

## Overview & Scrutiny Committee

<b>Date</b>	6 September 2021
<b>Report title</b>	Grant Register, Business Planning & Performance Reporting
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**Recommendation(s) for action or decision:**

**The Overview & Scrutiny Committee is recommended to:**

- (1) Note the current changes and progress with regards to business planning and performance reporting.
- (2) Note and comment on the Grant Register.

## **1. Purpose**

- 1.1 This paper provides an overview of the current business planning, performance reporting and risk foundation and what we are working towards to provide exemplar reporting that enables leaders to make evidence-based decisions.
- 1.2 In addition, there is an appendix of the current grant register. This contains all current 'live' grants where the WMCA is the accountable body and captures a comprehensive total of grants, awarding body, time period for delivery and a description of what the grant delivers.

## **2. Background**

- 2.1 The Business Planning & Performance Reporting Team was formed in March 2021 within the Finance & Business Hub as a result of Business Transformation. Prior to that performance, risk and assurance were part of the Strategic Hub in the Strategy & Economy Directorate.
- 2.2 This new team has responsibility for performance, risk, business planning and a small resource of Project Managers to support development and implementation of organisational projects. This presents an opportunity, working alongside finance colleagues, to support the 'golden thread' by translating the Corporate Strategy aims and objectives into annual plan activity that can be measured by outputs and outcomes. In this first year the team are designing, implementing and embedding the systems, processes and vehicles that add value through risk, performance and M&E frameworks that are joined up and deliver an enhanced control environment.

## **3. Strategic Risk Management Framework**

- 3.1 The Strategic Risk Management Framework (SRMF) is the overarching Risk Management Framework of the WMCA. It was developed and published in 2021 and sets the foundations upon which growing risk maturity will be achieved by the WMCA. The SRM Framework sets the tone for management of the risks owned across the CA, including project, programme, Portfolio/Directorate and operational risk as well as those identified as strategic in nature. The Framework provides a consistent organisation-wide approach to risk management through its universal scoring and escalation models, allowing the aggregation and escalation of risk where appropriate.
- 3.2 Roll-out of the SRMF is underway following sign-off by SLT in April and ARAC in June 2021. All templates and tools have been designed to provide consistency and this has been supported by training for all risk managers. In addition, there will be a maturity assessment in October and gap remediation to be completed by January 2022 and it is anticipated that organisational compliance will be achieved by February 2022.
- 3.3 In order to ensure continuous improvement, the SRMF will be reviewed on a minimum of an annual basis and this will enable it to be dynamic and respond to the ever changing WMCA and global risk landscape.

#### 4. Single Assurance Framework - Appraisal

- 4.1 The Single Assurance Framework (SAF) was approved by WMCA Board in July 2020 and the approvals process went live in September 2020 with the introduction of the Investment Panel. As part of the Business Case appraisal process and in-line with HMT Green Book 5-case model, the Appraisal team interface with Risk as part of the Management Case review, to ensure robust reviews are undertaken and strategies are in place. These reviews enable informed risk-based investment decisions, through the provision of observations and recommendations to Investment Panel, Investment Board and WMCA Board.
- 4.2 Appraisal informs decision-makers on key principles such as VfM, commercial viability and deliverability i.e. is this a project the WMCA should be supporting and if so, why. In addition, each project is assessed against its alignment to the WMCA Strategic Objectives, Corporate Strategy and Local, Regional and National Policy. Appraisers also offer support and guidance to business case authors during the development of their business case whilst also being key subject matter expert (SME) on all SAF associated processes. This has a dual benefit of building strong working relationships with project teams who utilise appraiser's knowledge to achieve an approval decision and for the WMCA it results in robust business cases that meet both HMT and WMCA requirements.
- 4.3 Appraisers also facilitate appropriate risk management/ mitigation strategy development to respond to or manage the risk likelihood/impacts by delivery organisations. The appraisal does not, nor is it intended to, define the risk management strategy in terms. Within the appraisal recommendations have regularly been made that risk management strategies should be developed/enhanced by delivery organisations in order to prevent risks materialising as issues and the predicted impacts/consequences being felt.
- 4.4 Following Business Transformation the Appraisal function, which previously sat alongside Risk, is now aligned with Assurance. When the SAF is followed correctly i.e. assurance and appraisal completed in a linear fashion (not in parallel) and there is a sufficient timeframe allocated, the consequences of project approval are considered.
- 4.5 A recent example that illustrates this is the business case to create two roundabouts in Solihull (Longabout and Roundabout Over-trace). Would the WMCA be opposing its own #WM2041 environmental policy by promoting car use by approving this? This challenge was raised during appraisal and as a result SMBC are now including initiatives to encourage greener travel within the corridor i.e. e-travel, improved rail connectivity and improved connectivity to Metro/Sprint services.
- 4.6 Over the past 11 months and based on 360 feedback from decision-makers, business case authors and WMCA SMEs the process and templates have been continuously improved. For example:
- Appraisal reporting now includes a 'project response' column against recommendations raised
  - Panel members offered 1-2-1 briefings prior to Investment Panel on individual cases
  - Risks and Opportunities of each project are included within the executive summary
  - Increase in stakeholder engagement has resulted in the emerge of a list of SMEs who appraisal can call upon to review technical cases i.e. innovation

- Presence of the team within HMTs 'Green Book Network' to harness knowledge from like-minded individuals across the region. This will be used to improve the business case templates when they are refreshed

## **5. Business Planning & Performance Reporting**

- 5.1 The annual business planning process will begin in earnest in October, although considerable pre-work has been undertaken in collaboration with colleagues in Strategy & Economy, who are developing the Corporate Strategy, and with Finance and HR teams. The intention is to ensure there is a clear 'golden thread' from strategic objectives through business plans down into individual performance goals and that this is supported by a bottom-up budget and a workforce planning.
- 5.2 Performance reporting was initially established in June 2020 and has matured in terms of the performance information that is provided. There are monthly reports to SLT on the high level deliverables (HLDs) that measure delivery against annual plan and to CMT on 'organisational health' for example people and central services performance. HLDs are also reported to WMCA Board mid-year together with any revised metrics and there is an annual review of performance following year-end. Additionally, there is the Investment Board dashboard monthly showing the status of all current projects by both delivery and financial information.
- 5.3 There is currently a project being scoped to deliver a Business Planning Performance solution with Data & Digital. The solution will drive a 'one version of the truth' set of data that can be presented/reported to various stakeholders in different ways. The key headline aspirations are detailed:
- One version of the truth
  - Hierarchies of performance data from a strategic view to a project view
  - Incorporated delivery, risk and financial data
  - Collation of outputs linked to economic themes
  - Cost centres linked to delivery (based around grant or fund source)
  - Visually rich performance dashboards

The Business Planning Performance solution will be vital to identify delivery performance, supporting decision makers to make informed decisions and detailing what we planning to achieve.

## **6. Legal Implications**

There are no legal implications as a direct consequence of this report.

## **7. Impact on Delivery of Strategic Transport Plan**

None

## **8. Equalities Implications**

None

**9. Inclusive Growth Implications**

None

**10. Geographical Area of Report's Implications**

None

**11. Other Implications**

**12. Schedule of Background Papers**

12.1 Appendix – current grant register