



Combined Authority Board	Agenda Item
26 July 2023	12

Title:	Corporate Performance Report - 2023/24 Baseline
Report of:	Kate McFarlane, Head of Policy and Executive Support
Lead Member:	Mayor, Dr Nik Johnson
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	N/A

Recommendations:	
A	Note working list of Corporate Key Performance Indicators (KPIs) and approach
B	Consider progress of initial performance data, progress in delivery of most complex programmes, projects and activities.
C	Note progress to evaluate impact of the original Devolution Deal Investment Fund
D	Note plans to develop the Combined Authorities (CA's) Performance Management Framework (PMF)
E	Review and comment on the relevance and accessibility of the performance information presented in this report.

Strategic Objective(s):	
The proposals within this report fit under the following strategic objective(s):	
X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities
X	Achieving best value and high performance

Performance reporting and the Performance Management Framework will support the scrutiny of performance information relating to the achievement of outcomes and outputs relating to all five strategic objectives, strengthening scrutiny and accountability in line with expectations outlined in the English Accountability Devolution Framework. The Performance Management Framework will also be a key policy that supports the organisation to achieve best value and high performance.

1. Purpose

1.1	<p>This report sets out our proposed new approach to performance reporting to enable feedback. The proposal is for the quarterly reports to be made up of performance reporting of our:</p> <ul style="list-style-type: none">• Corporate Key Performance Indicators (KPIs)• Most Complex Programmes and Projects• Priority Activities• Original Devolution Deal (through our Investment Fund Gateway Review) <p>In the immediate term Improvement Programme reporting will be reported separately.</p>
1.2	<p>A regular update on progress of the Devolution Deal Investment Fund Gateway Review assessment will replace previous reporting on progress against our Devolution Deal.</p>
1.3	<p>The Performance Management Framework will be coming to the September CA Board meeting, alongside a new Single Assurance Framework approach. The associated Performance Report will include more detailed information on our KPIs and the first reporting on progress against each of them than is included here.</p>
1.4	<p>We are still early in our journey in developing our KPIs and feedback is welcome. Whilst we are making significant strides forward, further effort will be required to establish and embed reporting, before it becomes routine. The CA is committed to making improvements across all KPIs to enhance the effectiveness of performance monitoring.</p>

2. Proposal

2.1	<p>Proposed working list of Corporate KPIs</p> <p>The CA is aiming to establish a comprehensive and refined list of Corporate KPIs, with a balanced scorecard approach encompassing resident, internal process, learning and growth, and financial perspectives.</p> <p>Establishing and embedding a performance management culture is new to many areas of CA activity and the organisation as a whole. Stakeholder engagement, awareness and capability are key. The CA are making significant strides forward, although progress has sometimes been slow due to the newness of the process. Further effort will be required to establish and embed reporting, before it becomes routine. Cross-organisational collaboration is critical ensuring accurate data collection, targets and performance commentary are captured.</p> <p>Appendix 1 provides the proposed list of Corporate KPIs which are made up of two elements. The proposed resident outcome measures that directly link to our adopted Corporate Plan and internal, learning & growth and financial KPIs. We are especially seeking the views of Board on what are the most relevant and important internal, learning & growth and financial KPIs that members would want to see reported. Feedback from CACEG/CPPSB Group was that it would not be appropriate to report all of the internal, learning & growth and financial KPIs to the Board because of the sheer number and it would be appropriate to condense the list and prioritise those reported.</p> <p>Appendix 2 is an example of how we intend to report performance against KPIs in future reports, showing detail behind two of the KPIs from the list provided in Appendix 1.</p> <p>In developing our approach, the CA has actively explored best practice in corporate performance reporting and looking forward is seeking to establish the dashboard using Excel. Once the Excel dashboard has been developed, an automated PowerBI dashboard will follow to present performance against each KPI in a dynamic manner.</p> <p>Currently, the CA are at the stage of refining KPIs, assessing available data and developing targets. The development of the dashboard is underway, aligning KPIs with the balanced scorecard perspectives. The CA are advancing step by step in the creation of the dashboard and categorising KPIs accordingly.</p>
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2.2

Proposed approach to reporting Corporate KPIs

The CA are proposing the implementation of a RAG rating system to assess the performance of the KPIs. This rating system provides a clear and standardised approach to evaluating KPI performance based on predefined criteria. The RAG Rating consists of the following categories:

