



Governance Arrangements

To: Audit & Governance Committee

Meeting Date: 13 January 2023

Public report: Yes

Lead Member: Deputy Mayor Councillor Anna Smith

From: Jodie Townsend
Governance Improvement Lead

Key decision: No

Forward Plan ref: N/A

Recommendations: The Audit & Governance Committee is recommended to:

- a) **Support Combined Authority Board functions and responsibilities set out in Appendix A**
- b) **Support delegations to Thematic Committees set out in 3.3.2 to 3.3.4 of this report**
- c) **Support changes to Thematic Committees set out in 3.5.1 to 3.5.2 of this report**
- d) **Support Executive Committee terms of reference set out in Appendices B to E**
- e) **Support Lead Member role profile in Appendix F**
- f) **Note improvement actions set out in this report**
- g) **Provide comment and feedback on the content of the report**

Voting arrangements: A simple majority of all Members present and voting

1. Purpose

- 1.1 The Audit and Governance Committee is responsible for keeping under review the governance arrangements, such as the constitution, of the Combined Authority and is empowered to make recommendations to the Combined Authority Board.
- 1.2 The review of governance provided conclusions and recommendations designed to reshape the governance framework at the Combined Authority. The Improvement Plan that followed

and which was endorsed by Board on 19 October 2022 incorporates and builds upon the majority of those recommendations.

- 1.3 This report sets out proposed changes to governance arrangements at the Combined Authority in line with the recommendations within the review of governance and the actions within the Improvement Plan. These proposed changes will be presented to Board on 25 January 2023.
- 1.4 A number of these changes will lead to constitutional change. The Audit & Governance Committee is asked to consider the content of the report, endorsing the proposed changes and noting the additional improvement actions that will also be taken.

2. Background

- 2.1 In response to the review of governance and concerns raised by the external auditors, the Improvement Plan endorsed by Board in October 2022 contains a number of governance arrangement improvement requirements. These are set out in Workstream B of the Improvement Plan.
- 2.2 These improvement outcomes have a clear interdependency with Workstream A of the Improvement Plan, particularly developing a Strategic Corporate Plan (with deliverables) to take the Combined Authority to the end of current Mayoral Term alongside identified Mayoral ambitions.
- 2.3 The Governance Framework must reflect the Strategic Framework in that it should provide the platform for effective decision-making, strategy development, implementation and appropriate monitoring in line with the Strategic Objectives of the Combined Authority. A key driver for proposals has been aligning Corporate Plan responsibilities within the Committee structure.
- 2.4 The key background to this paper, including the key drivers and justification for its content can be found in the Review of Governance and the Improvement Plan, links to both are included in section 12 of this report.

3. Proposed Governance Arrangements

- 3.1 The following proposed governance arrangements aim to deliver a clear focus on the Corporate Plan, provide clarity on roles and responsibilities, respond to key drivers above and deliver Improvement Plan outcomes. The proposals set out a committee structure with key functions within that structure at Board and supporting Committees to support delivery of the Corporate Plan.
- 3.2 The proposed governance arrangements are set out under each appropriate Improvement Plan outcome that they will contribute to achieving.

Improvement Outcome B1: The Board's ways of working have been reset to enable it to operate in an effective and strategic manner

- 3.3 The Audit & Governance Committee is asked to consider and support the following proposed governance arrangements made in support of delivering Improvement Outcome B1 of the Combined Authority Improvement Plan:
 - 3.3.1 Enhanced terms of reference for the Board set out in **Appendix A**
 - 3.3.2 Board delegates ability to Thematic Committees to implement strategy approved by Board, taking operational decisions within Policy & Budget Framework

