



Cambridgeshire and Peterborough Combined Authority Board	Agenda Item
31 May 2023 – Ordinary Meeting	3

Title:	Improvement Plan update
Report of:	Angela Probert, Interim Programme Director, Transformation
Lead Member:	Mayor – Dr Nick Johnson
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	To note recommendations A, B, D and E To agree recommendation B and C 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	To note the progress on the key areas of concern identified by the External Auditor in June 2022 and in the Best Value Notice received in January 2023
B	To agree a 5th strategic objective of 'Achieving Best Value and High Performance' for the Combined Authority to support and reflect the work being undertaken within the Improvement Programme
C	To note the observations from the recent stocktake exercise with partners on positive changes and progress on improvement
D	To agree the outline reframed Improvement Plan to address the key areas of concern by the External Auditor and Best Value Notice
E	To note the proposed RAG rating methodology to measure progress of improvement activity against the agreed reframed Improvement Plan
F	To note the progress made on the 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
The identified improvements set out in this report to meet concerns of the External Auditor and Best Value Notice will support and enable the delivery of all identified priorities and objectives. The report also recommends an additional strategic objective 'Achieving Best Value and High Performance' to support and reflect the work being undertaken within the Improvement Programme.	

1. Purpose

1.1	The report updates the Board on the progress in April against the key concerns and observations identified by the External Auditor in June and October 2022, the Best Value Notice received in January 2023 and DLUHC in February 2023.
1.2	The report proposes a fifth strategic objective of 'Achieving Best Value and High Performance' to support and reflect the work being undertaken within the Improvement Programme
1.3	The report shares with the Board the key messages heard as part of the discussions with external stakeholders as part of the stocktake exercise reported to Board in March.
1.4	The report sets out the feedback from the Audit and Governance Committee in March 2023 and the Independent Improvement Board meeting in April 2023; and the arrangements for the first quarterly meeting with DLUHC in June 2023.
1.5	The report also sets out the focus for the reframed Improvement Plan to address the concerns raised by the External Auditor and the Best Value Notice; detailing outcomes to be delivered over a six- and twelve-month period and the planned activities to address these.
1.6	Finally, the report updates the Board on the appointment of the Chair, Independent Improvement Board to replace Lord Kerslake.

2. Proposal

2.1	<p>Following the full and detailed review of improvement activity so far and the proposed areas of focus in the reframed improvement plan reported to Board in March 2023, progress in April 2023 is attached as Appendix 1 against the agreed key themes to reflect identified concerns by the External Auditor and the Best Value Notice:</p> <ul style="list-style-type: none">• Governance and decision making• Project Plans and delivery• Procurement• Partnerships• Culture, Capacity and Confidence.
2.2	<p>Following the Combined Authority Board in March, feedback on progress against planned improvement activity from the Audit and Governance Committee in March and the Independent Improvement Board in April was positive and recognised the progress that has been made. Further detail is set out in paragraph 3.4 below.</p>
2.3	<p>The Board approved the Corporate Strategy for the Combined Authority at its meeting in January 2023. The Corporate Strategy included four outward facing strategic objectives, which are referenced on the first page of this report and in paragraph 3.2.</p> <p>The work that has already been undertaken on the Improvement Programme, and the work noted elsewhere in the report that is proposed to be undertaken over the next 12 months, contribute significantly to creating an organisation that can effectively deliver those four outward facing strategic objectives.</p> <p>However, it is important that the organisation itself can clearly demonstrate Best Value and High Performance to a range of stakeholders, including government departments, auditors, Members, the public, communities across the Combined Authority area, constituent councils, other key partners and prospective and existing employees if it is to maximise the opportunities to deliver those other strategic objectives. It is therefore proposed that a fifth, more inward facing, strategic priority of 'Achieving Best Value and High Performance' is adopted by the Board to ensure that managerial focus and wider scrutiny is concentrated on this theme as well as the other four already approved.</p>
2.4	<p>The new Executive Directors and Head of Policy are currently testing confidence in the CA and perception of improvement progress to date with external stakeholders. The new CPCA corporate management team has at the time of writing met collectively with five of the senior leadership teams of the constituent member authorities, key themes emerging from these meetings include;</p>

