

OVERVIEW AND SCRUTINY COMMITTEE – 22 NOVEMBER 2021

HOUSING INFRASTRUCTURE FUND SCRUTINY REVIEW

Executive Summary

At their meeting of the 13 September 2021, the Overview and Scrutiny Committee approved a review of the Housing Infrastructure Fund (HIF) scheme. It was proposed that the review would initially be undertaken by Internal Audit subject to the agreement of the Standards and Audit Committee. The review has been completed and a number of recommendations have been made all of which are accepted and will be actioned as set out in the report and appendices.

The Members of the Overview and Scrutiny Committee are asked to consider the audit report and subsequently propose how a review would help to develop a vision for the project and how this connects with related Council strategy and other change activity.

Recommendations

The Committee is requested to:

RESOLVE That:

- (i) the recommendation of the audit report and the management response be noted;
- (ii) the audit and management response be reported to the next HIF Oversight Panel (1 December 2021); and
- (iii) the Members of the Committee indicate the need for a further scrutiny of the project and, if so, the activity they wish to focus on and the outcomes they are looking to achieve.

The Committee has the authority to determine the recommendations set out above

Background Papers:	None.
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Housing Infrastructure Fund Scrutiny Review

1.0 Introduction

- 1.1 At their meeting in September 2021 the Overview and Scrutiny Committee considered a proposal for the establishment of a scrutiny review of the Housing Infrastructure Fund (HIF) scheme. The topic for Scrutiny review is attached as Appendix 1.
- 1.2 In introducing the review paper to the Overview and Scrutiny Committee, the Chairman highlighted the need to avoid any overlap with the existing HIF Oversight Panel and that the focus of the proposed O&S review was intended to provide effective constructive critical friend challenge, focussing on:
- the decisions the project was planning to make;
 - how these were planned to be implemented;
 - amplifying the voices and concerns of communities;
 - improving outcomes; and,
 - contributing to the development of a vision for the project and how this connected with related Council strategy and other change activity.
- 1.3 At the meeting and as set out in the Scrutiny review form it was agreed that the review be initially undertaken by Internal Audit with a view to:
- provide assurance that all the risks in respect of the scheme had been identified and that there was sufficient mitigation in place to manage the risks;
 - provide assurance that due processes in decision making and project management had been applied and assess how the demands and potential conflicts of multiple major projects occurring concurrently were managed; and
 - identify the wider lessons from a project of this scale with very significant external dependencies.
- 1.4 In receipt of the audit, the Members of the Committee would subsequently propose how they would help to develop a vision for the project, setting out how it connected with related Council strategies and other change activities.

2.0 The Audit

- 2.1 The completed audit with management responses is appended as Appendix 2. The audit noted that while elements of the control framework were operating effectively, including regular governance meetings, and meetings with external stakeholders to manage external dependencies as well as risk registers being in place, it identified several areas for improvement:
- Some key risks not being included in the Council's project risk register, and the risk descriptions and mitigating actions on the register being high level. Risks are also not allocated to individual risk owners.
 - The lack of a Terms of Reference for the Project Board.
 - The project spend against the project budget is not being reported to the Oversight Panel in the Project Dashboard.
 - Formal contracts with WH Stephens Limited and WSP UK Limited not being finalised.
 - The project not having a RACI (Responsible, Accountable, Consulted and Informed) chart, and decisions log.

Housing Infrastructure Fund Scrutiny Review

- The project not having a formal change request and approval process, and change log.

2.2 The audit outcomes are welcome and support the current arrangements in place to ensure the effective management of the project. The management response set out in the Appendix responds positively to the recommendations and sets a clear timeframe for the actions. This is reflected in the recommendation above which also proposes that the audit outcomes be shared with the HIF Oversight Panel.

3.0 Next Stage

3.1 Going forward the Overview and Scrutiny Committee will now need to agree if further scrutiny is required and, if so, how it would help to develop a vision for the project and how this connects with related Council strategy and other change activity.

3.2 A subsequent review could also consider if further public consultation and involvement is required in order to address any concerns raised noting the commitment to consult on the housing HIF numbers as part of the Woking Town Centre Masterplan and noting the recent motion at Council which has called for:

- The HIF scheme housing to be put to public consultation with full honest disclosures.
- The Council cease to make any further promises on HIF to any bodies until such consultation is complete.
- The Council re assess the scheme's housing targets under new market conditions, (especially post COVID) public opinion and if needed is open to renegotiations with central government.

3.3 At the meeting in September the Chairman stressed that, whilst the review would be forward looking, it would consider how the scheme had developed and how the decisions of the Council had been reached. On this basis attached as Appendix 3 is a time line setting out the key report dates and decisions.

3.4 In discussing the remit of the review at previous meetings of the Committee, officer and member concern was expressed that the Overview and Scrutiny Committee review would revisit and review the decisions of the Members at the time, rather than being a forward looking review. The Chairman advised that an element of 'looking back' would be needed and that a timeline would be helpful. The proposals had been drafted in such a way that the work would support that of the HIF Oversight Panel, rather than duplicate efforts. In the minute of the meeting it states that, 'whilst the review would not look at how decisions had been made and why, there would be an element of background information to set the scene for the review'.

3.5 Since reporting to the September 2021 Overview and Scrutiny meeting a further report on HIF was considered at the Executive meeting in October. The report updated on the work to date in relation to the Housing Infrastructure Fund project and also identified a number of key issues and actions in relation to the delivery of the project namely:

- The need to submit and have determined two planning applications for a temporary and permanent access to the aggregates site from York Road.
- Further work in relation to the project dependencies of the land at the junction of Goldsworth Road and Church Street West with Victoria Way to secure sufficient land for the proposed highway widening of Victoria Way and sufficient land for the construction and positioning of the new bridge platform.

Housing Infrastructure Fund Scrutiny Review

- The commencement of engagement with the residents' panel on the Woking Town Centre Masterplan and the commitment from the Executive to consult on the housing numbers proposed by Housing Infrastructure Fund (HIF) as part of the masterplan process.
- 3.6 The Executive agreed that, taking the key issues into account and the implications of the above work streams to the project, works proposed to begin this winter in relation to the relocation of utilities under the bridge be rescheduled meaning a physical start (other than investigative surveys) to the project later in 2022/23.
- 3.7 Taking into account:
- The agreed topic for Scrutiny review (Appendix 1);
 - The outcomes of the audit and the management response (Appendix 2);
 - The HIF chronology (Appendix 3);
 - The role and function of the HIF Oversight Panel; and,
 - The decision of the Executive in October 2021

the Members of the Committee are asked to consider whether there is a need for further scrutiny and, if so, what matters they wish a future Overview and Scrutiny review to consider and the outcomes it is looking to achieve.

4.0 Corporate Strategy

- 4.1 The proposals set out in this paper support the Council Strategy primarily in support of the 'Us' theme – creating an innovative, proactive and effective Council by ensuring democratic transparency and accountability. The delivery of the HIF project itself supports the place ambitions including securing sustainable development and the provision of infrastructure.

5.0 Implications

Finance and Risk

- 5.1 There are no current financial and other risks to report although the scope and activity related to any future review of HIF may have an implication.

Equalities and Human Resources

- 5.2 None

Legal

- 5.3 There are no current legal matters to report although the scope and activity related to any future review of HIF may have an implication.

6.0 Engagement and Consultation

- 6.1 There are no current matters to report related this paper although the scope and activity related any future review of HIF may have a need for engagement.

REPORT ENDS