMITTEE,
HELD ON MONDAY, 14TH APRIL, 2025 AT 7.36 PM
IN THE COMMITTEE ROOM - TOWN HALL, STATION ROAD, CLACTON-ON-SEA,
CO15 1SE**

Present:	Councillors P Honeywood (Chairman), M Cossens (Vice-Chairman), Bush, Goldman, Harris, S Honeywood, Newton and Steady
In Attendance:	Keith Simmons (Assistant Director (Corporate Policy & Support) & Deputy Monitoring Officer), Maddie Adger (Leadership Support Manager) and Bethany Jones (Committee Services Officer)
Also in Attendance:	Ian Davidson (Chief Executive) (except items 79 & 80), Lisa Hastings (Corporate Director (Law & Governance) & Monitoring Officer) and Richard Barrett (Corporate Director (Finance and IT) & Section 151 Officer)

74. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

In relation to members of the Committee, an apology had been submitted by Councillor Bensilum (with no substitution).

The Committee was informed that the Leader of the Council (Councillor M Stephenson) who had been due to attend the meeting had given his apologies due to a clash in his diary schedule.

It was then **RESOLVED** to defer the consideration of Item A.2 – Report of the Leader – Portfolio Holder Projects – Update and that a separate public meeting of the Resources and Services Overview and Scrutiny Committee be arranged and held to enable the Committee to discuss this report with the Leader of the Council as well as any relevant Cabinet members.

75. MINUTES OF THE LAST MEETING

It was moved by Councillor M Cossens, seconded by Councillor S Honeywood and:-

RESOLVED that the Minutes of the last meeting of the Committee held on 13 January 2025 be confirmed as a correct record and be signed by the Chairman.

76. DECLARATIONS OF INTEREST

There were no Declarations of Interest made by Members on this occasion.

77. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

No Questions on Notice pursuant to Council Procedure Rule 38 had been submitted by Members for this meeting.

78. REPORT OF THE CHIEF EXECUTIVE - A.1 - OUTCOME FROM THE SPENDELLS HOUSE CAPITAL SCHEME REVIEW

The Committee considered the report with the related document arising from the review of the Spendells House Capital Scheme. That review document was set out at Appendix A of the Officer report (A.1). The report further reminded the Committee that the Council's Audit Committee also had a role in reviewing the subject of Appendix A and provided details of guidance on the respective roles of Audit and Overview and Scrutiny in relation to such matters.

The Committee was made aware that, the matter of the Spendells refurbishment project to provide temporary accommodation for homeless families had been referenced in several reports provided to the Committee over a number of years. The issue of unauthorised expenditure in respect of the project had been reported to the July 2024 meeting of the Committee. On 17 December 2024 the Committee was advised that arrangements would be made with the Chairmen of this Committee and of the Audit Committee to receive the findings in relation to the investigation into the Council's development of Spendells House, Naze Park Road, Walton-on-the-Naze (and specifically the unauthorised expenditure).

Members considered the investigation report into the project (Appendix A of the Officer report). Prior to the meeting, it had been the subject of a joint briefing for this Committee and Members of the Audit Committee held on 26 March 2025. The Audit Committee had then considered the detail at Appendix A at its meeting on 27 March 2025. At that meeting, on 27 March, the Audit Committee had approved the following having considered that detail:

"[...] (b) [...] that the findings be noted and that Officers be requested to bring these together with the outcomes from other various reviews of major projects, in addition to any associated recommendations from External/Internal Audit for consideration as part of the annual review of the Council's governance arrangements at the earliest opportunity in 2025/26;

[...]

(d) the Chief Executive Officer be invited to attend a future meeting of the Committee to give a half yearly update on matters raised in the review of the Spendells Capital Scheme Review;"

The Council's Chief Executive (Mr Ian Davidson) was in attendance at this Committee meeting and presented the report to the Committee.

