

Report to: West Yorkshire Combined Authority

Date: 27 June 2019

Subject: **Corporate planning and performance**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	N/A

1. Purpose of this report

- 1.1 To provide the West Yorkshire Combined Authority with an update on corporate performance including progress against corporate plan priorities, risk management and budget position.

2. Information

Corporate Plan 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 updates on progress against these have been provided to each meeting of the Combined Authority in 2018/19.

- 2.3 The year-end position for the headline indicators is provided in the performance snapshot at **Appendix 1**. The key headlines relating to performance against these indicators in 2018/19 can be summarised as follows:
- The majority of indicators for 2018/19 have been met with nine assessed as 'green,' eight of which have exceeded the original target set.
 - Two indicators are assessed as 'amber' and have narrowly missed meeting the stated target due to circumstances changing during the year, which were not within the full control of the Combined Authority.
 - Four are assessed as 'red' and therefore not met in 2018/19, with these largely relating to unanticipated issues outside of the Combined Authority's control.
- 2.4 There have been some notable successes in 2018/19 which include:
- Supporting 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%
- 2.5 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 has not been 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** was not 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 and as such outputs have been rolled into 2019/20.

- **Supporting businesses to offer apprenticeships** has also not been met as this also relied on the ESIF Employment Hub funding which was delayed by 9 months. As above 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 as 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 2019/20

- 2.6 Following consideration of the draft content for the 2019/20 Corporate Plan at the April meeting of the Combined Authority, the design process for the document has now been completed. A final copy of the 2019/20 Corporate Plan can be viewed at:
<https://www.westyorks-ca.gov.uk/resources/publications/draft-reports/>
- 2.7 The Corporate Plan sets out the vision and objectives for the organisation and the practical steps for how these will be progressed during the year. The plan is structured around the four overarching strategic objectives of boosting productivity, enabling inclusive growth, delivering 21st Century transport and supporting clean growth.
- 2.8 As previously reported to the Combined Authority, the Corporate Plan sets out the objectives and activities of the organisation as a whole. However this year it has also been designed such that information relating to the specific activities of the LEP can be pulled out separately in a 'LEP Annual Delivery Plan'. This is necessary in order to fulfil the requirements of the Strengthened Local Enterprise Partnerships report, which sets out a new requirement from 2019/20 for all LEPs to produce this separate plan. A copy of the standalone LEP Annual Delivery Plan can be viewed at:
<https://www.westyorks-ca.gov.uk/resources/publications/draft-reports/>

Corporate risk update

- 2.9 In line with the provisions of the Corporate Risk Management Strategy, regular review of the key strategic risks affecting the organisation continues to be undertaken and the corporate risk register updated accordingly.

- 2.10 Senior officers have recently undertaken a detailed review of the corporate risk register and as a result of this have suggested a number of changes. These changes are included in the updated version of the register provided at **Appendix 1**.
- 2.11 One new risk which is assessed as 'high' has been added to the register as follows:
- Risk that the Employment Hub programme does not deliver against expected targets, due to the reliance on third party delivery. This is being mitigated through contract management which involves payment being focused on delivery, and regular consultation with delivery partners.
- 2.12 In addition to the inclusion of new risks, a number of existing risks had their rating re-assessed in light of new developments or countermeasures introduced:
- A risk regarding significant change in organisational operations and objectives arising from changes in national policy (SP3) was raised from 'Unlikely' to 'Possible' due to current central Government leadership changes and the uncertainties regarding Brexit. This has resulted in the overall rating for this risk moving from 'High' to 'Very High'.
 - A risk relating to partnership working (PC1) has reduced from 'Possible' to 'Unlikely' due to progression made on the production and implementation of an organisational partnership strategy.
 - The risk relating to financial penalty due to GDPR non-compliance (R2) has reduced from 'Highly Significant' to 'Moderate' due to increased levels of training delivered and progression against the Information Governance project milestones.
 - A risk relating to the coordination of business support in response to Brexit remained as a 'High Risk' despite significant mitigating action, due to the continuing uncertainty around the format of the UKs departure, or non-departure, from the EU.

Revenue budget position

2018/19

- 2.13 A summary of the 2018/19 final outturn as compared to original budget is attached at **Appendix 2** (subject to final audit). A brief commentary is provided for the more significant variances.
- The final position is a £1.6m surplus that adds to the general reserves giving a balance of £6.8m. The year had started with a budgeted £1.4m deficit, though a forecast undertaken during year estimated a £1m deficit position with further updates indicating this position was likely to improve further towards the year end. The much improved year end position is mainly attributable to the subsidised savings ahead of target (£1,300k), reduced concessionary fares costs (£400k) and a combination of early redemption fees and further loan interest accrued on Growing Places loans. Additionally the higher than expected cash balances, reflecting

receipt in advance of a number of external funds, has generated £800k of interest over budget.

Statutory accounts

- 2.14 The draft accounts for 2018/19 have been prepared and published on the Combined Authority website. The audit commenced during June and the final audited accounts are to be reported to the Governance and Audit Committee on 23rd July 2019 and signed by the deadline of 31st July 2019.
- 2.15 For information a full set of the Combined Authority's draft accounts for 2018/19 can be found at the following link:

<https://www.westyorks-ca.gov.uk/media/2232/wyca-statement-of-accounts-2018-19-unaudited.pdf>

2019/20 and Medium Term Financial Strategy

- 2.16 As reported previously the 2019/20 budgets are being reviewed for changes since the February 2019 meeting and any updates will be coming through in future reports monitoring reports. Work is underway on the Medium Term Financial Strategy and a progress report will be brought to future meetings of the Combined Authority and to the members' Budget Working Group.

3. Inclusive Growth Implications

- 3.1 The 2019/20 Corporate Plan, sets out further details regarding the organisation's approach to enabling inclusive growth. It also provides details of progress in this area in the current financial year.

4. Financial Implications

- 4.1 The financial implications are covered in the body of the report and at the supporting appendices.

5. Legal Implications

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

6. Staffing Implications

- 6.1 There are no staffing implications directly arising from this report.

7. External Consultees

- 7.1 No external consultations have been undertaken.

8. Recommendations

- 8.1 That the Combined Authority notes and provides comment on the information on corporate performance.

9. Background Documents

9.1 None.

10. Appendices

Appendix 1 – Corporate Performance Snapshot Report
Appendix 2 – Budget monitoring 2018/19