

OVERVIEW & SCRUTINY

DATE OF MEETING: 19 SEPTEMBER 2023

TITLE OF REPORT: SHAPLEY HEATH PROJECT ACTIONS REVIEW

Report of: Chief Executive

Cabinet Portfolio: Leader

Key Decision: No

Confidentiality: Non-Exempt

PURPOSE OF REPORT

1. The purpose of this report is not to review the background to the Shapley Heath project nor the issues associated with its reasons for closure. At the request of Audit Committee, the purpose is to review the implementation of all the agreed recommendations contained within the following reviews:
 - a) The Officer response to the management recommendations contained within the July 2022 tiaa Shapley Heath Audit Review report;
 - b) The response from Cabinet on lessons learnt; and
 - c) The Staffing Committee review of the exercise of officer management oversight over the Shapley Heath Garden Community project for the period from March 2021 to the closure of the Shapley Heath Garden Community project (November 2021).

RECOMMENDATION

2. That Overview & Scrutiny Committee notes the implementation of all the recommendations as agreed by Audit Committee in March 2023.

BACKGROUND

3. In July 2022 the Council received the independent [ttaa review](#) of the Shapley Heath Garden Community (SHGC) project. The review was considered by the Audit Committee on the [26th July 2022](#). Audit Committee decided:
 - A. Cabinet be asked to provide a response to the management recommendations contained within the Shapley Heath Audit Review report, and to review the application of project governance, financial controls, and reporting for the Shapley Heath project and to provide a response to Audit Committee on lessons learnt.
 - B. Staffing Committee be asked, for the period from March 2021 to the closure of the Shapley Heath project, to review the exercise of officer management oversight over the Shapley Heath project, including a review of officers' application of financial controls, risk management, monitoring, and reporting.
4. The [Cabinet](#) and [Staffing Committee](#) responses, with the officer response to the July 2022 ttaa Shapley Heath Audit Review recommendations were considered by [Audit Committee in March 2023](#).
5. The common theme throughout was that while the SHGC project's strategic governance arrangements were appropriate, if somewhat over elaborate, the governance arrangements were not actioned throughout the lifetime of the

project. This failure to adhere to the governance arrangements lies at the heart of the tiaa audit review findings.

6. The Staffing Committee's findings was that the project team's implementation of its tasks specifically from March 2021 to the close of the project in November 2021 were inadequate. It went on to highlight that the impact of the COVID pandemic could not be used as a reason for extremely poor communication, decision making outside of the Council's conventional executive decision-making structures, and the failure to act upon Opportunity Board instructions.
7. The other common theme was that Council must never again create a scenario whereby a major project is set up with governance arrangements that move the project outside the Council's normal scrutiny process. At no time should a major project continue without scrutiny being integral to its monitoring.
8. Finally, there was no suggestion of financial misappropriation. There was however, no good reason why proper and accurate accounts of income and expenditure could not have been produced in a timely manner or in accordance with the project's Opportunity Boards instructions. This heightened the need to ensure that all projects are properly managed in a transparent and accountable manner. This needs clear political and officer leadership and budgetary accountability.
9. Audit Committee agreed that the implementation of all the recommendations as recommended in March 2023 report will greatly enhance scrutiny and reduce the potential for major projects to go off track. It resolved to ask that in September 2023 Overview & Scrutiny Committee reviewed the implementation of the agreed recommendations contained within the respective reviews.

CONSIDERATIONS

10. All the agreed recommendations contained in the respective review responses have been accepted and where action was required, they have all been implemented. This is set out in Appendix 1.

ACTION

11. The monitoring review asked for by Audit Committee is now complete..

Contact Details: Daryl Phillips, Chief Executive

Appendices

Appendix 1: Audit Committee 28 March 2023, agreed by Cabinet April 2023 - Shapley Heath Management Review Action Plan