



Audit and Governance Committee		Agenda Item
17 November 2023		4
Title:	Improvement Framework	
Report of:	Angela Probert, Interim Director of Transformation Programme / Nick Bell, Executive Director Resources and Performance	
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 over September and October 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, set out in paragraphs 2.2 to 2.9.
B	Note the outcome of the recent Internal Review of the governance and decision making improvement programme set out in paragraph 2.10.
C	Note the feedback from the staff conference on the progress made over the last 12 months set out in paragraph 2.11.

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 result in 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 over September and October against the key areas of concern identified by the External Auditor in his letter dated June
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	2022 and February 2023, and the Department for Levelling up, Housing and Communities (DLUHC) in its letter dated January 2023.
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2. Proposal	
2.1	The highlight report attached as Appendix 1 sets out activity delivered during the period September and October 2023 against the Improvement Plan agreed by the CA Board in May 2023.
2.2	<p>Improvement plan progress</p> <ul style="list-style-type: none"> Overall the programme is rated as 'Green' at the end of October 2023, meaning 'successful delivery of the Improvement Plan to time, cost and quality appears to be highly likely', reflecting the positive trends across the five themes set out in the highlight report. 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. The Improvement Group has identified the key links between key deliverables set out in the Improvement Plan to ensure a programme wide focus on delivery is in place and dependencies managed.
2.3	<p>Governance and decision making (Green)</p> <ul style="list-style-type: none"> Governance training roll-out has continued for officers and members – specifically on how the CA works with its constituent authorities, running an effective committee/Board meeting and scrutinising and overseeing subsidiary companies of the CPCA. Engagement with Project and Delivery workstream is ongoing to ensure Single Assurance Framework (SAF) alignment and compliance with EDAF. The Risk Register has been reviewed to ensure the risks reflect the current project status and has contributed to the development of the programme risk register. The review of the Audit & Governance Committee's operations compared to other Mayoral Combined Authorities (MCAs) has been completed and shared with Committee members who have made recommendations regarding its outcome Constituent authorities have provided nominated representatives for the new committees and Advisory groups. The CA Board members continue to be engaged in change discussions at Leaders Strategy Meetings, particularly in relation to the development, implementation and governance of the SAF. The new Business Board and Economic Development Group governance and processes are being embedded. Some of our work is now being considered as best practice, for example a case study has been provided to the Centre for Governance & Scrutiny (CfGS) to demonstrate the development of the scrutiny roles specific to Combined Authority. As a result discussions are taking place with CfGS about how the scrutiny developments that have been undertaken could helpfully contribute to the guidance for CA scrutiny being developed by CfGS and other MCAs are now looking at what we have done with O&S as leading practice.
2.4	<p>Procurement (Green)</p> <ul style="list-style-type: none"> Recruitment of procurement staff to support the new structure is completed bar the Contract Manager post, which is anticipated to be advertised in November. Procurement training for all staff is underway. The development of standard templates for procurement documentation is in progress, with an expected completion date of 30 November 2023 The development of standard Grant Funding Agreements (GFA) is in progress, with CMT expected to agree a final version in November. The development of standard Terms & Conditions for different types of contract activity is completed in draft and awaiting sign off by CMT. A scheme of "Delegated Procurement Authority" (Delegated Authority) – linked to sign off the SAF which is due to go to CA Board on the 29th of November 2023 - is being completed. The procurement Hub is being developed and should be in place with all templates by the end of November 2023.

