

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY
COMMITTEE**

DATE: 17 MARCH 2023

**REPORT TITLE: AUDIT ACTION PLAN: FEEDBACK FROM AUDIT AND
OVERVIEW & SCRUTINY COMMITTEES AND
PROGRESS REPORT**

DIRECTOR: JESS LEE, HEAD OF STRATEGY AND POLICY

AUTHOR: RACHEL PYKETT, HEAD OF POLICY

Purpose of Report

- 1 This report sets out progress and next steps on the Combined Authority's route to improvement following the external audit report from Grant Thornton and the emerging action plan in response discussed by the Combined Authority Committee in December 2022. The report:
 - Sets out the progress on phase 1 of the Solace peer challenge review of the action plan including Terms of Reference and themes of the response. The independent reviewer will attend the committee to present his phase 1 findings.
 - sets out feedback from the Audit Committee on the emerging action plan (the Chair of Overview and Scrutiny committee will report back in the meeting), as set out in appendix 4.
 - requests formal approval of the emerging action plan in the light of feedback, as set out in appendix 3.
 - provides an update on progress against the emerging action plan since December, as set out in table 1.

Recommendation

- The Committee is recommended to:
 1. Consider feedback from the Audit and Overview & Scrutiny Committees and approve the action plan as a living document that will continue to be refined as work continues.
 2. Note progress in delivering the emerging action plan.

3. Agree in principle the broad areas as set out in paragraph 2.3 and presented by the Solace peer reviewer, and delegate to the Combined Authority Chief Executive, in consultation with the Chief Executives of the Unitary Authorities, to incorporate into the action plan as appropriate.

Reasons for recommendation

- Following discussion in December it was agreed that the Audit Committee and Overview and Scrutiny Committee should be asked to provide feedback on the emerging action plan before it is agreed by the committee.

Voting arrangements

- This decision requires majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor.

Background / Issues for Consideration

- 2 At the Combined Authority Committee meeting on 9th December 2022, committee resolved to “Agree that the action plan be presented to both the Audit Committee and the Scrutiny & Overview Committee as a matter of urgency to consider and review from their differing constitutional positions and report any feedback to the Combined Authority Committee”.
- 2.1 Following the acceptance of the Grant Thornton Audit findings, the Metro Mayor wrote to the Secretary of State to make him aware of the report and the Committee’s proposed course of action in response. The Minister of State has since responded and the exchange of letters is attached at appendix 1.
- 2.2 Committee also discussed asking the Society of Local Authority Chief Executives (Solace) to undertake a peer challenge review of the emerging action plan. The terms of reference for that review are attached at appendix 2. It is anticipated that this will also help with broader improvement suggestions beyond those outlined in the emerging action plan.
- 2.3 The independent peer reviewer will attend the Committee to discuss his initial findings, covering the following broad areas:
 - Purpose of the West of England Combined Authority
 - Strategic approach to the region
 - The West of England Combined Authority as a management organisation
 - LEP/business and partners
 - Operating principles and processes
 - Meetings, portfolios and project evaluation
 - Constitution
 - Wider structures including the Joint Committee
 - Progress on the action plan
- 2.4 Following discussion the Committee will want to consider which areas it would

like to focus on for the next phase of the work.

- 2.5 Committee resolved that the emerging action plan should be presented to Audit Committee and Overview & Scrutiny Committee for review and feedback to the Combined Authority Committee. The emerging action plan as presented to the Committee in December is attached at appendix 3.
- 2.6 Audit Committee reviewed the emerging action plan on 2nd March. The report of the Audit committee is attached at appendix 4. Where the points raised by the Audit Committee can be addressed through the report on progress against the emerging action plan, these have been included. Committee will want to consider the more general points raised and the frequency with which it wants Audit Committee to consider progress.
- 2.7 Overview & Scrutiny Committee will have reviewed the emerging action plan on 13th March. As a consequence of the timing of the meeting, it was not possible to include feedback in the body of this report, however the feedback will be included in the Chair of Overview and Scrutiny Committee's statement to the Combined Authority Committee.
- 2.8 Since the December Combined Authority Committee meeting, progress has been made against the emerging action plan. An update on progress against all actions is set out below in Table 1.

Table 1: progress against the emerging Action Plan

Recommendation	Action	Measure of outcomes	Timescale	March 2023 update
<p>SR1 <i>The Mayor and members of the Combined Authority represented by the Council Leaders, must commit to improving their working relationship and demonstrate that significant progress has been made within a reasonable timeframe to be determined by the Mayor and Combined Authority. This should include a role for independent mediation and the constructive consideration of advice arising from this process (SR1)</i></p>	<ul style="list-style-type: none"> Leaders will continue to regularly meet with the Combined Authority Mayor as required to both address any concerns early and to identify opportunities. A programme of activities to agree regional priorities will take place in 2023. This will involve free and frank discussion regarding the allocation of existing resources in the context of new and emerging challenges, such as inflationary pressures, to primarily focus on the delivery of projects. A Regional Priorities workshop which leaders have all agreed to attend is scheduled for January. Board members will be involved at an earlier stage in setting a strategic regional direction Consideration of appropriate attendees (wider than Mayors, Leaders and CEOs) to attend the regional prioritisation workshop will be made (including regional finance officers (S.151) officers, Directors for Infrastructure, and independent voice(s)), to ensure the workshops results in meaningful outcomes 	<ul style="list-style-type: none"> Implement a programme of activities to discuss regional priorities with leaders, senior officers and board members Regional priorities paper to be considered by Combined Authority Committee in March 2023. Timely Committee meetings to be held To allow for maximum participation leaders & senior leaders will be given advance notice of meetings. Agendas and Papers will be issued in good time in advance of meetings taking place. 	<p>March 2023, and Ongoing</p>	<ul style="list-style-type: none"> As agreed at Committee on 9th December, activity to discuss regional priorities has progressed. This has included: <ul style="list-style-type: none"> Mayors and Leaders discussion on 20th February that considered priorities, approaches to investment and steps to take in agreeing regional priorities. CEOs will oversee a programme of work focusing on: development of a regional economic strategy to underpin prioritisation; refinement of the regional priorities; the funding landscape and investment options; driving delivery. This programme of work will involve relevant directors, s151s etc and independent voices where appropriate. A forward plan covering all democratic dates for 2023/24 including committee meetings will be presented to the Committee in March for comment with a view to ratification at the AGM in June. Papers for meetings will continue to be issued in line with statutory requirements for public meetings. Individual papers are developed jointly by officers across the UAs and the CA, we are working to bring these together for senior officer consideration at an earlier stage.

