

Report to: West Yorkshire Combined Authority

Date: 12 October 2023

Subject: **Budget and Business Planning**

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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:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this Report

- 1.1 To update the Combined Authority on the multi-year business planning approach that has been implemented for the 2024/25 planning cycle.
- 1.2 At the time of the Combined Authority meeting, Heads of Service will be working on first drafts of the annual business plans, therefore this is a report for information.

2. Information

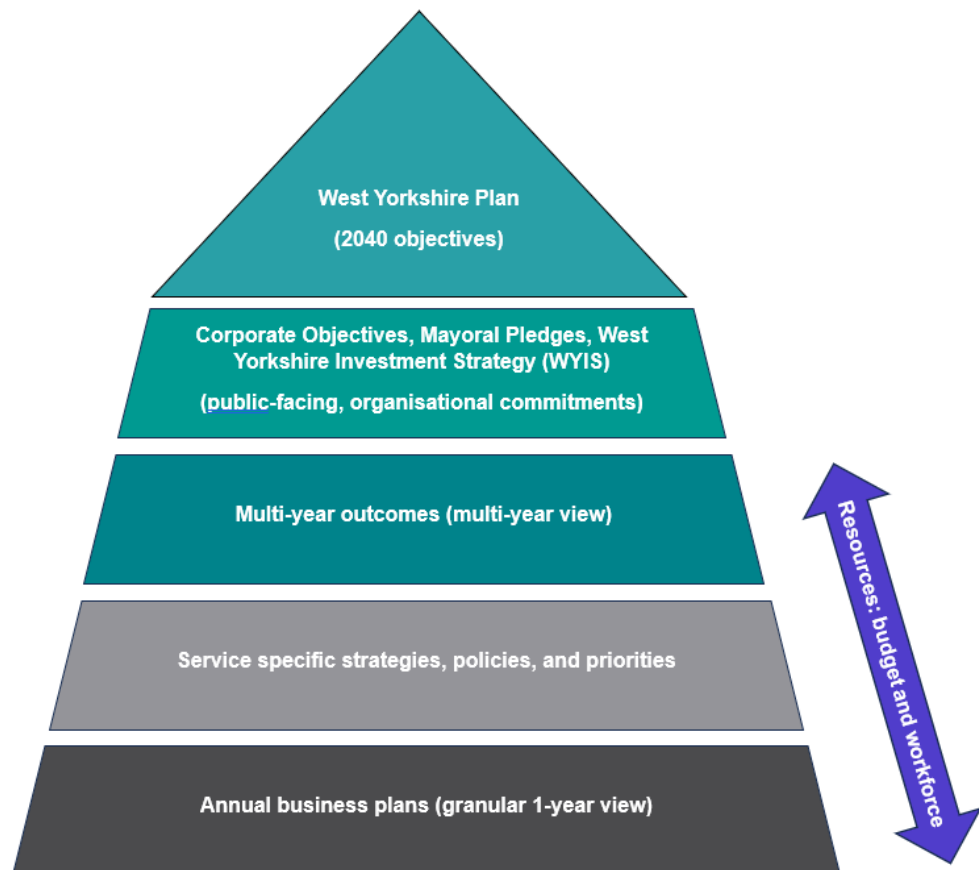
Multi-Year Budget and Business Planning

Background

- 2.1 Launched in June this year, the West Yorkshire Plan sets out a vision and five missions which are collectively owned by the Combined Authority and the five Local Authority partners; together they are working to ensure that West Yorkshire is a prosperous, happy, well-connected, sustainable, and safe place by 2040. The role of the Combined Authority in the West Yorkshire Plan is twofold; the organisation, with the role of Mayor, holds the power of a convening body to coordinate efforts across the partners to deliver against the Plan, whilst also holding a major delivery role through organisational strategies, programmes, and projects. To demonstrate alignment to the West Yorkshire Plan and support setting out the Combined Authority's role in

contributing to the Plan and the 5 missions, a multi-year planning process has been implemented for this year's planning cycle.

