

Report to: **Audit Committee**
Date: **8th September 2022**
Title: **Governance Review – Housing Programme**
Portfolio Area: **Homes – Cllr Judy Pearce, Leader of the Council**
Wards Affected: **All**
Urgent Decision: **N** Approval and clearance obtained: **Y**
Date next steps can be taken: N/A

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RECOMMENDATIONS:

The Audit Committee NOTES the content of this report and the improvements implemented.

1. Executive Summary

- 1.1. This report is brought following a meeting of the Audit Committee on 9th December 2021, where the Committee considered the learning from the governance review of the Community Housing Programme and its application to the Council's wider programme management function.
- 1.2. This governance review had previously been considered by the Executive, where there was a general recognition that the Audit Committee should be given the opportunity to undertake a thorough examination of the report findings.
- 1.3. Subsequently, the Chairman of the Audit Committee advised that he had agreed for one urgent item to be raised at the 9th December meeting that related to a recommendation arising from the Executive meeting held on 2 December 2021 (Minute E.69/21 refers).

1.4. In the ensuing discussion, particular reference was made to the lack of timescales for the actions, outlined at Section 10.2 (Recommendations) of the published agenda report, to be implemented. In the absence of any timescales, two additional recommendations were made:

1. that officers be tasked with applying timescales to those actions identified at Section 10.2 of the presented agenda report; and
2. that a progress update be provided to the Committee in six months' time

1.5. In addition to implementing the recommendations as set out in the report, a Project Programme Management Board has been established. The Board will manage the Council's Capital Programme alongside existing major projects. The Board is made up of three members of SLT (Lisa Buckle, Chris Brook, Drew Powell) and supported by the Head of Assets and Senior Specialist (Engineers). The Board has recently held its first meeting and is in development. The Board will also act as a 'gateway' for future projects and will provide a holistic overview of all corporate projects.

2. Background

2.1. When the report went to Audit Committee on 9th December, a number of changes and improvements had already been implemented to the way that the Community Housing programme, as was, operated. For example, the original Community Housing Team had been disbanded and the residual projects and officers brought back within the wider functions of the council under the management of the Head of Assets and the Head of Housing.

2.2. The governance framework put in place offered a higher degree of confidence in terms of managing the remaining projects and associated risks.

2.3. However, further recommendations for improvement were made within the Community Housing Governance Review. The following report provides an update on each of the recommendations and how these have been addressed.

3. Recommendations and Resulting Actions

3.1. Recommendation 1: Clear identification of those officers and members responsible for over-seeing the projects and giving authority for the progression of projects from one stage to the next

There is now a clear process adopted to identify and progress projects, as follows:

- All new housing projects will be initially identified by the Housing Team, specifically the Principal Housing Enabling Officers, using existing evidence of need (Devon Home Choice, Housing Needs Surveys).

This work will be further strengthened by the addition of the Housing Need Survey Officer (New Role) who will be working with the team to look at additional data sets with a view to having an up-to-date housing needs survey everywhere in the District within the next 2 years. The Executive considered a report on 26th May 2022 on the staffing resource within the housing team (E6/22 refers)

- Initial scoping work will be completed by the Principal Housing Development Officer (New Role) in collaboration with the Assets Project Development & Delivery Team, principally the Project Funding & Development Officer.
- Once the project scope is agreed, initial feasibility and viability work (including planning pre-application) can commence. At this stage, an internal Project Manager in the Assets Project Development & Delivery team will be identified to take responsibility for the project and will move the project forward through the various gateways (RIBA stages) in consultation with the Principal Housing Development Officer acting as client.

Please note, authority for moving projects through key stages will be made through the Project Programme Board (as set out in 1.5 above) with recommendations from the Housing and Assets team. Decisions will be referred to the Executive and/or Full Council at the appropriate times.

3.2. Recommendation 2: Evidencing the assessment of each proposed site against an approved set of viability criteria.

Each potential housing site is assessed against core considerations relating to items such as:

- need,
- funding availability,
- planning constraints and
- financial viability.

An agreed standard business case for assessment of financial viability has been developed (as used for the St Anns Chapel development) which is utilised to assess each site on a set of measures to understand viability and value for money.

