



<b>Audit &amp; Governance Committee</b>	Agenda Item
<b>09 June 2023</b>	<b>9</b>

Title:	Interim Performance Management Framework
Report of:	Kate McFarlane, Head of Policy and Executive Support
Lead Member:	Dr Nik Johnson, Mayor
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	Recommendation A – note only Recommendation B – by majority

#### Recommendations:

A	To review and assess plans to develop and implement an interim performance management framework.
B	To approve the plans as set out 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 (dependent on CAB decision 31 May)

The performance management framework will support the scrutiny of performance information relating to the achievement of outcomes and outputs relating to all five corporate priorities. It will also be a key policy that supports the organisation to achieve best value and high performance.

#### 1. Purpose

1.1	<p>The report updates the Committee on work that has taken place to develop an interim Performance Management Framework, which will give increased assurance in the interim period until September 2023, when the full Performance Management Framework will be recommended to CAB.</p> <p>Audit and Governance Committee is asked to:</p> <ul style="list-style-type: none"><li>Review and approve plans to develop and implement an Interim Performance Management Framework by July 2023.</li><li>Review and approve plans to scope, develop and implement a Performance Management Framework by the autumn of 2023.</li></ul>
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1.2	<p>National Government policy has set out a requirement for Mayoral Combined Authorities (MCAs) to be scrutinised and held to account through local scrutiny, checks and balances; accountability to the public; and accountability to the UK government.</p> <p>At Member level, performance data is currently scrutinised by Skills Committee, but not by Combined Authority Board (CAB) or the other CPCA committees. A performance report was last presented to and noted by Board in July 2022. Performance reports to CAB were subsequently stopped given the performance review element of the Improvement Plan. However, reporting of risk and internal audit actions has continued with quarterly reports going to Audit and Governance Committee and the time is now right to establish a new Performance Management Framework.</p> <p>Improvement activity to ensure a robust and effective Performance Management Framework is in place in support of strategic framework and governance arrangements is ongoing, with a plan to take the Framework to CAB in September and an implementation completion date of autumn 2023.</p> <p>An interim Performance Management Framework is being developed to provide increased assurance around project and programme delivery until September 2023.</p> <p>Accountability to the public is being developed as part of the Performance Management Framework.</p>
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## 2. Proposal

2.1	<p><b>Interim Performance Management Framework</b></p> <p>In July 2023, Overview and Scrutiny Committee and the CA Board will be asked to:</p> <ul style="list-style-type: none"> <li>• Agree proposed key performance indicators (KPIs)</li> <li>• Scrutinise baseline and Q1 data for some KPIs</li> <li>• Scrutinise progress of most complex programmes, projects and activities, including the Improvement Programme</li> <li>• Consider whether performance is at an acceptable level and identify remedial action as required</li> <li>• Consider updates on development of the Performance Management Framework</li> <li>• Consider update on progress to evaluate impact of Devolution Deal Investment Fund</li> </ul> <p>The intention is that the Q1 Performance Report will contain:</p> <ul style="list-style-type: none"> <li>• A working proposed list of KPIs, to be refined during 2023. Balanced scorecard, covering resident, internal process, learning and growth and financial perspectives. Focussed on outputs, this list will not include contextual measures.</li> <li>• Summary of RAG rating of Corporate KPIs with commentary on red rated KPIs</li> <li>• Narrative report on performance of most complex programmes and projects based on scoring of all live projects for financial value, risk and strategic alignment.</li> <li>• Narrative report on progress of priority activities e.g. second devolution deal</li> <li>• Summary of RAG rating of Reframed Improvement Plan progress</li> <li>• Performance Management Framework development update</li> <li>• Evaluation of impact of Devolution Deal (Gateway Review) update</li> <li>• Dashboard of KPIs performance (appendix)</li> <li>• Dashboard of complex programmes and projects performance (appendix)</li> <li>• Improvement Programme Highlight Report (appendix)</li> </ul> <p><b>Performance Management Framework</b></p> <p>Research on best practice has been completed and models for consideration presented to Combined Authority Chief Executives' Group for their guidance and views. Through the active involvement of the lead CEX officers from the constituent authorities, work is underway to develop an inclusive set of assurance and performance management frameworks. A working group with Constituent Authority officers who are experts in performance management has been set up and the first meeting took place in mid-May.</p> <p>The next phase is the scoping, development and implementation of the Performance Management Framework by the autumn of 2023. A workshop is being set up for O&amp;S to develop and agree the full list of KPIs for implementation in the Performance Management Framework. It is anticipated that this work will be completed by the end of August. Quarterly CPCA performance reports will be scrutinised</p>
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	by O&S and CAB in July 2023, November 2023 and January 2024. A&G will scrutinise the performance management process in November 2023, January 2024 and March 2024.
2.2	<p>Performance management is about how we consistently plan and manage improvements to our services. In simple terms, performance management enables key decision makers, both elected members and officers, to take necessary action based on facts about our performance.</p> <p>Good performance management offers many benefits including:</p> <ul style="list-style-type: none"> <li>• supporting our wider vision for Cambridgeshire &amp; Peterborough</li> <li>• driving and embedding a culture of continuous improvement</li> <li>• clarity of key objectives and targets – where we are and where we want to be</li> <li>• helping the measurement of progress towards our objectives and desired outcomes</li> <li>• promoting accountability and transparency</li> <li>• enabling best value to be demonstrated</li> <li>• instilling confidence across our organisation, our service-users and stakeholders</li> </ul> <p>Cambridgeshire &amp; Peterborough is facing a range of challenges. Performance management helps us make informed choices about how to respond, and how we will review our progress against our priorities.</p> <p>It is a tool that allows us to measure whether we are on track to achieve our priorities, plans and strategies. If we are off-track, we change our activities to improve service delivery, value for money and the outcomes people experience. Effective performance management enables diagnosis and interaction. It requires an effective performance management system and a strong performance management culture.</p>

