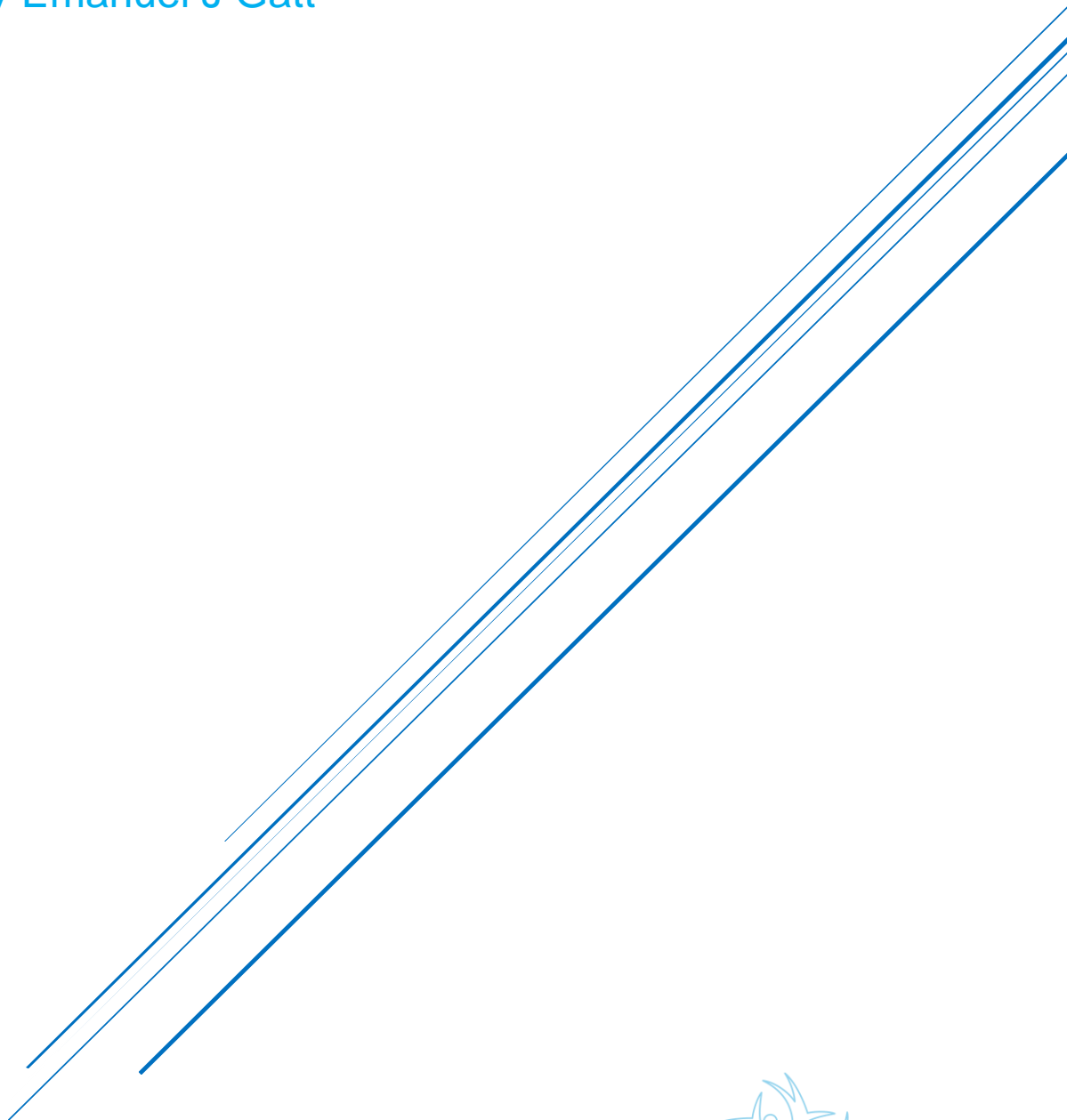# Shapley Heath Garden Community Project - Internal member review and reflection report

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shared service architecture

Background

Following the tiaa audit report, reviewing the Shapley Heath Garden Community Project and the Audit Committee's request for a member reflection and review, the cabinet agreed to commission via the LGA an independent facilitator to host a 'round table' review.