<u>Committee Members' Questions</u>	<u>Responses by the Chief Executive (unless stated otherwise)</u>
We need to know why, after all of the adjustments covered by unauthorised expenditure were dealt with, the fire doors were only then identified as an issue, and that required a separate decision (from the unauthorised expenditure) and was addressed so late in the process?	You are right to scrutinise because that is where some of the learning comes from. The fire doors is something where I approved with the reasoning being part of the spec was around the fire doors but then building control looked at the fire doors and said that the original fire doors were no longer compliant with the legislation arising from the Building Safety Act 2022 and the Officers employed by Tendring District Council in the building control team therefore said that the fire

	doors were no longer fit for purpose. If I had argued the point that they were fire doors and not changed them and a fire was to have happened, I would rather be sitting here justifying an unauthorised expenditure rather than an unfortunate death. Whatever the position, that was something I would have done regardless as it needed to be managed immediately.
The fire doors seemed to be an awful lot of money considering it was around 5 fire doors, can you explain?	Fire doors are expensive. There were 30 flat entrance doors and 19 cross-corridor doors, and a single and two pairs of double service cupboard doors. As I understand it, in terms of the frame for the fire doors, they also have to be compliant. So, there were a bit more than 5 fire doors.
Is one of the things the Council have learnt is that specifications should address current legislation and that by using specialists to write the specifications, that should be the case?	Yes, that is correct. When looking at the original piece of work which had been done and planned when Councillor Paul Honeywood was the Portfolio Holder, that was pre-legislation. The original specification would not have had those in anyway because at the time, the building had fire doors, it just so happened that those fire doors were no longer fit for purpose, but the point about making sure the specification is accurate reduces the amount of variations, reduces the amount of times to revisit what is in the specification which will reduce costs. Officers are using the Essex Procurement Partnership and TDC are procuring a lot better and a lot of the work across Essex is with credit to Lisa Hastings (Monitoring Officer) who has been leading on this for Councils across Essex and a number of authorities are wanting to join the Partnership because of the work that it is doing.
Why were the Cabinet not made aware of the issues before the May 2024 report? In relation to the numerous times that concerns surrounding Spendells were raised. Why is none of that mentioned in this report?	The Corporate Director and the Portfolio Holder were advised of the expenditure issues at the end of February 2024. They immediately commenced a review of issues and took action including the omission of battery storage that had been contemplated, review of other expense areas and the detailed work around the fire doors all of which was formalised as far as then possible in the May 2024 report. This report in front of Members was not about laying blame as to when was somebody going to tell who or what, this report was about the learning and what did TDC get wrong as Officers, what did Officers do about it and what were Officers going to do in the future. The learning that TDC have got out of this has been really important and the conversation with Audit Committee has been really important.
Are you aware of any feedback to the Cabinet	In February 2024, that was when the expenditure

<p>once this was identified?</p>	<p>issues were raised and at that stage the conversations with the Portfolio Holder happened and was reported back to Cabinet in May 2024.</p>
<p>The Capital Budget spend was £2.387 million and Spendells was costing around £22,800 per month, are you aware of the cost of the delay of opening Spendells?</p>	<p>There is not a delay because of the spend that was unauthorised because the work carried on. The cost of this error did not create the spend issue, the cost of delay to getting Spendells open was in the report, there was various different things in terms of the issues. Had it not opened, it would have still been an empty building and still costing the Council money. There is not an equation to say what would have been the cost had the Officers stopped and got those permissions. Not using it as temporary accommodation would have cost the Council an extra £200,000/£250,000. The length of time is not in the report.</p>
<p>What is the process around once extra work is found in terms of management?</p>	<p>The difference between the public and private sector is that the Council is using the taxpayer's money, and I think most people in the community would be most upset if the Council did not have the correct processes and governance and procurement to ensure that their money is kept safe, therefore sometimes the systems are a bit slower. The Council has elected Members who are a part of that process and for them to be part of the process and make a decision, they need to have a report before them that includes their recommended decision, options and assurance that what they are doing is legal. The constitution lays out the rules both for Officers and for Members in terms of their approval process and who can approve what. In this case, I do not believe it is the timing of it because they did not go through that process. When doing projects, if you have the specification right and funding all agreed and correct, that is a bit quicker because the specification being right means that you have not got to go right back for further funding. When this project was started in 2017/18, no one could foresee COVID happening and the costs of everything increasing as much as they did. (Lisa Hastings) – within the Council's constitution it does have Special Urgency Provisions. The fire door decision was made on the day Officers were made aware of it. The Chief Executive and the Leader can make urgent decisions following consultation with the Section 151 Officer and the Monitoring Officer. In regard to the constitution, the Council also has to work with the legislation that sits around Local Government and the</p>

