

Councillors' questions at Cabinet – 28 February 2019

Question 1

Councillor EPJ Harvey, Ledbury North Ward

To: cabinet member, finance and corporate services

Is this cabinet content that it is legally and constitutionally justifiable for an officer to be allowed to move £1,000,000 of public money, designated specifically for other purposes, at this point in the financial year and under a year-old delegation which only provides for “final budgetary adjustments”, without the decision being treated as both ‘key’ and open to call-in; and if so, will cabinet now authorise the immediate and detailed scrutiny of the project management of all the council’s transport projects to demonstrate unequivocally to councillors and to the public that they are being delivered in accordance with the assurances given by the Chief Executive in July 2018 following the failures in project management uncovered by the Blueschool House project investigation?

Response

The constitution sets out clearly who is authorised to take decisions and the limits on any authority, and I would expect officers and members alike to ensure that they comply with the provisions of the constitution and any other relevant legislative requirements. Cabinet is not responsible for the council’s constitution – that is a function of full Council having regard to recommendations made by the Audit & Governance Committee.

An operational decision to move money would be appropriate if the key decision authorising use of that money has already been taken at member level. Whilst operational decisions are not subject to the statutory call in process, it is always open to the relevant scrutiny committee to hold an individual senior officer or elected member to account for their actions; that is a matter for scrutiny.

Your request that cabinet authorise immediate and detailed scrutiny of project management of the council’s transport projects should be directed to the relevant scrutiny chair to consider building into their work programme. The cabinet may not determine that programme. However I understand that the Audit and Governance Committee, of which you are currently a member, has already asked the Head of Internal Audit to make provision in the internal audit plan for 2019/20 for focussed work on the project management of major transport projects to inform continued improvement; again, the internal audit plan is not a matter that cabinet may determine but you may be assured that any recommendations made by the internal auditor will be acted upon.

Question 2

Councillor AJW Powers, Greyfriars Ward

To: cabinet member, finance and corporate services

The Corporate Budget Performance Report, Appendix B Table A, shows that this administration is behind in its proposed investments in:

Hillside

Peterchurch, Brookfield and Marlbrook schools

Fastershire Broadband

Hereford City Centre Transport Package

Enterprise Zone

HEZ Shellstore

Solar PV panels

South Wye Transport Package

Development Partnership activities

Highways asset management

Ross Enterprise Park (Model Farm)

The budget for 2018-19 investment has been dropped by more than 50% (£76m), yet the forecast underspend (Table B) of the remaining £68m is still 30% (£21m). Why is the administration failing to meet its own investment targets?

Response

This administration is far from failing; it is continuing to deliver on the council's corporate plan priorities. Over the past four years our investment has delivered, amongst other things, a new primary school at Colwall, £4.01m improvement works to school buildings, the new city link road, £48.6m roads improvement, £5.08m investment in LED lighting and solar panels, a new energy from waste plant delivered with our Worcestershire partners, £10.8m investment in economic development projects, £6.8m support for housing delivery and disabled facilities grants, £5.6m investment in improvements to leisure facilities operated by Halo, £.83m investment in libraries and museums in the county; and £13.4m delivering broadband improvements across the county. This is an extraordinary track record of delivering investment to realise the council's vision of 'People, organisations and businesses working together to bring sustainable prosperity and well-being for all, in the outstanding natural environment of Herefordshire' at a time when many other councils have struggled to adapt to the changing public sector financial environment, yet we have maintained an external audit opinion that the council remains financially sustainable for the foreseeable future.

Capital programme provisions approved by Council historically have been rolled forward to the following financial year, if not fully expended. At the July 2018 Council meeting officers were asked to re-profile the capital programme to indicate when it was anticipated projects would seek approval from cabinet to draw down the provision. This re-profiling exercise led to an adjustment of £74.2m which was profiled over future years. There has been a further net reduction of £2.4m in relation to an estimation of grants that would be received due to the £3.045m reduction on Highways Asset Management grant.

Of the re-profiled capital programme the only projects that are forecasting to spend significantly less than the re-profiled budget, as identified in the variance column in appendix b table are, Fastershire Broadband, Hereford Enterprise Zone (HEZ), HEZ Shell Store,

South Wye Transport Package, Development Partnership activities and Ross Enterprise Park.

With reference to Fastershire, spend is behind profile due to holding back payment until work is completed by the supplier for the broadband fibre rollout. The supplier needs to evidence deliverables and outcomes with due diligence on any spend before payment is made. There has been a change since the reporting period in relation to Development and Regeneration Programme activities and this provision is now likely to spend before the end of the financial year. The re-profiling of the South Wye Transport Package reflects the current delivery programme for the Southern Link Road which has regard to the additional time required as a result of the public inquiry held in the autumn 2018 following a small number of objections received to the compulsory purchase order. The Hereford Enterprise Zone, Shell Store, and Ross Enterprise Park projects have, since the reporting period, received approval to spend within the approved capital provision; those budgets will now be re-profiled and project managed appropriately.

Budget re-profiling of major capital schemes is not an indication of failure to deliver but a matter of good practice in capital programme management and transparency.