



Department for Levelling Up,
Housing & Communities

Richard Ennis
Interim Chief Executive
West of England Combined Authority

Max Soule
*Deputy Director, Local Government
Stewardship*

Department for Levelling Up,
Housing and Communities
4th Floor, Fry Building
2 Marsham Street
London SW1P 4DF
www.gov.uk/dluhc

5 March 2024

West of England Combined Authority Best Value Notice issued on 5 March 2024.

The Department expects authorities to identify and implement arrangements to secure continuous improvement. Ministers are concerned as to the West of England Combined Authority's capacity to comply with its Best Value Duty under the Local Government Act 1999. The Minister for Local Government has therefore made the decision to issue the West of England Combined Authority with this Best Value Notice.

This Best Value Notice ("Notice") is a formal notification that the Department has concerns regarding an authority and is a request that the authority engages with the Department to provide assurance of improvement. The Department expects authorities that have been issued with Best Value Notices to continue leading their own improvement, and we recognise that the West of England Combined Authority are already taking steps to address issues in the combined authority.

This Notice is issued to the West of England Combined Authority ('the Authority') following inconsistent action against concerns highlighted by a value for money report published by Grant Thornton in November 2022, a further independent review of the West of England Combined Authority published by the Society of Local Authority Chief Executives (SOLACE) in February 2023, and subsequent engagement between the department and the Authority and relevant stakeholders. The concerns we've identified include:

- The poor state of professional relationships between the West of England Combined Authority Mayor and the representatives of the constituent members of the Authority which is impacting partnership working and potentially limiting the authority's ability to optimise strategic opportunities.
- The Authority's constitution needs review and clarification to work in a more effective and agile way.
- The function and purpose of the Authority has not been collectively understood and the roles, responsibilities and 'powers' of a combined authority are not fully grasped, resulting in confusion between strategic governance and day to day transactional activity.
- The Authority lacks a clear, shared narrative regarding the West of England and how it will operate for the benefit of the wider region.

The Authority has engaged constructively and openly with the Department and has already taken some steps to address the concerns raised in both the external audit report and the independent review. A good level of progress has been made at officer level, with a comprehensive Transformation Plan developed, some of which is already being implemented, in response to these findings. However, we expect the Authority to continue to improve and, specifically, to set out plans to address ongoing concerns and deliver all recommendations at pace with the support of strong political leadership and stability of statutory officers. In particular, the Authority should:

- Reset the culture and relationships between the West of England Combined Authority Mayor and representatives of the constituent members of the Authority. In doing this, take advantage of external support in facilitating coaching and development for the political leadership of the West of England Combined Authority and the Unitary Authorities.
- Through strong partnership working, develop and agree strategic priorities for the West of England which will benefit local residents in the wider region.
- Review and update the Authority's constitution to enable more effective decision-making and scrutiny processes, making representations to the Department on any proposed changes.
- Engage with the Department on a range of ongoing issues with the aim to enhance the operation and structure of the West of England Combined Authority.
- Establish an independent improvement panel to support the authority in delivering the necessary improvements detailed in this notice, engaging with the Department in determining its timing, scope, membership, and terms of reference.

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

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

This Notice is issued outside the statutory powers held by the Secretary of State under the Local Government Act 1999 to inspect or intervene in local authorities where there is evidence of Best Value failure and, separately, under section 230 of the Local Government Act 1972 to request information from local authorities. However, a failure to demonstrate continuous improvement may be judged to contribute to Best Value failure and the Secretary of State will consider using these powers as appropriate.

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

We also expect the Authority to engage regularly with the Department during the period of the notice. A member of my team will be in touch with you to make arrangements. I look forward to receiving updates on your progress.

Yours Sincerely,

Max Soule
Deputy Director, Local Government Stewardship