



## Audit and Governance Committee

**20 June 2024**

Title:	Performance Management Framework Implementation Review
Report of:	Jules Ient, Head of Policy, Insight and Performance
Lead Member:	Cllr Edna Murphy
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	N/a

### Recommendations:

A	Note progress made in the implementation of the Performance Management Framework and next steps.
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### 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

The performance information presented relates to the achievement of outcomes and outputs of all five strategic objectives, delivering against a key activity within our improvement programme, strengthening scrutiny and accountability in line with expectations outlined in the English Devolution Accountability Framework (EDAF).

## 1. Purpose

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| 1.1 | This report provides an overview of progress to date with the implementation of the Performance Management Framework, lessons learnt, preliminary internal audit findings and concludes with a summary of the next steps to further develop and embed our approach to performance management across the Combined Authority. |
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## 2. Proposal

2.1	<b>Commitments and Accountability of the Performance Management Framework</b>
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The PMF includes mechanisms to address accountability to:

- local scrutiny
- the public
- the UK government.

This following section details the commitments made in the PMF, progress to date and next steps.

2.2	<b>Accountability to local scrutiny</b>
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The Combined Authority is committed to produce:

**a) Corporate Key Performance Indicators (KPIs)**

**Commitment:** Establish a list of Corporate KPIs with a balanced scorecard approach covering various perspectives. Each indicator will link to strategic priorities. Blend financial and non-financial, leading and lagging indicators. Develop and agree on targets, use a RAG rating system for performance assessment, and ensure easy comparison and understanding.

**Progress:** The CPCA has been able to collect, sort, analyse and interpret data to produce meaningful information using KPIs. 27 metrics were chosen and approved by Combined Authority Board (CAB) with the rationale of applying a balanced scorecard approach encompassing four perspectives: State of the Region, Internal Process, Learning and Growth, and Financial.

Targets have been set by a variety of means appropriate to the measure in question. This has included relevant partnerships (Cambridgeshire and Peterborough Climate Partnership, Vision Zero Partnership), Government departments (Department for Energy and Net Zero, HM Treasury), individual teams (Adult Education, Economy and Growth, Data Protection, Finance, Programme Management) and external consultants (Cambridgeshire and Peterborough Independent Economic Review 2018).

A process is in place for refreshing the data each quarter, including collecting, sorting, analysing and interpreting the data.

2.3	<b>b) Corporate Performance Reports</b>
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**Commitment:** Produce quarterly performance reports covering KPIs, complex programmes and projects, and priority activities. These reports will be scrutinised by the Corporate Management Team (CMT), Overview and Scrutiny Committee (OSC) and the Combined Authority Board. The report to include a balanced scorecard and dashboard of the corporate KPIs with targets, performance comparison and RAG rating. A report on complex programmes and projects to be included with a RAG rating.

Performance Management Quarterly Reports encompass:

- Balanced Scorecard of Corporate Key Performance Indicators (KPIs)
- Most Complex Programmes and Projects
- Headline Priority Activities
- Original Devolution Deal (through our Investment Fund Gateway Review)

