



Department for Levelling Up,
Housing & Communities

Gordon Mitchell
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Authority

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The Cambridgeshire and Peterborough Combined Authority (CPCA) Best Value Notice issued on 24 January 2023

The Department expects authorities to identify and implement arrangements to secure continuous improvement and acknowledges the steps you have taken to identify the serious issues at CPCA and the action plan that you have put in place to address these. However, ministers remain concerned as to CPCA's capacity to comply with its Best Value Duty under the Local Government Act 1999. The Parliamentary Under Secretary of State has therefore made the decision to issue CPCA with this Best Value Notice.

This Best Value Notice ("Notice") is a formal notification that the Department has concerns regarding an authority and is a request that the authority engages with the Department to provide assurance of improvement. This Notice is issued outside the statutory powers held by the Secretary of State under the Local Government Act 1999 to inspect or intervene in local authorities where there is evidence of Best Value failure and, separately, under section 230 of the Local Government Act 1972 to request information from local authorities. However, a failure to demonstrate continuous improvement may be judged to contribute to Best Value failure and the Secretary of State will consider using these powers as appropriate.

This Notice is issued to CPCA ('the Authority') following:

- Significant concerns highlighted by the external auditor, published on 1 June 2022, in relation to the 2021/22 audit year confirming significant weakness in the Authority's governance arrangements that they believe to be pervasive.
- The Department writing, on 30 June 2022, to Paul Raynes, the then Interim Chief Executive, in response to the Authority's formal approach to the Department for assistance in driving improvement. The letter further set out that, in the first instance, the Department will be taking a precautionary approach to the transfer of funding to CPCA until we have assurance that there are appropriate plans in place to reach a resolution.
- Significant delivery concerns in some of the programmes delivered by the Authority.
- Concerns around partnership working, as outlined in the Minister for Local Government's letter to the then Mayor, James Palmer, on 13 July 2020, which remains an area that requires work.
- Concerns raised within the Authority in respect of procurement of services to the Authority.

Given the seriousness of the issues identified, a failure to deliver the level of change required at sufficient pace would be very concerning. I am therefore setting out the Department's expectations of the Authority in providing assurance of progress.

We expect the Authority to:

- Fully engage with the Independent Improvement Board and its recommendations.
- Continue in your efforts to deliver at pace against the improvement framework and the action plan, meeting the set milestones.
- Continue in its efforts to conduct investigations at pace and to implement cultural change, particularly in relation to the relationships between officers and members and with the Mayor's office.
- Endeavour to achieve strong partnership working, built on consensus and shared vision.
- Ensure a robust, open, and transparent recruitment campaign to make permanent appointments to the senior team in a timely manner.
- Commit to regular official level engagement on progress against this Notice, on a quarterly basis initially, recognising that this may change according to need over time. We expect any requests for information to be fully and promptly met. The Department will also look to the Independent Improvement Panel for regular updates and assurance on the Authority's plan and its delivery as part of our engagement on this matter.

Whilst the Authority may continue to receive and be awarded government funding whilst under this Notice, we would emphasise that receipt of funding does not indicate the Department's broader view of the performance of the Authority, nor would it indicate any change in the status of this Notice, with individual funding programmes being managed and assured independently by their respective departments.

This Notice will remain in place for 12 months, after which time, should the Department deem it necessary to continue to seek assurance through such a Notice, the Notice will be reissued. The Notice may be withdrawn or escalated at any point based on the available evidence.

It is important to ensure transparency in relation to the challenges faced by local authorities and the Department's engagement on these. A copy of this Notice will therefore be published on gov.uk. I encourage you to make a copy of this Notice available on the Authority's website, and to share it with the Improvement Board and the Authority's Board and Audit Committee. In line with this, we will notify your external auditor of this action.

Separately to this Notice, I would encourage you to continue your engagement with the Local Government Association, making use of the full range of support they have to offer.

A member of my team will be in touch with you to arrange further engagement. I look forward to receiving updates on your progress.

Yours Sincerely,

Max Soule
Deputy Director, Local Government Stewardship