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<p>SR2 - <i>A formal protocol should be agreed between member organisations within the Combined Authority to commit to consultation on key proposals, that they should define, at an earlier stage. Combined Authority members should engage effectively in this process, to help mitigate points of contention before they are published and debated in public. This should include a commitment to deliver proposals on a reasonable timetable</i></p>	<ul style="list-style-type: none"> Senior Officers will meet collectively and individually with their counterparts as policies and projects progress, from conception to delivery and evaluation. The Combined Authority will ensure that Cabinet Members from the Unitary Authorities can request briefings with senior CA officers as required. Any existing regular meetings will continue in line with agreed arrangements. An officer delivery board has been established and meets twice a month to review progress on agreed projects and to provide challenge and support to ensure more timely delivery on all projects where relevant. These boards will continue and will report directly to regular joint CEO meetings. This process will be reviewed to further strengthen the board if necessary. To help support driving delivery of key projects, proposals will include a commitment to deliver on a reasonable timetable (agreed by the Committee), which will be included in relevant papers going forward. 	<ul style="list-style-type: none"> Implement a programme of activities to discuss regional priorities with leaders, senior officers and board members Regional priorities paper to be considered by Combined Authority Committee in March 2023. Timely Committee meetings to be held To allow for maximum participation Mayors, Leaders & Senior Officers will be given advance notice of all meetings. Agendas and Papers will be issued in good time in advance of all meetings taking place (public and private) to enable proper consideration and informed debate to take place in the meeting). Papers detailing proposals will contain agreed timetables for delivery. A forward plan of decision making for public meetings will be 	<p>March 2023 and ongoing</p>	<ul style="list-style-type: none"> The actions noted above in relation to progress on SR1 will also contribute to addressing the issues highlighted under SR2. From the beginning of the new committee cycle, the Combined Authority Chief Executive will offer briefings to all Local Authority member portfolio holders in advance of committee meetings. The Programme Delivery Board and infrastructure directors board continue to meet to focus on reviewing agreed projects, providing challenge and support to delivery. A requirement will be added to the template for committee papers from the beginning of the next cycle to outline the timetable on which spending is planned to be undertaken. An 'audit on delivery' will be undertaken to review progress of all the projects and programmes agreed through the Combined Authority to ensure they are on track, that spend is profiled accurately and that the outcomes agreed at the outset are delivered. Going forward, a gateway review process will be implemented on all projects funded through the combined authority and funding will be released in phases subject to successful passing of the gateways.

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		maintained and published.		
<p>SR3 - <i>In future, in all circumstances, including where there is a potential conflict of interest affecting individual statutory officers adequate steps must be taken to ensure the statutory duties of these officers is effectively discharged.</i></p>	<ul style="list-style-type: none"> The protocol will be shared with UA Leaders, Chairs of Audit and Scrutiny for comment before being adopted and published. The protocol will be published on the Combined Authority's website and shared with Combined Authority officers. The Combined Authority Monitoring Officer will brief senior officers regarding the implications of the protocol. 	<ul style="list-style-type: none"> In the unlikely situation that a similar circumstance arises, the Mayor and Unitary Authority Leaders will be briefed by the Chief Executive on a confidential basis. 	January 2023	<ul style="list-style-type: none"> The Combined Authority Director of Law and Governance has circulated the protocol setting out the action that will be taken in the event of a potential conflict of interest affecting individual statutory officers and this is published on the website Statutory officers are aware of the protocol and its implications. The Statutory Officers of the Combined Authority (Acting interim CEO, Interim s73 and Director of Law and Governance) meet on a monthly basis.
<p>KR1 - <i>The future management structure of the Combined Authority should be reviewed in order to ensure it is fit for purpose in the context of new funding awards and strategic priorities and this must include appropriate consultation and agreement by the CA Committee.</i></p>	<ul style="list-style-type: none"> A new Senior Leadership Structure of the Combined Authority will be developed in 2023. The Combined Authority will use expert support to determine necessary skills and appropriate structures are in place so as to recruit suitably skilled permanent staff at pace. It will be agreed in line with the Constitution by the West of England Combined Authority Committee Process regarding Senior Officer appointments to be guided by external expert support 	<ul style="list-style-type: none"> A new senior leadership structure will be developed by Combined Authority Officers in consultation with expert support (a third party) A new senior leadership structure will be implemented by October 2023 following engagement and consultation with the Constituent member organisations. All Senior Officer roles will have permanent 	New senior structure to be implemented by October 2023.	<ul style="list-style-type: none"> A schedule of recruitment to senior roles currently filled on an interim basis is underway, supported by external expert support. The Independent peer review will consider the leadership structure of the Combined Authority, and the leadership structure will be reviewed in the light of that. At their January meeting, CA Committee approved an uplift in the CA staffing budget to reflect the significant increase in programmes and delivery required. 10% of the proposed uplift will be withheld to enable further work to be undertaken to assess the relevant need against pressures on services. The remaining funds will be released following the unanimous approval