	<p><b>Progress:</b> Production of these reports is now considered business as usual. Reports are scrutinised by Corporate Management Team, OSC and CAB quarterly. Quarter 1, 2, 3 2023/4 Performance Reports were taken to OSC and CAB respectively. Currently, Quarter 4 2023/4 is in development to be presented to CAB in July.</p>
2.4	<p><b>c) Thematic Performance Reports</b></p> <p><b>Commitment:</b> Produce quarterly thematic reports with KPI dashboards relating to each committee and an exception report. Reports to be scrutinised by CMT and relevant thematic committees.</p> <p><b>Progress:</b> Quarterly performance reports for thematic committees have yet to be delivered due to capacity constraints. A phased approach to rolling these out is planned once the onboarding of new members of the newly integrated Policy, Insight and Performance Team is complete in summer 2024.</p>
2.5	<p><b>d) Directorate Business Plan Performance Reporting</b></p> <p><b>Commitment:</b> Each directorate to have approved business plans in place. Progress against priority activities within the business plans to be scrutinised by members as part of the Corporate Performance Reports.</p> <p><b>Progress:</b> Directorate Business Plans for 2023/24 and 2024/25 were approved by CMT in May 2024. As part of the Corporate Performance Report, progress on priority activities has been scrutinised by management teams, OSC and CAB.</p>
2.6	<p><b>e) Project Reporting</b></p> <p><b>Commitment:</b> Full highlight report for projects in delivery, simplified reports for pre-delivery stages. Risk-based reporting frequency to be applied to expected delivery costs where higher costs require more frequent reports. Monthly performance review to be in place and internal representative to review progress and escalate any issues.</p> <p><b>Progress:</b> As part of the implementation of the Performance, Risk and Single Assurance Frameworks, the Programme Management Office are developing a change handbook, incorporating the CPCA frameworks and governance in one place. The new project reporting governance implementation will be rolled out from June 2024.</p>
2.7	<p><b>Accountability to the public</b></p> <p><b>The Combined Authority is committed to present:</b></p> <p><b>a) Committee Meetings</b></p> <p><b>Commitment:</b> Combined Authority Board and committee meetings will be open to the public and livestreamed on YouTube. Corporate Performance Reports will be published on the website to be viewed.</p> <p><b>Progress:</b> Board and Committee meetings are available to be viewed by YouTube livestreams and agenda packs are uploaded to the CPCA website. The schedule for committee meetings is also available to view.</p>
2.8	<p><b>b) Mayoral Question Time</b></p> <p><b>Commitment:</b> The CPCA will develop 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</p> <p><b>Progress:</b> Committee meetings are now being rotated around the region for better accessibility for members of the public to be able to address their queries. A dedicated Mayoral Question Time is planned in place of the Overview and Scrutiny meeting in September 2024.</p>

2.9	<p><b>c) Social and Digital Media</b></p> <p><b>Commitment:</b> Key findings from the Corporate Performance Report will be shared through social media and press releases. Social media content will be created to communicate messages in a relatable way and in the context of the strategic objectives. Engagement with the public through questions and feedback will be encouraged on platforms like LinkedIn, Twitter, Facebook, and YouTube.</p> <p><b>Progress:</b> The aspects of social and digital media to upload key performance findings of the reports is still in development. A performance communications plan will be developed to go live in Q2 2024/25.</p>
2.10	<p><b>d) Performance Dashboard</b></p> <p><b>Commitment:</b> A projects dashboard will be published on the website, reporting on all Combined Authority projects with RAG status. Reports and news articles related to performance will be published on the website.</p> <p><b>Progress:</b> The Performance Dashboard has been developed but has paused going live to Q2 24/25 to align with the change handbook / Single Assurance Framework (SAF) Implementation. It is important to establish governance, change delivery approach and project universe prior to going live.</p>
2.11	<p><b>e) Partner Engagement</b></p> <p><b>Commitment:</b> Early findings will be shared to partners and help shape reports by sharing good news, risks and issues. Lessons learned will be captured and shared using Microsoft Power Apps. A Partner Working Group established for sharing ideas and lessons among Assurance, Performance, and Risk officers.</p> <p><b>Progress:</b> Partners are being made aware of early findings to ensure collaboration and address any risks and issues. Work continues in capturing lessons learned from projects across CPCA, further training on capturing and sharing lessons, and on PowerApps will be provided.</p>
2.12	<p><b>f) State of the Region Review and Cambridgeshire Insight</b></p> <p><b>Commitment:</b> The State of the Region review will be delivered to assess the impact of macro-economic factors on the region by having a reliable evidence base that will inform discussions about the region's contributions and align with local methodologies. The review will also output communications resources such as animated videos, slides, infographics and an interactive dashboard, updated annually.</p> <p><b>Progress:</b> As the State of the Region is part of the performance reporting, we are nearly at the point of publishing the 2024 report and dashboard. A broad spectrum of stakeholders has been engaged with in the testing of the beta dashboard and the State of the Region report which will be available to the public in Q2 2024/25 (via Cambridgeshire and Peterborough insight).</p>
2.13	<p><b>Accountability to the UK Government</b></p> <p><b>a) Gateway Review</b></p> <p><b>Commitment:</b> The Combined Authority is subject to a five-yearly Gateway Review set by the Department for Levelling Up, Housing and Communities (DLUHC) to evaluate the impact of funded interventions on local economic growth and the process of their agreement and implementation. The process will start with the development of the Local Evaluation Framework, Mid-term Report and the Final Report by October 2025.</p> <p><b>Progress:</b> The Local Evaluation Framework and Mid Term Report are complete and agreed with DLUHC. Project plan constructed to commence work on the Final Report Q2 2024/25.</p>

