

WMCA Board

Date	5 June 2020
Report title	Annual Planning: Review of 2019/20 Delivery and Update on 2020/21 Planning
Accountable Chief Executive	Deborah Cadman, West Midlands Combined Authority email: deborah.cadman@wmca.org.uk tel: (0121) 214 7200
Accountable Employee	Julia Goldsworthy, Director of Strategy email: julia.goldsworthy@wmca.org.uk tel: 07813 648227
Report has been considered by	WMCA Strategic Leadership Team – 6 May 2020 WMCA Programme Board – 22 May 2020

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

1. Note the review of the WMCA Annual Plan 2019/20 at Appendix 1.
2. Note the current position regarding a WMCA Annual Plan for 2020/21 and endorse the need to align WMCA delivery, support and influence to the Region's recovery priorities.
3. Note and endorse the proposed approach to the publication of the annual 'State of the Region' report as set out in section 5.

1. Purpose

- 1.1 To present the review of the WMCA Annual Plan 2019/20. This document (attached at **Appendix 1**) summarises delivery and progress against the actions, activity and outcomes we set out in our 2019/20 Annual Plan.
- 1.2 To provide an update to the Board on the development of a Plan for 2020/21 in light of the coronavirus pandemic (COVID-19), and the need to ensure WMCA delivery, support and influence assists the region's 'recovery' and 'reset' priorities.

2. Review of the Annual Plan 2019/20

- 2.1 The Annual Plan for 2019/20 was approved and endorsed by the WMCA Board at the Annual General Meeting on 28 June 2019. The development of the Plan was informed by engagement with Portfolio Lead Members, Council Chief Executives and other stakeholders including the WMCA Programme Board and Overview and Scrutiny (O&S) Committee.
- 2.2 A half-year review was presented to the WMCA Board on 8 November 2019. The review reported good progress against the WMCA delivery milestones and activity set out in the Plan. Most milestones had been met or were on target to be met. The review also reported some minor slippage or changes to some of the delivery milestones, albeit none of those were considered to have major impact or consequences in terms of overall delivery and impact.
- 2.3 A full-year review is attached at **Appendix 1**. Overall all delivery milestones and targets were met within the year. The document provides a comprehensive summary of WMCA delivery and enabling activity in 2019/20 which achieved and supported transport services and improvements, the building of key infrastructure, support to the most vulnerable in our communities, and growth in our regional economy.
- 2.4 There were some serious challenges during the year. The uncertainty during Brexit negotiations created economic instability, and the final month of the financial year saw the beginnings of COVID-19's impact. Yet overall, this was a year in which the WMCA delivered against the commitments in our Annual Plan and continued its collaboration and partnership working with partners to generate real improvements in the lives of people in the West Midlands.

3. Development of an Annual Plan 2020/21

- 3.1 As part of its business planning cycle the WMCA develops an Annual Plan. The purpose of the Plan is to set out the priorities of the WMCA, provide a strategic context for the WMCA as an organisation, and articulate what is being delivered and planned.

3.2 Development of an Annual Plan is aligned with the WMCA's budget setting process. A summary of planned activity is included within the Budget report presented to WMCA Board each January and February. These deliverables are then further articulated in an 'Annual Plan' report which is presented to WMCA Board for approval at its Annual General Meeting (AGM) each June. This follows local elections in May and takes account of any changes to portfolios and portfolio lead members.

3.3 The report 'WMCA Budget 2020/21' approved by WMCA Board on 14 February 2020 included a summary of the planned priority deliverables for each of the portfolios of:

- Transport
- Productivity & Skills
- Housing & Land
- Economy & Innovation
- Culture & Digital
- Wellbeing
- Public Service Reform & Social Economy
- Environment, Energy & HS2
- Inclusive Communities

3.3 A draft Annual Plan for 2020/21 was then developed. The intention was that this would be presented to the WMCA Board and published as an interim delivery plan - as part of a strategic planning process that was designed to take account of the Mayoral Elections (in May 2020) and facilitate the development of multi-year Strategic Plan. That Plan would have taken into account agreed political priorities, including the newly elected Mayor's manifesto priorities, and align with the medium-term financial plan.

4. Impact of COVID-19 on planned delivery

4.1 However, the outbreak of COVID-19 has significant implications for the 2020/21 planning process. The Mayoral Election has been postponed for one year, and the social and economic impacts of the virus (not yet fully known) have significantly changed the context WMCA operates in. The WMCA, and its local authority partners and other stakeholder organisations have also needed to adjust their immediate priorities to respond to the pandemic.

4.2 There is consequently a need to reassess the deliverables originally agreed for 2020/21 (on 14th February) and also review WMCA's ongoing activity, strategic aims and planning processes in the context of the Region's recovery. That work is ongoing currently, with a focus on the immediate activity and support required to support the emergency response to the pandemic.

4.3 There has also been a focus on assessing the impact of Covid-19 on the financial position of the organisation, identifying key operational and strategic risks, and supporting new and interim working practices to ensure the organisation can continue to function during the 'lock down'.