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		appointments as soon as practicable.		<p>of the Combined Authority Chief Executive and Chief Executives of the Constituent Councils. This work is currently ongoing.</p> <ul style="list-style-type: none"> • An organisation design and workforce strategy is under development and a broad programme of areas of work has been agreed by the Combined Authority Corporate Leadership Team. This will include a focus on a number of aspects including the delivery culture of the organisation. • A Governance Board has been established, chaired by the Interim Director of Resources. The board consists of senior officers across the organisation that have aspects of governance as key parts of their roles. The group will support the CLT (Corporate Leadership Team), and the purpose is to: <ul style="list-style-type: none"> • Manage and advise on all aspects of Corporate Governance across the Combined Authority • Ensure that Corporate Governance issues are properly addressed throughout the organisation. • Ensure that the Mayor, Audit Committee, and other politicians have assurance that the Combined Authority are fully addressing Governance Issues. • Communicate awareness of Corporate Governance issues throughout the organisation so that staff act in accordance with key corporate governance issues (for example, health and safety, equalities legislation and financial responsibilities).

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<p>KR2 – <i>The Constitution of the Combined Authority should be revised to define the conditions under which it is acceptable for other officers and members to seek independent legal advice, without reference to the Monitoring Officer and/or Head of Legal Services.</i></p>	<ul style="list-style-type: none"> The West of England CA Monitoring Officer will provide wording for the constitution at the next suitable meeting of the Combined Authority Committee (no later than March) in consultation with the Monitoring Officers of the Unitary Authorities. Such a change would require unanimous support of the Mayor and Leaders at a West of England Combined Authority Committee meeting. 	<p>Constitution updated to reflect new protocol.</p>	<p>March 2023 or as soon as is practically possible</p>	<ul style="list-style-type: none"> A paper will be taken to the Combined Authority Committee meeting in March addressing this action.
<p>IR1 <i>That consideration of relationships with the Chief Executive Group should be incorporated into any relationship development and mediation work undertaken.</i></p>	<ul style="list-style-type: none"> Senior Officers will continue to meet collectively and on a 1:1 basis going forward. All Senior officers will work collaboratively and engage in meaningful consultation when developing solutions and proposals to help leaders to mitigate points of contention where possible ahead of Combined Authority Committee meetings. Where possible, matters of contention will be flagged with all senior officers in good time to allow for solutions to be developed ahead of Combined Authority meetings. All Senior Leaders will commit to promote a culture of respect and understanding at all times. Where relationships require support, Senior Leaders will seek mediation at an early stage to 	<ul style="list-style-type: none"> Senior Officers and CEOs will continue to meet regularly at a regional level. Areas of contention will be shared with partners in good time to enable solutions to be developed where possible. Agendas and Papers will be issued in good time in advance of meetings taking place. 	<p>March 2023</p>	<ul style="list-style-type: none"> Fortnightly CEOs meetings continue to take place to allow for discussion of regional issues. In addition, the acting CEO of the Combined Authority will now have regular 1:1 meetings with the other UA CEOs in their areas. Alongside CEO meetings, a wide range of officer groups are in place to support collaboration and the preparation of papers for CEOs. In particular, regular meetings are in place that bring together: <ul style="list-style-type: none"> Directors of Infrastructure (weekly informal meetings with a formal meeting on a monthly basis)

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	<p>ensure good working practice continue and solutions can be developed.</p> <ul style="list-style-type: none"> • A forward plan of decisions and activities to help with planning / resourcing / engagement for CEOs meeting will be developed. 			<ul style="list-style-type: none"> ○ Directors of Business & Skills (weekly touch base with a longer session every 4 weeks) ○ S151 officers (fortnightly meeting in addition to the other Boards they sit on) ○ other Directors as required (for example through the Programme Review Board which meets monthly) ○ Directors/senior staff leading on environment (bi-monthly meetings but Head of Environment also attends infrastructure Directors monthly meeting)
<p>IR2 <i>That the constitution be reviewed, as previously considered by Combined Authority Members. This should incorporate the new Monitoring Officer protocol but also focuses on the specific ambiguities raised in the recent legal advice including the definition of statutory roles,</i></p>	<ul style="list-style-type: none"> • The Constitution will be revised to include the new Monitoring Officer protocol. • Regional MOs to meet regularly to discuss any matters regarding the constitution that need addressing. 	<ul style="list-style-type: none"> • The Constitution will be revised to include the new Monitoring Officer protocol and wider issues identified in IR2. 	<p>March 2023</p>	<ul style="list-style-type: none"> • A formal review of the constitution will be informed by the outcome of the peer challenge review. • Regional Monitoring Officers meet when necessary, this meeting can be called by any of the Monitoring Officers in the region.