	<ul style="list-style-type: none"> • A communications strategy to support the roll out of the procurement hub and support documents is being developed due to be completed by December 2023. • The development of Procurement KPIs is underway in conjunction with the Strategy & Policy Team.
2.5	<p>Project plans and delivery (Green / Amber)</p> <ul style="list-style-type: none"> • The Draft SAF and Risk management Framework were presented to the Audit & Governance Committee on 8th September for review and approved. • The Overview & Scrutiny Committee undertook a deep dive into the Project Plans & Delivery workstream on 18th September and had no additions or concerns to add regarding the SAF or the Risk Management Framework. • The Performance Management Framework was then given more attention by the Overview & Scrutiny Committee who provided full support to its content. • The SAF, the PMF and the RMF were presented to Board on 20th September and unanimously supported. • The draft SAF was submitted has now been cleared by the relevant review teams in DLUHC, DfE and DfT without any required amendment. We have however made some very minor amendments in response to queries of clarity regarding the link between the SAF and the Risk Management Framework • A workshop was held on 11th October to review progress post September Board, agree content requirements for the November Board report on implementation, discuss PMO future resourcing and upskilling to deliver SAF and discuss different approaches to implementation, including various phased approaches compared to a single one-off implementation. • The implementation of Risk Software (4Risk) has commenced with initial training completed with the PMO and training for Combined Authority Programme and Project Managers scheduled for November.
2.6	<p>Partnership working (Green/Amber)</p> <p>The Combined Authority have been working with many partners over the last 12 months including, but by no means limited to, the East of England Local Government Association, the M10 Mayoral Group, the Cambridge 2040 CEX group, the OxCam Partnership, England's Economic Heartland, Innovate Cambridge, Cambridge Ahead, the Future Fens Adaptation Taskforce and the Joint Cambridgeshire and Peterborough Health and Wellbeing Board / Integrated Care Partnership and constituent local authorities.</p> <p>Case studies are currently being collated to demonstrate our approach, the impact made and characterised by:</p> <ul style="list-style-type: none"> • Providing effective leadership of place through constructive relationships with external stakeholders. • An organisational culture (and crucially behaviours) that recognises the value of working with local partners to achieve more efficient and effective policy development, local economic growth and investment, better services, and customer-focused outcomes. • Early and meaningful engagement and effective collaboration with partners to identify and understand local needs, and in decisions that affect the planning and delivery of services. • Evidence of joint planning, funding, investment and use of resources to demonstrate effective service delivery, but transparent and subject to rigorous oversight. • Involving partners in developing indicators and targets, and monitoring, managing and challenging performance. • Driving inclusive growth, social and environmental value through our project development and delivery. • Continuous learning and improvement <p>It is proposed that the evidence collated will presented to the Independent Improvement Board in November with recommendations for the next steps for the workstream.</p>

Confidence, culture and capacity (Green)

Ambition and priorities

- Initial analysis and requirements for State of the Region, Vision and Infrastructure framework have been completed by partners. The next stage will be procurement, and tenders have been received and are being considered.
- Q1 Corporate Performance Report was presented to CA Board where it was accepted and very well received. Work on Q2 reporting has commenced and on course to go to the November Board as scheduled.

Leadership

- The first development session for members has taken place with a focus on 'Effective Committee Membership'. This is the first of four topics to be covered over the coming months and the sessions are designed to empower our leaders, ensuring they have the skills and knowledge to drive the Combined Authority's mission forward. This first session was very well attended with some good feedback received from participants who stated they would recommend future planned sessions to their fellow councillors.
- CEXs first 100 days communication continues with a video for CA staff.

Values and behaviours

- The fourth staff conference took place in October and was very well attended with staff participating in workshops focussing on 'celebrating success', understanding 'where we are now' and 'moving forward'. Feedback from these workshops and the conference overall will be used to measure performance against workforce related improvement initiatives and to inform planning for future conferences.
- Happenings (internal staff newsletter) continues to be produced and disseminated weekly. Each week this contains informative video updates on the Improvement Programme and other important news and articles to promote staff well-being and to keep staff abreast of latest regional and CPCA specific developments.
- The external review of communications, engagement and public affairs has been completed and a plan, which draws upon the recommendations of the review is in the early stages of implementation.
- The first of five planned Board Activity sessions on the 2023/2025 Corporate Strategy refresh and 2024/2025 MTFP (Medium Term Financial Plan) has taken place which was well attended and received by participants.

Recruitment, retention, reward, and resourcing

- New Recruitment and Selection procedures for the Combined Authority have been drafted together with supporting documentation and are in use. Training on the new procedures set to be delivered to staff during November and December.
- The HR policies approved in August have now been launched. The policies have been heavily promoted via various channels including videos, drop-in clinics, lunch time sessions and a new HR Information Hub.
- A second Corporate Staff Induction session has taken place. These are new group-based induction sessions for new staff. Frequency will depend upon the number of staff onboarded to CPCA.
- A permanent Assistant Director of HR (Nicky McLoughlin) has been appointed.
- Following on from the appraisals that were introduced in March 2023. Mid-year reviews have commenced. These are an opportunity for staff to discuss progress against objectives and training with managers. The appraisal and review process has been rebranded as 'LEAP' which stands for 'Learning, Excellence, Achievement and Performance' and the associated templates and documentation refer to our values and behaviours.