	<p>Council is required to publish notification of decisions with 28 days' notice; however there are special urgency provisions that apply that with consultation with the Chairman of the relevant Overview and Scrutiny Committee Officers can request exemption from that 28 day period and from Call-in. As long as the Officer is satisfying those requirements within an email or letter that goes to the Chairman of the relevant Committee then those exemptions are given.</p>
Are you saying that there is a robust process in place?	Yes, that is correct.
Does any of the process need to be reviewed like the training for Officers? Would the Council have spent that money for Spendells?	<p>The payback period is there and there are two reasons which are the financial position and also for the individuals and the support networks. Temporary accommodation is going up around the country and for some authorities it is 40/50% of their budgets. The cost of accommodation in expensive areas is so high which means that those authorities move those individuals farther afield which can cause mental health issues or destroy children at school networks, and the cost goes back into the public sector system because it is creating other costs in part of the system because there is no good quality accommodation. The Council needs to stop reacting to temporary accommodation and start to proactively address temporary accommodation. There are implications if the Council does not fulfil the requirements of training.</p> <p><i>(Lisa Hastings)</i> – Officers must have training, and I want to reassure the Committee that the training is delivered, and the Council have a robust training process in place, and it is repeated.</p>
How flexible is the document and what is the process if it needed to be changed and where does the Portfolio Holder involvement come into that process?	<p>With the £60 million project, there are a whole series of other projects within that. Some of the projects will need a lot more focus and time. At no stage do I think that there was malicious action in there, there was fault and errors but not anything malicious.</p> <p><i>(Lisa Hastings)</i> – I asked for the Portfolio Holder to be involved in signing off those project initiation documents because as Officers, they are delivering the policy of the Council's Cabinet to make sure that there is that sign off. It is quite an agile process with phone calls, emails and talking.</p>
The 40 variations seem quite high, could you comment on that?	If you have a better specification, you should not have so many variations. There will be variations on big projects but 40 is a lot. It is all about good planning beforehand.

The Chairman (Councillor P Honeywood) suggested to the Committee that this item subject matter (A.1) be revisited at the future meeting of the Committee referred to in Minute 74 above to which and that the Leader of the Council and relevant Cabinet members would be invited to attend. This would enable the Committee to consider political oversight of the project referenced in the Chief Executive report.

It was **RESOLVED** that the Committee:

- (a) notes that, in respect of the detail of the review set out in Appendix A of the Officer report (A.1), the Audit Committee had approved:

“that the findings are noted and that Officers be requested to bring these together with the outcomes from other various reviews of major projects, in addition to any associated recommendations from External/Internal Audit for consideration as part of the annual review of the Council’s governance arrangements at the earliest opportunity in 2025/26”;

- (b) thanks the Chief Executive and Corporate Directors for the investigation that was undertaken, the report presented to the Committee and for their attendance at the meeting;
- (c) welcomes the conclusions in the Officer report (A.1) as a blueprint for project and contract management at the Council going forward subject to the training elements in the conclusions being a requirement matter than a request; and
- (d) looks forward to addressing the political oversight in the later stages of the project as part of the proposed special meeting with the Leader and relevant Cabinet members (as referenced in Minute 74 above).

79. REPORT OF THE LEADER OF THE COUNCIL - A.2 - PORTFOLIO HOLDER PROJECTS - UPDATE

The consideration of this item had been deferred for the reasons stated in Minute 74 above.

80. REPORT OF ASSISTANT DIRECTOR (CORPORATE POLICY AND SUPPORT) - A.3 - WORK PROGRAMME 2024/25 - INCLUDING THE MONITORING OF PREVIOUS RECOMMENDATIONS AND SUMMARY OF FORTHCOMING DECISIONS

The Committee considered a report of the Assistant Director (Corporate Policy and Support) which provided the Committee with an update on its approved Work Programme for 2024/25 (including progress with enquires set out in its Work Programme), feedback to the Committee on the decisions in respect of previous recommendations from the Committee in respect of enquires undertaken and a list of forthcoming decisions for which notice had been given since publication of the agenda for the Committee’s last meeting.

Members were reminded that the Council had commissioned the Centre for Governance and Scrutiny (CfGS) to undertake an ‘Overview & Scrutiny Development Review’ in

2021 as a way of further improving that function at the Council. Two relevant recommendations arising from that review had been:

“Further strengthening the annual process for developing work programmes for each of the O&S committee – Engaging Members, Officers, partners and the public to prioritise the topics for review. This could include a selection criterion to identify appropriate topics for the work programme. Currently the work programme is also the last item on the agenda at the O&S meetings, we would recommend bringing it to the beginning, so it can be given greater priority and benefit from more considered discussion, rather than being subject to the inevitable end of meeting fatigue.

Reviewing how the recommendations are made and how impact is measure – This could include putting the ‘recommendations monitoring report’ at the beginning of agendas to orientate O&S towards outcomes-focused meetings, alongside an emphasis on finding strong recommendations from questioning to present to Cabinet (or partners) as improvement or challenge proposals.”