- 2.2 In previous years, business plan activities have been aligned to a corporate objective to show the impact the outcome is contributing to. In the new multi-year approach, outcomes will be set by Directors and further aligned to the missions in the West Yorkshire Plan. Ultimately, the West Yorkshire Plan missions will sit above the seven Corporate Objectives, multi-year outcomes and annual business plans, informing the overall direction of the organisation's activities. The budget process will iterate across the business planning process to support decision-making. The diagram below outlines this structure.



- 2.3 To reflect the move to an outcome-led organisation, an outcome-led approach to business planning was introduced for last year's planning cycle (2023/24). This leaned heavily on logic-modelling, with Heads of Service being asked to set outcomes for the year, detailing the outputs, activities, and inputs (resources) required to support achieving the outcomes.



- 2.4 Multi-year business planning uses this same outcome-led approach however it encourages a more 'top-down' process; Directors begin the 2024/25 planning cycle by agreeing a set of 3-year outcomes that will inform the annual Directorate business plans what impacts they need to have. In the context of this approach, the impacts are the long-term benefits that the organisation is working towards, the Corporate Objectives and ultimately the 5 missions in the West Yorkshire Plan.

Once the outcomes have been set at Director level, Heads of Service will be asked to describe 'how' the outcomes will be achieved or advanced toward in the next year, by outlining the outputs, activities, and resources (inputs) through their annual business plans.

Budget Alignment

- 2.5 A multi-year budget is integral to this process; the finance team have so-far supported Director-level discussions about the multi-year outcomes by providing budgetary information about the organisation's current position and priorities over the next 3 years. A first draft of outcomes has been set by Directors, which has initiated the annual business planning process with Heads of Service. At the time of this paper's publication, business planning will have just started, a further update will be provided to members at the early December Combined Authority meeting, with the outcome being to come to the February 2024 meeting with the multi-year outcomes and annual business plans for approval.
- 2.6 As set out in section 6 of this paper, business planning and budget setting will be aligned throughout this process. The finance team have been involved in the early stages of developing this process, and it is intended that finance business partners will be involved when teams are developing their business plans to support the planning process.

3. Tackling the Climate Emergency Implications

- 3.1 Tackling the Climate Emergency is a cross-cutting theme for the organisation, with service-level outputs and outcomes contributing to the corporate objective to build a sustainable, nature rich and carbon neutral region. With mission 4 of the West Yorkshire Plan being to create a sustainable West Yorkshire, the organisation will set out a series of multi-year outcomes to demonstrate the Combined Authority's role in achieving this.

4. Inclusive Growth Implications

- 4.1 Inclusive Growth is one of the Combined Authority's cross-cutting themes and is embedded across business plan activities, corporate objectives and in the missions of the West Yorkshire Plan (Mission 1: to create a prosperous West Yorkshire). The multi-year outcomes are aligned to the missions through the corporate objectives, therefore will promote and contribute to inclusive growth.

5. Equality and Diversity Implications

- 5.1 Equity, diversity and inclusion is a key focus and cross-cutting themes for the Combined Authority and is embedded across business plans through the inclusion of targets from the EDI Action Plan, and service level EDI targets aligned with business plan activities. Work will be carried out to understand how EDI outcomes can be integrated and embedded into organisational multi-year outcomes as the planning process develops, to ensure that the Combined Authority's EDI targets continue to be upheld and prioritised.

6. Financial Implications

- 6.1 The Director of Finance and Commercial Services and the Head of Finance have been involved with the development of this multi-year process to ensure that both the budget and business planning timelines align. The budget is an integral part of the planning process, with the finance team providing budgetary information that initiated discussions on the multi-year outcomes in September, prior to the business planning templates being sent to Heads of Service.
- 6.2 The budget has also influenced the period that multi-year outcomes will be set. A 3-year period has been agreed due to it being difficult to make any meaningful and specific financial predictions beyond 3 years.

7. Legal Implications

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

8. Staffing Implications

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

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the board notes the multi-year approach that is being implemented from the 2024/25 planning period.

11. Background Documents

[The West Yorkshire Plan](#)

12. Appendices

None.