	<ul style="list-style-type: none"> • Welcoming the opportunity for the first round of joint management team meetings. • A clear desire to work together and strengthen relationships, put firmer foundations in place and establish new ways of working • Importance of the CPCA having a permanent corporate management team, a “strong team” with a breadth of experience being a significant step forward. • Clear that that the CPCA is on an improvement journey, with progress made in a number of areas, described as “feeling different”, “more mature conversations already”, and “visible green shoots”. • Whilst more remains to be done it is important that collectively we look backwards less and adopt an approach of “Heads up and look ahead” • Recognition of the need to come together behind a common shared vision for the Place, with areas of common interest identified; underpinned by a clear set of priorities and robust pipeline of future interventions to deliver agreed outcomes. Welcome ongoing conversations and work to inform these areas. • The need to retain a focus on delivering the “here and now” and those programme and projects already committed to.
2.5	<p>Further to the Board in March, activity has taken place to refine the reframed Improvement Plan in line with the themes set out in paragraph 2.1. Attached as Appendix 2 is the proposed plan to directly address the concerns raised by the External Auditor in June 2022 and DLUHC through the Best Value Notice. It also picks up any outstanding elements from the initial phase of improvement and learning from the first phase of improvement and as shared with Board in March 2023. It will be reviewed on a regular basis to ensure it is fit for purpose and reflects any additional areas of concern that are raised.</p> <p>The transformation fund agreed in July 2022 will continue to be used to support activity required.</p>
2.6	<p>Progress against the reframed plan will continue to be reported to CA Board, Overview and Scrutiny Committee, Audit and Governance Committee and also the Independent Improvement Board (IIB). At the quarterly DLUHC meeting in June 2023 to assess progress against concerns raised through the Best Value Notice the IIB Chair will be present to feedback on the level of confidence and assurance it has against the progress reported on activity contained in the improvement plan.</p>
2.7	<p>The Independent Improvement Board have requested the use of ‘Rag Rating’ to report progress against identified areas of activity. It is proposed that this will be used from June 2023 for Improvement reports to all Boards and Committees to ensure a consistent approach. We have used our learning from the first phase of improvement and sought best practice to inform our future approach. Set out below is the proposed methodology to be adopted:</p> <ul style="list-style-type: none"> - Green - Successful delivery of the improvement theme to time, cost and quality appears to be highly likely. - Green Amber - Successful delivery of the improvement theme within timescale appears probable. However, constant attention will be needed to ensure risks do not materialise into issues threatening delivery. - Amber - Successful delivery of the improvement theme appears feasible, but issues exist requiring attention. These appear resolvable at this stage, and if addressed properly, should not represent a schedule overrun. - Amber Red - Successful delivery of the improvement theme is in doubt with major risks or issues apparent some key areas. Action is underway to ensure these are addressed and establish whether resolution is feasible. - Red - Successful delivery of the improvement theme within the agreed timescale and/or budget appears to be unachievable as issues have been identified which officers conclude are at present not manageable or resolvable. The theme will therefore need re-profiling.
2.8	<p>Board was advised in March that due to poor health Lord Kerslake needed to step down as Chair of the independent Improvement Board. Julie Spence, Deputy Chair has taken on the role of acting Chair whilst a permanent Chair is confirmed. The Interim Chief Executive will update the Board further on progress to confirm a new Chair</p>