2.14	<p><b>b) Roles, Responsibilities and Values (Culture)</b></p> <p><b>Staff Performance and LEAP Reviews</b></p> <p><b>Commitment:</b> The LEAP Review, which stands for Learning, Excellence, Achievement, and Performance is the new performance review process implemented for staff. Initially piloted in March 2023, it was reviewed and renamed during summer 2023. The performance cycle includes a review of:</p> <ul style="list-style-type: none"> <li>• CIVIL Values and Behaviours: These play a crucial role in discussions throughout the year. During Reviews and One-to-One meetings, there will be open discussions about how individuals demonstrate these values and behaviours.</li> <li>• Objective Monitoring: Objectives set in the LEAP Review are monitored during monthly meetings to track progress and identify any need for additional support.</li> <li>• Dual Rating System: The LEAP Review includes two ratings:</li> <li>• "What" the employee is doing (delivery of objectives).</li> <li>• "How" the employee is displaying the Values and Behaviours.</li> </ul> <p><b>Progress:</b> The LEAP process has been implemented and has encouraged discussions in setting and meeting specific objectives and behaviours throughout the year. 85% of staff have fully completed the 2023/24 LEAP cycle with more being submitted.</p>
2.15	<p><b>Knowledge, Skills and Behaviours</b></p> <p><b>Commitment:</b> To embed the performance management culture in the CPCA, the following should be reviewed:</p> <ul style="list-style-type: none"> <li>• Ensure that our people have the right skills, capabilities and behaviours that enable them to deliver in their role through performance management training that is appropriate to their role.</li> <li>• Workshops and seminars should be available to staff with a regular training schedule.</li> </ul> <p><b>Progress:</b> Training on the PMF has been conducted to all staff and this will be refreshed in late 2024 along with additional training on the change handbook.</p>
2.16	<p><b>Building Capacity</b></p> <p><b>Commitment:</b> To deliver the milestones of the PMF, additional staff are needed to effectively increase expertise and present a performance culture in the CPCA.</p> <p><b>Progress:</b> From Q1 2024/25, the recruitment for new staff in the Policy, Insight and Performance team has concluded and as of 28 May 2024, all posts have received offers, with the first additional employee onboarded. The new team is expected to be fully in place by August 2024.</p>
2.17	<p><b>Development plans and next steps</b></p> <p>The growth and development of performance management in the CPCA relies on being able to meet the commitments the organisation has made in the PMF, which is cross-cutting with other strategies in the CPCA. The PMF activities are part of the 3<sup>rd</sup> phase of the Continuous Improvement Programme and Developmental Business Plans (DBPs). These are outlined below:</p> <p>Performance management milestones from DBPs 2024-25:</p> <ul style="list-style-type: none"> <li>• Q2 2024/25 – Delivering the 2024 State of the Region Report and database to inform policy and strategy development and championing of the region.</li> <li>• Q2 2024/25 – Onboarding of newly recruited Policy, Insight and Performance Team.</li> <li>• Q2 2024/25 – Disseminate Gateway Review Mid-Term Report findings.</li> <li>• Q2 2024/25 – Internal and external SAF implementation working groups re-convened.</li> <li>• Q2 2024/25 – Monitoring and Evaluation Framework (MEF) refresh and implementation co-developed.</li> <li>• From Q3 2024/25 – Phased approach of introducing thematic performance reports.</li> </ul>

