



Report to:	Finance, Resources, and Corporate Committee
Date:	2 November 2023
Subject:	Business Planning and Budgets
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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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1 The purpose of this report is to provide the committee with an update on the new multi-year approach that has been implemented for this year's business planning cycle.

2. Information

Multi-Year Business Planning

Background and Process

- 2.1 In order to demonstrate alignment to the West Yorkshire Plan and set out the Combined Authority's role in contributing to the missions, a multi-year planning process has been developed for the 2024/25 planning cycle. A diagram is included in **appendix 1** to demonstrate alignment to the missions in the West Yorkshire Plan; ultimately the missions sit above the seven Corporate Objectives, multi-year outcomes and annual business plans to inform organisational activity. The budget process will iterate across the business planning process to support decision-making when setting outcomes and developing business plans.
- 2.2 The multi-year approach will continue to lean on the logic-modelling used for the 2023/24 planning cycle, which saw an outcome-led approach to business planning introduced to reflect the move to an outcome-led organisation. This year, however, sees a more 'top-



down' approach introduced, with Directors beginning the business planning process by agreeing a set of 3-year outcomes that will inform Directorate business plans. Heads of Service will then be asked to describe 'how' the outcomes set at Director level will be achieved by outlining the outputs, activities, and resources in their business plans.

- 2.3 A detailed timeline of the process that will be taken this year can be found in **appendix 2**, however below is a table containing high-level details. A multi-year budget is integral to this process; the finance team have supported Director-level discussions about the multi-year outcomes by providing budgetary information about the organisation's current financial position over the next 3 years. A first draft of 3-year outcomes have been discussed at Internal Leadership Board and have been used to begin the annual business planning process.

Date	Output
September 2023	<ul style="list-style-type: none">• Initial budget review to take place and 3-year outcomes to be agreed by Directors.• Heads of Service to begin business planning process once outcomes have been agreed (w/c 25th September).
October 2023	<ul style="list-style-type: none">• Heads of Service to write first drafts of business plans (using 3-year outcomes and budget information), first drafts to be completed mid-October.• Review sessions for Directors start following first drafts.
November 2023	<ul style="list-style-type: none">• Second drafts of business plans - incorporating feedback from review sessions and leadership meetings – due 21st November.• Check and challenge sessions with Chief Executive start mid-November.
December 2023	<ul style="list-style-type: none">• Update to the Combined Authority.• Final drafts of budget and business plans due 18th December.
January 2024	<ul style="list-style-type: none">• Strategic Leadership Board to review business plans in advance of the February Combined Authority meeting.
February 2024	OUTCOME – Approval of budget, 3-year outcomes and business plans at Combined Authority meeting in early February.



Planning for the Corporate Centre Services

- 2.4 The role of the Corporate Centre is to support the delivery of organisational outcomes through leading, enabling and protecting. To reflect this across service-level business plans, Corporate Centre services will be required to categorise activities into the following three objectives:
- Business as usual activity
 - Enabling delivery of major programmes
 - Organisational Improvement projects
- 2.5 To support this year's business planning approach, business partners from the Corporate Centre team will be embedded within the planning process of the Outcome Directorates. This is so that the pipeline of activity and level of requirement needed from each team can be established early on in the planning process.

Budget

- 2.6 The Q2 budget review process has been used as the starting point to determine a revised forecast for 2023/24 and then from that understand pressures, assumptions and changes that will impact on the draft budget for 2024/25 and subsequent years. The business planning process that is underway will identify the priorities for 2024/25 and decisions will need to be made on how the available funding will be allocated to those priorities.
- 2.7 Detailed budget work is being focussed on higher risk and more volatile areas, including bus tendered services and concessions. Current levels of income generation are being reviewed and challenged in order to identify ways of increasing the funding envelope.
- 2.8 As levels of capital expenditure continue to increase the relationship between capital and revenue and the extent to which capital can be used to supplement the revenue budget will be further explored.

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. To show ultimate alignment also to mission 4 in the West Yorkshire Plan (to create a sustainable West Yorkshire) through the corporate objectives, a number of the draft multi-year outcomes set out how teams will support 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 theme 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. EDI will be embedded into 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 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 business planning templates being sent to Heads of Service. Key budgeting dates for the 2024/25 planning cycle have been added to the timeline in appendix 2 and the budget will be developed alongside the emerging business plan priorities.
- 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 Committee considers and endorses the approach to business and budget planning, and the proposed outcomes.

11. Background Documents

[West Yorkshire Plan](#)
[EDI Action Plan](#)

12. Appendices

Appendix 1 – [Multi-year structure](#)
Appendix 2 – [Revised timeline](#)