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<p><i>delegated powers, managing conflicts of interest, decisions on all senior staffing matters including restructure and severance. The results should be reported to committee and used alongside the points we have raise basis for revision. There may be value in reviewing other Combined Authority constitutions to optimise the opportunity to improve the document in these areas.</i></p>				
<p>IR3 <i>That the performance reviews of the senior officers be formally recorded, including reasonable steps taken to manage issues and</i></p>	<ul style="list-style-type: none"> • Internal actions put in place to ensure Performance reviews are formally recorded. • Consideration of the GT Auditing Culture report made by the Head of HR in consultation with UA HR leads (and others as relevant), and recommendations for improvement made for consideration by the constituent member CEO group 	<ul style="list-style-type: none"> • Performance reviews to be formally recorded. Head of HR to provide confirmation process has been implemented by January. Process for managing senior management performance shared with UA partners. 	<p>January and March 2023 respectively</p>	<ul style="list-style-type: none"> • The next performance review process for all CA officers is due to take place in the first quarter of the 23/24 financial year. Reporting on the next round will be monitored by the Governance Board. • There is no separate senior management performance policy, those roles are subject to the same policy as all Combined Authority staff.

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<p><i>provide access to resources to enable skills development as appropriate.</i></p>	<ul style="list-style-type: none"> Process agreed by March 2023 for the recording and sharing of key organisation performance indicators and information with member organisations relating to organisational culture and health 	<ul style="list-style-type: none"> Positive staff survey results and feedback at all levels of the organisation. Results shared with CA lead members and CEOs on a regular basis. 		<ul style="list-style-type: none"> The Governance Board will agree the KPIs to capture and report on organisational health, processes etc. The peer challenge review will consider issues of the culture of the Combined Authority.
<p><i>IR4 – That the Monitoring Officer role retains its current seniority at Director level in any future restructure or that sufficient safeguards are implemented to protect the authority and influence of the role.</i></p>	<ul style="list-style-type: none"> Monitoring Officer to be confirmed at Director Level in any future leadership structure. Any change would require a vote of the West of England Combined Authority Committee. 	<ul style="list-style-type: none"> Monitoring Officer role retains its current seniority at Director level in any future restructure. Any change would require a vote of the West of England Combined Authority Committee. 	<p>Ongoing</p>	<ul style="list-style-type: none"> The Independent peer review will consider the leadership structure of the Combined Authority.

Consultation

- 3 This report brings together input from the Audit and Overview & Scrutiny committees. The independent peer review process has involved 1:1 confidential interviews with a wide range of regional stakeholders including Leaders, Mayors, CEOs and Directors from the Unitary Authorities and the Combined Authority. As work to implement the emerging action plan continues, political leaders and officers at all levels will be involved.

Risk Management / Assessment

- 4 Failure to address the issues highlighted in the Grant Thornton Audit report will hamper the Combined Authority failing to deliver for the residents of the West of England. It may also impact on the highly successful track record of attracting additional funding from Government for the region.

Public Sector Equality Duties

- 5 There are no specific equality implications arising directly from this report at this stage.

Climate Change Implications

- 6 The Combined Authority's Climate Emergency Action Plan has been considered in the production of this report and there are no specific implications at this stage.

Report and advice reviewed and signed off by: Roger Hoare, Head of Environment

Finance Implications, including economic impact assessment where appropriate

- 7 There are no direct financial implications arising directly from this report at this stage. The implementation of the action plan will inevitably have medium term financial implications.

Report and advice reviewed and signed off by: Stephen Fitzgerald, Interim Director of Infrastructure and Resources

Legal Implications

- 8 There are no legal implications additional to those reported to Committee on 12th December in relation to the Grant Thornton VFM report arising from this report at this stage.

Report and advice reviewed and signed off by: Stephen Gerrard, Interim Director of Law and Governance

Human Resources Implications

- 9 Aside from the HR actions identified in the action plan, there are no further direct HR implications arising from the report at this stage.

Report and advice reviewed and signed off by: Alex Holly, Head of People and

Assets.

Appendices

Appendix 1 – Exchange of letters between Metro Mayor and Ministers

Appendix 2 – Terms of reference for independent peer challenge review

Appendix 3 – Emerging action plan as considered by Committee in December 2022

Appendix 4 – Feedback on emerging action plan from Audit committee

West of England Combined Authority Contact:

Report Author	Contact Details
Jess Lee	Jessica.lee@westofengland-ca.gov.uk

Rt Hon Michael Gove MP
Secretary of State for Levelling Up, Housing and Communities
2 Marsham Street
London
SW1P 4DF

ministerial.correspondence@levellingup.gov.uk

9 December 2022

Dear Michael,

Today the West of England combined authority committee met and considered a Best Value Inspection report from our External Auditors Grant Thornton and an Action Plan.

I am pleased to say the meeting made up of myself, and representatives from each of Bristol City Council, Bath and North East Somerset council and South Gloucestershire council unanimously accepted the action plan which was also endorsed by the auditors. The plan was also welcomed by the LEP chair.

My officers have been in discussion with your officials over a number of months in this respect. I welcomed Grant Thornton's report as it will help the areas of improvement I recognise as needing that focus. The Action Plan has had considerable input from all our unitary authorities.

I have also instructed my officers to engage with the Society of Local Authority Chief Executives (SOLACE) to undertake a peer challenge review in respect of the action plan and its delivery and have asked for the help of both my Audit Committee and Scrutiny Committee Chairs through their formal committees to both challenge constructively and help ensure the delivery of the plan. Both Chairs are from the Unitary Authorities and from different political parties to further support that independence and willingness I have to engage in our improvement journey. I have additionally asked to receive reports quarterly on delivery of the Action Plan and any related emerging issues or changes needed to the 'living' plan to my committee following the reports to both the Audit and Scrutiny Committees. Both Chairs will be asked to speak at the main committee.

