



# Audit and Governance Committee

**20 June 2024**

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| Title:               | Improvement Framework  |
| Report of:           | Angela Probert, Interim Director of Transformation Programme |
| Lead Member:         | Mayor, Dr Nik Johnson  |
| Public Report:       | Yes  |
| Key Decision:        | No   |
| Voting Arrangements: | A simple majority of all Members present and voting          |

## Recommendations:

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| A | Note the progress in March against the identified areas of ongoing concern set out in the Best Value Notice received in January 2024. |
| B | Note the update from the Chair, Independent Improvement Board following the meeting held on 7 May 2024                                |

## Strategic Objective(s):

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

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| 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 set out in this report aim to meet the concerns of the External Auditor and Best Value Notice. By making necessary improvements, the capacity, culture and governance of the Combined Authority will support and enable the delivery of identified priorities and objectives set out in the Corporate Plan and result in the CPCA being seen as achieving best value and high performance.

## 1. Purpose

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| 1.1 | This report provides the Audit and Governance Committee with an opportunity to review the progress made in the improvement programme, phase 3, up to the end of March to address the concerns set out in the Best Value Notice dated January 2024. |
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## 2. Purpose

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| 2.1 | <p><b>Best Value Notice January 2024</b></p> <p>A new Best Value Notice was received by the Combined Authority on 30 January 2024 for a further six month period.</p> <p>The Cambridgeshire and Peterborough Combined Authority (CPCA) Board in March 2024 agreed the Improvement plan, phase 3 to address the identified concerns set out in the Best Value Notice (January 2024):</p> <ul style="list-style-type: none"> <li>• Continue to implement and embed the changes agreed by the Combined Authority Board as part of the improvement plan.</li> <li>• Continue to implement and monitor cultural change across the organisation, for both officers and members, with a focus on measurable outcomes.</li> <li>• Commit, through strong partnership working at both officer and member level, to develop the strategic priorities and aspirations for the area that will benefit local residents, and a credible delivery strategy for progressing these. We hope that this can be achieved through consensus but, if not all stakeholders are ready to fully engage, the opportunity should be left open for them to do so when they feel ready to. This work is also important in informing CPCA's approach to further devolution.</li> <li>• Continue with the independent Improvement Board, making full use of its support and engaging with its recommendations over the next six months.</li> <li>• Continue to engage regularly with the Department at official level throughout the period of this Notice.</li> </ul> |
| 2.2 | <p><b>Overall progress</b></p> <p>Overall the programme is rated as 'Green / Amber' at the end of March 2024, meaning 'successful delivery of the improvement plan to time, cost and quality appears to be highly likely', reflecting the positive trends across the three themes set out in the highlight report attached as Appendix 1.</p> <p>A significant amount of further activity is planned across all three workstreams and set out in the Improvement Plan agreed by the CPCA Board in March 2024.</p> <p>It is positive that two workstreams are RAG rated as 'Green' at this stage in the programme, with the 3rd having an 'Green / Amber' status recognising the challenges of culture change within the Member environment.</p> <p>The Improvement Group, chaired by the Executive Director, Resources and Performance continues to assess progress against the agreed plan and address any programme issues or risks.</p> <p>Set out below is a summary of the activity delivered against the Improvement Plan for each improvement theme and detailed in the Improvement Plan highlight report.</p>   |
| 2.3 | <p><b>Continue to implement and monitor cultural change across the organisation, for both officers and members, with a focus on measurable outcomes (Green / Amber)</b></p> <p>Key activities include:</p> <ul style="list-style-type: none"> <li>• First ever staff awards to recognise and embed values and behaviours scheduled for 24 June 2024</li> <li>• Revised process for reviewing and developing individual performance in line with the values &amp; behaviours approved and appraisal process underway</li> <li>• Developed new Senior Manager forum to help embed more distributed leadership across the authority</li> <li>• Training programme for members being scoped and commissioned</li> </ul>   |

