

Report to: Overview and Scrutiny Committee

Date: 22 March 2019

Subject: **Cover report: Corporate Plan 2019/20 and performance 2018/19**

Director(s): Angela Taylor, Director of Corporate Services

Author(s): Khaled Berroum, Scrutiny Officer

1. Purpose of this cover report

- 1.1 To introduce and provide background to the report of the Managing Director entitled 'Corporate Plan 2019/20 and performance 2018/19'.

2. Information

The report of the Managing Director

- 2.1 Following discussions with the Committee, Members, Chair and Officer, the following was requested to be covered in the appended report of the Managing Director to the Overview and Scrutiny Committee:
1. The final 2019/20 Corporate Plan as an appendix to the report.
 2. A demonstration of how the Corporate Plan is linked to the business planning and budgeting of each directorate and service area.
 3. An explanation of how the 'golden thread' of priorities within the Corporate Plan is embedded within the organisation and feeds all the way down to individual contributions, big or small.
 4. The link between the 2018/19 and 2019/20 corporate plans, what has been carried over, changed, replaced and added.
 5. An analysis of achievement against the success measures and key performance indicators (KPIs) highlighted on pp25-26 of the 2018/19 Corporate Plan.
 - i) Were they achieved or not?
 - ii) If so – how were they achieved?
 - iii) If not – why not and what is proposed to make a difference in achievement in 2019/20?
 - iv) How did it compare with performance in 2017/18?
 6. An outline of which officers / directorates and members / decision-makers are responsible and accountable for each KPI and ambition.
 7. Consideration of the recommendations, suggestions and views the Overview and Scrutiny Committee has put forward previously.

3. Recommendations

- 3.1 To note this cover report and consider the appended report of the Managing Director entitled 'Corporate Plan 2019/20 and performance 2018/19'.

4. Background Documents

[Last year's Corporate Plan 2018/19](#)

Report to: Overview and Scrutiny Committee

Date: 24 May 2019

Subject: **Corporate plan 2019/20 and performance 2018/19**

Director: Ben Still, Managing Director

Author(s): Louise Porter, Corporate Planning and Performance Manager

1. Purpose of this report

- 1.1. To provide the Overview and Scrutiny Committee with a summary of corporate performance in the 2018/19 financial year and an overview of the process for developing the 2019/20 Corporate Plan.

2. Information

Corporate performance summary 2018/19

- 2.1. The 2018/19 Corporate Plan for the Combined Authority set out three key long term ambitions for the organisation of boosting productivity, enabling inclusive growth and delivering 21st Century transport, with a key focus on delivery and devolution to achieve these. These reflected the long term strategic ambitions set out for the region through the Leeds City Region Strategic Economic Plan and the West Yorkshire Transport Strategy.
- 2.2. In order to measure the specific contribution of the Combined Authority towards these long term strategic goals, a set of 15 headline performance indicators was also developed. These indicators were published in the 2018/19 Corporate Plan and a summary of progress against these was reported to each meeting of the Combined Authority throughout the year. This update was presented as part of a wider corporate performance report which also included an update on corporate risk management and spend against approved revenue budgets.
- 2.3. The final year end position for the complete set of headline indicators from the 2018/19 Corporate Plan is due to be reported to the June meeting of the Combined Authority. This timeframe reflects the time lag involved in collecting the third party data needed to inform certain indicators. In the meantime the latest position against these indicators is presented at **Appendix 1**. This

highlights those indicators where final data is still awaited and also, where relevant, provides details of the reasons behind any indicators which have not been fully achieved.

2.4. The key headlines relating to performance against the indicators in 2018/19 can be summarised as follows:

- The majority of indicators for 2018/19 are expected to be met with 9 assessed as 'green' 8 of which have exceeded the original target set
- 2 indicators are assessed as 'amber' and are therefore expected to narrowly miss meeting the stated target due to circumstances changing during the year, which may not be within the full control of the Combined Authority.
- 4 are assessed as 'red' and therefore not met in 2018/19, with 3 of these relating to unanticipated issues outside of the Combined Authority's control

2.5. In terms of how this compares to performance in 2017/18, the table below provides a comparison between years:

	2017/18	2018/19
% of green indicators	57%	60%
% of amber indicators	26%	13%
% of red indicators	17%	27%

2.6. This shows that that the overall percentage of indicators fully met and therefore rated as green has increased by 3% in 2018/19. There have been some notable successes in 2018/19 which include:

- Supported over 2,900 business to grow and become more productive through the Business Growth Service
- Supporting the creation of over 1,900 jobs through our trade and investment activity
- Reaching over 14,000 disadvantaged students with targeted support on employment on employability, enterprise and careers education
- Improving over 1,500 homes through our Better Homes Yorkshire scheme – warming homes and helping residents to save money on their bills
- Delivered 17 significant transport projects with a further 15 starting on site
- Supporting our partners to deliver 7 major transport projects with a further 6 starting on site
- Increased the proportion of travel information enquiries/interactions made online to 97.5%