The West of England Combined Authority is relatively young and has had much support from your Government and a good relationship with officials from various departments.

We are a region made up of different political parties and that both brings constructive challenge and robust challenge and my role is to ensure it does not boil over that helpful challenge. I have always favoured open public debate as I know many politicians and our residents and business leaders do.

I have attached the report and the Action Plan and my officers will continue that regular engagement with your officials.

Yours ever,

Dan

Dan Norris, Metro Mayor for the West of England

Tel: +44 (0)117 428 6210

3 Rivergate, Temple Quay, Bristol, BS1 6EW

Email: mayor@westofengland-ca.gov.uk

www.westofengland-ca.gov.uk



Department for Levelling Up,
Housing & Communities

Mayor Dan Norris

By email only

mayor@westofengland-ca.gov.uk

Lee Rowley MP

*Parliamentary Under-Secretary of State for
Local Government and Building Safety*

**Department for Levelling Up, Housing
and Communities**

Fry Building
2 Marsham Street
London
SW1P 4DF

24 February 2023

Dear Mayor Norris,

Thank you for your letter to the Secretary of State on 9 December 2022 in which you set out the outcome of your External Auditors report and the authority's position on the auditors' findings. This area falls within my portfolio and as such the Secretary of State has asked that I respond.

I welcome your acceptance of the findings of the auditor's response and in particular welcome your commissioning of the Society of Local Authority Chief Executives (SOLACE) to undertake a peer challenge review. However, you will understand I remain concerned about the scale of challenges the authority faces. The issues around governance, partnership relations and instability within the senior officer team are particularly concerning and need to be addressed quickly.

On 24 January, the government issued Best Value Notices to two authorities, a new approach of engagement and monitoring of authorities of concern. It is in circumstances such as those which WECA find themselves where we will consider if a notice is necessary to ensure the improvements are delivered. I wish to see a robust, wide ranging and timely peer review from SOLACE which both diagnoses the issues in your authority and, where possible, provides assurance on the Action Plan and its delivery that you have developed locally. I will look to the SOLACE review before considering if any further action is necessary.

I encourage you to continue engaging with DLUHC officials, including on the SOLACE review, to provide assurances on the Authority's Action Plan and its delivery. Officials will be in touch to arrange a suitable touchpoint in the coming weeks.

Yours sincerely,

LEE ROWLEY MP

Appendix 2

TERMS OF REFERENCE FOR INDEPENDENT PEER CHALLENGE REVIEW

The review will include consideration of:

- The extent to which there is a consistent view of the role and purpose of the West of England Combined Authority
- how the CA and its constituent members can improve their ability to set a clear and agreed ambition for the region and their partnership.
- the working relationships and supporting architecture required to enable effective collaboration both between politicians and between chief officers across the CA and its constituent member organisations.
- the role of statutory officers in circumstances when a potential conflict is identified.
- In the light of the above, whether there is sufficient appropriate leadership and capacity to be able to deliver the ambition, objectives and statutory responsibilities of the West of England Combined Authority

The report produced as part of this review will include consideration as to whether the existing action plan resulting from the recent value for money audit report requires any amendment. The action plan sets out the intention to report on progress swiftly including with reports back to the Combined Authority Committee initially at the March meeting to ensure agreement ahead of pushing on with delivery. The fortnightly meeting of CEOs will receive updates on the work as it progresses.

In order to answer these questions, the following areas will be considered:

- the operation, culture and structure of the Combined Authority, and of the constituent Unitary Authorities insofar as it relates to regional partnership working;
- the effectiveness of arrangements in place to support the required collaboration between political and organisational leadership of the Combined Authority and constituent members;
- the capacity and/or capability to provide the Combined Authority with clear and effective strategic direction;
- adequacy and use of resources and the impact of governance on the Combined Authority's ability to deliver best value;
- the appropriateness of the Governance arrangements of the Combined Authority to enable delivery, including the constitution and the schemes of delegation;
- the culture of openness, transparency and trust within and between the officers and members of the Combined Authority Committee and Unitary Councils;
- openness to robust, constructive, high support challenge;

- the effectiveness of working relationships and engagement with partners, including North Somerset.

This work will provide conclusions on the action needed to improve the ability of the CA and its constituent authorities to:

- effectively develop and agree overarching strategies and associated delivery plans for the region
- establish clarity of purpose for what the Combined Authority is there to do and that constituent authorities will agree to provide the landscape, operational freedoms and support the Combined Authority in seeking to achieve
- put the right arrangements in place to enable positive collaboration between the Combined Authority organisation and constituent authorities
- support Combined Authority committee members to provide clear and effective leadership and direction for the benefit of the region
- improve the capability of the Combined Authority to be an effective organisation, working as part of a broader local system

Appendix 3 - Action Plan for consideration by West of England Combined Authority Committee Dec 2022

