

Combined Authority Board

Agenda Item

13

20 September 2023

Title:	Performance Management Framework and Corporate Performance Report Q1 2023/24
Report of:	Jules lent, Interim Policy Manager
Lead Member:	Mayor – Dr Nik Johnson
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	A simple majority of all Members present and voting

Recommendations:

Α	Approve the Performance Management Framework
В	Scrutinise performance information relating to the Combined Authority's Corporate Key Performance Indicators.
С	Scrutinise performance information relating to the Combined Authority's Most Complex Programmes and Projects.
D	Scrutinise performance information relating to the Combined Authority's Headline Priority Activities.
Е	Note progress to evaluate the impact of the Devolution Deal Investment Fund in a Gateway Review.
F	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 information presented relates to the achievement of outcomes and outputs of all five strategic objectives, strengthening scrutiny and accountability in line with expectations outlined in the English Devolution Accountability Framework.

1. Pu	1. Purpose		
1.1	Section 2.1 and Appendix A present the Performance Management Framework, for Members' approval.		
1.2	Section 2.2 describes plans for further development of the Performance Management Framework, for Members to note.		
1.3	Sections 2.3, 2.4, 2.5 and Appendix B present Corporate Key Performance Indicators (KPIs) performance information in a Red Amber Green rating summary, an exception report, Balanced Scorecard and Dashboard, for Members' scrutiny and comment.		
1.4	Section 2.6 and Appendix C present Most Complex Programmes and Projects performance information in a Red Amber Green rating summary, an exception report and dashboard, for Members' scrutiny and comment.		
1.5	Section 2.7 presents Headline Priority Activities performance information in narrative form, for Members' scrutiny and comment.		
1.6	Section 2.8 presents an update on the planned evaluation of the impact of the Combined Authority's Devolution Deal, for Members to note.		

2. Proposal

2.1 Performance Management Framework (PMF)

The PMF is presented in Appendix A for approval.

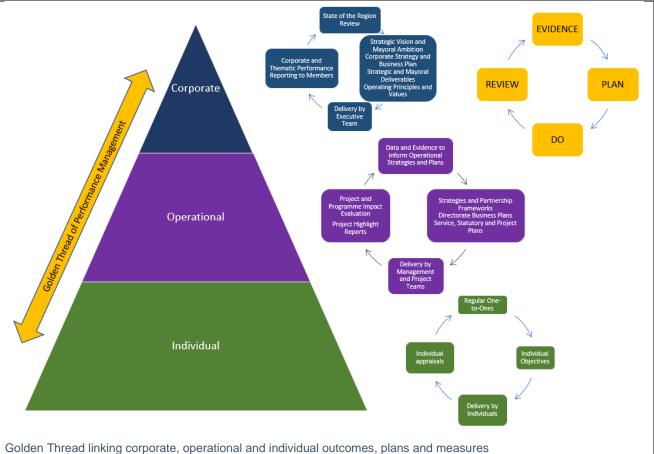
The PMF will ensure that there is a consistent, streamlined and joined-up approach to performance. It has been co-produced through a working group of constituent authority officers who are experts in performance management. Members and officers from across the Combined Authority, including Overview and Scrutiny Committee and Audit and Governance Committee, have also been actively engaged in developing the Framework.

The Department for Levelling Up Housing & Communities' English Devolution Accountability Framework (EDAF), published in March 2023, provides guidance on how Mayoral Combined Authorities should be accountable to local scrutiny, the public and the UK government. The Combined Authority's PMF will support us to comply with the standards in the EDAF, and we are seeking to go beyond the spirit of EDAF in delivering good governance and strong measures of accountability.

The PMF will sit within the proposed Single Assurance Framework (SAF). The proposed SAF sets out the processes, approach and criteria that demonstrate to government the robust assurance, appraisal and value for money considerations that are used to develop and deliver projects and programmes to a high standard, maximising the opportunity to realise benefits whilst ensuring effective stewardship of public funds.

The PMF is based on the Combined Authority's Golden Thread of performance management (see graphic below), that will ensure our outcomes, plans and measures at all levels of the Combined Authority are aligned to our Corporate Strategy.

The PMF 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 EDAF. The PMF will also be a key policy that supports the organisation to achieve best value and high performance.



2.2 Planned further development of Performance Management Framework (PMF)

The Combined Authority recognises that it can take 2-3 years to develop and embed a new performance management system. Whilst the PMF is a major step on this journey, further work is planned to refine how the Combined Authority measures and manages performance. This work will continue to look at best practice and draw on experts including Professor Andy Neely, a member of the Business Board, Pro-Vice-Chancellor for Enterprise and Business Relations at the University of Cambridge and former Head of the Institute for Manufacturing (IfM).