The inclusion of the matters set out in the “purpose of the report” section of the report sought to further re-enforce the inter-relationship of the matters referred to. As such, it was designed to further support consideration of work programming of the Committee and contribute to addressing progress with the Corporate Plan.

The detailed matters relating to the following matters were set out in the relevant Appendix identified:

- (1) Work Programme for 2024/25 approved by Full Council on 6 August 2024 (Appendix A);
- (2) feedback to the Committee on the decisions in respect of previous recommendations from the Committee in respects of enquires undertaken (Appendix B); and
- (3) a list of forthcoming decisions for which notice had been given since publication of the agenda for the Committee’s last meeting (Appendix C).

in considering working programming matters, the Committee was further reminded of the other recommendations from the CfGS review undertaken in 2021 namely:

“Considering greater use of take and finish groups – This more informal type of O&S can allow improved cross-party working and detailed investigation of a single issue focussed on producing substantive recommendations.

Improved agenda planning and management – Committees should focus on one or two substantive items per agenda to allow for cross-cutting themes to be properly identified and explored, and different insights brought to bear on critical issues.

Considering how to engage the public in the work of O&S – This could include O&S going on more site visits in the community, inviting the public to offer ideas for work programmes, and greater use of social media channels for resident input and communicating the progress and impact of scrutiny work.

A clearer focus on democratic accountability – Scrutiny of Cabinet Members should form a key part of the work programme, providing an opportunity to hold the Leader and

portfolio holders to account for delivery of the corporate plan and any other issues O&S feel is important.”

The Resources and Services Overview and Scrutiny Committee was one of two overview and scrutiny committees established by the Council to specifically focus on the following areas of Council work (as detailed in Article 6.02(i) of the Council's Constitution):

To perform the role of Overview and Scrutiny and its functions in relation to the effective use of the Council's resources including approval of discrete researched and evidenced reviews on the effectiveness of:

Financial Forecast Budget setting and monitoring (including General Fund & Housing Revenue Account but excluding those budgetary matters delegated to the Community Leadership Overview and Scrutiny Committee).

*Colchester/Tendring Borders Garden Community
Housing Strategy and Homeless Service
Service Delivery and Performance (where not delegated to the Community Leadership Overview and Scrutiny Committee)
Procurement and Contract Management
Transformation and Digital Strategies
Customer Service and Standards.*

It was also noted that the Committee had held an informal meeting on Wednesday 9 April 2025 with the Assistant Director (Corporate Policy and Support) to discuss the work programme and the agenda for the meeting in order to support key lines of enquiry for the items to be considered.

Officers were beginning the process of developing the Committee's work programme for 2025/26. Initially, that would involve seeking suggestions from:-

- Members;
- the Leader of the Council and Deputy Leader of the Council (through a joint meeting under the Cabinet/Overview & Scrutiny Protocol with the Chairmen of the two Overview and Scrutiny Committees, which would also involve the Chief Executive, the Corporate Director (Law and Governance) and the Assistant Director (Corporate Policy & Support);
- Management Team;
- Town and Parish Councils, partner agencies and community groups; and
- The public.

Officers would then collate the replies received that were relevant to this Committee associating suggestions with a corporate plan theme, identifying information sources and possible invitees and what might be the benefit of the enquires. That collation would then be firstly discussed with the Chairman of the Committee and then by the Committee at an informal meeting, which would be arranged in due course.

The proposed Work Programme for 2025/26 together with the annual review of the work undertaken by the Committee during 2024/25 would be formally submitted to the Committee for its approval at its meeting due to be held on 1 July 2025.

The Work Programme, as recommended by the Committee, together with the annual review of the work undertaken by the Committee during 2024/25, would then be submitted to the meeting of the Full Council due to be held on 15 July 2025 for its approval.

It was moved by Councillor Harris, seconded by Councillor Bush and:-

RESOLVED that the Committee:-

- (a) notes the progress with enquiries set out in its Work Programme 2024/25, plus the feedback to the Committee from Cabinet on the decisions in respect of previous recommendations and the list of forthcoming decisions set out in the report;
- (b) notes the oral updates on the work of the three Task and Finish Groups established by the Committee (as referenced in the Work Programme at Appendix A); and
- (c) notes the arrangements that are being made for the Committee to consider and decide, in due course, its Work Programme for 2025/26.

The meeting was declared closed at 9.00 pm

Chairman