The 'round table' reviews took place on 12th of January and was facilitated by Emanuel Gatt. Two separate sessions were held. The review gathered evidence from cabinet members and those involved on the Opportunity Board. The members who participated were as follows: Cllr David Neighbour, Cllr James Radley, Cllr Stuart Bailey, Cllr Tony Clarke, Cllr Anne Crampton, Cllr Spencer Farmer, Cllr Alan Oliver, and Cllr Dermot Smith.

Purpose of the internal member review

The purpose of the review was to enable members to identify both the positives and any shortcomings in the application of the governance arrangements associated with the Shapley Health Garden Community Project that can be applied to all future projects.

The review feedback is for internal purposes only and will be considered at a further cabinet meeting.

Scope of the review

The interim Section 151 Officer has started work on preparing a response to the management recommendations contained in the tiaa report. This area is therefore outside the scope of the member review.

The member review and reflection exercise will instead focus on what lessons might be learnt as to why the governance arrangements appeared not to have succeeded in this instance and to make sure that similar situations do not arise in the future.

Areas for reflection include:

Q1. What lessons emerge on how to balance member/officer accountabilities and responsibilities on future project boards?

Q2. How might members use their democratic powers to challenge when governance arrangements don't appear to be functioning?

Q3. How might member oversight be improved to ensure that clear and accurate updated information is provided to the cabinet in the future?

Q4. What safeguards need to be in place to flag when processes are not being followed?

Q5. How might wider scrutiny arrangements be improved to support future projects?

Outcome from the review

> **Q1.** *What lessons emerge on how to balance member/officer accountabilities and responsibilities on future project boards?*

As a preamble to this question, elected members acknowledged their responsibilities to protect and assure that the council operates effectively, legally, and always acting in the public interest.

In addition, members on project boards also have oversight responsibility to ensure that projects are monitored for both financial and regulatory compliance.

The duty to cooperate between members and officers responsible for managing and delivering the projects does and must rely on (1) trust and (2) the competency of both officers and members when exercising their duties. There was recognition that members and officers had different roles, however when operating on project boards together, they must be one team.

Reflecting on the Shapley Heath Garden Community Project, members noted:

- That governance processes for the project and its board were agreed, established but on reflection over-engineered.
- The governance processes were not complied with, in part due to COVID (a key catalyst allowing officers to diverge from procedure) and because the project's oversight was viewed as beyond the remit of the council's normal scrutiny orbit.
- Under Covid lockdown, members became ever-more reliant on officers to keep them abreast of progress. The balance of member/officer accountabilities was out of kilter, typified by the response from officers '*this time it's different'.* Officers leading the project had little engagement with members on the opportunity board.
- Members' reliance was on officers to implement decisions/processes without considering (in every instance) whether the implementation was correct.
- Consequently, reporting on the project from officers to members virtually stopped. This imbalance was aided by members' reluctance to push the project forward due to public resistance.
- Members were left with the impression that the project stopped when in fact officers were continuing to spend.
- All this resulted in a breakdown of trust between members and officers.

Learning points highlighted by members:

- Members have the power to insist that governance arrangements are complied with, even when the council is operating under emergency arrangements (e.g., Covid).
- As part of their governance arrangements, members and officers working together on project boards need to incorporate a review on *'how they are work as a team'* to ensure the balance of responsibilities and accountabilities are always in check'.

Reflecting on the Shapley Heath Garden Community Project, members noted:

- That the mechanisms were all in place for members to use their democratic powers to challenge when governance arrangements appear not to be functioning.
- Initially, if members have concerns, they can seek advice from the monitoring officer and/or raise it informally by asking the leader/cabinet member or portfolio holder if they concur that this is the case.
- Cabinet members can next raise any concerns at informal cabinet for discussion. Thereafter it could be brought to full cabinet informally or via a motion. From here, it could go to full council or for review via Overview and Scrutiny.
- Despite all these mechanisms being in place, when questions were raised by members throughout the timeline about anticipated financial spend and governance of the Shapley Health Garden Project, the answers given failed to fundamentally address the concerns raised.

