

CABINET

15 NOVEMBER 2024

REFERENCE REPORT FROM THE RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE

A.1 PORTFOLIO HOLDERS' REVIEW OF PERFORMANCE AND MANAGEMENT OF PROJECTS UNDER THEIR RESPECTIVE PORTFOLIOS

(Report prepared by Ian Ford)

BACKGROUND

The Resources and Services Overview and Scrutiny Committee (“the Committee”) at its meeting held on 23 September 2024 considered a standing agenda item in respect of reviewing its work programme.

That report had included the Portfolio Holder for Housing and Planning’s response to the Committee’s recommendations that had arisen from the Committee’s enquiry into the Spendells Project and an unauthorised expenditure of several hundreds of thousands of pounds, which had resulted in a report to the Cabinet on 24 May 2024 under section 5A of the Local Government and Housing Act 1989. That enquiry had taken place at the meeting of the Committee held on 22 July 2024.

The Housing and Planning Portfolio Holder’s formal response (as endorsed by Cabinet on 20 September 2024) had been as follows:-

“I would like to begin by thanking the Committee for its consideration and recommendations.

As I have said on more than one occasion that the reasons for undertaking the Spendells project are never more valid. It will provide temporary accommodation for up to 30 families with children, a better place for them to be accommodated, than a hotel room, reducing the impact on both the children’s education and the family’s overall health.

This Council continues to face, as does the rest of the country, homelessness issues along with the provision of temporary accommodation, together with ongoing, and increasing, financial costs.

This project, even at an increased cost, remains the right thing to do.

An internal review is currently ongoing and we will understand in due course, fully, what has happened and what lessons there are to be learned.

Without seeking to deny the particular issues in relation to this project, particularly the unauthorised expenditure, it must be understood that all construction and major projects, such as this one, all carry inherent risks.

It is unfortunate that this project has had particular difficulties, but in line with the Committee’s recommendations I am content to recommend to Cabinet that:

- a) *the Chief Executive's formal review, when completed, be reported to the Cabinet including:*
- i) *a more detailed financial breakdown of the seven items not included in the original specification, of additional expense itemised in the previous report to Cabinet;*
 - ii) *the lessons learnt;*
 - iii) *articulating a robust response and action plan for going forward;*
- b) *Portfolio Holders should review, with their Corporate Directors, the performance and project management of all existing projects within their respective portfolios and report their findings to the Leader of the Council and the Resources and Services Overview and Scrutiny Committee together with such additional actions as the Leader wishes to undertake in response."*

At its meeting held on 23 September 2024 the Committee had enquired whether the investigation into the Spendells project had been completed and Members had been advised that the investigation was still ongoing. The Committee had then discussed their concerns around not having a timescale for when the findings of the aforementioned project management reviews would be reported and that whilst there was not a timescale in place monies could still be being spent and potentially lost.

The Committee was advised that they could indicate a timeframe to Cabinet to receive those reviews. The Committee had then confirmed that it would like to receive an update on the review at its next meeting on 17th December 2024 and that the Committee wished to invite the Leader of the Council to discuss those reviews.

The Monitoring Officer had also provided assurance that, as promised at the Committee's meeting in July 2024, the Statutory Officers, Ian Davidson, Richard Barrett and herself had delivered the session to senior managers on the strong instructions around expenditure on projects.

RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE'S RECOMMENDATION(S) TO CABINET

The Committee had resolved to RECOMMEND to Cabinet that –

- (a) Portfolio Holders must ensure that their respective reviews, with their Corporate Directors, of the performance and project management of all existing projects within their respective portfolios must be completed in good time so that their findings together with such additional actions as the Leader wishes to undertake in response can be reported to the Resources and Services Overview and Scrutiny Committee at its meeting due to be held on 17 December 2024;
- (b) it notes that the Leader of the Council will be invited to attend that meeting of the Committee to discuss the outcomes of those reviews.

PORTFOLIO HOLDER COMMENT(S) AND RECOMMENDATION(S) TO CABINET

The response of the Portfolio Holder for Housing and Planning is as follows:-

“As I have stated on more than one occasion I meet weekly with the Corporate Director (Operations and Delivery) along with the Director for Planning and Communities, to discuss the situation, at that time, of ongoing projects within the Housing and Planning Portfolios, along with many other issues.

Within the Housing Portfolio there are currently two major projects, one being the Honeycroft development of 13 bungalows in Lawford, and the other the refurbishment of Spendells House to temporary accommodation for families, which are both discussed at the weekly meetings, covering the progress, and finances of both. Having visited both sites recently, I can say that work is progressing very well, and although I have been informed of potential dates of opening, I would not want to commit to those publicly until they are a certainty.

As the Committee have been advised, there is a review of the Spendells project, which is still ongoing, and it would be wrong of me to comment on that process, which is being undertaken under the direction of the Chief Executive.

Once the conclusions, and any recommendations, of the review have been made available to both myself and Cabinet, I will be in a better position to identify what actions must be taken in relation to any similar projects that come forward.”

RECOMMENDATION TO CABINET:

That the recommendations made by the Resources and Services Overview & Scrutiny Committee be noted and that the response of the Portfolio Holder responsible for Housing and Planning thereto be endorsed.