

## **Joint Committee with SWT Audit, Governance & Standards and SWT Scrutiny Committee - 12 February 2020**

Present:

Councillors Gwil Wren, Libby Lisgo, Ian Aldridge, Sue Buller, Dixie Darch, Ed Firmin, John Hunt, Dave Mansell, Derek Perry, Hazel Prior-Sankey, Nick Thwaites, Simon Coles, Caroline Ellis, Janet Lloyd, Sarah Wakefield, Andrew Sully, Roger Habgood, Mark Lithgow, Andy Milne, Anthony Trollope-Bellew and Loretta Whetlor

Officers: Paul Fitzgerald, Marcus Prouse, Andrew Pritchard, Amy Tregellas and Alastair Woodland

Also Present: Councillors Chris Booth, Richard Lees, Mike Rigby, Francesca Smith, Federica Smith-Roberts and Brenda Weston

(The meeting commenced at 6.15 pm)

### **1. Election of Chair**

Councillor Loretta Whetlor proposed that Councillor Gwilym Wren be appointed the Chair of the Joint Committee for the duration of the meeting. Councillor Simon Coles seconded the motion.  
There were no other nominations.

**RESOLVED** that Councillor Gwilym Wren be appointed the Chair for the duration of the Joint Committee of Scrutiny and Audit, Governance and Standards Committee for the duration of the meeting.

### **2. Election of Vice-Chair**

Councillor Simon Coles proposed that Councillor Sue Buller be appointed the Vice-Chair of the Joint Committee for the duration of the meeting. Councillor Sarah Wakefield seconded the motion.  
There were no other nominations.

**RESOLVED** that Councillor Sue Buller be appointed the Vice-Chair for the duration of the Joint Committee of Scrutiny and Audit, Governance and Standards Committee for the duration of the meeting.

### **3. Apologies**

Apologies were received from Councillors Baker, Cavill, Davies, Pugsley, Venner, Stock-Williams and Wheatley.

Councillor Milne substituted for Councillor Cavill.  
Councillor Whetlor substituted for Councillor Davies.

Councillor Trollope-Bellew substituted for Councillor Pugsley.  
 Councillor Habgood substituted for Councillor Stock-Williams.  
 Councillor Lithgow substituted for Councillor Wheatley.

#### 4. **Declarations of Interest**

Members present at the meeting declared the following personal interests in their capacity as a Councillor or Clerk of a County, Town or Parish Council or any other Local Authority:-

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr C Booth	All Items	Wellington and Taunton Charter Trustee	Personal	Spoke
Cllr S Coles	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr C Ellis	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr J Hunt	All Items	SCC & Bishop's Hull	Personal	Spoke and Voted
Cllr R Lees	All Items	Taunton Charter Trustee	Personal	Spoke
Cllr L Lisgo	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr M Lithgow	All Items	Wellington	Personal	Spoke and Voted
Cllr J Lloyd	All Items	Wellington & Sampford Arundel	Personal	Spoke and Voted
Cllr D Mansell	All Items	Wiveliscombe	Personal	Spoke and Voted
Cllr A Milne	All Items	Porlock	Personal	Spoke and Voted
Cllr D Perry	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr H Prior-Sankey	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr M Rigby	All Items	SCC & Bishops Lydeard	Personal	Spoke
Cllr F Smith	All Items	Taunton Charter Trustee	Personal	Spoke
Cllr F Smith-Roberts	All Items	Taunton Charter Trustee	Personal	Spoke
Cllr L Whetlor	All Items	Watchet	Personal	Spoke and Voted

#### 5. **Public Participation**

No members of the public had requested to speak on any item on the agenda.

#### 6. **South West Audit Partnership Transformation Audit - Lessons Learnt**

The Chair opened the item by asking all Members to be clear and succinct, to avoid repetition, deviation or any political speeches.

The Chair then invited the Managing Director from South West Audit Partnership (SWAP), Mr Woodland to briefly introduce the report.

Mr Woodland explained that the terms of reference were agreed at the outset when the work was commissioned. The piece of work covered a defined period of time which was post acceptance of the Business Case in July 2016. The report did not look at the projects relating to the joining together of the new councils or the refurbishment of the office space. It was clear, from the options presented in 2016, that the Transformation project was ambitious whether the Councils merged or not. Ultimately the impact of the voluntary redundancy policy undermined the ability to deliver the Transformation project successfully. From an Audit control perspective there was still work for this Authority to undertake to satisfy the control weaknesses and Members needed to bear this in mind.

