

RESOURCES AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE

17 DECEMBER 2024

REPORT OF THE HEAD OF DEMOCRATIC SERVICES AND ELECTIONS

A.2 PORTFOLIO HOLDER PROJECTS – PERFORMANCE AND PROJECT MANAGEMENT

PURPOSE OF THE REPORT/ENQUIRY

This report is submitted to the Committee to enable it to consider the outcome of its decision from its meeting on 23 September 2024 (Minute 57 refers) which had been considered by Cabinet on 15 November (Minute 75 refers). The Committee had recommended, in the light of the unauthorised expenditure found in relation to the Spendells temporary accommodation project, Portfolio Holders review performance and project management of all their existing projects. This review, the Committee had requested, should be completed in time for the findings to be reported to this meeting together with any additional actions determined by the Leader. The Leader of the Council is to attend this meeting to discuss the outcome of the Portfolio Holder reviews of their projects.

SCOPE - THE AIMS AND OBJECTIVES OF THE REPORT

As set out at various points in the report, the intention of the report is to provide the setting for the Leader of the Council to discuss the outcome of the review by Portfolio Holders of projects in their respective areas of responsibility in relation to performance management and project management. The request for the reviews by Portfolio Holders arose out of issues identified in respect of unauthorised expenditure in the project to refurbish and fit out Spendells House to enable homeless persons to be housed there in what would be temporary accommodation.

INVITEES

The Leader of the Council, Councillor Mark Stephenson.

BACKGROUND

The Committee on 22 July and 23 September 2024 requested that reviews of project management and performance be undertaken by Portfolio Holders in respect of projects within their respective areas of responsibility. On 23 September, this was requested to be completed in time for the outcome of the reviews to be submitted to the Committee at this meeting. The Committee also invited the Leader of the Council to discuss the outcome of the reviews at this meeting.

The request for reviews arose from the consideration at the 22 July 2024 meeting of the Committee of the report into unauthorised expenditure incurred in relation to the work at Spendells House in Naze Park Road, Walton-on-the-Naze which the Council had commissioned to enable it to provide temporary accommodation for homeless individuals/families.

RELEVANT CORPORATE PLAN THEME/ANNUAL CABINET PRIORITY

The Committee is required under Article 6 of the Constitution, as follows:

*“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”

The request to which this report refers and the invitation to the Leader to discuss the reviews requested can be said to be squarely within the highlighted responsibilities of this Committee.

Corporate Plan Theme - Financial Sustainability and Openness

The relevant National Guidance for Overview and Scrutiny was included within the report to Committee on 22 July 2024, an extract is included again for reference:

Within the Government’s Statutory Guidance on the Best Value Duty (“the Guidance”) refers to the importance of scrutiny and accountability throughout.

Under the Continuous Improvement Best Value theme the Guidance states *“The Chartered Institute of Public Finance and Accountancy (CIPFA) /Society of Local Authority Chief Executives (SOLACE) Delivering Good Governance in Local Government Framework, along with the Centre for Governance and Scrutiny and Local Government Risk and Resilience Framework can help authorities to identify, understand, and act on risks to good governance”*.

Characteristics of a well-functioning authority (under Continuous Improvement theme) include *“The authority’s scrutiny function is challenging, robust and contributes to the efficient delivery of services”*.

The Governance Best Value Theme is described within the Guidance as: *“In a well-run council officers and members will have a clear understanding of the democratic mandate as it operates in the organisation. There will be clear and robust governance and scrutiny arrangements in place that are fit for purpose, appropriate to the governance arrangements adopted locally (executive / committee system), and in accordance with statutory or sector guidance such as statutory guidance on overview and scrutiny and the Centre for Governance and Scrutiny’s governance risk and resilience framework. These arrangements should be understood by members and officers alike, reviewed regularly and accurately described in the Annual Governance Statement.”*

Characteristics of a well-functioning authority (under Governance theme) include *“Scrutiny and internal audit functions are challenging, robust, valued and contribute to the efficient delivery of public services”*.

DESIRED OUTCOME OF THE CONSIDERATION OF THIS ITEM/ENQUIRY

The intention of this item and the invitation to the Leader of the Council to attend the

Committee's meeting to discuss the reviews undertaken of performance and project management by Portfolio Holders of projects within their respective remits is to enable the Committee to assess whether any recommendations around those arrangements need to be submitted to Cabinet.

DETAILED INFORMATION

In addition, and outside of the request from this Committee, in respect of decision making and monitoring of performance and project management:

The Council must set a balanced budget each year. The Budget and Policy Framework Procedure Rules (with the Council's Constitution) sets out the framework and process for developing the budget, the submission of those proposals ahead of 8 February in any any year and the mechanisms that then follow the approved budget (in respect of decisions that accord with the budget and those that would be contrary to/not wholly in accordance with the budget). In addition to the Budget and Policy Framework Procedure Rules, the Council has more detailed Financial Procedure Rules and Procurement Procedure Rules (again set out in the Constitution). Together these Rules stipulate the parameters within which Members and Officers work to deliver services and functions. It is a fact that actions by the Council need to be documented, approved within the parameters provided and that the limits of decisions must be respected. As such, any additional activities outside of the approved delegations and decisions require fresh decisions to authorise those activities.

The project to refurbish and fit out Spendells House in Walton for temporary accommodation for persons who are homeless, had (during the project) involved commitments to expenditure that were unauthorised. As such, the process summarised in the paragraph above had not been followed. The level of expenditure involved required the Monitoring Officer to issue a report under section 5A of the Local Government and Housing Act 1989. In light of this, and having considered the position reported to it at its 22 July 2024 meeting, the Committee requested that reviews be undertaken by Portfolio Holders of all projects within their respective Portfolios. Cabinet considered the Committee's recommendation on 20 September 2024. The Committee then revisited the issue of reviews by Portfolio Holders at its meeting on 23 September. At that meeting, the Committee requested that the reviews be completed in time for this meeting and for the Leader to discuss the outcome of the reviews at this meeting.

The Cabinet, at its several meetings each year receives reports on the budgetary position at that point in time. As such, the Cabinet is provided with an update on expenditure across all of the Council's services and functions and this includes the various projects in progress. This itself facilitates project management and performance management to be reviewed by Cabinet. Outside of those meetings, the Leader (as Corporate Finance Portfolio Holder) will be provided with updates that impact on the budgetary position.

In addition to finance reports, Cabinet Members receive the quarterly reports on the position at each quarter in respect of those matters set out in its annual highlight priorities. This provides a further opportunity for Portfolio Holders to review the project and performance management around those highlight priorities. Between those reports, Portfolio Holders will meet regularly with, and receive updates on matters from, their relevant Directors.

The Leader will outline at the meeting the position in respect of the reviews undertaken in response to the recommendations from the Committee for such reviews in relation to project and performance management.

RECOMMENDATION

That the Committee, having discussed the review of performance and project managers undertaken by Portfolio Holders with the Leader of the Council, determines whether it has any comments or recommendations it wishes to put forward to a Portfolio Holder or to Cabinet.

PREVIOUS RELEVANT DECISIONS

Resources and Services Committee, 22 July 2024 (Minute 50 refers)
Cabinet, 20 September 2024 (Minute 46 refers)
Resources and Services Committee, 23 September 2024 (Minute 57 refers)
Cabinet, 15 November 2024 (Minute 75 refers)

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None.

APPENDICES

None

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