



# Audit and Governance Committee

**26 September 2024**

Title:	Improvement Framework
Report of:	Rob Bridge, Chief Executive
Lead Member:	Mayor, Dr Nik Johnson
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	A simple majority of all Members present and voting

## Recommendations:

A	Note the contents of the letter from Max Soule, Deputy Director, Local Government Intervention and Stewardship, Ministry of Housing, Communities and Local Government
B	Recognise the progress that has been made and the work undertaken by staff, Elected Members, partners and agencies to address the areas of identified improvement
C	Note the close down arrangements for the current improvement programme (phase 3)
D	Note the proposed revised future role for the Independent Improvement Board

## Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

x	Achieving ambitious skills and employment opportunities
x	Achieving good growth
x	Increased connectivity
x	Enabling resilient communities
x	Achieving Best Value and High Performance

The identified improvements delivered to meet the concerns of the Best Value Notice received in January 2024, alongside the ongoing arrangements that focus on embedding the changes put in place will support the Combined Authority achieve Best Value and enable the delivery of agreed priorities and objectives.

## 1. Purpose

1.1	This report provides the Audit and Governance Committee with an opportunity to: <ul style="list-style-type: none"><li>Reflect on the comments sets out in the letter from Max Soule, Ministry of Housing, Communities and Local Government, Deputy Director, Local Government Stewardship and Intervention.</li></ul>
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- Recognise the progress made by the Combined Authority over the last two years to address the identified key areas of concern.
- Consider the opportunities the lifting of a Best Value Notice now gives the Cambridgeshire and Peterborough Combined Authority
- Note the arrangements to close down the phase 3 improvement plan.
- Consider the revised role and Terms of Reference for the Independent Improvement Board.

## 2. Update on Best Value Notice

2.1

The Chief Executive of the Combined Authority received a letter, dated 9 September from Max Soule, Deputy Director, Local Government Intervention and Stewardship, Ministry of Housing, Communities and Local Government. A copy of the letter is attached as Appendix 1.

The letter recognises the progress made by the CPCA, including continuing to deliver and update its improvement plan, make further permanent appointments to bolster the senior leadership team, embed positive changes relating to culture and governance across the organisation and the start to monitor the longer-term impacts of changes made. It welcomes comments from the independent Improvement Board that it is “encouraged by the increasing engagement of the constituent authorities and partners” in ongoing work to develop a set of strategic ambitions for the region and a plan to deliver them. It also recognises the authority’s constructive engagement with both the Improvement Board and the department throughout the process of the Notices.

In light of the above, based on the available evidence, the letter sets out that ministers are reassured as to CPCA’s capacity to comply with its Best Value Duty under the Local Government Act 1999 and therefore the Notice will not be reissued at this time.

The letter also sets out the expectation that the CPCA will sustain its improvement journey, further embedding change and continuing to strive for strong partnership working across all levels of the combined authority and its constituent authorities. It references the Improvement Board comments that refining the strategic ambitions for the region and an associated delivery plan remains an important area of work to enable the area to achieve its full potential for the benefit of residents, and effective partnership working is key to this. MHCLG state that it wishes to see further progress on this in the coming months.

The department will continue to review CPCA’s progress and, therefore the Combined Authority will continue to engage at officer level with the department over at least the next six months.

The letter notes the agreement to maintain the Improvement Board until January and look forward to the Board’s upcoming reports, as well as updates from the external auditor.

2.2

In looking beyond Best Value, it is proposed that the Corporate Management Team lead the following activity set out in the outline plan (after Best Value), set out as Appendix 2:

### Looking back:

- Reflect on the changes and progress made across all phases of the improvement activity undertaken and acknowledge that improvement has taken the Cambridgeshire and Peterborough Combined Authority to work together and focus on what needs to change.
- Celebrate the progress made with staff from across the Combined Authority. The staff conference in October will be an opportunity to do this.

- Learn from what has helped drive the improvements at pace and anything the Combined Authority would do differently.

