



Overview and Scrutiny Committee	Agenda Item
18 March 2023	6

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 identified areas of ongoing concern set out in the Best Value Notice received in January 2024 attached as Appendix 1.
B	Note the closedown of activity in the current improvement plan (phase 2).
C	Note the draft phase 3 improvement plan to reflect the ongoing concerns set out in the Best Value Notice received in January 2024 to be submitted to the CA Board on 20 March 2024 for agreement.
D	Note the draft 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.
E	Note the progress on the 'Governance and decisioning making' improvement workstream

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 the External Auditor and Best Value Notice will support the Combined Authority demonstrate its ability to achieve best value and enable the delivery of agreed priorities and objectives.	

1. Purpose

1.1	<p>This report provides the Overview and Scrutiny Committee with an opportunity to review:</p> <ul style="list-style-type: none"> • 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. • The key areas of concerns set out in the Best Value Notice dated January 2024 and the proposed approach to the development of the phase 3 improvement plan to be submitted to the CA Board on 20 March 2023 • The draft revised Terms of Reference for the Independent Improvement Board <p>The Overview and Scrutiny Committee also has the opportunity to put questions to officers at the meeting on 18 March on the progress made with the Governance & Decision Making workstream. A background paper is attached as Appendix 5</p>
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2. Proposal

2.1	<p>Best Value Notice January 2024</p> <p>In January the Overview and Scrutiny Committee was advised that a review of all improvement activity would be undertaken in February. The Committee 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.</p> <p>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.</p> <p>The Best Value Notice (January 2024) acknowledges the steps the 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.</p> <p>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.</p> <p>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.</p> <p>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”.</p> <p>The Notice is attached as Appendix 1 and identifies the following expectations of the Combined Authority:</p> <ul style="list-style-type: none"> • 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.
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	<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.</p> <p>A lessons learned exercise is currently being undertaken to feed into the next phase of improvement.</p>
2.3	<p>Improvement plan phase 3 development</p> <p>Based on the areas of continued concern set out in paragraph 2.1, the key areas of focus and CMT 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 • Cultural change across the organisation, for both officers and members – Judith Barker • 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>Key outcomes and deliverables are currently being scoped and the draft level one plan is attached as Appendix 3. This plan will continue to be refined in the lead up to the CA Board on 20 March where it will be agreed.</p> <p>Activity is also underway to confirm key measures for progress to be reported against.</p>
2.4	<p>Independent Improvement Board engagement and future role</p> <p>Further to the report to Overview and Scrutiny Committee 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 in March.</p>

	Attached for information, as Appendix 3 is the draft terms of reference that has been drafted and will be reported to the Combined Authority Board on 20 March for agreement.
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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 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 – Draft outline improvement plan phase 3</p> <p>Appendix 4 – Revised Terms of Reference Independent Improvement Board</p> <p>Appendix 5 – Governance and decision making workstream – background information for deep dive</p>
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5. Implications

Financial Implications

5.1	A total sum of £1m has been approved by the Combined Authority Board to fund phases 1 and 2 of the Improvement Programme. Approval for further funds to cover phase 3 will be sought at the Combined Authority Board on the 20 th March 2024.
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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 that have improved 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. Continued delivery of this plan provides evidence of compliance with a number of recommendations that have been made by the External Auditors and in the Best Value Notice. The updated Best Value Notice reflects how the recommendations have been actioned. The actions taken so far and that will continue to be taken are consistent with and will promote the achievement of the Combined Authority's legal duty to achieve Best Value.</p> <p>The Combined Authority's Audit Committee is defined by the Local Government Act 2000. An effective Audit Committee will give assurance to elected members and the public about the governance, financial reporting and performance of the Combined Authority. 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
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Background Papers

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[Best Value Notice](#)

[External Auditor Letter](#)