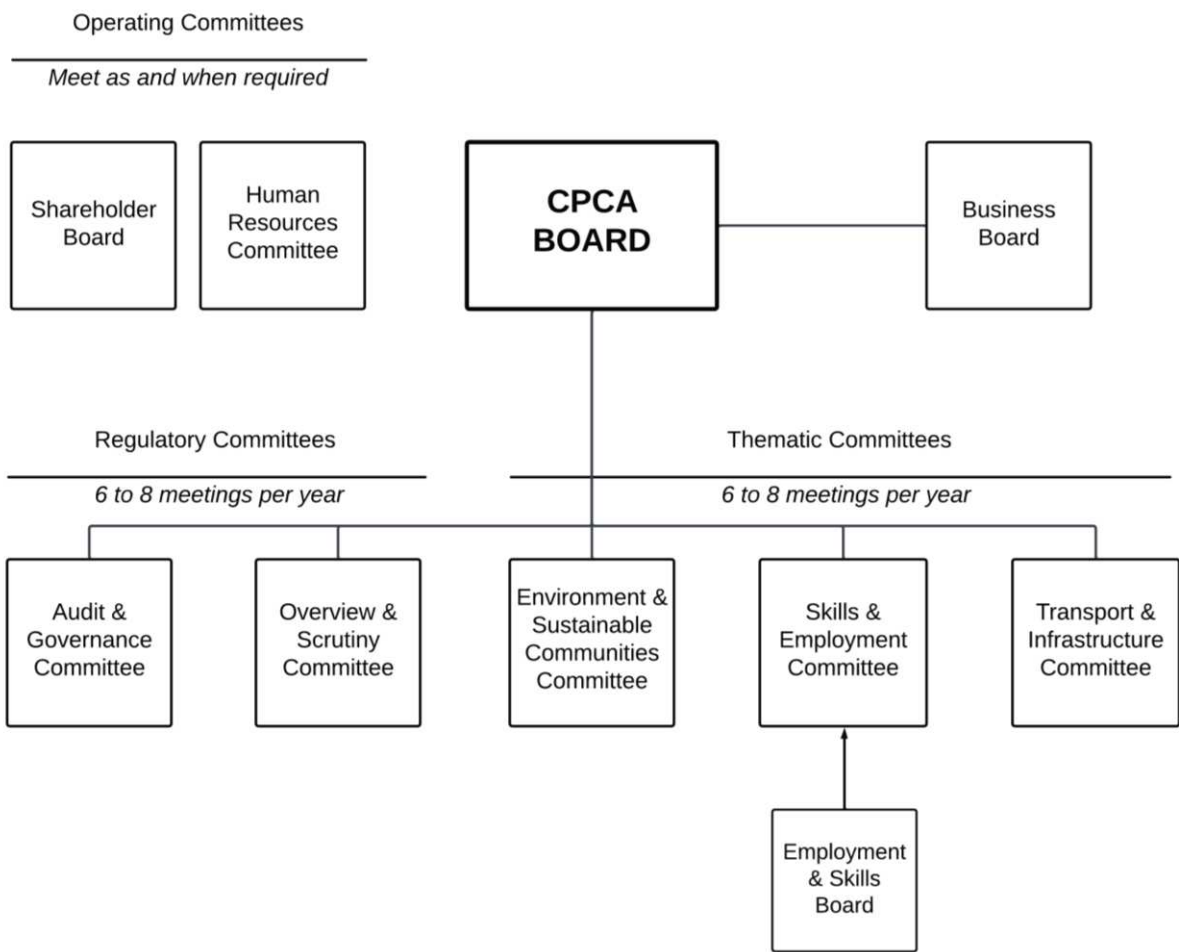
- 3.3.3 Board delegates to Thematic Committees approval of items included within an approved Medium Term Financial Plan to be drawn down by the relevant Thematic Committee at the appropriate time, this creates delegation for Thematic Committees to move project budget (as identified in MTFP) from 'subject to approval' to 'approved'.
 - 3.3.4 Board delegates to Thematic Committees power to approve applications to bid for external funding opportunities where they are within the Combined Authority strategic framework. Where there are wider budgetary implications, or the bid relates to a matter outside the strategic framework then the decision to bid must be a decision of Board (or where time restrictions apply a decision taken by both the Mayor and appropriate Lead Member which is subsequently reported to Board).
- 3.4 In support of Improvement Outcome B1 the Audit & Governance Committee is asked to note the following actions that will be implemented at the earliest opportunity:
- ☐ New 'Member Friendly' Board report template and report writing training for report authors
 - ☐ Implementation of a 6 month Forward Plan that reflects Corporate Plan
 - ☐ Adjusted Board and Committee cycle with longer feed into pre-meeting process
 - ☐ Board to move to a 6-8 week cycle
 - ☐ Member Development Programme proposal developed for LSM consideration
 - ☐ Mayor is supported by CPCA Officers in utilising tool of Mayoral Advisory Groups as appropriate in support of developing Mayoral ambitions

