CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

INTERIM ARRANGEMENTS – IMPROVEMENT BOARD

9.1 INTRODUCTION

9.1.1 The departure of EM, the fact of a code of conduct investigation into the Mayor, an ongoing Even Better (Transformation Programme) and the recent White paper on Levelling Up provides an opportunity for CPCA Board to consider a range of options that will support the stabilisation of CPCA after a period of significant uncertainty.

9.1.2 With this in mind, Chief Officers (with the agreement of Mayor) have been speaking to DLUHC and LGA to identify reasonable options for CPCA Board to consider.

9.1.3 The remaining sections of this report set out a range of options and focuses on one specific recommendation.

9.2 BACKGROUND

9.2.1 CPCA is a Best Value authority and there is a spectrum of intervention that DLUHC could reasonably make if, based on current circumstances, it was minded to. DLUHC identifies 3 levels of local government intervention ranging from an informal (non-statutory) review, to a locally owned improvement board, to a formal intervention under the best value regime which might for example involve appointing Commissioners to discharge some or all of the Authority's decision-making responsibilities.

9.2.2 In early discussions with our external auditor following their receipt of the Whistleblowing report (which was set out as on onward action in section x of the Whistleblowing report), Officers were advised that on a face review of the report, the External Auditors view is that officers have discharged their responsibilities within the constitution, that internal controls have been operating appropriately, and that the framework for the governance of HR issues and member conduct processes has been correctly applied once issues have been identified. External auditors do not, therefore, consider there to be an issue relating to an officer failure to comply with laws and regulations. Rather, the indications are that we face questions about the overall governance and conduct of the Authority.

9.2.3 The external auditor is expected, however, to allude to a specific concern in the annual accounts about one non-material but potentially controversial element of expenditure and work will need to be undertaken on the narrative statement which accompanies the accounts. Jon Alsop, Chief Financial Officer is engaged on this item.

9.2.4 The Government has a track record of intervention in local government organisations that are not performing for a range of reasons. At the same time, Government's preference is to encourages the sector to own activities that will enable improvement. So far as we can establish, this is Ministers' current preference in the case of CPCA. There exists, therefore, an opportunity for the Board to demonstrate a wish to take responsibility for the Authority's own improvement.

10. OPTIONS AND RECOMMENDATIONS

10.1 Following conversation with our external auditor and informal discussions with DLUHC and LGA, officers sought confirmation from mayor that they should speak to DLUHC and LGA on a more formal basis to identify options that we could consider which would enable a best recommendation to Board.

10.2 Early discussions identified that an approach that would have the support of DLUHC and which would attract the assistance of the LGA is a locally owned Improvement Board. Given that the events currently in progress at CPCA are generating considerable interest from a range of external stakeholders, this is an important consideration.

10.3 Senior officers have been meeting regularly with DLUHC and LGA representatives to discuss ideas and keep colleagues apprised of progress. We have drafted an outline terms of reference for Board Members to review, recognising that this is an illustration of how an Improvement Board might be constituted as an initial basis for discussion. Were the Board to be minded to pursue this option, further urgent discussion would need to take place over the coming days with local and national stakeholders, including constituent authority chief executives, to refine this initial draft into a form which could be endorsed and taken forward. One key purpose of that broader engagement would be to ensure that the Improvement Board has buy-in and authority from both national and local stakeholders, and can be appropriately funded and resourced; and that it is is established with clear outcomes that give confidence that those outcomes can be met.

10.4 There are, broadly, two alternatives to this course of action. The first is to continue without further attempts at improvement activity and to continue to attempt to make a success of the existing operation at Board and officer level. It is unlikely in the extreme that this would persuade external stakeholders that anything has been learned from the Authority's difficulties over the last four years. The Board will wish to consider whether this is a sustainable or credible position to take, and indeed whether it would be distinguishable in practice from the second option. That second option would be for the Board to decide that it, and the wider local government ecosystem in Cambridgeshire which it represents, does not have the capacity to own the CPCA's future improvement journey, and therefore invite Ministers to directly intervene. The risks to the Board, the Authority, and the constituent authorities of this option do not need spelling out.

10.5 We therefore recommend that CPCA Board:

- agrees in principle to the establishment of an Improvement Board
- authorises Officers to work further with DLUHC and LGA to make necessary arrangements to convene a Board, building on the draft ToR below;
- invite Officers to provide a further update on this matter to members.

11. PROPOSED TERMS OF REFERENCE

Please note that these terms of reference (TOR) are a proposal and subject to further discussion with key stakeholders.

11.1 Overview

11.1.1 The Cambridgeshire and Peterborough Combined Authority Improvement Board has been established by the Combined Authority Board to take forward the work the Board initiated on developing it collective purpose and leadership role, and to respond to the issues identified in the report made to Board on 19 April 2022 and issues that the Improvement Board may identify through a baselining exercise.

11.2 Remit

11.2.1 To support the CPCA Board in a locally-led improvement programme aimed at improving its effectiveness as collective leadership for the region. In particular to help with the development and implementation of an improvement plan which will:

a) Re-examine the rule set, both in the CA Regulation and the Constitution, that structures decision-making around the CA Board table; this might look in particular at veto rights and other voting rules;

b) Consider other incentives, internal and external, that would improve the effectiveness of strategic decision-making at Board level; this might include strengthening the voice of non- political participants;

c) Reconsider informal structures and working methods convened by CPCA and other partners to explore the scope for making it much clearer that the CA is a form of collective action by its members; this might include models for more dispersed officer leadership of strategies and projects;

d) Ensure that internal structures and processes, especially the office of the Mayor, are designed to foster collective working both across the CA and within the core officer structure

e) Support the chief executive in implementing the “Even Better” transformation programme.

11.2.2 This work to be carried out through an initial review and baselining of these issues; advising on the Authority’s improvement proposals; and through an interim and a final report which may make recommendations to the CPCA Board, but also to its constituent councils and to DLUHC.

11.3 Timescale

11.3.1 Initially, to work for six months, meeting monthly, to make an initial report on issues after a month, agree the Board’s improvement plan with actions after two months, and report with an assessment of implementation after six months.

11.4 Composition

11.4.1 The improvement board would comprise 11 members and could include a combination of:

- An Independent chair (potentially facilitated by DLUHC
- CPCA: Board members and Constituent Authority Chief Executives
- LGA: 3 member peers, 3 officer peers.

11.4.2 Mayor could consider that given the circumstances of an ongoing code of conduct complaint that he does not sit on the Improvement Board, but rather invites the board to provide regular updates to him.

11.5 Working arrangements

11.5.1 Any costs associated with the Improvement Board will be met by CPCA.
The Panel will be supported by a programme office to ensure that the overall programme plan is proactively tracked, kept up to date and that issues and risks are managed on a day to day basis through officers.

11.5.2 Anticipated costs are as yet unknown but will be reported back to the Board at the earliest opportunity following approval to proceed.

Significant Implications

12. Financial Implications

12.1 Financial costs associated with this matter where known are included in the body of this report.

13. Legal Implications

13.1 Legal implications are set out in the body of the report.

14. Public Health Implications

14.1 There are no direct public health implications arising from the matters described in this report.

15. Environmental and Climate Change Implications

15.1 There are no direct environment and climate change implications arising from the matters described in this report.

16. Appendices

16.1 Exempt Appendix A – Options available in filling the role of Chief Executive and Director of Corporate Services

16.2 Exempt Appendix B – Transition Arrangements, including recruitment of a new CEX

17. Background papers

17.1 None