
Report to: Green Economy Panel

Date: 20 February 2018

Subject: **Business Planning and Budget 2018/2019**

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1 Purpose of this report

- 1.1 To advise the Green Economy Panel of the progress of the Combined Authority's business planning and budget setting for 2018/19.

2 Information

Background

- 2.1 The Combined Authority brought together the organisations and teams responsible for public transport, economic growth, research and intelligence and inward investment for the Leeds City Region and who are united around a shared agreed focus on good economic growth for the region. Following the appointment of the Managing Director in February 2016 the One Organisation programme was established and has made significant progress in delivering a number of workstreams covering new delivery processes, changes to organisational culture and structure, governance, policy, strategy and services. New directorates were created and directors and heads of service appointed to take forward new ways of working and improved processes and systems to ensure that resources are all best aligned towards good inclusive growth.
- 2.2 The Combined Authority has been successful in securing significant external funding to support its delivery of the ambition set out in the Strategic Economic Plan. The region has previously secured the largest Growth Deal in the country and has recently received confirmation of a further £43m to continue some key programmes and to commence other critical projects. A significant number of projects are underway including skills capital projects at colleges across the region and West Yorkshire plus Transport Fund schemes are progressing in all Districts.

- 2.3 The focus for 2018/19 remains on achieving inclusive economic growth, through improving connectivity and housing stock, increasing the number of good quality jobs, encouraging businesses both to grow and to move to the region and increasing the opportunities for young people to access training and employment. Negotiations continue with government on the size and shape of a devolution deal that could bring significant benefits to the region and build on the successes achieved to date. In the current context of public sector funding cuts and the huge pressures on the District Councils that largely fund the Combined Authority's revenue budget securing the right devolution deal could help to ensure that the improvements in economic growth across the region are delivered.
- 2.4 The work underway through the One Organisation Programme will enable the Combined Authority to respond to any devolution deal and adapt its shape and processes accordingly.

Business Plans 2018/19

- 2.5 The Combined Authority's activities are led at an overarching strategic level by the Strategic Economic Plan approved by both the Combined Authority and the Leeds City Region Enterprise Partnership (LEP). In order to translate this into practical measurable actions an annual corporate plan is produced and approved each year. This plan confirms the vision and mission for the organisation and the practical steps for how these are to be progressed during the year. The plan includes key performance indicators to measure the success of these deliverables and regular reports will be provided to the Combined Authority to provide information on progress against these indicators. The corporate plan will be kept under review throughout the year to ensure it reflects any changes arising, for example, from the work underway to develop the Local Inclusive Industrial Strategy.
- 2.6 **Appendix 1** sets out a high level summary of the draft business plans for each of the organisation's five Directorates that was presented to the last meeting of the CA. **Appendix 1** also highlights, in yellow, the main areas that align directly with the Green Economy Panel's Action Plan for 2018/ 19 and the SEP's current Priority 3 zero carbon energy economy ambitions. This includes delivering improvements to Place to deliver inclusive and clean growth. It is also worth noting that there are a range of other actions within these plans that also meet the Green Economy Panel / wider sustainability objectives of the Combined Authority. These draft plans will form the basis of the 2018/19 corporate plan which will be brought to the next meeting of the Combined Authority for approval following further work to develop the details of how delivery of the organisational priorities and associated targets will be measured.

Revenue budget 2018/19

- 2.7 The Combined Authority has considered a number of reports on the medium term financial strategy and the budget strategy for 2018/19. At its meeting on 14 December 2017 it considered a report putting forward a £1m cut in the

transport levy for 2018/19 and the subsequent two years. In order to be able to produce a balanced revenue budget for this period a number of actions were required, including identifying budget savings and income targets to be achieved. This work has commenced, with reductions in expenditure and increases in income for 2018/19 and subsequent years built into the attached budgets. Further work planned includes undertaking a thorough review over the next year of the way in which transport services are provided in order to reduce expenditure over the next three years. The updated forecast figures for 2017/18 are still in line with those provided in the December report of the Combined Authority and the original budget position of using £3.5m of reserves. The budget proposals was approved on 1st February 2018 by the Combined Authority. It had also been considered by the LEP Board and Overview and Scrutiny Committee, with Governance and Audit Committee considering them at their meeting on 25 January.

- 2.8 **Appendix 2** provides details of the 2018/19 budget and early estimates for the subsequent two years.

3 Financial Implications

- 3.1 As set out in the report.

4 Legal Implications

- 4.1 There are no legal implications directly arising from this report.

5 Staffing Implications

- 5.1 The budgets include the funding for current approved establishment and the associated employer on-costs.

6 External Consultees

- 6.1 No external consultations have been undertaken.

7 Recommendations

- 7.1 That the approach to the corporate plan and all budgetary information for 2018/19 be noted.

8 Background Documents

None.

9 Appendices

Appendix 1 – Business Plan Summary
Appendix 2 – Revenue Budget