



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 4.1

Improvement Plan Update – March 2023

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	Wednesday 22 March 2023
Public report:	Yes
Lead Member:	Dr Nik Johnson, Mayor
From:	Angela Probert, Interim Director of Transformation Programme
Key decision:	No
Forward Plan ref:	n/a
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none">a) Note the outcomes delivered at the end of the initial three-month period against the outcomes set out in the report to Board in October 2022b) Note progress across the improvement programme in February 2023 as set out in the highlight report attached as Appendix 1c) Note the stocktake undertaken and proposed reframed focus for improvement activity as set out in paragraph 4 and Appendix 2d) Note the resignation of the IIB Chair with immediate effect and the arrangements underway to find a replacement
Voting arrangements:	For noting only. No vote required.

1. Purpose

- 1.1 The report updates the Board on the outcomes delivered at the end of the initial three-month period set out in the report to Board in October 2022.
- 1.2 The report also shares with the Board the stocktake undertaken and proposed reframed focus for improvement activity. The context remains that of the content set out by the letters from the External Auditor, the Best Value Notice, and initial observations by the Independent Improvement Board.
- 1.3 And finally, the report updates the Board on the resignation of the IIB Chair and arrangements underway to identify a replacement.

2. Overview

- 2.1 The initial phase of improvement activity was focused on basic governance and operational issues and an ambitious timeframe of three months identified. It is timely to reflect on the progress and impact made and the focus required going forward.
- 2.2 A considerable amount of work has gone into the improvement activity undertaken so far – and a lot has been delivered. The Governance framework is due to be agreed at March Board and structures that will enable new ways of working both within the CA and across the broader partnership are now in place.
- 2.3 In this period a Best Value Notice from DLUHC has been received and a further letter from the External Auditor. Both acknowledge the progress underway and also reiterate the improvements required; that we are already aware of; and are addressing. This will inevitably mean a further level of scrutiny and activity. We have taken time to learn from our approach so far; and this, alongside existing areas of improvement that require our continued focus, will inform the next phase of the improvement activity.

3. Progress at the end of three months

- 3.1 An outline improvement plan was developed and presented to Board in October that set out the six identified themes identified in the ‘assessment’ report as the key areas of focus:
 - Workstream A: Policy (Strategy & Ambition)
 - Workstream B: Governance (Ways of Working)
 - Workstream C: Key areas of development - Transport (Strategy) – Business Board (Function)
 - Workstream D: Finance (Income and bids)
 - Workstream E: Frameworks (Performance/ Assurance/ Risk)
 - Workstream F: Communications (Public Relations)
- 3.2 Objectives and outcomes were identified for each identified theme and progress on all areas of activity are reported on a monthly basis to all key stakeholders to reflect the outline programme. The progress at the end of month 4, February 2023 is set out in the highlight report attached as Appendix 1.
- 3.3 Ambitious target outcomes were set for the initial programme. The initial areas of focus were also set out in the report to Board in October 2022 and progress against these at the end of month three are set out below.

3.4 We have made good progress and Executive Team leads, constituent Chief Executives and the Improvement Project Team have worked collaboratively in delivering the committed outcomes set out below:

3.5 Shift to a transitional arrangement of Board cycles, adjusted focus, more strategic content

- The proposal for adjusted governance arrangements identify the intention that the CA Board develop a clear focus on strategy, policy and overall performance. This requires the development of a more outward facing role and collective championing of the area. It also includes a revised scheme of delegation for more focused committees. These ambitions and this framework has been discussed at the pre-board strategy meeting twice, the senior management team and Audit & Governance Committee and is rescheduled to go to CA Board in March.

3.6 A draft ‘overarching strategy’ document

- The Corporate Plan was approved at the CA Board meeting on 25 January 2023 and the MTFP was also approved which aligns resources to that plan.
- Agreed values for staff and CA Board members have been shared within the organisation. The acronym ‘CIVIL’ has been developed to aid traction of the values expected of all.
- Agreed values have been used in the recruitment of the two vacant Executive Director roles and in the Chief Executive recruitment currently underway.

3.7 A Medium Term Financial Strategy which reflects the overarching strategy

- CA Board in January 2023 approved:
 - Revenue budget for 2023/24 and the Medium-Term financial Plan 2023/24 to 2026/27
 - Capital Programme 2023/24 to 2026/27
 - A Mayoral precept for the 2023-24 financial year

3.8 A worked-up transport strategy and bus strategy

- The draft bus strategy went out to consultation on 11 January 2023, and ended on 24 February 2023 following which feedback was considered.
- The Bus Strategy is due to be presented to the Transport and Infrastructure Committee and CA Board in March – with the aim for this document to be approved and adopted as a key strategy for the Authority. In addition, the Combined Authority has now received feedback on the previous Bus Service Improvement Plan and a revised document will be submitted to government following the CA Board meeting in June.
- The draft Local Transport and Connectivity Plan will be presented to the March Transport and Infrastructure Committee. We still await government’s revised guidance on the Plan’s preparation. This was previously due in autumn 2022 but at the time of writing this report has yet to be received and has led to these delays.