**Close down the Improvement Plan (phase 3):**

- The Improvement Group has completed a closedown exercise to review the activities contained in the Improvement Plan (phase 3):
  - Completed - and any future review to be held at Directorate level
  - Completed - no further action
  - Open – outstanding actions to be contained (and monitored) in Directorate Business Plans
- Attached as Appendix 3 is the proposed closedown plan for current improvement activity based on the above criteria.
  - The Chief Executive will report to the Combined Authority Board on any future areas of improvement as part of the ‘Chief Executives report’.
  - Progress on ‘open’ activity will be contained in Directorate Business Plans and be reported to Corporate Management Team as part of a regular Directorate Business Plan monitoring report. The delivery of identified activity will reviewed by Internal Audit in 2024 /25.
- **Test changes have been embedded:**
  - To ensure the changes made have been embedded, a number of reviews and surveys will be undertaken through 2024 / 2025, for example:
    - Surveys (staff, peer, customers)
    - Benchmark performance against other similar organisations
    - Internal audits reviews
    - Corporate Peer Review (post Mayoral elections 2025)

The Chief Executive will report back on the above reviews and surveys.

- **Review governance / policy / process changes:**

There are a number of policies and process changes that have been developed and agreed since October 2022.

It is proposed that the Executive Director, Resources will put in place a calendar of reviews to ensure relevant policies are reviewed and remain relevant. This activity will be built into the work programme for relevant committees and the Combined Authority Board.

2.3

**Review the role of the Independent Improvement Board**

The Independent Improvement Board was established by the Combined Authority Board in October 2022 with a clear terms of reference to provide challenge and support for the issues identified in the Improvement Framework report presented to the Combined Authority Board on 27 July 2022 and subsequent Boards.

The contribution by the members of the Independent Improvement Board over the last 18 months has been very much recognised and valued. It is therefore proposed that the members of the Independent Improvement Board will continue a relationship with the Combined Authority to support its ongoing development.

It is proposed that the Board is retained; be it in a revised form, over the next period. It is proposed that the Board’s focus and remit is shifted to offer support and advice with a clear remit and commissioned activity.

The revised draft terms of reference is being discussed with the Independent Improvement Board and will be reported to the Combined Authority Board in October 2025.

It is proposed that the Group and its remit will be reviewed after six months.

### 3. Background

3.1	The Cambridgeshire and Peterborough Combined Authority was issued with a Best Value Notice in January 2023 for a period of 12 months which included the concerns identified in the External Auditors letter dated June 2022.
3.2	<p>A further Best Value Notice was issued in January 2024 and whilst it acknowledged the steps the Cambridgeshire and Peterborough Combined Authority (CPCA) had taken to address the serious issues identified, and the constructive engagement with the Independent Improvement Board and the Department for Levelling Up, Housing and Communities, it also recognised the Authority had more work to do to ensure effective partnership working between all levels of the Combined Authority and its constituent authorities, to enable the area to achieve its full potential.</p> <p>A further Improvement Plan (phase 3) was developed and agreed by the Combined Authority Board in March 2024.</p> <p>Progress against the outcomes set out in the Improvement Plan have been reported to the Combined Authority Board, Audit and Governance Committee, Overview and Scrutiny Committee and also the Independent Improvement Board.</p> <p>Regular updates on progress and evidence of impact were also provided to the Ministry for Housing, Communities and Local Government (formally known as Department for Levelling Up, Housing and Communities) by the Chief Executive and Chair, Independent Improvement Board.</p>

### 4. Appendices

4.1	<p>Appendix 1- Letter, dated 9 September from Max Soule, Deputy Director, Local Government Intervention and Stewardship, Ministry for Housing, Communities and Local Government</p> <p>Appendix 2 - 'After Best Value' plan</p> <p>Appendix 3 – Close down plan (phase 3) Improvement plan</p>
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### 5. Implications

#### Financial Implications

5.1	There are no direct implications of this report. The current improvement plan budget assumes that the majority of improvement plan workstreams will transition to business-as-usual activities in the second half of the current financial year, although with provision for the Independent Improvement Board to continue until March 2025 with any subsequent work being picked up within the planning for the MTFP should support be approved to continue beyond this date.
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#### Legal Implications

6.1	As set out in the main body of the report, the CPCA Board will continue to receive reports on the work relating to the Improvement framework (reference section 2 of the report). Changes to the terms of reference for the Independent Improvement Board will be agreed by the Board and will need to be kept under review.
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	Whilst the best value 'notice' has expired and is not being renewed, the CPCA will need to continue to give consideration to guidance, recommendations and commentary from MHCLG on its 'best value' requirements and responsibilities.
Public Health Implications	
7.1	None
Environmental & Climate Change Implications	
8.1	None
Other Significant Implications	
9.1	None
Background Papers	
10.1	
10.2	