Recommendation	Accepted	Issues to be addressed	Response	Action	Measure of outcomes	Timescale
SR1 <i>The Mayor and members of the Combined Authority represented by the Council Leaders, must commit to improving their working relationship and demonstrate that significant progress has been made within a reasonable timeframe to be determined by the Mayor and Combined Authority. This should include a role for independent mediation and the constructive consideration of advice arising from this process (SR1)</i>	Yes	<ul style="list-style-type: none"> • Culture & behaviour • Mediation & Relationships • Communication • Internal Decision making 	<ul style="list-style-type: none"> • We recognise there have been strained relationships. Work is ongoing to promote greater understanding among West of England partners. • This is part of a longer-term ongoing conversation which will require engagement at all levels between the Combined Authority and Unitary Authorities and LEP as we develop, improve and embed new working practices to adapt and reflect changing circumstances. 	<ul style="list-style-type: none"> • Leaders will continue to regularly meet with the Combined Authority Mayor as required to both address any concerns early and to identify opportunities. • A programme of activities to agree regional priorities will take place in 2023. This will involve free and frank discussion regarding the allocation of existing resources in the context of new and emerging challenges, such as inflationary pressures, to primarily focus on the delivery of projects. A Regional Priorities workshop which leaders have all agreed to attend is scheduled for January. • Board members will be involved at an earlier stage in setting a strategic regional direction • Consideration of appropriate attendees (wider than Mayors, Leaders and CEOs) to attend the regional prioritisation workshop will be made (including regional finance officers (S.151) officers, Directors for Infrastructure, and independent voice(s)), to ensure the workshops results in meaningful outcomes 	<ul style="list-style-type: none"> • Implement a programme of activities to discuss regional priorities with leaders, senior officers and board members • Regional priorities paper to be considered by Combined Authority Committee in March 2023. • Timely Committee meetings to be held • To allow for maximum participation leaders & senior leaders will be given advance notice of meetings. • Agendas and Papers will be issued in good time in advance of meetings taking place. 	March 2023, and Ongoing

Recommendation	Accepted	Issues to be addressed	Response	Action	Measure of outcomes	Timescale
<p>SR2 - A formal protocol should be agreed between member organisations within the Combined Authority to commit to consultation on key proposals, that they should define, at an earlier stage. Combined Authority members should engage effectively in this process, to help mitigate points of contention before they are published and debated in public. This should include a commitment to deliver proposals on a reasonable timetable</p>	Yes	<ul style="list-style-type: none"> Working practices Culture & solution development Communication Internal decision making 	<ul style="list-style-type: none"> Senior officers in the Combined Authority and Unitary Authorities play a key role in finding solutions to contentious problems all year round. We value this important work, and we will ensure this is standard practice as a move forward. We recognise that constructive relationships are as important as processes. All West of England partners will commit to meaningful consultation when developing solutions and proposals to 	<ul style="list-style-type: none"> Senior Officers will meet collectively and individually with their counterparts as policies and projects progress, from conception to delivery and evaluation. The Combined Authority will ensure that Cabinet Members from the Unitary Authorities can request briefings with senior CA officers as required. Any existing regular meetings will continue in line with agreed arrangements. An officer delivery board has been established and meets twice a month to review progress on agreed projects and to provide challenge and support to ensure more timely delivery on all projects where relevant. These boards will continue and will report directly to regular joint CEO meetings. This process will be reviewed to further strengthen the board if necessary. To help support driving delivery of key projects, proposals will include a commitment to deliver on a reasonable timetable (agreed by the Committee), which will be included in relevant papers going forward. 	<ul style="list-style-type: none"> Implement a programme of activities to discuss regional priorities with leaders, senior officers and board members Regional priorities paper to be considered by Combined Authority Committee in March 2023. Timely Committee meetings to be held To allow for maximum participation Mayors, Leaders & Senior Officers will be given advance notice of all meetings. Agendas and Papers will be issued in good time in advance of all meetings taking place (public and private) to enable proper consideration and informed debate to take place in the meeting.) Papers detailing proposals will contain agreed timetables for delivery. A forward plan of decision making for public meetings will be maintained and published. 	March 2023 and ongoing

Recommendation	Accepted	Issues to be addressed	Response	Action	Measure of outcomes	Timescale
			<p>help leaders to mitigate points of contention where possible ahead of Combined Authority Committee meetings.</p> <ul style="list-style-type: none"> • Further work to find solutions to operational matters will continue with a view to embedding new working practices which will be developed with all partners. • Meaningful engagement with Combined Authority Scrutiny and Audit Committees will continue ahead of CA committee meetings to ensure 			

Recommendation	Accepted	Issues to be addressed	Response	Action	Measure of outcomes	Timescale
			constructive feedback on key proposals.			
SR3 - <i>In future, in all circumstances, including where there is a potential conflict of interest affecting individual statutory officers adequate steps must be taken to ensure the statutory duties of these officers is effectively discharged.</i>	YES	<ul style="list-style-type: none"> VfM Communication Transparency Working practices 	<ul style="list-style-type: none"> A protocol has been prepared and shared earlier this year with the Auditor and Chair of Audit, which has been designed to manage the rare cases of conflict of interest by statutory officers. This is designed to reflect the unusual circumstances that in a small authority there may not always be another employee able to discharge the role of deputy 	<ul style="list-style-type: none"> The protocol will be shared with UA Leaders, Chairs of Audit and Scrutiny for comment before being adopted and published. The protocol will be published on the Combined Authority's website and shared with Combined Authority officers. The Combined Authority Monitoring Officer will brief senior officers regarding the implications of the protocol. 	<ul style="list-style-type: none"> In the unlikely situation that a similar circumstance arises, the Mayor and Unitary Authority Leaders will be briefed by the Chief Executive on a confidential basis. 	January 2023
KR1 - <i>The future management structure of the Combined Authority should</i>	YES	<ul style="list-style-type: none"> Leadership Organisation Culture 	<ul style="list-style-type: none"> Recognising that several senior leadership posts are 	<ul style="list-style-type: none"> A new Senior Leadership Structure of the Combined Authority will be developed in 2023. 	<ul style="list-style-type: none"> A new senior leadership structure will be developed by Combined Authority Officers in consultation with expert support (a third party) 	New senior structure to be implemented by October 2023.