Implementation of performance reporting against KPIs has started at the Corporate level. However. the intention is to phase the roll-out of quarterly Thematic Performance Reports encompassing Dashboards of Key Performance Indicators (KPIs) and an exception report of Red rated KPIs. The quarterly Thematic Performance Reports will be scrutinised by our Corporate Management Team (CMT) and the relevant thematic committee (Skills and Employment Committee, Environment and Sustainable Communities Committee, Transport and Infrastructure Committee or Business Board).

At present, the Corporate KPIs dashboard is a spreadsheet that can only be shared with Members as a printed PDF. We plan to transition to Power BI, a platform that is routinely used by MCAs and other local authorities. This will provide Members will ongoing access to the data and the ability to drill down into the data, for example by geography. We will also explore other methods of rapidly escalating performance issues in-between committee cycles.

A limitation of the balanced scorecard is that whilst metrics are bundled into KPIs, RAG rating is analysed and presented at metric level rather than KPI level. Work is planned to develop and agree weightings for the metrics making up each indicator. This will enable RAG rating of the indicators as well as the metrics.

Work is ongoing to set and agree targets relating to the Corporate KPIs, where appropriate. Once targets are in place, RAG rating of performance against target will be introduced in addition to RAG rating against direction for improvement. This rating system will provide a clear and standardised approach to evaluating KPI performance based on predefined criteria. It will allow for easy comparison and understanding of performance levels and offer clear visual cues, making it easier to identify areas of concern or success at a glance.

In the future there will also be an opportunity to strengthen the framework through alignment of the State of the Region KPIs with partner KPIs. The intention is to collaborate with constituent councils and the Integrated Care System to co-produce a shared set of State of the Region KPIs.

Establishing and embedding a performance management culture is new to many areas of Combined Authority activity and the organisation as a whole. The Combined Authority is making significant strides forward but we recognise that further effort will be required to establish and embed reporting, before it becomes routine. Cross-organisational collaboration will be critical in ensuring accurate data collection, targets and performance commentary are captured.

As we strive to make our performance data more accessible, a Projects Performance Dashboard will be published on our website, which will include reporting on all Combined Authority projects. It will offer an overview of how Combined Authority projects are performing, including how many are red, amber and green. The Dashboard will be able to be filtered by area so residents, stakeholders or members can view the projects we are delivering in their area.

In line with the EDAF we will seek to develop Mayoral Question Time events that will enable the public to question the Mayor and members on a broad range of topics including the economy and growth, transport, skills and digital connectivity. We will explore a mixture of face to face and virtual events. This could include face to face events taking place in accessible venues across the region. Questions that cannot be answered sufficiently at the event will receive a full written answer.

We will create a relevant, reliable and accessible 'State of the Region' review of the current state of the Cambridgeshire and Peterborough Region. The review will assess the impact of recent macroeconomic factors on how residents live and businesses operate. It will inform conversations about the contribution the region is making regionally, nationally and internationally. We will ensure this evidence base adds value to what is already being done locally and is aligned with locally established methodologies and reporting measures. Findings from the review will be presented accessibly in a suite of communications resources including a report, short animated video, slides, infographics and an interactive dashboard embedded in the Cambridgeshire Insight website. We will seek to refresh the evidence base annually, funding permitting.

2.3 Corporate Key Performance Indicators (KPIs) Balanced Scorecard and Dashboard

The Combined Authority's Corporate KPIs Balanced Scorecard and Dashboard is presented in Appendix B. The Balanced Scorecard summarises the performance of 27 metrics grouped into 20 KPIs. The information presented for each metric comprises:

- Mapping to Combined Authority strategic objective
- Mapping to indicator of progress
- Ownership
- Reporting period
- Date of latest available data
- Direction for improvement
- Previous period performance
- Current period performance
- Direction of travel
- Red Amber Green (RAG) rating of direction of travel compared to direction for improvement.

A dashboard for each metric presents summary performance information, data visualisation, target (where available), metric description, commentary, actions and links to data source(s). Some of these indicators cover the position of the wider Cambridgeshire & Peterborough Area where the outcome and the ability to change the indicator does not lie wholly or mainly with the Combined Authority. These indicators are shown in a separate table in section 2.5 as State of the Region indicators.

2.4 Summary of Corporate KPIs RAG ratings and exception report for Corporate KPIs owned by CPCA

Indicators are classed as owned by the CPCA when the ability to change the indicator lies wholly or mainly with the Combined Authority. A summary of RAG ratings for these metrics and exception report for those that are Red rated is as follows:

RAG rating	Description	Number of metrics	Proportion of metrics
Red	change in performance from previous period to current period is in the opposite direction to direction for improvement	1	8.5%
Amber	performance is unchanged from previous to current period	1	8.5%
Green	change in performance from previous period to current period is in line with direction for improvement	10	83%
Total		12	100.0%

Metric 27: Budget vs forecast loss/carried forward (current financial year)

Direction for Improvement					
↑	91%	93%	\downarrow	-2%	Red

The metric represents the percentage of the total budget agreed at MTFP (including increase during the year) that has been forecasted to be spent to the end of March 2024. The metric includes both revenue and capital expenditure. Although the optimal result will be for all the budget available for the year to be spent, slippage is expected as a result of changes in programmes' delivery schedules.

