



Audit and Governance Committee		Agenda Item
7 July 2023		4
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:

A	Note the progress made in June against stated areas of improvement identified by the External Auditor in June 2022 and Best Value Notice received in January 2023 as reported to the CA Board on 31 May 2023.
B	Note the outcomes of the recent staff survey undertaken in March 2023
C	Note the confirmation of appointment of Chair, 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 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 the CPCA being seen as achieving best value and high performance.

1. Purpose

1.1	Provide the Audit and Governance Committee with an opportunity to review progress in June against 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 letter dated January 2023.
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1.2	Provide feedback on the recent staff survey undertaken in March 2023
1.3	Finally, the report updates the Committee on the appointment of the Chair, Independent Improvement Board to replace Lord Kerslake.

2. Proposal

2.1	<p>Update on Improvement activity</p> <p>The meeting in June 2023 reviewed the reframed improvement plan, key outcomes and the key activities to be delivered.</p>
2.2	<p>The next formal update on the improvement plan will be available in mid July when the identified RAG system will be used to assess the progress against plan and key areas for focus</p>
2.3	<p>The update for the Audit and Governance Committee in June 2023 identifies the key areas of progress over the last month against the key improvement themes:</p> <p>Governance</p> <ul style="list-style-type: none"> • Induction sessions have been held for Overview and Scrutiny Committee, Audit and Governance Committee and CA Board members • The revised scrutiny function has been agreed by Overview & Scrutiny Committee • Member training is in place and underway <p>Project delivery</p> <ul style="list-style-type: none"> • DLUHC engagement has taken place to discuss the Government clearance process for the SAF • Corporate Prioritisation proposals taken to Corporate Management Team • Approval Thresholds taken to Corporate Management Team for comment <p>Procurement</p> <ul style="list-style-type: none"> • A&G Committee have received the PWC report and, subject to Board approval, a high level project plan has been developed covering: • Developing a 'hub and spoke' operating model, including two additional procurement officers • An enhanced contracts register with a dedicated Contracts Manager to implement and maintain it. • Refreshed procurement strategy, policy and Contract Procedure Rules (Elsewhere on the A&G Committee Agenda) • Training on procurement and contract management for all CPCA staff. • A detailed stage 2 action plan is being developed <p>Partnerships</p> <ul style="list-style-type: none"> • The project group has been formed and met for the first time this month. • Terms of Reference for the group and project scope have been drafted and an initial Project Plan has been developed. • A review of existing priority partnerships is due to begin w/c 3rd July, which will allow the group to further refine scope and enable more detailed analysis into the appropriateness and effectiveness of various partnerships and working relationships. <p>Culture, Confidence, Capacity</p> <ul style="list-style-type: none"> • The project group has been formed and met this month to begin to draft Terms of Reference for the group and project scope. • Project resource has been put in place. • A formal project plan has been developed with key milestones identified and progress against the plan updated. Key tasks from the plan achieved in June include (but not exclusively):