Learning points highlighted by members:

- Elected members are both accountable and responsible for decisions made in respect of this and any other project. Notwithstanding the Opportunity Board's role, the cabinet remains ultimately accountable for all the councils' projects and the portfolio holder is responsible for holding officers to account and alerting cabinet about areas of concern.
- Questions raised by members should be addressed via the governance procedures. If there are concerns about the spend, the portfolio holder for finance must be engaged and assured.
- Consider expanding the role of the Project Board so that cabinet members/portfolio holders with major project responsibilities can be plugged in. *Note the project board currently (since November 2022) comprises the Leader and the Corporate leadership team comprising the chief executive and three reporting directors with relevant support officers.*
- All future projects should be monitored by the council's overview and scrutiny function. No future project should operate outside this.

Q3. *How might member oversight be improved to ensure that clear and accurate updated information is provided to the cabinet in the future?*

By way of context, it was noted that during Covid, the Joint Chief Executive exercised emergency powers which by its very nature effectively diluted normal democratic accountabilities. With hindsight, members recognised that they had the powers to challenge how this operated in practice.

Whilst meetings of the group leaders with the Joint Chief Executives took place during the period when emergency measures were in place, the unintended consequence of this was that it devalued the role of cabinet.

Considering the above, members identified the following learning points:

- A more structured way of working with officers to ensure regular feedback on progress of significant projects, with all information to be made available to the lead member.
- Cabinet members/portfolio holders must challenge officers' reports constructively, and keep colleagues updated on progress and of any concerns they might have.
- Communication is key, especially when concerns are raised by members.
- There should be no exceptional reporting outside the existing governance arrangements of the council.
- The format of 'informal cabinet' can be improved so that concerns can be effectively aired and considered. Improvements identified include:
    - Portfolio leads keeping cabinet members appraised of key projects – as part of the 'informal cabinet' agenda.
    - Review of the performance of project boards where established.
- The format of 'cabinet' can be improved so that concerns can be effectively aired and considered. Identified improvements include:
    - Regular proactive reporting on all projects, even when considered 'inactive' until formally closed.
    - Structured agendas which focus on risks as well as issues requiring decision.

Q4. *What safeguards need to be in place to flag when processes are not being followed?*

Members identified the following safeguards to ensure governance processes are followed:

- Ensure that the member/officer roles and responsibilities are clear. Members recommended that as a minimum there should be:
    - (1) The Project Champion – the portfolio holder/cabinet member accountable for the project
    - (2) The Accountable Officer – the senior officer responsible for the delivery of the project. In this instance the Chief Executive
    - (3) The Project Manager- the officer responsible for the day-to-day management of the project.
    - This combined team of members and officers must provide the leadership of the project and be responsible for its reports and performance to the Project Board, Cabinet, and Overview & Scrutiny.
- There needs to be a clear separation of duties between the accountable officer (chief executive) and the project manager. The accountable officer must not be the de-facto project manager. This will ensure that checks and balances are in place regarding the performance management of the project manager.
- All project reporting mechanisms must be accountable via the council's existing governance structures.

Q5. *How might wider scrutiny arrangements be improved to support future projects?*

Members identified the following ideas on how the scrutiny arrangements can be improved to support future projects:

- Use of service panels to receive project board service updates. This use of specialist elements of scrutiny might help sharpen the performance of individual projects.
- At the strategic level, use the scrutiny function to address the need to improve the council's capacity and capabilities in project management skills and experience.

Key learning points and recommendations that emerge from the member review

Members summarised their key learning points as follows:

1. Cabinet roles and elected members responsibilities to protect and assure that the council operates effectively within its governance structures must not be altered by any future use of emergency powers.
2. Informal and formal cabinet meetings should be structured so that portfolio holders keep cabinet members appraised of key projects, early alerts escalated and properly addressed through the council's governance procedures.
3. Clear lines of accountability, separating the duties of cabinet/portfolio holder, accountable officer, and project manager for each significant project.
4. Portfolio holder, accountable officer and project manager must meet regularly so that early alerts can be flagged. This is an essential element of the governance arrangements. Trust is important, with lead members having 'open book access' to all the information and be empowered to constructive challenge and ask 'awkward' questions of officers.
5. All projects to operate within the existing governance arrangements including a more positive and proactive role for overview and scrutiny, using it to review outcomes, policy, and compliance to governance arrangements.
6. Expand the role of the Project Board so that cabinet members/portfolio members with major project responsibilities can be plugged in.

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