

Mark Hodgson
Associate Partner
Ernst & Young LLP (Local Auditor)

23 November 2022

By email only: MHodgson@uk.ey.com

Dear Mark,

Cambridgeshire and Peterborough Combined Authority Progress of Addressing Areas of Concern

When we spoke some weeks ago, I was able to offer a verbal update on progress and we agreed it would be helpful if I summarised those issues in writing after the meeting of the Combined Authority which was to consider the substantive report on improvement.

That was the meeting that had been scheduled for late September but was postponed in response to the guidance related to the death of the monarch and the mourning period. It took place on the 19 October.

I am writing to you today to set out the progress made by the Combined Authority in addressing some of the early concerns raised in your letter dated 1 June to the Chair of the Audit and Governance Committee.


The Combined Authority has undertaken some significant work since June to self-assess and agree a number of areas for improvement, informed by but not limited to the concerns raised by EY. During this time, I have also appointed some permanent and interim staff to bring appropriate experience and capacity to the organisation. I understand that the board were briefed in June that the vacancy rate was approximately 30%. This has been an area of very significant effort and I was able to report to the last board that our vacancy rate is just 3%. Of course, this will vary but this week it is very low at 1.8%.

I am leading the overall improvement work with regular updates to the Combined Authority Board, the Overview and Scrutiny Committee and the Audit and Governance Committee. The CPCA board at its meeting on 19 October approved the full report. The report included an assessment of the governance and operational arrangements, the apparent barriers to improvement and the prospects for improvement. The report also proposed an Improvement Framework, and arrangements to establish an Independent Improvement Board to provide challenge, assurance, and support.

The Improvement Framework was unanimously approved by Board and a programme has been underway, at some pace, to deliver the actions identified. Pleasingly we have established an independent Improvement Board chaired by Lord Bob Kerslake to oversee this Improvement Plan.

The Authority already had a Governance Review underway at the time of the EY letter and the full detail of the review was unanimously approved by Audit and Governance, and Overview and Scrutiny Committees and the Combined Authority Board on 27 July [Document.ashx \(cmis.uk.com\)](#). The actions for the review now form a workstream within the Improvement Plan to ensure pace of delivery and consistency with overall direction.

As part of the development of the organisation and the actions identified, I have also seen a series of informal and formal meetings take place over recent months that seem to reflect better prospects for improvement, but there remains much to be done. The most recent example of a new effort towards partnership and developing the role of the CPCA in promoting the interests of the area was the visit on 2 November by the National Infrastructure Commission and the collaborative roundtable discussions that continued during site visits across our region.



2nd Floor
Pathfinder House
St Mary's Street
Huntingdon
Cambridgeshire
PE29 3TN

Please see the progress for each concern raised in your letter:

- ***Investigations into key individuals in the Mayor's office following a whistleblower notification:***

The Investigation was led by an external and impartial organisation. The matter concluded in February 2022. The individual at the centre of the allegation is no longer an employee of the Combined Authority and careful consideration has been given to supporting staff across the organisation to build and embed appropriate values and behaviours.

- ***Increased number of employment related claims against the Authority:***

Three claims have been considered and resolved by the CA Board. As you know the settlement with the previous CEX was resolved in June, and the two other senior staff claims resolved at the board at the end of August. A further claim relating to a more junior administrative role has also been settled this week. That is the extent of the matter, and no further claims are expected.

- ***Current vacancies in the Authority's senior management team, particularly at Chief Executive level, and the prospect that this could increase further from July 2022***

I joined the Authority on 4 July as Interim Chief Executive and have been able to undertake a swift yet detailed assessment of the organisation and reflected areas of improvement as mentioned above. Very early in my tenure I recognised the need for additional capacity and appointed two further interim directors in August and other experienced interim officers at Head of Service / Assistant Director level to bring corporate and transformation capacity and experience. In addition, we have a director who is seconded two days a week to the CA from Cambridgeshire County Council to ensure good alignment between the CPCA and its relevant partners in relation to spatial planning, transport policy and climate change. Our Section 73 Officer remains in post, and we recruited an experienced Monitoring Officer as a long-term interim.