Improvement Outcome B2: Executive Committee ways of working are reset to enable them to operate in a more effective manner

- 3.5 The Audit & Governance Committee is asked to consider and support the following proposed governance arrangements made in support of delivering Improvement Outcome B2 of the Combined Authority Improvement Plan:
- 3.5.1 Housing & Communities Thematic Committee be replaced by a Environment & Sustainable Communities Thematic Committee
 - 3.5.2 Thematic Committees be chaired by relevant CPCA Lead Member(s)
 - 3.5.3 Terms of Reference for Environment & Sustainable Communities Committee set out in **Appendix B** be approved
 - 3.5.4 Terms of Reference for Skills & Employment Committee set out in **Appendix C** be approved
 - 3.5.5 Terms of Reference for Transport & Infrastructure Committee set out in **Appendix D** be approved
 - 3.5.6 Employment Committee to be renamed Human Resources Committee and terms of reference set out in **Appendix E** be approved (*note proposed change to membership*)
- 3.6 In support of Improvement Outcome B2 the Audit & Governance Committee is asked to note the following actions that will be implemented at the earliest opportunity:
- ☐ Minutes of Thematic Committee meetings will be included in the Agenda Pack for CPCA Board meetings for noting to ensure wider Board awareness of Thematic Committee activity and an opportunity to debate activity if required
 - ☐ Business Board representative to be appointed by the Business Board as a non-voting member for each Thematic Committee (with exception of Human Resources Committee)

Improvement Outcome B3: Transitional Committee Structure implemented

- 3.7 The Audit & Governance Committee is asked to support Appendix F and note the following proposed governance arrangements proposed in support of delivering Improvement Outcome B3:
 - 3.7.1 Principle that all Constituent Council Leaders are offered a Portfolio Lead Role appointed by Mayor that is in line with Constituent Council responsibilities
 - 3.7.2 Agreement that each Constituent Council substitute appointment to Board play a lead supporting role for their Leader in delivering their Board and Lead Member responsibilities
 - 3.7.3 Approval of role profile set out in **Appendix F** for CPCA Lead Members
 - 3.7.4 The Committee structure for the Combined Authority until the Annual General Meeting of the CPCA in June 2025 be as follows:



Improvement Outcome B4: Policy space for Board is developed and aligned to the policy development process

- 3.8 The Audit & Governance Committee is asked to note the following proposed governance arrangements proposed in support of delivering Improvement Outcome B4:
 - 3.8.1 Leaders Strategy Meeting terms of reference as set out in Appendix I

Improvement Outcome B5: Informal governance mechanisms are in place that reset ways of working with constituents and partners

- 3.9 The Audit & Governance Committee is asked to note the following informal governance arrangements developed in support of delivering Improvement Outcome B5:

