



West Midlands
Combined Authority

Name of meeting: Overview & Scrutiny Committee

Meeting date: 1 July 2024

Report title: Performance monitoring against the Annual Business Plan

Responsible Director: Linda Horne, Executive Director of Finance and Business Hub

Report author: Jaspal Seehra, Performance Manager

Key Decision? No

Is the ability for the Combined Authority to make a decision internally reliant on Constituent or Non-Constituent Councils making a formal decision first?

Yes No

Public/private report: Public

1. Decision/s Recommended

- Endorse the proposed method for monitoring the Annual Business Plan for 2024/25 and the assurances it provides to manage performance.
- Consider any areas of interest that could form part of members' future work programme.

2. Voting Requirements

A majority of voting members, in attendance in the meeting room and indicating their preference, are required to vote in favour of any recommendation/proposition for it to become a decision of the Overview & Scrutiny Committee (OSC).

3. Executive Summary

This paper provides an overview of the monitoring and reporting process for this fiscal year's Annual Business Plan (ABP) and reviews the outturn performance for 2023/24. The aim is to assure the OSC of the robustness of the reporting process and to ensure confidence in Executive Boards responses to any identified slippages. This approach aligns with the performance roadmap approved by Executive Board to support the shift towards data-driven, evidence-based decision-making.

4. Matters for Consideration

- 4.1 There have been three successive integrated ABPs and budgets, forming a vital link in the 'golden thread' connecting the WMCA's aims and objectives with Directorate and team plans, extending to the Individual Performance Management (IPM) goals of employees across the organisation. The ABP outlines all activities to be delivered within the year, aligning with those aims and objectives. It details not only capital project activity but also business-as-usual tasks and the resources (financial and human) required to deliver a balanced budget.
- 4.2 The 2024/25 yearly activity is measured by 119 performance indicators (PIs), of which 27 Key Performance Indicators (KPIs) have been identified by the Executive Board as critical to achieving the WMCA's aims and objectives. This exercise was completed in March, allowing KPI performance to be reported monthly in the new fiscal year to the Executive Board through a visually rich Power BI dashboard that triangulates performance, risk and capital spend (see appendix 1 for KPI and PI list). Additionally, an exception report provides mitigation commentary for any KPI rated amber or red, enabling the Executive Board to make evidence-based decisions. Quarterly reports to the Executive Board will encompass all performance information (KPIs and PIs), to ensure no performance issues are missed.
- 4.3 To ensure the information provided to Executive Board adequately reflects all the key performance issues we face as an organisation the Performance Team continues to embed a performance management culture across the WMCA. This involves encouraging the consistent use of the Power BI dashboards, now accessible on all employee desktops, engaging with directorate management teams to ensure they understand the performance roadmap and cascading performance data to key stakeholders to enhance its visibility and transparency. Additionally, the WMCA has improved its performance approach through the use of KPIs and PIs, which provide clear, quantifiable measures of our progress and highlight areas needing attention.
- 4.4 The reporting and monitoring approach is also refined each year based on feedback from Executive Board and lessons learned exercises. After quarterly reporting cycle, the Performance Team conducts a review to identify areas for improvement. This process includes gathering feedback from Executive Board on the clarity, relevance and comprehensiveness of the reports. Insights gained from these activities are used to refine the reporting processes, ensuring they are more responsive to the needs of stakeholders to ensure that they can act on the information to make evidence-based decisions.
- 4.5 This is the third report to the OSC on the monitoring and reporting of the ABP. During last September's meeting, it was agreed that performance against the ABP would be shared with members twice yearly. The aim is to reassure members regarding Executive Board responses, particularly to red and amber indicators. As it is still early in the fiscal year and June's performance is predominantly 'on track', this report highlights last year's (2023/24) outturn figures instead. The second report in January (2025) will show cumulative performance over the first three quarters and is expected to highlight more red and amber indicators.

4.6 ABP outturn performance (2023/24)

Outturn performance for the 127 indicators is shown in the table below:

Indicator	Completed	RAG status			Total
KPI	13	9	4	4	30
PI	62	18	14	3	97
Total	75	27	18	7	127

4.7 Out of the 127 indicators, 102 or 80% have either remained on track or have been completed compared to 84% in 2022/23. This is a significant achievement given the cost-of-living crisis, volatile market conditions and the reprioritisation of resources for the Deeper Devolution Deal. There were 25 red and amber indicators reported in 2023/24 and this is similar to the 2022/23 outturn where 22 were reported.