There is sufficient capacity in the senior management team to discharge its statutory services and to drive forward the improvements needed – I am already seeing the benefits of improvement actions successfully delivered.

Additionally, board have approved a new senior structure and we are finalising arrangements for recruitment to these roles shortly.

- ***Weaknesses we have observed in how the extraordinary meeting of the Authority Board makes informed decisions***

This observation refers to one extraordinary meeting, behind closed doors which was observed in May 2022. Clear action has been taken through the approval of the Governance Review and my own relationship building with Leaders and Chief Executives across the area. The most recent Board meetings show clearly that the Board has moved on in how the meetings are held and the decision-making frameworks and governance. Forward agenda plans and pre and post informal consultation are some of the simple steps robustly put into place alongside the Governance Review actions. Inevitably the recent track record of good debate and decision-making at board needs to continue and become the norm.

- ***That the nature of the whistleblower allegations and initial findings of independent investigation reports raises significant questions on the culture, behaviour and integrity of key individuals in the Mayor's office***

The senior advisor who was at the centre of the investigation left the employment of the CA at the end of February 2022 and there are no individuals who remain employed in the Mayor's office, except for newly appointed administrative support.

We have therefore taken the opportunity to review appropriate support to both the Chief Executive and the Mayor and are establishing a Chief Executive's Office function. This function will lead on Policy and Strategy; Communications, Engagement and Public Affairs; and the provide Executive Administrative support. All posts will report via the management hierarchy into the Head of Paid

2nd Floor
Pathfinder House
St Mary's Street
Huntingdon
Cambridgeshire
PE29 3TN

Service and all posts are politically restricted. Much work has been undertaken not only to redevelop job roles and scope but also to work with individuals via informal consultation to set the tone and behaviours for this function. The skilled staff in the function will provide clear and experienced advice to the Mayor and to the organisation that is consistent, similar to that of a typical business partner arrangement. Both myself and the Mayor are happy with the progress of the establishment of this revised function. We have held all the interviews and are now just finalising pre-employment checks. All but the most junior role are external appointments, and they will be taking up the new roles over the next few months.

You will know that a Code of Conduct investigation has been underway concerning issues related to the Mayor. Independent investigators have been undertaking this work. It had been hoped that this could be brought to a conclusion in the next 2 months. This is still proceeding, but if there is a point at which the Mayor has the right to respond it may be that the process pauses at that point. As you know the Mayor has very recently had major surgery and is expected to be absent for approximately 3 months.

In the wider organisation we have also undertaken staff surveys and engagement sessions, agreeing and delivering on actions and ensuring regular updates. The staff have responded very well to this and are well engaged. We have agreed to carry out further surveys at three monthly intervals for the first year to note, log and action progress.

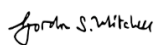
A report on arrangements for programme management of the improvement plan, the establishment of the Independent Improvement Board and highlight reports of progress on the 6 improvement workstreams is being presented to the meeting of the CA board next week. The structured improvement plan features 6 strands each with a project group and each has a sponsor CEX from one of the constituent councils. [CMIS > Meetings](#)

I trust you can see that the Authority has acted quickly to address the concerns raised in the letter and more so, have set upon a voluntary improvement journey. At this stage I believe the risks identified due to perceived weakness in governance are being successfully mitigated. Improvement is evident, and the close involvement of the council CEXs is now strong and very supportive in pursuing the changes needed.

Of course, from a personal perspective it is a work in progress, but good progress has been made and my assessment is that the prospects for continued improvement are good.

I look forward to talking through some of this in more detail at our meeting on 2 December.

Yours sincerely



Gordon Mitchell
Interim Chief Executive