
Report to: Overview and Scrutiny Committee

Date: 10 July 2020

Subject: **Corporate planning and performance**

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1. Purpose of this report

- 1.1 To note the final position on corporate performance including progress against the 2019/20 corporate plan priorities, risk management and budget position and seek comment on these matters.

2. Information

Corporate Plan 2019/20

- 2.1 The 2019/20 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.
- 2.2 In order to measure the organisation's specific contribution to meeting these four corporate objectives, a set of key performance indicators have been routinely monitored throughout the 2019/20 financial year. A summary of progress against these indicators is provided in **Appendix 1** as part of the wider corporate performance snapshot. This does not yet provide a full 2019/20 year end picture due to the time lag associated with collection of some year-end data.
- 2.3 The analysis of performance against objectives to date reflects a positive position overall. Most of the indicators are assessed as green, indicating objectives supporting the strategic aims and themes for the region have been achieved.

Corporate risk update

- 2.4 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.
- 2.5 A summary of the headline strategic risks is included at **Appendix 1** to this report. The key change since the last reporting period is the inclusion of three overarching corporate risks concerning the impacts of the COVID-19 pandemic. These relate to the financial impacts of the pandemic, the ongoing ability to deliver as intended against key corporate objectives and the delivery of frontline and business as usual services.
- 2.6 These overarching risks are supplemented by detailed operational risks which are being managed through the Combined Authority's Gold command incident response structure, which is coordinating the response to, and recovery from, the COVID-19 pandemic.

Revenue budget position 2019/20

- 2.7 The year had started with a deficit budget of £1.2 million, with reported forecasts during the year identifying that savings would accrue. The reforecasted budget approved in February 2020 (based on December actuals) set out an estimated £0.4 million surplus by the end of the year which meant a forecast general reserve of approximately £7 million as at the end of the financial year. It was expected that this level of general reserves would be required to help manage emerging pressures including Brexit, work on bus options following the announcement of the proposed sale of First Group's bus operations and 'cliff edge' funding for a range of projects and some of the initial costs of transitioning to a mayoral combined authority.
- 2.8 The final outturn (unaudited) for 2019/20 is a £1.3 million surplus which is an additional £0.9 million and puts the general reserves at approximately £8 million. The improved year end position is mainly attributable to the additional interest earned on short term investments due to the delays in the grant funded capital programme (£0.9 million), savings in bus operator payments (£0.2 million), savings across all supplies and services (£0.4 million) and these offset by reduced income compared to that previously forecast (£0.5 million). The final (unaudited) revenue budget position for 2019/20 is attached at **Appendix 2**.
- 2.9 The COVID-19 pandemic is impacting on the revenue and capital budgets in 2020/21 and work is underway to consider whether an element of the general reserves will be needed to meet some of the funding gap, and what other actions are required to address the emerging funding gap.

Annual Accounts 2019/20

- 2.10 Draft annual accounts have been produced in line with the agreed timetable and have been published on 5 June 2020. The intention is to have the final audited accounts approved on 30 July 2020 by the Governance and Audit Committee. This is in line with the original timescales agreed by the Combined Authority with its external auditors.

Business planning and budget 2020/21

- 2.11 The Combined Authority approved the 2020/21 budget and accompanying business plans for the organisation at its meeting of 6 February 2020. This sets out the detailed objectives to be delivered by the Combined Authority and the LEP over the next financial year.
- 2.12 Since these business plans were produced the final West Yorkshire devolution deal has been announced and the full extent of the COVID-19 pandemic has also become much clearer. As such each Directorate is continuing to review their 2020/21 business priorities to take account of any significant changes that will be required during the current year as a result of the COVID-19 pandemic and to better reflect the scope of the work required to become MCA-ready. An update on the findings of this work will be brought to the July meeting of the Combined Authority.

3. Financial Implications

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

4. Legal Implications

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

5. Staffing Implications

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

6. External Consultees

- 6.1 No external consultations have been undertaken.

7. Recommendations

- 7.1 That the Overview and Scrutiny Committee notes and provides comment on the information on corporate performance.

8. Background Documents

- 8.1 None.

9. Appendices

Appendix 1 – Corporate Performance Snapshot Report
Appendix 2 – Budget monitoring 2019/20