Recommendation	Accepted	Issues to be addressed	Response	Action	Measure of outcomes	Timescale
<p><i>be reviewed in order to ensure it is fit for purpose in the context of new funding awards and strategic priorities and this must include appropriate consultation and agreement by the CA Committee.</i></p>			<p>currently vacant and interims are in post, there is an opportunity to develop a new Senior Leadership Structure of the Combined Authority which will be developed in 2023.</p> <ul style="list-style-type: none"> • This structure will reflect the changing funding landscape which has emerged in recent years and will meet the requirements of our strategic priorities. • We recognise the need for senior leadership stability and will aim to complete this process by Autumn 2023. 	<ul style="list-style-type: none"> • The Combined Authority will use expert support to determine necessary skills and appropriate structures are in place so as to recruit suitably skilled permanent staff at pace. • It will be agreed in line with the Constitution by the West of England Combined Authority Committee • Process regarding Senior Officer appointments to be guided by external expert support 	<ul style="list-style-type: none"> • A new senior leadership structure will be implemented by October 2023 following engagement and consultation with the Constituent member organisations. • All Senior Officer roles will have permanent appointments as soon as practicable. 	

Recommendation	Accepted	Issues to be addressed	Response	Action	Measure of outcomes	Timescale
<p>KR2 - <i>The Constitution of the Combined Authority should be revised to define the conditions under which it is acceptable for other officers and members to seek independent legal advice, without reference to the Monitoring Officer and/or Head of Legal Services.</i></p>	Yes	<ul style="list-style-type: none"> Working practices Internal decision making VfM 	<ul style="list-style-type: none"> The Constitution of the Combined Authority will be revised to define the conditions under which it is acceptable for other officers and members to seek independent legal advice, without reference to the Monitoring Officer and/or Head of Legal Services. 	<ul style="list-style-type: none"> The West of England CA Monitoring Officer will provide wording for the constitution at the next suitable meeting of the Combined Authority Committee (no later than March) in consultation with the Monitoring Officers of the Unitary Authorities. Such a change would require unanimous support of the Mayor and Leaders at a West of England Combined Authority Committee meeting. 	Constitution updated to reflect new protocol.	March 2023 or as soon as is practically possible
<p>IR1 <i>That consideration of relationships with the Chief Executive Group should be incorporated into any relationship development and mediation work undertaken.</i></p>	Yes	<ul style="list-style-type: none"> Culture & behaviour Mediation & Relationships Communication Internal Decision making 	<ul style="list-style-type: none"> Work is underway to establish longer term working practices among all senior officers which embed a culture of mutual understanding and constructive working. 	<ul style="list-style-type: none"> Senior Officers will continue to meet collectively and on a 1:1 basis going forward. All Senior officers will work collaboratively and engage in meaningful consultation when developing solutions and proposals to help leaders to mitigate points of contention where possible ahead of Combined Authority Committee meetings. Where possible, matters of contention will be flagged with all senior officers in good time 	<ul style="list-style-type: none"> Senior Officers and CEOs will continue to meet regularly at a regional level. Areas of contention will be shared with partners in good time to enable solutions to be developed where possible. Agendas and Papers will be issued in good time in advance of meetings taking place. 	March 2023

Recommendation	Accepted	Issues to be addressed	Response	Action	Measure of outcomes	Timescale
			<ul style="list-style-type: none"> We recognise that constructive relationships are as important as processes. Staff survey results to be reported back to committee. 	<p>to allow for solutions to be developed ahead of Combined Authority meetings.</p> <ul style="list-style-type: none"> All Senior Leaders will commit to promote a culture of respect and understanding at all times. Where relationships require support, Senior Leaders will seek mediation at an early stage to ensure good working practice continue and solutions can be developed. A forward plan of decisions and activities to help with planning / resourcing / engagement for CEOs meeting will be developed. 		
<p>IR2 <i>That the constitution be reviewed, as previously considered by Combined Authority Members. This should incorporate the new Monitoring Officer protocol but also focuses on the specific ambiguities raised in the recent legal advice including the definition of statutory roles, delegated</i></p>	Yes	<ul style="list-style-type: none"> Constitution Working practices Internal decision making 	<ul style="list-style-type: none"> The Constitution will be revised to include the new Monitoring Officer protocol MO will discuss this and any further changes to the document in consultation with the Unitary Authority MOs, which would require unanimous 	<ul style="list-style-type: none"> The Constitution will be revised to include the new Monitoring Officer protocol. Regional MOs to meet regularly to discuss any matters regarding the constitution that need addressing. 	<ul style="list-style-type: none"> The Constitution will be revised to include the new Monitoring Officer protocol and wider issues identified in IR2. 	March 2023