As at the end of July, the percentage of budget expected to be spent is 91%, compared with the 93% indicated in June. Of the variance, more than 2/3 is revenue, with only 1/3 capital.

Regular conversations between programme managers and finance managers will ensure a thorough understanding of the forecast position, aiding the decision-making process and solving issues through facilitating dialogue.

2.5 Summary of RAG ratings for State of the Region Corporate KPIs

Indicators are classed as State of the Region when the ability to change the indicator does not lie wholly or mainly with the Combined Authority. A summary of RAG ratings for these metrics is as follows:

RAG rating	Description	Number of metrics	Proportion of metrics
Red	change in performance from previous period to current period is in the opposite direction to direction for improvement	9	60%
Amber	performance is unchanged from previous to current period	0	0%
Green	change in performance from previous period to current period is in line with direction for improvement	6	40%
Total		15	100%

2.6 Summary of Most Complex Programmes and Projects RAG ratings and exception report

Programmes and Projects are classed as Most Complex when a CPCA Funded programme or project is considered most significant in terms of value, strategic fit and where there would be significant impact if failure to deliver. This list is subject to change. Due to the inherent complexity of these projects there is likely to be a higher percentage at amber than when considering less complex projects.

A summary of RAG ratings and exception report for Most Complex Programmes and Projects is as follows.

RAG rating	Description	Number of metrics	Proportion of metrics
Red	Without action, successful delivery is highly unlikely.	0	0%
Amber	Without action, successful delivery is in doubt, and/or there is uncertainty and risk surrounding future deliverability.	4	57%
Green	High level of confidence in successful delivery.	3	43%
Total		7	100%

There are no Red rated Most Complex Programmes and Projects.

2.7 Headline Priority Activities

Ahead of the Autumn Statement, the Combined Authority is working to scope out our key lobbying requests to Government. This proactive work is being done in partnership with the Business Board and will result in a public affairs campaign in the lead up to the Chancellor's Announcement and strategic reaction following it.

The external review into communications, engagement and public affairs remains ongoing with a draft report and recommendations being shared with the Combined Authority's Corporate Management Team in September. These recommendations will be discussed and shared with contributors and will inform the future focus and structure of efficient and highly effective, fit for the future communications, engagement and public affairs function. The implementation of these recommendations will take place through Autumn and Winter but work has already begun to implement some of the improvements which can be made at pace in the short-term and have both an instant and lasting positive impact.

A Senior Communications Manager has been recruited on an interim basis for six months, to provide additional leadership capacity within Communications and Engagement. The Head of Communications and Engagement role remains unfilled, pending the review outcomes.

2.8 Planned evaluation of the impact of the Combined Authority's Devolution Deal

Work is underway to procure a supplier to develop the Combined Authority's Mid-Term Report, the next phase of the current Gateway Review process. Soft market testing was completed through August and open invitation to tender was sent to potential suppliers in early September. The deadline for potential suppliers to submit their tender responses is early October with delivery scheduled to commence by mid-October. The supplier will be appointed to work with the Combined Authority to deliver the Mid-Term Report against the specification set-out in the approved Local Evaluation Framework. In July, Combined Authority Board allocated £125,000 to support the delivery of the Mid-Term Report which will need to be submitted to The Department for Levelling Up, Housing and Communities by the end of January 2024.

3. Background

3.1 Improvement Plan

The Performance Management Framework was included as an action within the October 2022 Outline Improvement Plan. It now sites as an action within the Project Plans & Delivery Workstream.

The workstream has a focus on the development and delivery of key frameworks that the Combined Authority requires to be improved, updated or developed, those frameworks are as follows:

- 1. Performance Management Framework
- 2. Single Assurance Framework
- 3. Risk Management Framework

The key outcomes for the workstream to deliver are as follows:

- Agreement by the CPCA and Partners of a Single Assurance Framework
- Agreement of a Performance Management Framework and reporting dashboard
- Adoption of a new corporate risk management framework
- A revised PMO with expanded responsibility for corporate performance

A reporting dashboard has been developed and is to be included on our website later this year. This is a database of Combined Authority projects including RAG status, project update and location.

The next steps are to develop an Implementation Plan to support staff understand requirements within the frameworks, and to review PMO capacity and capability to deliver what is set out within the Frameworks. These elements are due to be completed in Q3.