2.7. In addition to these specific indicators, there have also been a number of wider successes throughout 2018/19. Some key highlights include:

- Securing the regional headquarters for Channel 4, bringing opportunities for the independent production sector across the region and generating a £1 billion economic impact over the next decade

- Launching our £1 million Digital Inward Investment Fund to encourage digital businesses to relocate to Leeds City Region
- Launching a productivity pilot investing £500,000 in manufacturing businesses enabling them to invest in new equipment and processes
- Supporting over 250 businesses to reduce their energy bills and lower their carbon emissions through the Resource Efficiency Fund
- Providing travel advice to 350,000 people through our Metroline contact centre
- Supporting over 1 million trips through our subsidised bus services
- Increasing Park and Ride opportunities across the region, including 170 new, free spaces created at Fitzwilliam, Mirfield and South Elmsall railway stations
- Investing £2 million in new flood defences, including a scheme to protect 118 businesses in Skipton and the surrounding area

2.8. The table at 2.5 also shows that while the overall percentage of indicators rated as green has increased in 2018/19, the proportion of red indicators has also risen, as a result of fewer indicators being assessed as amber compared to the previous year. In total four indicators have been assessed as red in 2018/19 and in all cases the reasons for not achieving the anticipated targets largely relate to external factors outside of the direct control of the Combined Authority. Further detail about those indicators which have been assessed as red in 2018/19 and the factors which have led to this, is provided below:

- **The delivery of refurbished floorspace through skills capital projects** is currently not on track to be fully met in 2018/19, due to an unanticipated delay in the programme for one of the key projects.
- **Supporting individuals to upskill in skills shortage areas** is not on track to be met as it relied on the delivery of two new ESIF (European Structural and Investment Funds) funded projects. Delays in contracting at the Department for Work and Pensions (DWP), the managing agent, have delayed the start of the [re]boot programme by seven months and the Employment Hub by nine months. Contracts have however now been signed and delivery will begin shortly so outputs have been rolled into 2019/20.
- **Supporting businesses to offer apprenticeships** is also not on track to be met as this too relied on the ESIF Employment Hub funding which was delayed by 9 months. Contracts have now been signed and delivery will begin shortly so outputs have been rolled into 2019/20. The low level of demand for the AGE grant has also impacted performance and a revised criteria has now been implemented to address this in 2019/20
- The target of **increasing MCard smart ticket sales** by 10% has not been met over the course of the year. There have been however been some areas of significant growth in relation to young people's smart ticketing products which have exceed expectations. Sales of adult season ticket smart tickets have however remained largely static. To reflect this imbalance the West Yorkshire Ticketing Company Ltd reviewed their overall strategy in this area part way through the year and set a revised target to increase overall smart ticket MCard sales by 3-5%. The learning from this (which has been reflected in the 2019/20

performance measures), is that a series of individual, more specific targets for different segments of the market is likely to provide more useful in-year performance information.

Corporate Plan development 2019/20

2019/20 business plan and budget development

- 2.9. The Corporate Plan is the Combined Authority's external facing business plan, which sets out the objectives and activities of the organisation on an annual basis. The publication of this document is the final step in a detailed business and budget planning process which takes place annually.
- 2.10. In 2019/20 the Government have also set a new requirement for each Local Enterprise Partnership (LEP) to publish a separate 'LEP Annual Delivery Plan' for the year ahead. This was introduced by the Government's Strengthened Local Enterprise Partnerships report and must clearly set out the LEP's specific proposals and targets for 2019/20. This type of information for the Leeds City Region LEP has traditionally been provided as part of the Combined Authority Corporate Plan. While this will continue to be the approach in 2019/20, the specific information relating to LEP delivery proposals for the current year and performance in 2018/19, will also be made available as a standalone document by the end of May 2019.
- 2.11. Further details about the business and budget planning process that has taken place to inform the development of the 2019/20 Corporate Plan (including the LEP Annual Delivery Plan) is set out in more detail below.
- 2.12. The budget and business planning process for the 2019/20 financial year commenced in summer 2018, with a number of activities to set the wider context for this work taking place at this time. This included the early involvement of the Combined Authority and the Members Budget Working Group in providing direction on the financial parameters that should be followed in developing the plans.
- 2.13. Taking into account these parameters, the organisation's Senior Leadership Team (SLT) agreed the following objectives, through engagement with the Combined Authority and the LEP, for the 2019/20 budget and business planning process at their meeting of 17 August:
 - To agree business priorities for each Directorate which support the overarching corporate priorities;
 - To agree a budget for each Directorate to enable priorities to be achieved, within the context of wider financial constraints;
 - To identify robust performance measures for each Directorate and for the organisation as a whole, in order to provide in-year intelligence on performance against objectives;
 - To identify a clearer pipeline of work for the organisation's Corporate supporting functions based on activities needed to support directorate priorities; and
 - To provide content for the 2019/20 Corporate Plan.

