



## Overview and Scrutiny Committee

Agenda Item

**19 June 2023**

**11**

Title:	Improvement Framework
Report of:	Angela Probert, Interim Director of Transformation Programme
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 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.
B	Note the reframed improvement plan agreed by the CA Board at its meeting on 31 May 2023.
C	Note the observations of the Independent Improvement Board held on 22 May 2023.
D	Note the proposed RAG rating methodology to measure progress of improvement activity against the agreed reframed Improvement Plan.
E	Note the progress to 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
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. The CA Board meeting on 31 May 2023 agreed an additional 5<sup>th</sup> strategic objective 'Achieving Best Value and High Performance' to reinforce the need for all public organisations to demonstrate Best Value and delivery against plans.

## 1. Purpose

1.1	Provide the Overview and Scrutiny Committee with an opportunity to review progress reported to the CA Board on 31 May 2023 against 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 letter dated January 2023.
1.2	Receive feedback from the Independent Improvement Board meeting held on 22 May 2023.
1.3	Finally, the report updates the Committee on the progress to appoint 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 the CA Board in March 2023, progress as at May 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"> <li>• Governance and decision making</li> <li>• Project Plans and delivery</li> <li>• Procurement</li> <li>• Partnerships</li> <li>• Culture, Capacity and Confidence</li> </ul>
2.2	<p>Further to the CA Board meeting in March, activity has taken place to refine the reframed Improvement Plan in line with the themes set out in paragraph 2.1 above. Attached as Appendix 2 is the agreed 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.</p> <p>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>
2.3	<p>The Independent Improvement Board met on 22 May 2023. A note from the Chair has been circulated to the Chair of Overview and Scrutiny and is attached as Appendix 3 for reference. It also fed into the first quarterly meeting with DLUHC held on 6 June where the new Chief Executive was present.</p> <p>The note sets out key areas of assurance and further areas for focus. The headline from the (Acting) Chair is that whilst there is more to do – good progress is being made.</p>
2.4	<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"> <li>• <b>Green</b> - Successful delivery of the improvement theme to time, cost and quality appears to be highly likely.</li> <li>• <b>Green Amber</b> - 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.</li> <li>• <b>Amber</b> - 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.</li> <li>• <b>Amber Red</b> - 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.</li> <li>• <b>Red</b> - 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.</li> </ul>
2.5	<p>Committee 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</p>

	Chair whilst a permanent Chair is confirmed. The interim Chief Executive is to confirm the appointment week commencing 12 June and this will be confirmed at the meeting on 19 June.
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### 3. Background

3.1	The proposals set out in this report build on the detailed 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- Update on key areas of Improvement May 2023
4.2	Appendix 2 – Reframed high level Improvement Plan agreed by CA Board on 31 May 2023
4.3	Appendix 3 – Note from (Acting Chair) Independent Improvement Board following meeting on 22 May 2023

### 5. Implications

#### Financial Implications

5.1	Costs of the improvement related activity contained within this report are included in the Improvement Budget approved by the Combined Authority Board.
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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 Board agreed the Improvement plan in October 2022 and the reframed improvement plan.</p> <p>The Overview and Scrutiny committee is non-executive statutory body. It has the statutory duty to review or scrutinise decisions taken by the Combined Authority, or any other actions as set out in Chapter 14, para 14.2.1 of the Combined Authority Constitution. The Committee may also make reports or recommendations to the Combined Authority Board with regards to the decisions that have been made as set out in Chapter 14, para 14.2.1 (e) of the Combined Authority Constitution.</p> <p>The improvement plan deals with risk management, internal control and corporate governance arrangements of the CPCA.</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	<a href="#">CA Board January 2023 Agenda Item 2.4 – Corporate Strategy and Business Plan</a> <a href="#">CA Board Report 22 March</a> <a href="#">Best Value Notice</a>
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