RAG Rating	Description
Red	Current performance is off target by more than 10%
Amber	Current performance is off target by 10% or less
Green	Current performance is on target by up to 5% over target
Blue	Current performance is on target by more than 5%
Baseline	Indicates performance is currently being tracked to inform the target setting process
Contextual	These measures track key activity being undertaken, to present a rounded view of information relevant to the service area, without a performance target
In Development	Measure has been agreed, but data collection, target setting and/or dashboard are in development

This allows for easy comparison and understanding of performance levels. Secondly, the system offers clear visual cues, making it easier to identify areas of concern or success at a glance. Additionally, the RAG rating system covers the entire spectrum of KPI development, from measures that are already in place and being tracked to those still in the development stage.

Appendix 1 in future reports will have columns showing performance; this includes target, direction for improvement, performance (current period), performance (previous period), % change in performance and RAG rating. If there are any Red KPIs, this paper will summarise the planned actions to improve performance. Any changes to the proposed list of KPIs or additions will be noted in each report.

2.3

Proposed list of most complex programmes and projects & rationale for Most Complex reporting

The CA is accountable for over 50 projects or programmes, each of which are reported on in line with our Assurance Framework.

A new dashboard has been developed which includes reporting on these 50+ projects, and it will be live on our website from August 2023.

As there is going to be reporting on all our projects and programmes on our website, we have taken the approach to bring to the CA Board a more focused report on the most complex and significant projects.

In this Corporate Report we are therefore proposing to focus our reporting on those that are 'Most Complex'. Most Complex refers to CPCA funded programmes and projects that are considered most significant at the time of the report, in terms of value, strategic fit and where there would be significant impact if the project fails to deliver.

To reach the proposed list we have used our existing Corporate Prioritisation approach and assessment, that was used during the call for projects in early 2022. It is linked to the Sustainable Growth Ambition Statement and the CA's Six Keys to Sustainable Growth. We also considered the stage of project and financial value.

A new approach to Corporate Prioritisation is being proposed in the Single Assurance Framework, due to come to September Board meeting. If approved this would supersede the current approach outlined above.

To reach this proposed list, we used an existing approach, but we understand that it is imperfect and there may need to be some subjectivity in it.

See Appendix 3 for performance summary of the Most Complex programmes and projects.

<p>2.4</p>	<p>Headline Priority activities</p> <p>The CPCA has been going through a significant period of change and transformation since Autumn 2022. During this period a number of priority activities to support the successful delivery of the Corporate Plan and Mayoral Ambition Statement have been identified.</p> <p>Communications, Engagement and Public Affairs was highlighted as one of six targeted areas for improvement. We are committed to improving the Combined Authority’s lobbying ability and the Public Affairs Team are working on the development of a transformational plan to deliver this. A core element of embracing our convening role is to further develop and communicate our key offer to government. An example of this is the Rail Summit the CPCA hosted on Friday 7th July, chaired by former Transport Minister Rt Hon Norman Baker. Working in partnership with a range of stakeholders the CPCA brought together the rail industry, business leaders and politicians to discuss how rail improvements in Cambridgeshire and Peterborough can unlock good growth for the South-East, East of England and beyond. The timing of the summit allowed us to build on the recent discussion in Parliament about Ely Area Capacity Enhancements and the publication of a new report into Ely junction by England’s Economic Heartland and Transport East. The summit was followed by a letter to Treasury and the Department for Transport from Mayor Dr Nik Johnson and Combined Authority Chief Executive Rob Bridge.</p> <p>In addition to lobbying around rail improvements, we are also working with colleagues in South Cambridgeshire on initial activity around the water and utility constraints which are blocking much-needed growth in the region.</p> <p>To drive improvements in Communications, Engagement & Public Affairs an external review which seeks to agree the focus and structure of efficient and highly effective fit for the future communications, engagement and public affairs functions is underway. Staff and stakeholders are feeding into this. The review is scheduled to be completed in Q2.</p> <p>Work is also underway to scope out our detailed requests for further skills devolution for the Cambridgeshire & Peterborough Region. In the trailblazer devolution deals for the West Midlands and Greater Manchester Combined Authorities commitments have been made to ensuring that the education, skills, and employment support system is truly responsive to local needs, including those identified by employers in the local skills improvement plan. In addition to proactively developing our position we are looking to raise awareness of the opportunities for further skills devolution and Councillor Anna Smith, Deputy Mayor, will be highlighting this in her speech at the East of England All Party Parliamentary Group’s Levelling up, Education and Skills Session in July 2023.</p> <p>Project plans and delivery was one of eight themes for improvement identified by the External Auditor and Best Value Notice. The development of a new Single Assurance Framework that reflects agreed organisational values, drives standards and ‘future proofs’ the Combined Authority will ensure the strongest possible delivery of priority activities. A revised Risk Management Framework is being embedded within corporate governance arrangements to ensure any risks to the delivery of priority activities can be identified and remediated as early as possible.</p>
<p>2.5</p>	<p>Evaluation of impact of Original Devolution Deal (Gateway Review) update</p> <p>As part of devolution, all Combined Authorities and Growth Deals are expected to undergo a five yearly review of effectiveness: with DLUHC setting the requirements for this process. The purpose of the Gateway Review is to evaluate the impact of (locally appraised) interventions funded by each Investment Fund on local economic growth, and the process by which these interventions were agreed and implemented.</p> <p>The CA has produced a Local Evaluation Framework as the first stage of its second Gateway Review involving tailored logic models covering activity by intervention areas with a plan for intervention-level evaluations. The CA has proposed where impact evaluation is appropriate with agreement from the Independent Evaluation Panel (IEP).</p> <p>The Local Evaluation Framework has been submitted to the Department for Levelling Up, Housing & Communities (DLUHC) for final review and sign off.</p>