	<ul style="list-style-type: none"> • Plan is in place for the Chief Executive's first 100 days • Third staff conference has taken place, focussing on embedding values and behaviours and meeting the new CEX • Review of 3rd staff survey results, feedback at conference and analysis to inform future plans for the theme • Interim staff recruited and commenced to improve internal communications • CA Board Member induction session has taken place promoting values and working together
2.4	<p>Staff survey, March 2023</p> <p>The meeting in June received a brief update on the staff survey that took place in March 2023. Set out in paragraphs 2.7 and 2.8 are the key findings of the survey and the changes from the staff survey undertaken in January 2023.</p>
2.5	<p>The survey covered four key areas:</p> <ol style="list-style-type: none"> 1. Strategic direction and vision 2. Operational leadership 3. Governance, decision making and performance 4. Working for the Combined Authority <p>These are consistent with the staff surveys undertaken in September 2022 and January 2023.</p>
2.6	<p>The questions asked are attached in Appendix 1.</p>
2.7	<p>Staff were asked to rank their responses on a scale 1 – 5. All but one question 'Does the your job give you the flexibility to meet the needs of your personal life?' received an increase in positivity from the feedback in January 2022.</p> <p>Positive movement in responses to questions:</p> <ul style="list-style-type: none"> • Vision and direction and how staff contribute • Staff having 1-1s with managers, objectives set and development plan discussed • How it feels to work for the CA • Having clarity on role • How strategic decisions are made • Improvements can be seen since September in: <ul style="list-style-type: none"> ○ Operational leadership ○ Governance, decision making and preformance ○ How staff feel working for the CA <p>Negative movement in responses to questions:</p> <ul style="list-style-type: none"> • Flexibility to meet the needs of personal life <p>Staff were also asked to share commentary to support their responses and the key messages are set out in paragraph 2.8</p>
2.8	<p>Positive comments:</p> <ul style="list-style-type: none"> • Clearer vision and direction coming through linked to clear individual objectives and aligned to the Directorate Business plans • How far the organisation has moved forward in the last year and the start of good conversations on values and strategic direction • The integrity of the current senior leadership of the Combined Authority is recognised and a feeling of optimism about the new directors and the professional approach they have brought • Managers being more supportive in a very difficult and uncertain situation • People are starting to feel settled in their roles. The last 12 months has been really quite chaotic.

	<ul style="list-style-type: none"> The CPCA has started to take the necessary steps towards providing stability in the workforce, and to also ignite some excitement about the future of the organisation. The future for staff definitely looks brighter. <p>Areas to do more on:</p> <ul style="list-style-type: none"> The translation of vision and strategy isn't quite flowing into the projects themselves and the focus too much on strategy and vision and not enough on delivery. Many processes still missing and some basic tasks take too long, eg recruitment and procurement and sharper processes are required. Not confident that there is a clear, strategic mayoral direction being communicated yet The integrity of the current senior leadership of the Combined Authority is recognised, however there is less comfort with the integrity of the elected members who make up the second strand of leadership Staff need to be appreciated by senior leaders and more capacity is required for effective delivery, including corporate functions such as procurement, legal, finance and comms and volume of work is affecting work life balance and wellbeing Feeling quite removed from the decision making. The communication is often quite complex to follow.
2.9	<p>In June 2023 the committee was updated on the progress to appoint the Chair, Independent Improvement Board.</p> <p>The appointment of Richard Carr as Independent Improvement Board has now been formally announced. He will commence in early July and will Chair the next meeting of the Independent Improvement Board on 17 July.</p> <p>An induction is being organised and this will include meeting with the Chair, Audit and Governance.</p>

3. Background

3.1	The proposals set out in this report respond to the report presented to CA Board in March 2023. The link to the relevant Board papers is attached as set out in paragraph 10.1. The proposals also address directly the issues raised by the External Auditor, the Best Value Notice and DLUHC; again attached through a link in paragraph 10.1
3.2	The staff survey outcomes set out in paragraph 2.4 – 2.8 build on the staff surveys undertaken in September 2022 and January 2023. Areas identified for action were built into improvement activity and progress fed back to staff in 'you said, we did'. The outcomes from the staff survey undertaken in March will be built into the current improvement activity and progress shared with staff.

4. Appendices

4.1	Appendix 1- Staff survey questions March 2023
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5. Implications

Financial Implications

5.1	None specifically
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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. The CPCA Board agreed the Improvement plan in October 2022 and the improvement plan.</p> <p>This committee has the statutory duty to review and assess the authority's risk management, internal control and corporate governance arrangements. The improvement plan deals with risk management, internal control and corporate governance arrangements of the CPCA.</p>
Public Health Implications	
7.1	None
Environmental & Climate Change Implications	
8.1	None
Other Significant Implications	
9.1	None
Background Papers	
10.1	CA Board Report 22 March Best Value Notice External Auditor Letter