- Q3 2024/25 – Revised MEF approved by Combined Authority Board.
- Q3 2024/25 – Review of current project reporting procedure and applications.
- Q4 2024/25 - Mayoral Question Time event held.
- Q4 2024/25 - Performance Dashboard published on website.
- Q4 2024/25 – Strong performance management culture evidenced.

### 3. Background

3.1	The PMF adopted by the Board in September 2023 aims to establish and deliver a consistent approach to performance management. It aligns with the 2017 Devolution Deal and focuses on strategic priorities for inclusive growth and high performance. This follows a system to meet specific quality standard: Accessible, Joined-Up, Accountable, Flexible and Value for Money.
3.2	The PMF sits within the Single Assurance Framework (SAF) alongside the Risk Management Strategy. The 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 Risk Management Strategy ensures that appropriate pipeline and project oversight is provided by both officers and politicians and provides risk data on project development and delivery to drive performance review considerations.
3.3	The PMF was developed collaboratively and co-produced with staff and partners through workshops and committee meetings. Staff and management teams were informed of progress through internal working groups, and the framework was informed by a best practice review of performance reporting from other combined authorities.
3.4	<p><b>Lessons learnt review and feedback received</b></p> <p>A lessons learnt review of the PMF was conducted on 16<sup>th</sup> May 2024 to discuss with officers and managers that have participated in the publication and implementation of the PMF. An internal audit from RSM was completed on 17<sup>th</sup> May 2024. This focused on the CPCA performance management processes with a draft audit report having now been presented. Feedback received from both are outlined below:</p>
3.5	<p><b>Findings from Lessons Learnt Session</b></p> <p><b>a) Achieving a balanced Balance Scorecard</b></p> <p>It has been realised that the Balanced Scorecard consists of more State of the Region metrics than internal metrics. Therefore, a lot of the outcomes and impact measures are lagging due to the length of time it takes to report on the data. A required exercise is to track back to the important outputs that are going to lead and measure the impact that we are going to have. A suggestion is to create a success map.</p>
3.6	<p><b>b) Simplification of report contents and timely reporting</b></p> <p>It has been noted that the content that goes into Corporate Performance Report needs to be simplified. The level of detail which some committees that see performance reporting will differ. Some committees will require full detailed reports, where others may only require high-level summaries. Within Democratic Services there is a system that hosts reports - there is a possibility to have links to reports where members can access the full file and decipher the information depending on their individual needs, this could be a mechanism that is explored for performance management. Feedback has been given that the report is quite complex and hard to follow and can be aided with additions of more visualisations to replace text.</p> <p>To improve the process of publishing performance reports and ensure timely review, a clear schedule for report publication and ensure a consistent flow of documents to members before meetings should be established. Also, the Corporate Management Team need sufficient time to review and discuss contents prior to meetings for thorough review and feedback. This will enhance the quality of discussions and decision-making processes in Corporate Management Meetings.</p>