2.6

Planned evaluation of the impact of the CA's Devolution Deal

The timeline for the Gateway Review is as follows:

Output	Submission Date
Local Evaluation Framework (LEF)	30th June 2023
Mid Term Report	End February 2024
Final Report and Contextual Report	End October 2025
Challenge Session	Post October 2025

An impact evaluation is the core focus of the LEF. All interventions (expected to) complete one year in advance of the Gateway Review Final Report are in scope for impact evaluation. The following four interventions will be subject to impact evaluation for this Gateway Review:

- Covid Micro Grants
- Market Towns (Phase 1)
- University of Peterborough
- Enabling Digital Connectivity

In some cases where it will be too early to evaluate impacts by the Gateway Review, a progress evaluation will be included that will report on the progress that interventions have made by the point of the Gateway Review. All the interventions will be included in the progress evaluation.

A progress plus evaluation can be a secondary option for interventions which are significant in terms of progress with implementation, financial scale, novel delivery method, strategic importance, etc. This will identify emerging outcomes and consider the anticipated future beneficial impacts of an intervention. The following two interventions will be subject to a progress plus evaluation:

- Business Growth Fund
- Market Towns (Phase 2)

The timing of the impact evaluation research for the interventions, extending over the period up to and including the Gateway Review report in October 2025, will involve identifying, planning, executing, and analysing key tasks required for the evaluation.

2.7

Planned further development of Performance Management Framework (PMF)

Progress to date

- Work is underway to draft a PMF for the CA.
- Research on PMF best practice has been completed and models for consideration presented to the Chief Executives' Group for their guidance and views.
- A working group of constituent authority officers who are experts in performance management, and Members and officers from across the CA, including O&S and A&G, are actively engaged in developing the PMF.
- Lessons learnt from the development and implementation of the CA's Interim PMF is being fed into the development of the PMF.

PMF Structure

The PMF will be structured to include:

- Sections on accountability principles; our approach to performance management; governance, roles and responsibilities; our performance management system; our performance management culture; and assurance.
- An introduction will describe why performance management is important and sets out what and who the PMF is for and what it contains.
- A section on accountability principles will describe who the CA is accountable to and how we have developed the PMF.

- A section on our approach to performance management will describe the models and guidance we have drawn on and the standards we are meeting. This will include the Golden Thread model and guidance from the Department for Levelling Up, Housing and Communities.
- A section on governance, roles and responsibilities will set out who is accountable for the CA's performance management and who is involved. It will describe how these roles and responsibilities relate to the CA's constitution and how the CA will develop its resources and capacity in order to implement the PMF.
- A section on our performance management system will set out how performance management relates to our Single Assurance Framework, how we choose and produce performance measures, how we give the public, our Mayor and Members access to performance information, how we report the CA's performance and how we use a range of communications channels to actively bring our performance information to the attention of the public
- A section on performance management culture will describe how our performance management will demonstrate our values and how we will develop officers', Mayor's and Members' knowledge, skills and behaviours (e.g. in data literacy), in order to embed the PMF.
- A section on assurance will describe how we will monitor and evaluate the implementation of the PMF.