3.9 Proposals for the next phase of development of the Business Board

- The options paper, drafted by independent consultants Metro Dynamics, followed the joint Workshop between the CA Board and the Business Board and has informed and focused the proposals. This paper is to be considered at the Business Board at its next meeting and the recommended option being presented to the Board in March.

3.10 Resolution to the current investigations

- An independent investigation was commissioned and commenced in May 2022. When the investigators submit their report there will be consideration by a panel of the Audit and Governance Committee. This is the equivalent of a Standards Committee in local

authorities. Training has already been given to the Committee in anticipation of the need to fulfil that role.

3.11 A senior staffing structure and plan for recruitment

- The leadership and departmental structure was agreed by Board in October and commencement of recruitment processes for the permanent roles began in November and December.
- Executive Director recruitment has been completed and the new appointees commenced at the end of February.
- A recruitment process for the role of Chief Executive commenced in the new year and is expected to reach a conclusion before the end of March.
- The staff structures for the Chief Executives policy and executive office are in place and recruitment substantially completed. This includes provision of support for the Mayor.

3.12 A period of stability in the workforce

- Vacancy percentage at February 2023 was 5.7% compared to 13.5% in September 2022
- Annualised turnover for period March 2022 to February 2023 was 29.09% compared to 36.65% January 2022 to Dec 2022.

3.13 Improved collaborative processes between CPCA and constituent authority officers

- The Improvement Plan has provided opportunities to develop trailblazer processes and behaviours that demonstrate collaboration. Examples would be:
 - Workstream D: The bid function strategic review has involved a series of cross authority workshops and identified many common themes across the constituent councils including a degree of agreement about what the scope and reach of a bid function should be to add value to the work of partner councils and also crucially help to promote the one voice to government from the CPCA area.
 - Workstream E: through the active involvement of the lead CEX officers from the constituent authorities work is underway to develop an inclusive set of assurance and performance management frameworks.
 - In addition all Chief Executives of constituent councils play an active and collaborative role across all strands of improvement activity.
 - A number of professional officer liaison groups have begun to meet around issues of common interest. The 'place' Directors have been meeting regularly, and liaison among MOs and CFOs has been developing.

4. Reframing improvement

- 4.1 It is important that the focus for improvement is reviewed on a regular basis to ensure the reframed plan and delivery activity is relevant, reflects issues or concerns that have not yet been addressed and lessons learned from the first phase.
- 4.2 The External Auditor set out his concerns in June 2022 and the interim Chief Executive wrote back to the External Auditor on 23 November 2022 setting out the progress made; reflected in paragraph 3.3 above. In addition to this a Best Value Notice was received in January 2023 that set out concerns to be addressed. These are a restatement of the general issues raised in the letter from the External Auditor last year.
- 4.3 Good progress has been made against identified and committed improvements, but there is still more to do and therefore **the future focus for improvement takes account of:**

1. Any outstanding key areas of concern set out in the External Auditor's letter received in June 2022 and the Best Value Notice received in January 2023 against the following key themes:
 - a) Addressing weaknesses in governance and decision making
 - b) Addressing weaknesses in project plans and delivery
 - c) Resolution of concerns related to procurement activity
 - d) Embedding partnership working
 - e) Improvement plan progress against plan
 - f) Engagement with the Independent Improvement Board and its recommendations
 - g) Conclusion of investigations
 - h) Leadership capacity and confidence
2. Outstanding areas of improvement not fully delivered and warrant a continued corporate overview and resources to deliver the outcomes set out in October 2022.
3. The lessons learned on the approach taken over the first three months of improvement.
4. The perceptions of key stakeholders on changes made so far and where the continued areas of focus need to continue.

4.4 Where improvement activity has been delivered, e.g., development of a strategy or plan and the next phase is implementation or embedding activity, it is proposed that this is located in the appropriate Directorate Business plans with an identified lead officer held accountable for outcomes.