5. Annual State of the Region Report 2020

- 5.1 The State of the Region is normally produced annually and published in June each year. The data used is often lagging (this can vary between 6 months and 2 years lag). This means the latest published data will not reflect the current pandemic crisis and its effects. Therefore, it is proposed that the structure of the document will have two primary components: 'about the West Midlands' and 'impact of Covid-19'. These two halves will (1) present the past performance, assets and previous evidence base and (2) update this understanding to review how the pandemic and policies to control the effects of the pandemic are impacting on what future we were aiming for and how we may need to adjust or reprioritise based on the unfolding impacts.
- 5.2 It is proposed the 2020 State of the Region (STOR) report will be initially published in July as a 'what we know so far' document. It is recommended this document is updated as evidence develops, and key decisions are to be made. The State of the Region past performance analysis will be based on the Sustainable Development Goals. This framework is used internationally by Cities and is the United Nations approach to promoting prosperity whilst protecting the environment. Evidence will be gathered from WMREDI partners to develop a shared understanding of the issues facing the region.

6. Regional recovery and reset

- 6.1 The WMCA has worked closely and collaboratively with local authorities, and other partners and stakeholders, to develop arrangements that will support the strategic leadership and coordination of the region's recovery. A multi-agency Recovery Coordination Group (RCG) has been established and has initially focussed on readiness for the lifting of the lockdown and informing the regional recovery priorities and programmes of activity to address them. The co-ordination arrangements are based on a number of agreed principles including:
- Reshaping and Resetting: We will be entering a fundamentally different economic and social landscape and should not be limited by an aim of going back to 'how it was' or 'business as usual'. Our focus will be on the opportunity to reform, re-imagine and re-invent.
 - Long term focus: Our emphasis will be on developing and delivering programmes, projects and activity that address long-term impact and need, and ensure a focus beyond the short-term interventions of an emergency response.
 - Interdependency: we recognise the interconnected facets that will contribute to the region's overall recovery, and that none of those should be tackled in isolation. Strategic co-ordination of these different elements of recovery is fundamental to our approach.

- 6.2 In terms of WMCA activity - given the delivery, enabling and influencing roles of the Combined Authority - the planning across our portfolios is understandably at different stages. An economic recovery approach has been developed at pace, and there are separate papers setting out planned activity and action to support and shape recovery in terms of transport and environment. Other portfolio activity is being amended as both the impacts of Covid-19 and the priorities for recovery from them are further clarified and articulated.

7. Wider WMCA / Geographic Implications

- 7.1 To be completed

8. Financial Implications

- 8.1 There are no direct financial implications arising from this report however it remains crucial as the plan develops and adapts as a consequence of Covid-19, that any emerging financial pressures are flagged up and addressed at the earliest opportunity.
- 8.2 As stated in the report, WMCA Board approved its 2020/21 budget at its meeting in February 2020 prior to the Covid-19 outbreak based on the agreed deliverables at that time. It is therefore important to note that if WMCA does not have access to any new money as a result of the crisis, activities required to support the emergency response and kick start recovery will need to be met from within existing budgeted resources.
- 8.3 In addition, WMCA has experienced a profound negative impact on its income streams, particularly travel related revenues, as a result of the pandemic and although limited financial support has been offered by the government, the drops in income present a major risk to WMCA's financial stability. In addition, we are already seeing cost pressures through contracts.
- 8.4 As the plan develops and adapts, activities will need to be prioritised and fully costed. Where costs cannot be met from within existing budgeted resources, funding may need to be diverted from elsewhere in accordance with WMCA's Financial Procedure Rules.

9. Legal Implications

- 9.1 There are no direct legal implications arising from this report however it will remain essential that, as the plan develops and adapts as a consequence of Covid-19, any emerging legal issues are flagged up and addressed at the earliest opportunity.

10. Equalities and Inclusive Growth implications

- 10.1 There are no equality implications in relation to this report. However, it is worth noting that the current Corona-19 crisis has had a disproportionate impact on some of the most vulnerable sections of society hence potentially widening regional and national inequality gaps and making inclusive growth aspirations and objectives even more pertinent. This should be taken into account when revising existing and developing new objectives and deliverables in light of the current situation.

APPENDIX 1: Annual Review 2019/20: A summary of delivery against the WMCA Annual Plan 2019/20

Schedule of background papers

Annual Planning and Performance: WMCA Annual Plan 2019/20 and State of the Region Analysis 2019, Appendix 3, WMCA Board on 28 June 2019:

<https://governance.wmca.org.uk/documents/s3020/Report.pdf>;

<https://governance.wmca.org.uk/documents/s3023/Appendix%203.pdf>

WMCA Budget 2020/21, WMCA Board on 14 February 2020:

<https://governance.wmca.org.uk/documents/s3937/Report.pdf>

WMCA Annual Plan 2019/20: Progress Update Summary/Half-Year Review, WMCA Board on 8 November 2019:

<https://governance.wmca.org.uk/documents/s3648/Report.pdf>