The Chair thanked the representative from SWAP for his introduction. Since 2010 Local Government as a sector had had significant government funding removed from it leading to the shared working agenda. He reminded Members that the Transformation project was not finished and that business processes were still outstanding at this moment.

Discussion took place around:

- Concern around the requirement to note the report and what happens next with this report.
- The report being too brief and whether newly elected Councillors would be aware of the background and understand the full context.
- Concern that the report highlighted that certain individuals and documentation had been unable to be located.
- What the role of Members was in the Transformation project process and if that had been on the periphery instead of a central part of the process.
- Whether the elimination of the Joint Partnership Advisory Group (JPAG) partway through the process had made it difficult to find out what was going on and get a handle on a complex process.
- Agreement with the conclusions in the report that too much had been attempted to be done at the same time.
- Whether the governance oversight of the Transformation process by Members had been weak.
- That constitutional change may be required to ensure that effective challenge by Members could be done going forward. Officer advised that a report on Constitutional Arrangements would be taken to the next Audit, Governance and Standards Committee on the 11<sup>th</sup> March and there would be a Member Working Group suggested to be set up looking at the Constitution.

- The lack of clear Job Descriptions and whether this may have influenced more people to take redundancy. If another Transformation project was to take place Job Descriptions would need to be clearly set out.
- In terms of procurement the organisation needed to hold accountable the contractors carrying out the work for the Council.
- Members were concerned that there were defined rules and definitions on redundancy that the Council's policy did not seem to align with.
- Members who had previously served on the Shadow Scrutiny Committee voiced concern that the reports had been very high level at the time and it had not been clear that the programme was running into problems.
- The need for open and transparent reporting when going through a process such as this.
- Members had been told that 250 processes would have been re-engineered and on Firmstep from 1<sup>st</sup> April 2019 but this was not the case and work is still be completed on this process.
- The Business Case and in particular the redundancy policy and the interview process that was set up, which had been felt to leave some of the staff disillusioned. It was suggested that it would have been better to slot people in jobs and then train them on corporate behaviours. Officers confirmed that the Business Case had not been looked at in detail as part of this report but that it had contained a number of high-level assumptions which on reflection should have been more closely tracked and monitored throughout.
- A query was raised as to who commissioned the Lessons Learnt report and the cost of the Internal Audit review. It was clarified that the report was commissioned by the CEO James Hassett and that the cost was a portion of the agreed Audit Plan fee. This could be calculated and would be circulated to Members.
- Some Members felt that the problems with the Transformation had been obvious but that people's voices were not being heard properly.
- Which key individuals' views were sought in the research stage of the report as stated and whether former officers and Members had been approached as members were still in touch with former colleagues and former councillors involved who had informed them they had not been contacted before the publishing of the report which was disappointing to hear. Officers clarified that only those officers currently employed by the Council had been approached. This was a 'lessons learnt' report and not an investigation and no private individuals were contacted.
- Some Members were concerned that a deeper investigation had not been undertaken.
- Clarification was given that staff were engaged with throughout the recruitment process and there were a number of staff briefings and offers of training on interview techniques and additional training.
- In terms of involvement Members clarified that upon the dissolving of JPAG the Shadow arrangements were in place where questions could have been asked on the reports that went to Shadow Scrutiny and Executive.
- It was pointed out that the Making a Difference Member events had been poorly attended.