- 2.14. In line with these objectives, each Directorate was then tasked with developing their proposed business plans and associated budgets for the 2019/20 financial year. As part of this, each Directorate was also required to develop a comprehensive set of performance indicators to assess progress against achieving their business plan priorities during the year.
- 2.15. From the outset the development of directorate business plans were focussed on embedding further the three core priorities that were set out in the 2018/19 Corporate Plan of boosting productivity, enabling inclusive growth and 21st century transport.
- 2.16. In addition the early development work highlighted the potential need for a fourth corporate priority to be introduced around the carbon agenda and enabling clean growth. This reflected the work that was taking place at this time to develop the Leeds City Region Energy Strategy (which was later adopted by the Combined Authority in December 2018). This strategy sets out the ambition for the Leeds City Region to meet the Paris Climate Agreement targets. The consideration of activities to support clean growth was factored into the early business plan development process and a fourth corporate objective of 'supporting clean growth was subsequently formally agreed.
- 2.17. During all stages of the development process there was a strong focus on ensuring that all areas of proposed activity in 2019/20 business plans could be clearly linked to delivering against the overarching corporate priorities. This was necessary in order to create a visible golden thread between strategic corporate priorities, departmental priorities and ultimately to set the context for detailed team and individual priorities.
- 2.18. Throughout the development of the draft business plans, budgets and performance measures, a significant amount of engagement and challenge took place with various officers and Members groups. A summary of this is provided below:
- **The Combined Authority** - through regular progress updates, including consideration of the full draft business plan/budget at their meetings of December 2018 and February 2019
 - **The LEP Board** – through progress updates, including consideration of the full draft business plan/budget at their meeting of January 2019 and the LEP Annual Delivery Plan at their meeting of 26 March 2019
 - **The Members Budget Working Group** – through meetings to specifically consider the emerging budgets and business plans in detail (held in August, September, November 2018 and January 2019)
 - **The West Yorkshire Leaders** - through regular updates and provision of the emerging plans for their feedback, with a specific session to consider the detailed business plan, budget and performance measures held in December 2018
 - **The West Yorkshire Directors of Finance** - through provision of the emerging plans for their feedback and a specific session held to consider this in December 2018

- Various officer groups including the Combined Authority's **Senior Leadership Team and Senior Management Teams**, who regularly collectively reviewed emerging business plans/budgets and performance measures to offer challenge and identify cross cutting themes.
- 2.19. In terms of wider engagement, the emerging business plans, budget proposals and proposed performance measures for 2019/20 were also shared publically through the Combined Authority meeting papers which were published in December 2018 and February 2019.
 - 2.20. In addition a significant amount of internal staff engagement took place in order to inform the development of each area's detailed business plan proposals. This took place through a variety of methods including team meetings, workshop sessions and individual discussions. This was important in order to ensure that the views of those who would ultimately be tasked with owning and delivering specific elements of business plans were adequately reflected.
 - 2.21. It was also important to ensure that there was strong understanding among individuals of how the four overarching corporate priorities related to their own areas of work with the aim of developing a golden thread between these four objectives and the objectives of each Directorate, team and ultimately each individual.
 - 2.22. Following the initial period of development, the draft budget and business plan for 2019/20 was presented in full to the Combined Authority at their meeting of 13 December 2018. This also included the full suite of proposed performance measures to be used by each Directorate in assessing progress against objectives. Further development work was then undertaken and a final version of the budget and business plan was subsequently presented to and approved by, the Combined Authority on 14th February 2019.
 - 2.23. Following approval of the 2019/20 business plan and budget, work then commenced on the production of the external facing Corporate Plan. This document seeks to summarise the priority areas of work for the organisation over the year and also reflects on performance against objectives in 2018/19.
 - 2.24. The 2019/20 Corporate Plan is focussed around the four corporate objectives of boosting productivity, enabling inclusive growth, delivering 21st Century transport and supporting clean growth. This builds on the 2018/19 Corporate Plan, providing continuity from the previous year and also introducing the new clean growth objective as outlined above at 2.16. In both looking back at performance over the previous financial year and looking ahead at priorities in the current financial year the document is structured around these four key objectives.
 - 2.25. The draft content for the 2019/20 Corporate Plan was presented to the Combined Authority at their meeting of 25 April and final approval for the document was delegated to the Chair of the Combined Authority and the Managing Director. The document is now in the final stages of the design

process and will be available by the end of May. A copy of the current version of the document is attached at **Appendix 2**.