4.5 The focus for the next 3 – 6 months will therefore:

- Ensure the key areas of concern identified by the External Auditor in the letters received in June 2022 and also February 2023 and Best Value Notice received in January 2023 set out in paragraph 4 are core to improvement activity.
- Build on the progress so far and embed the desired ways of working across governance, decision making, operating principles and values and behaviours across all CA activity and ways of working.
- Embed the values developed with CA staff and partners culturally and be held to account for this through both the delivery of our ambitions and our culture and behaviours.
- Deliver on all identified improvements with the intention to move them to implementation and business as usual.

4.6 The outline and draft proposed reframed improvement focus is attached as Appendix 2. Key outcomes against specific areas set out to Board in October and have been delivered, or progressed sufficiently to move to business as usual are set out in Appendix 2, page 6.

5 Perception of change

5.1 The Improvement framework agreed in October at Board also set out the changes stakeholders would begin to observe as changes are tackled and implemented:

- A huge reduction in tension and frustration in Board, and in dynamics and focus
- Members feeling time is spent on worthwhile debate and activity
- Members and officers believing that the MCA can genuinely expect to secure greater investment and improved reputation
- Individual Board members spend more of their time on informal discussions finding issues of agreement, speaking up for the needs of the region, and its priorities

- Recognition that the Mayor has secured greater attention from ministers and influential stakeholders for the region's needs
- An absence of political point scoring in Board noticed by all interested parties
- That staff in CPCA and the local authorities view Board members as role models for good behaviour, collaboration and working towards consensus
- CPCA staff recruitment and retention improves
- A Devo Deal 2 looks possible, even likely
- Staff expect to work in 'virtual teams' on policy development and programme delivery
- The CPCA operation has matured, supports the Mayor and Board with a feel of 'one CPCA'.

5.2 As part of testing the perceptions by key stakeholders, staff surveys have been undertaken in September 2022 and again in January 2023. The key observations by staff and changes over the three-month period are set out below:

- Overall improvements and progress since the last survey in September; but not exclusively.
- Staff feel more confident in the direction of the CA but want to see planned improvements being fully embedded.
- Mixed response on feeling valued by the organisation and that people's opinions count; some teams feeling more connected than others.
- Most staff feel the CA is not yet effective and efficient as it could be.
- Despite this, there are more positive feelings about working for the CA and an overall sense of optimism about the future.

5.3 Interviews with external stakeholder groups to test changed perceptions against the above changes are to take place in March by the newly appointed Executive Directors and Head of Policy.

5.4 Perceptions and learning from constituent Chief Executives will be captured as part of the interviews set out above. Initial feedback has indicated that many recognise significant progress but going forward now want to see more visibility on project delivery, a joint focus on lobbying and further development of routine engagement between relevant staff across the constituent councils and the CPCA.

6 Lessons learned

6.1 Whilst the need for pace and delivery in October was clear, the focus for improvement has been on making the desired change robust alongside embedding desired ways of working. The approach was never intended to be just a 'tick in the box' exercise and needs to result in embedded new ways of working. There are two consequences of this necessary approach.

1. The first is the need for the improvement to be comprehensive and robust. This meant that although pace and change are required, improvements need to, put colloquially, be done properly. Therefore much of the focus of the first phase of improvements is putting in place the building blocks required to enable the step change in delivery, culture, behaviour etc.
2. The second was the need to respond to the fact that, in the eyes of Government, the CPCA had a poor track record of improvement over its life and therefore the approach to the proposed activity needs to be both comprehensive in content and credible in the eyes of external stakeholders; with a clear programme structure and scheduled monthly reporting on progress.

- 6.2 In October, Board were asked and gave their wholehearted support to the proposed structures for the governance of the Improvement Plan. Virtual improvement teams were established, drawn from across the CA with members of the Executive Team taking a leadership role across the six identified themes. A key new approach was the involvement of the Chief Executives of the constituent authorities, working alongside the senior staff of the Combined Authority.
- 6.3 The approach to improvement activity has been new for the Combined Authority following the previous poor track record of delivery. Ownership of improvement activity has been held by the Executive Team collectively, with individuals taking a lead on improvement areas; working with colleagues to ensure dependencies are understood and issues resolved. The engagement and involvement of constituent Chief Executives across all six themes has provided broader learning and challenge. Their contribution has been very much valued and impactful.