Recommendation	Accepted	Issues to be addressed	Response	Action	Measure of outcomes	Timescale
<p><i>powers, managing conflicts of interest, decisions on all senior staffing matters including restructure and severance. The results should be reported to committee and used alongside the points we have raise basis for revision. There may be value in reviewing other Combined Authority constitutions to optimise the opportunity to improve the document in these areas.</i></p>			<p>support of the Mayor and Leaders at a West of England Combined Authority Committee meeting.</p>			
<p>IR3 <i>That the performance reviews of the senior officers be formally recorded, including reasonable steps taken to manage issues and provide access to resources to</i></p>	<p>Yes</p>	<ul style="list-style-type: none"> • Performance • Working practices 	<ul style="list-style-type: none"> • The annual performance reviews of all senior officers will be formally recorded, including reasonable steps to manage issue and provide 	<ul style="list-style-type: none"> • Internal actions put in place to ensure Performance reviews are formally recorded. • Consideration of the GT Auditing Culture report made by the Head of HR in consultation with UA HR leads (and others as relevant), and recommendations for improvement made for 	<ul style="list-style-type: none"> • Performance reviews to be formally recorded. Head of HR to provide confirmation process has been implemented by January. Process for managing senior management performance shared with UA partners. • Positive staff survey results and feedback at all levels of the organisation. Results shared with CA lead members and CEOs on a regular basis. 	<p>January and March 2023 respectively</p>

Recommendation	Accepted	Issues to be addressed	Response	Action	Measure of outcomes	Timescale
<p><i>enable skills development as appropriate.</i></p>			<p>access to support and resources to enable skills to develop as appropriate.</p> <ul style="list-style-type: none"> • Reviewing GT 'Auditing Culture' Report: Auditing Culture and to consider how best practice can be implemented in the Combined Authority. • Organisational Performance Reports to be developed and shared with all CA partners, which would include staff survey results, turnover, KPIs. • Process for managing senior officer performance to be shared with UA partners. 	<p>consideration by the constituent member CEO group</p> <ul style="list-style-type: none"> • Process agreed by March 2023 for the recording and sharing of key organisation performance indicators and information with member organisations relating to organisational culture and health 		

Recommendation	Accepted	Issues to be addressed	Response	Action	Measure of outcomes	Timescale
<p>IR4 – <i>That the Monitoring Officer role retains its current seniority at Director level in any future restructure or that sufficient safeguards are implemented to protect the authority and influence of the role.</i></p>	<p>Yes</p>	<ul style="list-style-type: none"> • Leadership • Organisation structure • Culture 	<ul style="list-style-type: none"> • The Monitoring Officer will remain as a Director role in any future senior leadership structure which will be considered by the Combined Authority Committee. Any change would require a vote of the West of England Combined Authority Committee. 	<ul style="list-style-type: none"> • Monitoring Officer to be confirmed at Director Level in any future leadership structure. Any change would require a vote of the West of England Combined Authority Committee. 	<ul style="list-style-type: none"> • Monitoring Officer role retains its current seniority at Director level in any future restructure. Any change would require a vote of the West of England Combined Authority Committee. 	<p>Ongoing</p>

Report from Audit Committee

WECA Audit Committee wish to draw the following matters to the attention of the WECA Committee.

1 VFM report

These comments are a summary of discussions at Audit Committee, representing views supported by all members from all political parties. We preface these remarks by emphasising that all members want WECA to succeed and recognise how important its role is, which is why we want it to work effectively.

Members want to see WECA benchmarked against other combined authorities. We understand that political differences will occur but we expect them to be managed

In December Audit Committee were briefed on the action plan in response to the VFM audit report.

It was indicated that the action plan would be evolving and developing. However, on 2nd March we were presented with the same plan with no updates or improvements. In December we were told that the Leaders were planning a meeting in January, to deal with the co-working issues and establish how they could improve their working. We understand that meeting eventually took place in late February.

We welcome the ToR for the Solace Peer Challenge but note that these issues were those identified by audit and Scrutiny meetings over a year ago.

If we are to be updated on the action plan (which we expect on a regular basis), we would like to know what has actually happened

rather than have received a document that has not changed since it was tabled at the beginning of December

- For SR1(improve working relationship), we have seen no evidence that this is happening if it is to happen by march, why is there no detail of the programme of activities and the Regional Priorities
- For SR2,(commit to protocol to consult) we note that in spite of the VFM report the last WECA Committee involved a 100-minute adjournment for leaders to agree on the budget. We reiterate that these breaks indicate a failure of commitment to work together and are damaging to the public and governmental perception of the Authority.
- for SR3,(statutory officer conflict of interests) what is the status of the protocol. Has it been circulated and published by January 2023
- for KR1 (future management structure)is this on course for October 23 if the Employment Committee cannot function between March and May
- KR2.(re independent legal advice) “As soon as is practically possible” is not specific enough and does not acknowledge the seriousness of the weaknesses. There is no reason why this has not been actioned
- IR1. (chief execs working relationship). Who is checking independently with UA senior officers that this is working
- IR2(constitution) as more and more flaws in the constitution become apparent what action has been taken. Has anything happened on the Constitution? This is not specific enough and does not acknowledge the seriousness of the many issues. This is important enough for a detailed and specific timeline to be established for addressing each area of weakness.

- IR3.(senior officer performance reviews This was presented to audit Committee with no assurance from the Head of HR. Has it been formally recorded

Audit Committee wants to see detail to confirm that the actions referred to in the Action Plan and happening and are effective in achieving the required outcome.

We would hope each member of the Committee can commit to working together to resolve differences in advance of public meetings, so that any amendments to papers can be agreed and published in such a way that members of the public and Councillors can understand what has changed from the originally produced papers.

Without categoric confirmation that the actions are happening and are effective and without all individual Committee members commitment, the action plan is only an attempt to placate auditors and audit committee.

One of our members summed this up succinctly “Message from Audit Committee should be: sort out matters of disagreement ahead of the meetings and present a united front on the day”