2.8 PMF Next steps

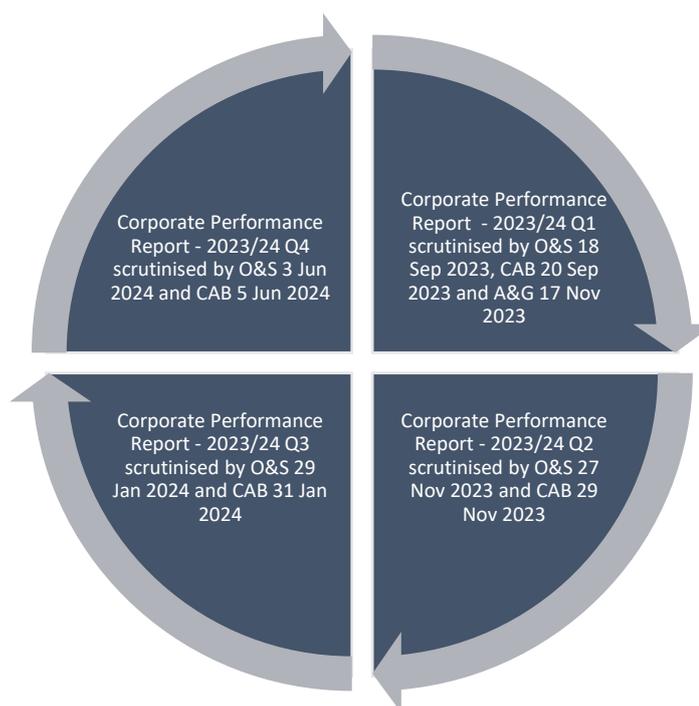
PMF Development Timeline

The proposed timeline for the development of the PMF is outlined below.



PMF Implementation Timeline

The proposed reporting cycle is detailed below.



3. Background

3.1 National government policy

On 16 March 2023, DLUHC published the English Devolution Accountability Framework. This provides guidance to MCAs and other institutions with devolved powers and is structured around three key forms of accountability:

- local scrutiny and checks and balances
- accountability to the public
- accountability to the UK government

Regarding local scrutiny, the framework includes the following statements:

- An Overview and Scrutiny Committee's role is to review and scrutinise the institution's decisions (whether planned, underway or implemented) and to make reports and recommendations to the authority on the discharge of its functions and on matters that affect the authority's area or residents.
- [It is] crucial that [Combined Authority Overview and Scrutiny] committees can recruit committed, motivated members and, crucially and retain them in post for more than one year to allow appropriate training, build knowledge and maintain focus on key policy and performance issues.
- It is crucial that local scrutiny of institutions with devolved powers sets new standards for holding their institutions to account for delivery.
- To that end, the government will develop a new Scrutiny Protocol for all institutions with devolved functions on the relationship between the mayor/elected leader, the institution and its scrutiny/audit functions. It will do this working with the currently established mayoral combined authorities, the GLA and those areas which have agreed devolution deals for their areas, as well as organisations such as the Centre for Governance and Scrutiny.
- The Scrutiny Protocol will focus on ensuring that each institution has a sustained culture of scrutiny. Membership on committees should be prized and competed for. Retention of members for several years should be common. Members should be able to devote the time to the role. And the committees should have the profile and cachet to ensure that their findings are brought to the attention of the public wherever necessary.
- Committees should have easy access to relevant data to support their role. They should be supported by a well-resourced team of clerks, regular training opportunities and access to research and analysis capability.
- Government recognises that this will take significant change and the development of the Scrutiny Protocol is an opportunity to explore innovative ideas.
- The Protocol will be developed during 2023 with a view to publishing later in year, and will be incorporated into the next iteration of this framework. Successfully implementing the Protocol will be a key factor when determining eligibility for single funding settlements and deeper devolution deals.