4.8 Additionally, when these 25 indicators are broken down by the WMCAs aims, the analysis shows that aim 3 (delivering transport and housing) and aim 4 (reducing carbon emissions) account for 16 of the 25 indicators. This demonstrates the strategic risk relating to the sustainability of transport (SRR-R007) and our commitment to reducing the carbon budget to net-zero CO₂ by 2041 (Strategic Risk R015) beginning to impact the delivery of our objectives.

4.9 The performance journey through the year shows 115 indicators remained on track in Q1 and only 3 were amber. This positive trend continues into Q2, although there are now 11 red and amber indicators. By Q3, 106 indicators remained on track and 14 had a red and amber status. This increase is to be expected because performance is calculated cumulatively and by the end of Q4, 102 indicators have either remained on track or have been completed (see appendix 2 for RAG status trend 2023/2024).

4.10 The outturn performance for 2023/24 will be reported through the Annual Accounts to ARAC in Autumn. The intention is to raise the profile of our successes, to demonstrate the work that has been achieved by our employees and to highlight how this links directly through to the WMCAs aims and objectives.

5. What options have been considered and what is the evidence telling us about them?

5.1 The performance monitoring of the ABP has been an organic process which has been iteratively improved each year rather than having a preferred option. Various methods, including traditional reporting and alternative data management tools were evaluated. The chosen method to use Power BI dashboards and integrating KPIs and PIs emerged as the most effective approach to manage performance. Continuous feedback from the Executive Board and lessons learned exercises have refined this method, confirming its effectiveness in enhancing evidence-based decision making by the Executive Board.

6. Reasons for recommending preferred option

- 6.1 The recommended method for monitoring the ABP for 2024/25 is based on its proven effectiveness in enhancing transparency, accountability, and continuous improvement. This approach uses Power BI dashboards and integrates KPIs and PIs, which have demonstrated significant success in tracking performance, with 80% of indicators on track or completed in 2023/24 despite challenging conditions. Feedback from the Executive Board and lessons learned exercises have refined the reporting process, ensuring reports are clear, relevant, and comprehensive.
- 6.2 Progress will be reported through monthly KPI updates to the Executive Board, quarterly comprehensive performance reports, biannual updates to OSC and annual performance reporting through the Annual Accounts to ARAC. This structured approach ensures that progress is closely monitored, the impact of initiatives is assessed, and desired outcomes are achieved.

7. Implications and Considerations

Priority:	Contribution:
Delivery of Strategic Transport Plan	N/A
Promote inclusive economic growth in every corner of the region	N/A
Ensure everyone has the opportunity to benefit	N/A
Connect our communities by delivering transport and unlocking housing and regeneration schemes	N/A
Reduce carbon emissions to net zero and enhance the environment	N/A
Secure new powers and resources from central government	N/A
Develop our organisation and our role as a good regional partner	This report is aligned to strategic aim 6, which is to develop our organisation and be a good regional partner. To help achieve this aim it is important to monitor performance against the ABP to detail what we are going to deliver as we work towards our vision of making the West Midlands one of the fairest, greenest, and best-connected places to live and work.

8. Internal Consultation and Scrutiny:

- 8.1 This paper has been prepared for the Overview & Scrutiny Committee.

9. External Consultation and Scrutiny:

- 9.1 This paper is not subject to external consultation and scrutiny.

10. Financial implications:

- 10.1 Activity during 2023/24 has been delivered within budgeted allocations. The capital programme outturn was 39% lower than budget, with further works rephased to future years. The revenue budget had a favourable variance to budget of £2.0m. The variations have not materially impacted performance.

11. Legal implications:

11.1 There are no legal implications as a result of this report.

12. Single Assurance Framework implications:

12.1 There are no Single Assurance Framework implications for this report.

13. Risk implications, including Risk Appetite:

13.1 There are no direct risk implications as a result of this report.

14. Procurement Implications:

14.1 There are no procurement implications as a result of this report.

15. Equality implications:

15.1 There are no equality implications as a result of this report.

16. Inclusive Growth Implications:

16.1 There are no inclusive growth implications as a result of this report.

17. Local Authority Impact:

17.1 There is no direct Local Authority Impact as a result of this report.

18. List of appendices referred to:

18.1 Appendix 1 List of KPIs/PIs for 2024/25

18.2 Appendix 2 RAG status trend 2023/24

19. Background papers used to compile this report:

19.1 None

20. List of Other Relevant Documents

20.1 None