7 Reframed Improvement plan

- 7.1 A review has been undertaken for key improvement activity (across the key six themes) to consider what activity needs to be held and then continue to be a focus at a corporate level; using the limited resources available, and what activity has made sufficient progress to enable it to be considered 'business as usual' and owned and delivered as part of directorate plans and resources.
- 7.2 There is a risk that without the structure and focus of the improvement governance and leadership in place that, as previously seen, the changes are not viewed as important and identified changes not followed through. The leadership of the new Executive Team will be an important driver of this.
- 7.3 Following the receipt of the Best Value Notice on 24th January we have reviewed the outstanding key identified areas of improvement required by the Combined Authority, as set out in paragraph 4 so we can ensure an appropriate focus in activity going forward. Where the letter did not set out expected improvement we have sought clarity on this so the CPCA can be clear on outcomes to be delivered, and therefore the future focus for improvement.
- 7.4 The majority of the identified concerns are part of our current ongoing improvement plan. However, to ensure we have a robust approach and meet the expectations placed on the CA we will reframe our improvement activity to ensure identified areas of improvement are included.
- 7.5 Attached as Appendix 2 is the proposed draft outline improvement plan that incorporates outstanding activity still to be delivered and improvements set out by the External Auditor, the Best Value Notice and the Independent Improvement Board. This will be developed further and shared with all key stakeholders.

8 How will we know we are making progress?

- 8.1 Currently monthly highlight reports are prepared and either reported through the CA Board or circulated with a monthly briefing. Going forward it is proposed that:
- Reports will continue to be a key agenda item at each CA Board meeting.
 - Reports will be a key agenda item for the Independent Improvement Board on a bi-monthly basis.

- Meetings will be held with DLUHC on a quarterly basis to report progress against the key areas of concern identified in the Best Value Notice.
- Reports to Audit and Governance and Overview and Scrutiny Committees will be tabled on quarterly basis.
- Regular reports will be submitted to the External Auditor.
- A programme of update reports to the CEX meetings will be established allowing detailed oversight of progress.
- Quarterly staff survey will be undertaken; the next one scheduled for the end of April 2023.
- Chief Executives from constituent councils and partner Chief Executives will continue to provide input and feedback on a monthly basis and will also be included in quarterly perception surveys with key stakeholders.

9 Independent Improvement Board

- 9.1 The Independent Improvement Board held its induction day in January and following this IIB members have had on-going discussions with both Members and Officers.
- 9.2 The bi-monthly IIB meetings have been scheduled for the next 12 months and key stakeholders have been invited.
- 9.3 Unfortunately, because of ill health, Lord Kerslake has needed to step down as Chair with immediate effect. All stakeholders have been advised and discussions are taking place with the LGA regarding potential replacements. In the meantime, Julie Spence, Deputy Chair, will take the lead. Our thoughts are with Lord Kerslake at this time.

10 Engagement

- 10.1 Engaging stakeholders in the Improvement Plan by ensuring effective and appropriate collaboration, consultation, involvement, awareness and assurance continue to be key priorities within the programme and as we progress into implementation.
- 10.2 Following development of an Engagement Strategy and Schedule and the appointment of an Engagement Lead for the programme, further work has been done to improve how we identify, map and engage stakeholders.
- 10.3 Staff conferences are held on a quarterly basis and a new Improvement Plan Teams site has been developed for staff while existing platforms are reviewed and restructured. Tangible examples of improvements which have already been and are being implemented and how staff are affected by, involved and engaged in these changes are the focus of informal fortnightly Improvement Plan vlogs, newsletter updates and weekly All Teams Meetings, which include presentations and feedback opportunities covering a different workstream each week. Teams sites for Members and Partners are also being developed to support engagement in the plan and collaborative working, until the main CPCA Team site is able to support shared spaces across all areas of the business.

Significant Implications

11 Financial Implications

- 11.1 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 improvement activity. This budget is monitored by the Improvement Group at its monthly meetings and reported by exception to the Board as appropriate.

12 Legal Implications

- 12.1 An Action Plan in response to the recommendations of the external auditor, was agreed by the Board following the report of the Interim CEO. At the time of drafting this report, all the relevant recommendations of EY are being responded to and regular updates are provided to this Board to provide a progress report as to delivery. This will assist the Authority to comply with its best value considerations.

13 Public Health Implications

- 13.1 None.

14 Environmental and Climate Change Implications

- 14.1 None

15 Other Significant Implications

- 15.1 None

16 Appendices

- 16.1 Appendix 1: Month 4, February Highlight report
16.2 Appendix 2: Reframed Improvement Plan

17 Background Papers

- 17.1 [Interim Chief Executive's Diagnosis - Improvement Framework](#) CA Board October 2022
17.2 [Outline Improvement Plan](#) CA Board October 2022
17.3 [Proposed terms of reference CPCA Improvement Board](#) CA Board October 2022
17.4 [External Auditor letter](#) June 2022
17.5 [Chief Executive letter to External Auditor](#) November 2022
17.6 [Best Value Notice](#) January 2023
17.7 [External Auditor letter](#) February 2023