3.2 Legislation and guidance

Article 10 of the Combined Authorities (Overview and Scrutiny, Access to information and Audit Committees) Order 2017 states that Members of the CA OSC have enhanced rights to access information under the control of the CA or the Mayor.

Statutory guidance 'Overview and scrutiny: statutory guidance for councils and combined authorities' was published by the Department for Levelling Up, Housing and Communities in 2019. It states that, when considering what information scrutiny needs in order to carry out its work, scrutiny members and the executive should consider scrutiny's role and the legal rights that committees and their individual members have, as well as their need to receive timely and accurate information to carry out their duties effectively. Scrutiny members should have access to a regularly available source of key information about the management of the authority – particularly on performance, management and risk.

	<p>The Centre for Governance and Scrutiny (CfGS) published ‘Overview and scrutiny in combined authorities: a plain English guide’ in 2021. The section ‘Getting, and using, information to support prioritising work’ states that scrutiny members should have access to a regularly available source of key information about the management of the authority – particularly on performance, management and risk. It continues that “the consideration of detailed performance and finance data (and other data-heavy reports and presentations) at a formal committee is also a practice that tends to be ineffective. It is often best that such “regularly available sources of information”, as described in the statutory guidance, is shared with members between meetings, with member briefings convened if there is felt to be a specific, justified need for face-to-face conversations. Having access to this information means that members can then make more informed choices about what issues they actually escalate to committee for discussion. This reflects the need for councillors to drive the work process, rather than having reports and information brought to them merely for information and comment.</p>
<p>3.3</p>	<p>CPCA’s Constitution</p> <p>Chapter 4 Rule 4.2.2 of the CPCA constitution states that the CAB is directly responsible for driving output of key deliverables/performance measures for achieving good growth and ensuring that Thematic Committees and the Business Board are driving delivery of good growth key deliverables as they relate to each Thematic Committee remit. In addition, Rule 4.3.3 states that the adoption of, and any amendment to or withdrawal of the Performance Management Framework is a function that is reserved to the CAB.</p> <p>Chapter 7 Rules 7.2.1, 7.3.1 and 7.4.1 state that the Transport and Infrastructure Committee, Environment & Sustainable Communities Committee and Skills & Employment Committee are accountable for driving delivery of strategic performance measures and performance management of key performance measures from the Corporate Plan, within remit of the relevant Committee.</p> <p>Chapter 13 Rule 13.3.6 states that the Audit & Governance Committee shall monitor the CA’s risk and performance management arrangements, including reviewing the risk register, progress with mitigating actions and assurances.</p> <p>Chapter 17 Rules 17.3.10, 17.3.11, 17.3.17 and 17.3.22 state that the CA’s Shareholder Board will have a role in ensuring proper governance of the Authority’s Subsidiaries, such role to include</p> <ul style="list-style-type: none"> • monitoring performance and information from each Subsidiary, in particular on financial and other risks and escalating such risks within the Authority as appropriate • agree a mechanism to communicate the shareholder’s views to the Subsidiary by effecting systematic engagement between the Chair/Chief Executive Officer and shareholder role to assure effective performance against strategy and governance. • Reporting to the Board on the performance of the Subsidiary Companies
<p>3.4</p>	<p>Stakeholder engagement</p> <p>Improved performance management was a key aspect of the Improvement Plan endorsed by Board in October 2022.</p> <p>Following the approval of the Improvement Plan in October 2022, a Chief Executive Lead was allocated to the Performance Management elements within the plan. Since this we have continued to work closely with the lead to shape the work on Performance, Assurance and Risk Management.</p> <p>Chief Executives have been kept informed on progress. Most recently on 29 June our approach to performance was discussed at the CACEG/CPPSB Group. Feedback from that group has been taken on board and resulted in changes to this paper.</p> <p>In early 2023 the Chief Executives nominated officers from their authorities to engage with us on performance management, as well as assurance and risk. Following this we met individually with each member of the group and then developed a Partner Working Group. These meetings have allowed us to share how partners currently report on performance, and how we should report going forward. It has also allowed discussions for opportunities for closer working and sharing of data. Officers in particular noted that they welcomed sharing of performance information, and closer working on Corporate KPIs. It has been recognised that what we are trying to achieve with performance management is good practice.</p>

Most recently this group met on 20 June 2023 where this Corporate Report was reviewed. As we continue to develop our KPIs and project performance reporting, we will continue to work closely with partners in co-production.