- Members commented that Transformation was going to happen at Taunton Deane whether West Somerset Council joined in or not. Officers had carried out the orders made by the Members.
- Members criticised the perceived lack of a Plan B. In attempting to re-engineer and then implement 250 new processes without adequate staff leading to a temporary staffing bill of more than two million pounds.
- Whether the whole exercise had been too ambitious in the timescales and there had been no opportunity to pause. Most of the costs in the original budget came in on target or under, but the glaring error was in the estimate for redundancy.
- Concern was raised around how the organisation would be able to avoid something like this happening again and the need for greater Member involvement.
- Some Members felt that this report was too light touch. There was not enough mention about process change, which had been the driver and not technology.
- It was mentioned that Transformation never had an end date of 1<sup>st</sup> April 2019.
- Some members felt that the change of both Chief Executive Officer and administration were an unknown but important factor that had an impact in the middle of this process which had fundamentally changed things.
- Whether the management of the project had been adequate due to little information relating to benefits realisation and the risks associated with the project
- Whether the tone of the report suggested that the programme of change had been stopped, when it was still continuing.
- The work of the IT Member Working Group and the New Council Member Working Group at the time were praised as good engagement in the process. Officers confirmed that the re-establishment of the IT Member Working Group was in hand.
- Concern was raised over how much Ignite were paid for their work and why they were paid if they did not meet key deliverables. The question was raised as to whether the consultants should still be working with the Council to assess and analyse the results of their work.
- Members were concerned to learn that there was a lack of paperwork from Ignite underpinning the work. Councillor Rigby clarified that the request was made of Ignite and they had said they had nothing to give to the Council.
- It was commented that whilst this process had been unavoidably political it was hoped that the good political unity being demonstrated since the election would continue.
- Members commented that there were lessons to be learned for senior staff that planning must take priority as well as monitoring and take ownership in identifying risk, whereas Members should scrutinise and challenge without fear. The public was now paying millions for the mistakes made and this should never be allowed to happen again.
- Some Members felt the Internal Audit report did not set out a scope, was a high-level review and needed to go back look at the issues in detail, including the redundancy, management, and technology.

- The Highlight Reports to the Shadow Scrutiny Committee focused on achieving the savings targets rather than the numbers of staff leaving. Concern was also raised around the HR process and whether it aligned with government policy on consultation with unions and others. Officers clarified that a separate piece of work was done on redundancy in February 2019 and External Auditors had looked at this issue as well.
- Officers confirmed the Lessons Learnt report was being taken through the Democratic Path and would next appear before the Executive and Council in March.
- Whether the focus should now be undertaking a detailed investigation into the transformation project or whether limited resources and time would be better focused on getting the Council to where it needed to be. It was commented that the Councillors must now work together and move forward.
- The Portfolio Holder for Planning and Transportation was invited to speak and commented that his understanding of the conclusions had been that there had been unrealistic time planning, a counterproductive redundancy policy, no programme office, no review of assumptions, no clarity of benefits to be achieved, no proper risk management plan, no clear or consistent reporting to Members and no proper job descriptions. He had been keen to find out what Ignite had advised the Council to do but couldn't find it as there had been apparently no report and the advice had been given verbally at meetings where no notes had been taken. £1.2 million pounds had been spent on consultancy with no written advice available. This report was not an attempt by the current administration to criticise the previous administration, and had been independently written by the Auditors. Transformation had not worked. Two hundred staff left through Transformation and another hundred left independently. No control was exercised and no attempt was made to identify the one hundred and twenty staff who were supposed to be surplus to requirements as per the Business Case. There were failures to re-engineer business processes which was supposed to have alleviated the need for the staff. The technology aspect could not be delivered. The payback in the business case would not be met – it would be nearer ten years instead of two years as originally envisaged.

The Chair summarised a number of Committee observations as follows;

- The transformation process was incomplete but there was no current oversight of it.
- The need to remember that this report has come from the Internal Auditor and the Committee was recommended to note report and lessons learnt in it.

The Chair stated that various other lessons needed to be taken on board, such as;

- Members needed to engage with the processes and feel that they are permitted to do so.

- There needed to be a much better understanding at Member level of major projects, of their implications, benefit realisation and their risks. Also that Members drilled down into matters that they are not clear on.
- The need for Members to hold officers to account.
- There needed to be a very urgent review of the current redundancy policy.
- It was clear that the previous authority lacked significant Project Management skills. Going forward the Council needs to ensure that it has the right staff and technical expertise to deliver projects on time and on budget.
- Lack of Business Analysts in the organisation made it difficult to understand if the processes being put in place were delivering useful outcomes and this needed to be understood and measured.
- In terms of next steps an investigation had been suggested but there was not a consensus this was required and this may be clarified when the report came before Executive and Council.
- There was a need for a report on the current state of Transformation to go to Scrutiny Committee and/or Audit, Governance and Standards Committee and to also clarify if Transformation was continuing.
- Re-create the ICT Member Working Group as soon as possible and if possible change the name to ensure it attracted as many interested Members as possible.

**RECOMMENDED** that the Joint Committee of the Scrutiny and Audit, Governance and Standards Committee noted the South West Audit Partnership's Transformation Audit Report and the Lessons Learnt within it.

(The Meeting ended at 8.15 pm)