



Cambridgeshire and Peterborough Combined Authority Board	Agenda Item
20 March 2024	9

Title:	Improvement Plan update
Report of:	Angela Probert, Interim Director of Transformation Programme / Nick Bell. Executive Director, Resources and Performance
Lead Member:	Mayor – Dr Nick Johnson
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	Recommendations A &B- To Note, no vote required Recommendations C&D- to be decided by a majority of voting Members, subject to that majority including the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor.

Recommendations:	
A	Note the identified areas of ongoing concern set out in the Best Value Notice received in January 2024.
B	Note the closedown of activity in the current Improvement plan (phase 2).
C	Agree the phase 3 Improvement plan to reflect the ongoing concerns set out in the Best Value Notice received in January 2024.
D	Agree the revised terms of reference for the Independent Improvement Board going forward, to reflect the delivery of stated areas of improvement identified by the Best Value Notice received in January 2024.

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 set out in this report to meet concerns of Best Value Notice received in January 2024 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 Combined Authority Board with an opportunity to:
- Consider the proposed close down of activity across the phase 2 Improvement plan to address the key areas of concern identified by the External Auditor in his letter dated June 2022 and February 2023, and the Department for Levelling up, Housing and Communities (DLUHC) in its Notice dated January 2023.
 - Agree the phase 3 Improvement plan to address the key areas of concern set out in the Best Value Notice dated January 2024.
 - Agree the draft revised Terms of Reference for the Independent Improvement Board.

2. Proposal

2.1 **Best Value Notice January 2024**

In January the Combined Authority Board was advised that a review of all improvement activity would be undertaken in February. The Board was further advised that improvement activity agreed to have been delivered would be closed down, and any live activity still to be delivered, would be moved across to Directorate Business Plans.

A new Best Value Notice was received by the Combined Authority on 30 January 2024 for a further six month period. Therefore a continued focus on addressing key areas of concerns is still relevant by Committees, the Independent Improvement Board and the Combined Authority Board.

The Best Value Notice (January 2024) acknowledges the steps the Cambridgeshire and Peterborough Combined Authority (CPCA) has 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 recognises the Authority's progress in delivering the agreed improvement plan.

The Notice acknowledges that embedding cultural change and ensuring that it is having the desired, long-term impacts is likely to take time and will require sustained effort from both officers and, indeed, members at CPCA.

The Notice remains concerned that, despite efforts made, more work is needed 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.

It notes that whilst the Independent Improvement Board (IIB) "continues to draw assurance from the work of the officer team within [CPCA], this needs to be matched by the actions of the [Combined Authority] Board itself".

The Notice is attached as Appendix 1 and identifies the following expectations of the Combined Authority:

- Continue to implement and embed the changes agreed by the Combined Authority Board as part of the improvement plan.
- Continue to implement and monitor cultural change across the organisation, for both officers and members, with a focus on measurable outcomes.

	<ul style="list-style-type: none"> • 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. • Continue with the independent Improvement Board, making full use of its support and engaging with its recommendations over the next six months. • Continue to engage regularly with the Department at official level throughout the period of this Notice.
2.2	<p>Closedown of the Improvement Plan (phase 2)</p> <p>The Improvement Group met on 8 February and received, and accepted recommendations regarding improvement activity in the phase 2 Improvement plan (put in place to address the Best Value Notice 2023 and outstanding External Auditor concerns)</p> <p>It was agreed that elements of activity in the improvement plan should be categorised as:</p> <ul style="list-style-type: none"> • Completed - and any future review to be held at Directorate level • Completed - no further action • Open – outstanding actions to be contained in the Improvement plan phase 3 • Open – outstanding actions to be contained (and monitored) in Directorate Business Plans currently being drafted as not contained as an area of focus in the Best Value Improvement Notice January 2024. <p>Attached as Appendix 2 is the closedown plan for current improvement activity based on the above criteria.</p> <p>Progress on activity to be contained in Directorate Business Plans will be reported to Corporate Management Team as part of a regular Directorate Business Plan monitoring report. The delivery of identified activity will be reviewed by Internal Audit in 2024 /25.</p> <p>A lessons learned exercise is currently being undertaken by the Improvement Group to feed into the next phase of improvement.</p>
2.3	<p>Improvement plan phase 3</p> <p>Based on the areas of continued concern set out in paragraph 2.1, the key areas of focus and the Corporate Management Team leads in the phase 3 Improvement plan will be:</p> <ul style="list-style-type: none"> • Strategic priorities and aspirations for the area – Kate McFarlane, Director Policy & Engagement • Cultural change across the organisation, for both officers and members – Judith Barker, Executive Director of Place and Connectivity • Embed the changes agreed by the Combined Authority Board – Nick Bell (then the new Executive Director, Resources when appointed) <p>Partnership working will be covered by all three themes.</p> <p>The proposed Improvement plan (phase 3) is attached as Appendix 3. This plan is a live document and will continue to be refined to ensure it addresses the concerns identified in the Best Value Notice (January 2024).</p> <p>The Best Value Notice will be in place until the end of July 2024. The improvement to be embedded will go beyond this date and therefore the Improvement plan and Directorate Business Plans will reflect this.</p> <p>Progress against the Improvement plan will be reported to the Independent Improvement Board, the Combined Authority Board, Committees and external stakeholders in line with the arrangements in phase 2.</p>