These proposals have been co-produced with partners who have helped shape them and have been engaged throughout. This co-production will continue with next stages of the development of the PMF.

The PMF and performance report have also been co-produced with CA colleagues, and an Internal Working Group has also been established. The membership of this was decided by the Corporate Management Team, thereby ensuring views and engagement from across the organisation.

Members of A&G and O&S have been engaged in the development of the PMF and Corporate Performance Report through reports to A&G on 9 June 2023 and O&S on 19 June 2023, and a workshop in mid-July.

3.5 **Evolution of CAB Performance Reporting**

A Performance Report was last taken to Board in July 2022. Until now this had been superseded by reporting on the performance on the Improvement Plan, of which an action was to improve the way we report on performance.

The previous performance reports offered a one-page dashboard on how we are doing against three KPIs, these were GVA, Jobs and Housing. It also offered some high-level project information on the number of red, amber and green projects.

Progress against the Devolution Deal was last brought to Board in January 2022, following suggested improvements to reporting by Audit & Governance (A&G) in December 2022. The report offered narrative update on how we are doing against each of the theme chapters. The reporting on progress against the Devolution Deal is now being superseded by this report and the new Local Evaluation Framework (LEF), see 2.12 for more information.

On 30 March 2022, the CAB resolved to:

- a) Adopt a Line-of-Sight performance management model.
- b) Adopt an initial set of 29 Strategic Performance Indicators to be reported to Board, with further work to take place to develop leading indicators.
- c) Agree that a Performance Report is taken to the Board quarterly as a dashboard, and that the 'key projects' profile element of the previous Performance Dashboard be removed.

On 19 October 2022, CAB resolved to adopt an Improvement Framework including, as Workstream E, Project Outcome E2: A robust and effective PMF is in place in support of strategic framework and governance arrangements.

On 25 January 2023, CAB approved the CPCA Corporate Strategy and Business Plan 2023-25. This set out four strategic objectives with 23 associated outputs that show what the CA is achieving in the short term. The strategy also sets out the outcomes that describe what it is that the CPCA really wants to provide for the people living in the area. The strategy states that monitoring outcomes is important as this is the point at which there will be material change and improvement in the life of people living and working in Cambridgeshire and Peterborough.

On 22 March 2023, CAB noted a proposed reframed focus for outstanding improvement activity to be delivered that requires a continued corporate focus. Relating to Theme E2, actions are:

- The scoping, development and implementation of the PMF by the autumn of 2023.
- Until that date an interim PMF to be developed to provide increased assurance around project and programme delivery.

On 31 May 2023, CAB resolved to agree a fifth strategic objective of 'Achieving Best Value and High Performance'. This objective was proposed so that CPCA can clearly demonstrate Best Value and High Performance to a range of stakeholders and ensure that managerial focus and wider scrutiny is concentrated on this theme as well as the other four strategic objectives already approved.

4. Appendices

4.1	Draft Balanced Scorecard
4.2	Draft Corporate KPIs Dashboard
4.3	Most Complex Programmes and Projects Report

5. Implications

Financial Implications

5.1	<p>The recommendations above have no direct financial impact. However, work is ongoing to further develop the Performance Management Framework to provide the CPCA with a stronger evidence base, which has the potential to support more effective decision making relating to best value. e . This may include additional costs relating to:</p> <ul style="list-style-type: none">• Commissioning research• New data sets• Software subscriptions• New analyst post• Staff training
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Legal Implications

5.2	<p>This report needs to be seen in the context of the legal and constitutional nature of the CPCA itself. Under Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007), the CPCA is under a general duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.</p>
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Public Health Implications

5.3	<p>This proposal will provide the CPCA with a stronger evidence base, which has the potential to support more effective decision making relating to public health impact.</p>
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Environmental & Climate Change Implications

5.4	<p>This proposal will provide the CPCA with a stronger evidence base, which has the potential to support more effective decision making relating to environmental and climate change impact.</p>
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Other Significant Implications

5.5	<p>This proposal will provide the CPCA with a stronger evidence base, which has the potential to support more effective decision making relating to equality, diversity and inclusion impact.</p>
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Background Papers

5.6	<p>English Devolution Accountability Framework CfGS-CA-Scrutiny-Guidance-2nd-Edition-SINGLE-PAGES.pdf</p>
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