Additionally, moving forward, formal pre-application planning advice will be sought on all new housing projects.

3.3. Recommendation 3: Ensuring that agreed and/or constitutional procedures are in place and followed, to protect the Council from accusation of bias when considering planning applications submitted to support projects.

Prior to progression of schemes a planning pre-application is submitted.

We are recruiting an Affordable Housing Scheme Led Planning Officer who will assist us, (and any other affordable led developer) with our planning applications. This is a separate officer to those officers who will be involved in determining any applications.

3.4. Recommendation 4: Drawing up and maintaining an adequate Risk Register for each project.

Risk Registers are produced for all projects when they pass the scoping and feasibility stage.

3.5. Recommendation 5: Generally better evidencing meetings, agreed actions, consultations etc.

Documented records are now produced and saved on central drives with access for all required members of the team (Housing & Assets).

We are recruiting a Project Support Officer within the Assets Project Development & Delivery team who will assist with ensuring effective and consistent document management across all projects.

3.6. Recommendation 6: Streamlining both update reports and financial reports, ensuring that these contain the information the intended audience wishes to receive.

A monthly financial report is produced and circulated to key members of SLT, Housing & Assets to report spend on Housing Projects.

The Project Support Officer role mentioned in 3.5 above, will also support the management of update reports and interface with financial reporting to ensure the reported information is appropriate for the particular audience who will receive it.

3.7. Recommendation 7: Managing all financial information through the Council's financial systems

As 3.6.

3.8. Recommendation 8: Regular reporting to both senior managers (via a project Board) and members via the Lead member and through the Executive as appropriate.

A regular Project Programme Board attended by the Directors of strategic finance, governance and placemaking, Head of Housing, Head of Assets and the Senior Accountant allocated to housing now occurs on a bi-monthly basis.

Additionally, since the declaration of the Housing Crisis in September 2021, there is a standing item on the Executive Agenda which will provide housing project updates where appropriate.

3.9. Recommendation 9: Ensuring that any consultants or contractors used are procured in line with Contract Procedure Rules.

In consultation with our Procurement Officer, various methods of securing necessary contracts have been utilised as appropriate, all within Contract Procedure Rules.

3.10. Recommendation 10: Ensuring that appropriate staff resource is in place to be able to undertake 'intelligent client' management of contractors.

The Head of Housing and the Head of Assets have worked hard to create a culture of mutual ownership between the teams of these key housing projects.

Reviews of Housing & Assets teams have been undertaken and recruitment is ongoing to fill identified resource gaps.

The identification of specific officers with the necessary skills and knowledge, at key stages of the project development and delivery process provides accountability and ensures that the 'intelligent

client' role is in place and contractor management dealt with accordingly.

3.11. Recommendation 11: Ensuring that officers are required to declare, annually, any interests they have that may conflict with their role in projects of this nature (this is a recommendation that should be taken up corporately)

This is understood within both the Housing and Assets teams. The Head of HR now sends out an annual declaration form for all senior staff to complete.

4. Proposed way forward

4.1. As detailed above whilst many of the issues had already been addressed at the time of the governance review, further improvement work has been completed and the recommendations of the Community Housing Governance Review have now been implemented.

4.2. In turn, the strengthening of the relationship between the Housing and Assets team and embedding of new roles and clarity around expectations will lead to better quality projects coming forward with greater confidence of delivery.

4.3. The establishment and regular meeting of the Projects Programme Board ensures that governance arrangements are robust and accountable. This is a new Board which has recently been set up and which has held its first meeting.

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	
Financial implications to include reference to value for money	Y	There are no direct financial implications of the content of this report.
Risk	Y	That the Council fails to deliver a Service that meets the expectations of Members and our Customers
Supporting Corporate Strategy	Y	Council, Homes, Environment, Enterprise

Climate Change - Carbon / Biodiversity Impact	N	No direct carbon or biodiversity impacts arise from this report
Comprehensive Impact Assessment Implications		
Equality and Diversity		N/A
Safeguarding		N/A
Community Safety, Crime and Disorder		N/A
Health, Safety and Wellbeing		N/A
Other implications		N/A

Supporting Information

Appendices:

None

Background Papers:

None