	<p>In terms of the informal scrutiny workshops where the reports and KPIs have been scrutinised, it has been noted that adding these items to the agenda has been received well from members and enabled them to think about the type of role they have in performance management. Talking to the Overview and Scrutiny Committee proved to be very valuable in shaping the metrics and improve what is being presented in the Performance Management Framework and Corporate Performance Report.</p>
3.7	<p><b>c) Effective presentation in Committee Meetings</b></p> <p>Positive feedback was received from colleagues across the region on the Corporate Performance Report being published as part of the meeting sections on the CPCA website and YouTube, due to them being able to use templates as best practice. This displays good leadership and working in partnership in the region.</p> <p>The presentation and handling of questions at Board and other committee meetings is well structured and presented, which has been commended. The way it has been presented highlights key issues and accommodates to the audience's needs.</p>
3.8	<p><b>d) Streamlining project risk reporting</b></p> <p>Feedback regarding the highlight reports were received. The risk register is currently based on inherent score. It was recommended it should be based on residual score, otherwise, how do you know if the risk has improved or not.</p>
3.9	<p><b>e) Easier public query access with Mayoral Question Time</b></p> <p>A suggestion from the lessons learnt session is that the Mayoral Question Time is rotated across Cambridgeshire and Peterborough. This is being introduced for the Board meetings where Mayoral time could be tagged in the agenda at the end/before the meeting.</p>
3.10	<p><b>f) Achieving a performance drumbeat</b></p> <p>There is an integral reliance on partners producing information for Corporate Performance Reports. As we expand the remit of performance reporting to include thematic reports, the needs for high quality and timely outputs and outcomes reporting from partners will be even more important.</p> <p>A performance tracker was suggested. Before papers are sent to the Corporate Management Team, individuals can record items to be added to the performance tracker and reviewed at meeting before circulating.</p>
3.11	<p><b>g) Enabling further transparency and open feedback</b></p> <p>A few comments that relate to embedding the PMF to officers in the organisation has been noted. Firstly, there is still work to be done on creating a safe space to report on performance openly without fear of blame. Further communication is needed on the value of performance reporting to encourage reflection and embracing the learning journey.</p> <p>As the Combined Authority expands, new staff will need to be aware and trained on the framework. It was suggested that training should be conducted quarterly to inform new colleagues and embed this into the culture of the organisation.</p>
3.12	<p><b>h) Expanding the Policy, Insight and Performance Team</b></p> <p>There was a clear gap in resources and capacity to deliver the components of the PMF from its inception in April 2023 where corporate performance reporting was still being established. Additional capacity being brought in from summer 2024 will be able to address these resource issues and increase skills and technological advances of the framework.</p>

3.13	<p><b>Findings from the Draft Audit Report</b></p> <p><b>a) Corporate Key Performance Indicators and Balanced Scorecard</b></p> <p>The internal audit noted a few minor actions to improve the quality of data validation and verification of the KPIs and Dashboards. It has been suggested to consider automation of the Corporate Performance Dashboard as part of the data journey and quality exercise to eliminate manual input of KPI data and reduce human error. A consideration to retain evidence of quality assurance and an audit trail of these checks is also recommended to be able to easily track changes between reporting periods. Additionally, the final approval of the Performance Dashboards should be recorded and retained for each quarterly dashboard that is signed off.</p>
3.14	<p><b>b) Efficiently documenting meetings</b></p> <p>Whilst it was noted that the Corporate Management Team review meetings were conducted according to the framework timeframe requirements, there are some instances meeting minutes are not recorded due to absences and was not covered by someone else. It was proposed that management should ensure all meeting minutes are documented, action plans for outcomes drafted and monitored for implementation in subsequent meetings.</p>

## 4. Appendices

4.1 [Performance Management Framework](#)

## 5. Implications

### Financial Implications

5.1 There are no immediate direct financial implications as a consequence of the delivery of this report.

### Legal Implications

6.1 This report needs to be seen in the context of the legal and constitutional nature of the Combined Authority 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 Combined Authority 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 Combined Authority'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

7.1 This report does have direct public health impacts.

### Environmental & Climate Change Implications

8.1 This report does not have direct environmental & climate change impacts.

### Other Significant Implications

9.1 There are no immediate equality, diversity and inclusion implications as a consequence of the delivery of this report.

### Background Papers

10.1 None