3.2 Stakeholder engagement

The PMF and corporate reporting approach have been co-produced with external and internal stakeholders:

- A workshop was held with Overview and Scrutiny Committee members in July to test and challenge the developing KPIs to ensure they are truly reflective of the strategic objectives and provide a true reflection of performance against delivering the Corporate Strategy.
- Improved performance management was a key aspect of the Improvement Plan endorsed by Board in October 2022. Following the approval of the plan, 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.
- Chief Executives have been kept informed on progress. Most recently on 23 August, our approach to performance was discussed by the CEOs of the Constituent Councils. Feedback from this group has been taken on board and resulted in changes to this paper.
- 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 developed a **Partner Working Group**, consisting of nominated officers from all CPCA constituent councils. (four sessions covering the Single Assurance Framework, Performance Management Framework and Risk Management Framework, May Aug 2023). 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. Most recently this group met on 22 August 2023 where the PMF was reviewed. As we continue to further refine this, we will continue to work closely with partners in co-production.
- M10 Assurance Network 3 sessions May-August 2023. In this group we have had
 discussions regarding the various Combined Authority's Single Assurance Frameworks which
 has helped us to learn from others regarding best practice, on assurance and performance
 processes.
- The PMF and performance report have also been co-produced with Combined Authority colleagues from across all CPCA service areas, 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.

3.3 **Best practice review**

We have undertaken an extensive performance reporting peer review, examining the approaches adopted by other Combined Authorities, including Greater Manchester, South Yorkshire and Liverpool City Region. This comparative analysis has informed the methodology we are employing in our performance reporting. We have taken a cue from these Combined Authorities in crafting a set of metrics that are relevant to Cambridgeshire and Peterborough and aligned with our strategic objectives.

Each metric is accompanied by a description, providing a contextual backdrop for understanding its significance. We use the integration of time-series data visualisations that offer a snapshot view of the performance. To enhance insight, we have also integrated commentary sections that delve deeper into the data with a section on actions that the Combined Authority are currently taking to improve performance.

Our dashboard for each metric follows a 1-page format, which is the standard for other Combined Authorities. Moreover, we have taken strides to cluster related metrics, thus effectively illustrating the overall progress towards specific indicators.

3.4 National government policy

On 16 March 2023, DLUHC published the English Devolution Accountability Framework. This provides guidance to Mayoral Combined Authorities 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.

3.5 **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 Combined Authority OSC have enhanced rights to access information under the control of the Combined Authority 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.

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.

3.6 CPCA's Constitution

Chapter 4 Rule 4.2.2 of the CPCA constitution states that the Combined Authority Board 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 Combined Authority Board.

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.

Chapter 13 Rule 13.3.6 states that the Audit & Governance Committee shall monitor the Combined Authority's risk and performance management arrangements, including reviewing the risk register, progress with mitigating actions and assurances.

Chapter 17 Rules 17.3.10, 17.3.11, 17.3.17 and 17.3.22 state that the Combined Authority's Shareholder Board will have a role in ensuring proper governance of the Authority's Subsidiaries, such role to include

- 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

3.7 **Evolution of Performance Management**

On 19 October 2022, Board 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, Board approved the CPCA Corporate Strategy and Business Plan 2023-25. This set out four strategic objectives with 23 associated outputs that show what the Combined Authority 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, Board 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, Board 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.

On 9 June 2023, A&G reviewed and assessed plans to develop and implement an interim performance management framework.

On 19 June 2023, OSC noted the progress to develop and implement an interim performance management framework and a performance management framework.

On 20 July 2023, Board resolved to note a working list of Corporate KPIs and corporate reporting approach, and consider progress of initial performance data. During discussion, members:

- requested that reporting on progress on the recommendations of the Independent Climate Commission be included.
- recognised that things are sometime beyond our control so recognition of things not going to plan is not a reflection on staff.
- welcomed efforts to measure what members' value rather than what is easy to measure.
- flagged the opportunity to engage with partners like the Integrated Care Board and the Police Crime Commissioner to identify areas where we can work more closely together.

4. Appendices		
4.1	Appendix A - Performance Management Framework	
4.2	Appendix B - KPIs Balanced Scorecard and Dashboard	
4.3	Appendix C - Most Complex Programmes and Projects Dashboard	

5. Implications

Financial Implications

- The recommendations above have no direct financial impact. However, implementation of the Performance Management Framework will provide the CPCA with a stronger evidence base, which has the potential to support more effective decision making relating to best value. This may include additional costs relating to:
 - Commissioning research
 - New data sets
 - Software subscriptions
 - New analyst post
 - Staff training

Legal Implications

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. Whilst there may be Legal implications as a result of the delivery of the CPCA's Corporate Plan and its Priorities, there are no direct Legal implications as a consequence of the delivery of this performance report.

Public Health Implications

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

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

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

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