3. Background

3.1	<p>The proposals set out in this report build on the detailed report presented to 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</p>
3.2	<p>The report to Board in January 2023 agreed the revised Cambridgeshire and Peterborough Combined Authority Corporate Strategy for 2023-2025 that built upon the sustainable growth ambition for Cambridgeshire and Peterborough along with the powers and funding afforded by devolution. The Board furthermore agreed four strategic priority areas:</p> <ul style="list-style-type: none">• Achieving Good Growth• Increasing Connectivity• Ambitious Skills and Employment Opportunities• Enabling Resilient Communities <p>The strategic priorities clarify the areas of focus to 2025 which are supported by a robust strategic framework that ensures all delivery is assessed by its impact and contribution to climate and nature, health, infrastructure, innovation and reducing inequalities.</p>
3.3	<p>The report to Board in March 2023 set out the anticipated changes to be in place as a result of the initial area of improvement agreed by Board in October 2022. The report set out feedback from the recent staff survey and also shared that discussions between the newly appointed Executive Directors and Head of Policy with constituent council management teams were due to take place through March and April and would be reported back to a future meeting of the CA Board.</p> <p>These discussions have now taken place and the key observations are set out above in paragraph 3.2 above.</p>
3.4	<p>Following the Combined Authority Board meeting in March a report was presented to the Audit and Governance Committee on 24 March. Feedback from the meeting by the Chair, Audit and Governance Committee was reported to the Independent Improvement Board on 17 April; and is also set out below:</p> <ul style="list-style-type: none">• <i>“The meeting on 24 March 2023 was the first time that the Audit & Governance (A&G) Committee had been able to form a positive view about improvements in the Combined Authority (CA) since the External Auditor’s intervention in June 2022. As we had asked, officers provided a report designed to measure progress in responding to the concerns raised by the External Auditor and the Department for Levelling up, Housing and Communities (DLUHC). This approach focused the discussion on outcomes, since the monitoring of the Improvement Plan itself falls to the Independent Improvement Board (IIB).</i>• <i>The External Auditor felt that the new reporting format provided a clearer trail to monitor progress. The breadth and depth of the actions that the Authority needed to take were significant. He particularly noted that:</i><ul style="list-style-type: none">▪ <i>Changing the culture and monitoring staff feedback would take time and needed to be sustained.</i>▪ <i>While the Independent Improvement Board (IIB) had been set up it had yet to meet, so it was not yet known how well it would operate.</i>▪ <i>The ongoing whistleblowing and conduct cases need to be concluded.</i>• <i>The A&G noted that the CA would hold quarterly meetings with DLUHC, which would draw on the IIB work. We also asked that officers do their best to align the sequence of DLUHC, IIB and A&G meetings.</i>• <i>Overall, the A&G Committee welcomed the report on the CA’s Improvement Framework. It provided assurance that the improvements were going in the right direction; it provided clarity and focus on the purpose of the improvement activity.”</i>
3.5	<p>The Independent Improvement Board is due to meet on 22 May. A note from the Chair will be circulated to CA Board members in advance of the meeting scheduled for 31 May. This note will feed into the first quarterly meeting with DLUHC to be held on 6 June where the new Chief Executive and a member of the IIB will be present.</p>

4. Appendices

4.1	Appendix 1 – Progress for April 2023 on key Improvement themes
4.2	Appendix 2 – Outline reframed Improvement Plan

5. Implications

Financial Implications

5.1	The Board approved funding of up to £750k in July 2022 from the Programme Response Fund with delegated authority to the Interim CEO to support the scope, development and delivery of work relating to the improvement activity. This budget is monitored by the Improvement Group at its monthly meetings and reported by exception to the Board as appropriate.
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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 should decide whether to accept the recommendations and what, if any, action will be taken in response. In response, the CPCA Board agreed the Improvement plan in October 2022. It is therefore recommended that the Board also agree the reframed improvement plan.</p> <p>As a Combined Authority, the CPCA must operate within a highly legislated and controlled environment. 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 certain plans and strategies including other strategies and plans as agreed under Paragraph 1.1 (n).</p> <p>Decisions related to Governance is reserved to the CPCA Board. Governance includes, under sub-paragraph j, any other matters reserved to the Board.</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 January 2023 Agenda item 2.4 - Corporate Strategy and Business Plan</p> <p>CA Board report 22 March</p> <p>Audit and Governance Committee report 24 March</p> <p>Best Value Notice</p> <p>External Auditor letter</p>
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