### 3. Background

3.1	<p><b>Member decisions</b></p> <p>On 30 March 2022, the CAB resolved to:</p> <ol style="list-style-type: none"> <li>a) Adopt a Line-of-Sight performance management model.</li> <li>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.</li> <li>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.</li> </ol> <p>On 19 October 2022, CAB resolved to adopt an Improvement Framework including, as Workstream E, Project Outcome E2: A robust and effective Performance Management Framework is in place in support of strategic framework and governance arrangements.</p> <p>On 25 January 2023, CAB approved the CPCA Corporate Strategy and Business Plan 2023-25. This set out four corporate priorities 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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• The scoping, development and implementation of the Performance Management Framework by the autumn of 2023.</li> <li>• Until that date an interim Performance Management Framework to be developed to provide increased assurance around project and programme delivery.</li> </ul> <p>On 31 May 2023, CAB is being asked to agree fifth strategic objective of 'Achieving Best Value and High Performance'. This objective is being 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 Corporate Priorities already approved.</p> <p><b>National government policy</b></p> <p>In March 2023, DLUHC published an English Devolution Accountability Framework that set out how MCAs will be scrutinised and held to account by UK Gov, local politicians, business leaders, residents</p>
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	and voters. The Framework presented three themes of local scrutiny and checks and balances; accountability to the public; and accountability to the UK government. The government is committed to work with local areas to develop a Scrutiny Protocol on the relationship between Mayor, the institution and its scrutiny/audit functions. The government will set out (in 2023) a series of outcomes and metrics which will help local people to assess how MCAs are performing.
3.2	<p>This proposal responds to feedback from the following groups:</p> <ul style="list-style-type: none"> <li>• Combined Authorities Best Practice Network</li> <li>• CPCA Corporate Management Team</li> <li>• CPCA Chief Executive</li> <li>• CPCA Performance Management Project Group</li> <li>• CPCA Senior Leadership Team</li> <li>• CPCA Single Assurance Framework Internal Working Group</li> <li>• CPCA Single Assurance Framework Partner Working Group</li> </ul>
3.3	The linear option of developing the Performance Management Framework first then resuming Performance Reporting second was considered. This has not been proposed because the approach of developing both in parallel has the advantages of enabling Members to scrutinise performance data quicker and supporting testing of elements of the draft Framework.

## 4. Appendices

4.1	N/a
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## 5. Implications

### Financial Implications

5.1	<p>Full costs of the proposed Performance Framework are being finalised, albeit that existing work on the Performance Framework has been met from existing staff resources and ancillary budgets. Other costs are likely to include:</p> <ul style="list-style-type: none"> <li>• Commissioning research</li> <li>• New data sets</li> <li>• Software subscriptions</li> <li>• New analyst post</li> <li>• Staff training</li> </ul> <p>If these costs cannot be managed within existing budgets, there may be a requirement to ask the Combined Authority Board to consider the budget increase required to deliver the enhanced performance management framework.</p> <p>In addition, this proposal will provide the CPCA with a stronger evidence base, which has the potential to support more effective decision making relating to best value and help secure competitive funding.</p>
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### Legal Implications

6.1	<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 &amp; 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> <p>6.2 Chapter 13 Rule 13.3.6 of the CPCA constitution empowers this committee to monitor the Authority's risk and performance management arrangements including reviewing the risk register, progress with mitigating actions and assurances.</p>
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Public Health Implications	
7.1	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.
Environmental & Climate Change Implications	
8.1	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.
Other Significant Implications	
9.1	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.
Background Papers	
10.1	