- 2.26. As outlined in paragraph 2.10 the 2019/20 Corporate Plan also includes a standalone LEP Annual Delivery Plan as required through the Government's Strengthened Local Enterprise Partnerships report. There is a requirement for this document to be approved by the LEP and published by the end of May 2019. The LEP Board considered the draft content for the Annual Delivery Plan at their meeting of 26 March, since this was the last meeting prior to the end of May deadline. They agreed that final approval of the content be delegated to the Combined Authority's Managing Director, in consultation with the Chair of the Combined Authority and LEP Chair.

2019/20 performance management

- 2.27. As highlighted above, as part of the process to develop the 2019/20 business plan and budget for the organisation, a full suite of draft performance measures was also developed. These have been designed to measure the impact that each Directorate is making in achieving the Combined Authority's four overarching corporate objectives. In addition there are also a number of more general performance measures which have been included to general levels of corporate efficiency.
- 2.28. A full set of the performance measures for 2019/20 by Directorate is provided at **Appendix 3**. This sets out the following information:
- The proposed performance measure and the specific target that has been set against this (if applicable);
 - The accountable officer (at Head of Service level) for each of these measures;
 - How each performance measure links back to the four corporate priorities contained within the 2019/20 Corporate Plan; and
 - Details of any additional information relating to certain performance measures including details of changes in targets between years
- 2.29. In terms of the process followed to develop these performance measures, each Directorate initially put forward suggested measures, with a clear brief to add further stretch to those targets that had been set in previous years. These were then challenged and iterated through the consultation that took place as part of the business plan development process as summarised above at 2.18.
- 2.30. In terms of learning from the performance management process in 2018/19 there were a number of targets which relied upon third party funding or other actions to be in place in order for the target to be achieved. While it is not intended to change this approach in 2019/20, it is proposed that these interdependencies should be more clearly highlighted through in-year reporting on any changing circumstances that may affect achievement of the target. So for example if an expected funding stream is delayed the in-year KPI update should not only flag this delay, but also provide a re-estimate of the likely end of year target output in light of this and any mitigation measures.

- 2.31. Throughout 2019/20 each directorate will provide routine updates on progress against these performance measures.
- 2.32. As mentioned above in 2.21 it is important that a golden thread is evident between the overarching corporate objectives right down to individual objectives against which performance can be assessed. The process for setting individual objectives for 2019/20 and reviewing performance against the previous year's objectives is currently in progress across the organisation. In setting annual objectives managers are required to ensure that there is a clear link to delivering the agreed business plans and ultimately the four corporate objectives.
- 2.33. The development of this clear golden thread is something that it is intended to build on further in the forthcoming business planning process for 2020/21. This will be supported by the work that the Human Resources team is undertaking to strengthen performance management as part of the wider work to develop and embed a new HR strategy for the organisation.

3. Financial Implications

- 3.1 The detailed financial implications of the priorities set out in the Corporate Plan have been fully considered and accounted for as part of the detailed 2019/20 budget setting process. Routine monitoring and reporting of spend against budget will take place throughout the financial year.

4. Legal Implications

- 4.1 There are no legal implications directly arising from this report. However, the specific activities set out in the detailed 2019/20 business plans, cover those activities which are required to fulfil the organisation's overarching legal and compliance obligations.

5. Staffing Implications

- 5.1 The detailed business plans developed to inform the 2019/20 Corporate Plan were developed on the basis of agreed resourcing levels for each team. Changes in resourcing requirements throughout the financial year will be considered and assessed against the 2019/20 business plans.

6. External Consultees

- 6.1 A summary of the various groups consulted in the development process is provided at paragraph 2.18 of this report.
- 6.2 A budget 'animation' was also made available on the Combined Authority website in February 2019 in order to disseminate information about how the Combined Authority budget is spent.

7. Recommendations

- 7.1 That the Overview and Scrutiny Committee note the review of strategic performance in 2018/19 as outlined at paragraphs 2.1-2.8 and provide any feedback.
- 7.2 That the Overview and Scrutiny Committee note the development process that has taken place for the 2019/20 Corporate Plan as set out in paragraphs 2.9-2.26 and provide any feedback on this to be fed into the 2020/21 business and budget planning process.

8. Background Documents

2018/19 Corporate Plan

Budget and Business Plan 2019-20 report considered at the Combined Authority meeting of 14 February 2019

9. Appendices

Appendix 1 – 2018/19 Corporate Plan Key Performance Indicators

Appendix 2 – Draft 2019/20 Corporate Plan content

Appendix 3 – 2019/20 draft Key Performance Indicators