2.4	<p>Involvement of the Local Government Association in the next phase of improvement</p> <p>The Chair of the Local Government Association, Cllr Shaun Davies wrote to the Mayor following the issue of the Best Value Notice in January 2024 offering support to address key areas of concern identified.</p> <p>A number of conversations have taken place with Rachel Litherland, Principal Advisor - East of England to identify potential areas of support for the development of the desired member culture. As the details are confirmed, they will be inserted into the Improvement plan and shared with the CA Board and other key stakeholders.</p>
2.5	<p>Engagement with Department for Levelling Up, Housing and Communities (DLUHC)</p> <p>Discussions have taken place with colleagues from DLUHC following the receipt of the Best Value Notice in January 2024.</p> <p>A schedule of meetings over the next six months has been put in place to enable the Combined Authority update DLUHC on progress on the key areas of concern set out in the Best Value Notice and to receive feedback from the Minister to ensure all areas of concern are addressed before 31 July 2024.</p> <p>Attention will be given to the gathering and sharing of evidence to demonstrate the positive progress being made.</p> <p>DLUHC colleagues have requested the opportunity to attend key events at the Combined Authority to witness first hand progress being made. A DLUHC colleague attended the stakeholder event in early March on the development of the strategic ambition for the region. Other opportunities are being identified.</p> <p>The Combined Authority Board has written a joint letter to Simon Hoare MP, Minister for Local Government, Department for Levelling Up, Housing, and Communities. The letter acknowledges DLUHC's ongoing concerns, welcomes the recognition of progress made by officers, recognises that more work is needed to ensure effective partnership working and that the CA Board as a whole needs to work more collaboratively to ensure consensus, where possible. An open invitation to the Minister has been given to visit the region to see the excellent work underway. The letter sent is attached as Appendix 4.</p>
2.6	<p>Independent Improvement Board engagement and future role</p> <p>Further to the report to the Combined Authority Board in January, the Independent Improvement Board has reviewed its current terms of reference and in line with the new Best Value Notice that has been received, has agreed to remain in place with a revised terms of reference for a further 12 months, subject to the CA Board decision in March. At the end of July 2024, the ongoing focus of the Independent Improvement Board will be reviewed further in line with the Best Value Notice, currently in place.</p> <p>Attached for information, as Appendix 5 is the draft terms of reference for consideration and agreement by the Combined Authority Board on 20 March.</p>

3. Background

3.1	The proposals set out in this report respond to the report presented to Combined Authority Board in March 2023 and the new Best Value Notice received in January 2024.
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4. Appendices

4.1	<p>Appendix 1 – Best Value Notice January 2024</p> <p>Appendix 2 – Improvement Plan phase 2 close down</p> <p>Appendix 3 – Outline Improvement plan phase 3</p> <p>Appendix 4 - Combined Authority Board letter to Simon Hoare MP, Minister for Local Government, Department for Levelling Up, Housing, and Communities</p> <p>Appendix 5 – Revised Terms of Reference Independent Improvement Board</p>
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5. Implications

Financial Implications

5.1	<p>The Budget update report elsewhere on the Board agenda proposes an additional £400K from Treasury Management income is approved to cover the likely costs of the Improvement Programme to the end of July 2024. This will take the total spend on the Improvement Programme to that point to £1.4m.</p>
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Legal Implications

6.1	<p>The CPCA is required to consider the key areas of concern identified by the External Auditor in June 2022 and in the Best Value Notice received in January 2023. The CPCA Board has considered the recommendations and what, if any, action will be taken in response. In response, the CPCA Board agreed the Improvement plan in October 2022.</p> <p>The Combined Authority Board owns the Improvement Plan and as part of the process regular feedback is provided as in this report. As a Combined Authority, the CPCA operates within a highly legislated and controlled environment.</p> <p>Chapter 4 of the Constitution sets out the functions reserved to the Board. Paragraph 1.1 of Chapter 4 reserves certain functions to the Combined Authority Board including the adoption of, and any amendment to or withdrawal of certain plans and strategies including certain strategies and plans which the Improvement plan would fall under.</p>
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Public Health Implications

7.1	None
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Environmental & Climate Change Implications

8.1	None
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Other Significant Implications

9.1	None
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Background Papers

10.1	<p>CA Board report 22 March</p> <p>Best Value Notice</p> <p>External Auditor letter</p>
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