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|     | <ul style="list-style-type: none"> <li>• Planning is under way for the next induction session to take place in June / July for new and returning CA Board members</li> <li>• Support for Board Members by the IIB members has commenced</li> </ul>   |
| 2.4 | <p><b>Commit, through strong partnership working at both officer and member level, to develop the strategic priorities and aspirations for the area that will benefit local residents, and a credible delivery strategy for progressing these (Green)</b></p> <p>Key activities include:</p> <ul style="list-style-type: none"> <li>• Stakeholder Workshop on developing Shared Ambition held on 6th March with very positive feedback. Further activity undertaken in April and May of note is: <ul style="list-style-type: none"> <li>○ Board and CEX Workshop 2 – 15 April</li> <li>○ Stakeholder workshop 2 – 10 May</li> <li>○ Staff workshops – 15 May</li> </ul> </li> <li>• Interactive activities developed for the website to keep residents and other stakeholders up to date with the progress on developing a Shared Ambition</li> <li>• Planning for attendance at UKREiiF in May with partners from across the Region undertaken. Further activity undertaken in May of note is: <ul style="list-style-type: none"> <li>○ UK REiiF delivered and Investment Prospectus was completed</li> </ul> </li> <li>• Economic Prospectus for the Region drafted in conjunction with partners</li> <li>• State of the Region on track for delivery to July CPCA Board - Draft interim report submitted. Further activity undertaken in April and May of note is: <ul style="list-style-type: none"> <li>○ Infrastructure Delivery Framework draft submitted and on track for delivery to June Environment &amp; Sustainable Communities Committee</li> </ul> </li> <li>• Public affairs Strategy on track to be delivered to June CPCA Board</li> </ul> |
| 2.5 | <p><b>Continue to implement and embed the changes agreed by the Combined Authority Board as part of the improvement plan (Green)</b></p> <p>Key activities include:</p> <ul style="list-style-type: none"> <li>• Finalisation of procurement training for all staff and options to roll out to partners under consideration</li> <li>• New roles recruited to within the Performance Team to strengthen capacity</li> <li>• Training for all relevant staff on the new risk management software completed</li> <li>• Processes and documentation to support the implementation of SAF developed and tested internally and with partners</li> <li>• Inclusion of improvement activity in directorate business plans and individual objectives</li> </ul>  |
| 2.6 | <p><b>Engagement with Department for Levelling Up, Housing and Communities (DLUHC)</b></p> <p>A formal review meeting was held with DLUHC colleagues on 9 May 2024 to review progress against the key improvement themes set out in the Best Value Notice, January 2024 and detailed in paragraph 2.1 above.</p>   |
| 2.7 | <p><b>Engagement with Independent Improvement Board</b></p> <p>The Independent Improvement Board (IIB) met on 7 May 2024 and received an update from the Chief Executive on the areas of improvement underway. John Pye, Chair, Audit and Governance Committee was also in attendance for part of the meeting.</p> <p>The Chair, IIB issued a note directly following this meeting which was circulated to A&amp;G Committee members, Overview and Scrutiny Committee members and CA Board members. The note, for reference is attached as Appendix 2.</p>   |
| 2.8 | <p><b>Internal Audit review – Procurement</b></p> <p>Over this last period an internal audit review has taken place into the Procurement Improvement activity.</p> <p>The Internal audit opinion that will be reported to this Committee in the Internal Audit progress report</p>   |

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|  | <p>Is that:</p> <p>Taking account of the issues identified, the Board can take <b>substantial assurance</b> that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.</p> |
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### 3. Background

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| 3.1 | The proposals set out in this report respond to the report presented to CA Board in March 2024 and the new Best Value Notice received in January 2024. |
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### 4. Appendices

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| 4.1 | <p>Appendix 1 – Improvement Plan Highlight report, March 2024</p> <p>Appendix 2 – Note from Chair, IIB May 2024</p> |
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### 5. Implications

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| Financial Implications                      |   |
| 5.1   | At its meeting in March 2024 the Combined Authority Board agreed an additional £400k to meet the costs of continued support for the Improvement plan to the end of the Best Value Notice issued in January 2024, with allowance for the Independent Improvement Board to be in place for the whole of the 24/25 financial year to support the work of ongoing improvement beyond the horizon of the Best Value Notice.  |
| Legal Implications                          |   |
| 6.1   | <p>In January 2024, the CPCA was issued a Best Value Notice (“Notice”) which is a formal notification that the Department has concerns regarding an authority and is a request that the authority engages with the Department to provide assurance of improvement. The Notice was issued outside the statutory powers held by the Secretary of State under the Local Government Act 1999 to inspect or intervene in local authorities where there is evidence of Best Value failure and, separately, under section 230 of the Local Government Act 1972 to request information from local authorities.</p> <p>The delivery of the actions within this report as well as any subsequently identified actions, supports the CPCA in demonstrating that it is achieving sustainable and continuous improvement. Ultimately, the changes made through this improvement plan will enable the CPCA to effectively deliver its strategic priorities and ensure it is delivering value for money.</p> |
| Public Health Implications                  |   |
| 7.1   | None  |
| Environmental & Climate Change Implications |   |
| 8.1   | None  |
| Other Significant Implications              |   |
| 9.1   | None  |

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| Background Papers |  |
| 10.1              | <a href="#">CA Board report March 2024</a>     |
| 10.2              | <a href="#">Best Value Notice January 2024</a> |