- Informal Advisory Groups consisting of lead Constituent Council officers and CPCA Officers be set up in support of Thematic Committees as follows:
 - Place Advisory Group (consisting of Constituent Council Directors of Place)
 - Finance Advisory Group (consisting of Directors of Finance)
 - Education Advisory Group (consisting of Directors of Education and Regional Schools Commissioner)
 - Transport Advisory Group (consisting of Greater Cambridgeshire Partnership, Directors of Transport and key Transport Partners)
 - Legal Advisory Group (consisting of Constituent Council Directors of legal and monitoring officers)
- Informal Advisory Groups key functions be as follows:
 - to support the work programme of relevant Thematic Committee
 - coordinating and monitoring delivery of Thematic specific action plans
 - ensure appropriate links and communication channels are developed and maintained between constituent authorities, CPCA, key partners and government agencies
 - sharing information and good practice as necessary to ensure effective joined up, cross-local authority boundary working and improved performance - forward planning effectively, to ensure the timely consideration of issues within the Thematic Committees remit and to allow for analysis of emerging opportunities and risks and consideration of steps to either exploit or minimise their impact
 - formulate advice to Members of the Committee on areas within its remit

4. Reasons for proposal

- 4.1 The proposals set out above for approval and noting by Board have been developed as part of the improvement journey that the Combined Authority finds itself on, these proposals have been developed to directly mitigate against findings made in the 2022 review of governance and the significant areas of concern raised by the external auditors to the Audit & Governance Committee in June 2022.
- 4.2 The review of governance concluded that the CPCA needed to establish solid governance foundations and fundamentals that are critical to supporting wider ownership of governance, identification of purpose and approach, and creating more trusted, open decision-making.
- 4.3 Providing appropriate governance arrangements and seeking to create conditions to support effective, efficient and transparent decision-making within the Combined Authority is the intended goal of these proposals.
- 4.4 In short the intended benefits of all the proposals above are to:
 - Ensure direct alignment of governance arrangements with the Corporate Plan
 - Provide clear roles and responsibilities regarding key functions
 - Create a Strategic focused Board
 - Empower Thematic Committees with the ability to make decisions to drive implementation of Board approved strategy
 - Reduce the burden of business on Board and Council Leaders
 - Seek wider constituent council engagement, involvement and collaboration in delivering the CPCA agreed objectives

- 4.5 Greater justification in support of the proposals, the key drivers for them and the benefits that can be delivered as a result can be found in the review of governance and the Improvement Framework report to Board (July 2022), links to both are included in section 12 of this report.

Significant Implications

5. Financial Implications

- 5.1 Additional costs associated with the proposals as set out in this paper, such as those required for Member Development, to provide additional secretariat support to Committees or to fund activities of advisory groups, will need to be provided for from within existing revenue budgets and be approved by the Board

6. Legal Implications

- 6.1 The review of governance arrangements will need to ensure that the recommendations are legal and adhere to processes within the Cambridgeshire and Peterborough Order 2017 and other relevant legislation. When implementing a change in governance it is necessary to comply with the Local Government Acts. Any changes may require an update to the Council's Constitution

7. Appendices

- 7.1 Appendix A – Proposed CPCA Board Terms of Reference
- 7.2 Appendix B – Proposed terms of reference for Environment & Sustainable Communities Committee
- 7.3 Appendix C – Proposed terms of reference for Skills & Employment Committee
- 7.4 Appendix D – Proposed terms of reference for Transport & Infrastructure Committee
- 7.5 Appendix E – Proposed terms of reference for Human Resources Committee
- 7.6 Appendix F – Proposed Lead Member Role Profile
- 7.7 Appendix G – Proposed terms of reference for Leaders Strategy Meeting

8. Background Papers

- 8.1 July 2022 Improvement Assessment Report to Board: [Document.ashx \(cmis.uk.com\)](#)
- 8.2 2022 Review of Governance: [Document.ashx \(cmis.uk.com\)](#)
- 8.3 External Auditor letter to Audit & Governance Committee: Cambridgeshire & Peterborough Combined Authority - VFM Significant Risk Letter ([cmis.uk.com](#))
- 8.4 October 2022 Chief Executive Assessment Report to Board: Agenda Item No ([cmis.uk.com](#)) + [Document.ashx \(cmis.uk.com\)](#)
- 8.5 October 2022 Improvement Plan: [Document.ashx \(cmis.uk.com\)](#)