2.8	<p>Independent Improvement Board engagement</p> <ul style="list-style-type: none"> • The Independent Improvement Board (IIB) continues to meet formally on a bi-monthly basis where it receives a report by the Chief Executive on the progress of the Improvement plan. The CA Board attended the IIB meeting in September to discuss the future opportunities deeper devolution with give the CPCA region. At the conclusion of the meeting the Chair reported to the CA Board and other key stakeholders on areas of assurance and those that require further focus. This note was circulated to members of the Audit and Governance Committee. • The Chief Executive and senior officers continue to engage with IIB members on a regular basis and the IIB Chair key continues to meet key stakeholders.
2.9	<p>Conclusion of investigations and safeguarding of staff</p> <p>The Code of Conduct Panel Hearing is scheduled to take place on Tuesday 14 November and a further update will be provided following this.</p>
2.10	<p>Internal Audit review – Governance and decision making improvement programme</p> <p>In September 2023 an Internal Audit on the Governance and decision making improvement activity was undertaken .</p> <p>The audit confirmed that the Governance Workstream has documented significant progress towards achieving the planned improvements, however, the methods that will be used to ensure that improvements to practices are embedded have not yet been agreed and documented, although action is being taken in this regard and will become a priority once all improvement actions have been implemented.</p> <p>Taking account of the issues identified, Internal Audit stated ‘the Board can take reasonable assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective.’</p> <p>The following actions have been set out and owners identified:</p> <p>Management action 1 (Low)</p> <ul style="list-style-type: none"> • Actions on the action log of the Governance Workstream’s Project Group will be completed and closed down in a timely manner, with revised due dates set for overdue actions. <p>Management action 2 (Low)</p> <ul style="list-style-type: none"> • The format of the highlight report will be updated to include a clear indication of whether planned milestones have been achieved or delayed, to allow the Improvement Group and other key forums to identify and address slippage in the completion of planned activities. • This will include the closure or carry forward of open actions when each phase of the Improvement Programme ends. <p>Management action 3 (Medium)</p> <ul style="list-style-type: none"> • The CPCA will agree and document a clear approach of how it will assess whether changes made to its governance processes and practices as part of the Improvement Plan have been fully embedded. • This will include the mechanisms that will be used, the scope of these, and their respective frequency, such as formal inspections, peer reviews, audits or 2nd line assurance checks and reflection exercises. <p>The Audit and Governance Committee will receive a separate report at its meeting on 17 November with regard to this audit from the Internal Auditor.</p>
2.11	<p>Engagement</p> <p>The Leadership team continues to engage effectively with staff and on 12 October the fourth staff conference was held. Over 85 staff attended and contributed to discussions on key successes they recognise, ways of working that have changed – and what still requires attention, and also ambitions for the future organisation and what needs to be put in place to deliver this.</p>

	<p>Feedback during and following the event has been extremely positive; staff saying:</p> <ul style="list-style-type: none"> • 'Hearing and seeing the positive things we have been doing (internally and externally) is making me feel proud to work for the Combined Authority' • 'Compared to the December 2022 conference there was a lot more energy in the room and it felt incredibly collaborative' • 'Internal comms from senior management is more open, honest and personable' <p>Work is currently underway to collate all the feedback from the discussions to feed into the future organisational development plan for the CPCA which will be shared when completed.</p>
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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
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4. Appendices

4.1	Appendix 1- Highlight report September / October 2023
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5. Implications

Financial Implications

5.1	The Board in July 2023 approved an additional £250K to fund the Improvement Programme to the end of January 2024 and it is anticipated that these funds will cover all the required activity to that point.
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Legal Implications

6.1	<p>The external auditor report and Best Value Notice to Combined Authority set out the statutory background to the auditor's report and the obligations falling on the Combined Authority as a consequence.</p> <p>The Combined Authority has taken actions and continues to take action seeking to improve the governance of the Combined Authority in line with the Combined Authority's Constitution and promote the Combined Authority's statutory duty of best value and continuous improvement.</p> <p>The CPCA's Audit Committee is defined by the Local Government Act 2000 and its purpose is to give assurance to elected members and the public about the governance, financial reporting and performance of the Council. This committee is therefore able to review, assess and scrutinise the information provided to them in this report in order to provide assurance.</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
Background Papers	
10.1	CA Board Report 22 March Best Value Notice External Auditor Letter