

Agenda Item No. 5

WEST MIDLANDS REGIONAL ASSEMBLY

Assembly Meeting - 18 January 2006

Draft Budget and Business Plan 2006-2009

Report of the Chief Executive

1. Purpose of Report

To present the Draft Budget and Business Plan 2006-09 to the Regional Assembly for endorsement. The final version will be presented to the Assembly at its April meeting.

2. Recommendations

- 2.1 The Assembly endorse the Draft Budget and Business Plan for 2006-2009.
- 2.2 The Assembly delegate to the Chief Executive in consultation with the Regional Partnerships Secretary, Chair and Vice Chairs, authority to make such modifications as are necessary to the draft budget and/or business plan upon receipt of comments from ODPM.
- 2.3 That the final budget and business plan be submitted to the April Board meeting for approval.

3. Background

- 3.1 In mid November ODPM published revised guidance on business planning. This was broadly similar to last year's guidance and thus did not require a major revision to our planning approach. The Assembly's budget settlement for 2006-07 is £2,191,000 from ODPM, an increase of around 6% on the 2005-06 grant.
- 3.2 The Draft Business Plan and Budget must be submitted to ODPM via GOWM on 24 January 2006. The final business plan and budget will be approved in April following ODPM consideration.

4. Business Plan

Last year's business plan was devised to meet not only ODPM purposes, but as an internal performance management tool. The 3 year plan was based on robust assessment of priorities and a realistic assessment of resource demands. As an

organisation which is thinly staffed but with policy and work areas capable of enormous breadth; clarity and performance management remain crucial. The plan has proved a clear guide and a sound base for monitoring our performance. Each Work Strand has a section in the business plan outlining core tasks and targets.

Members can access both the 2005-06 plan and half year performance monitoring report as well as the draft plan and budget for the next 3 years via the Assembly website www.wmra.gov.uk – click on “Regional Strategies” and then ‘*Assembly Business Plan 2005–08*’ and ‘*Assembly Draft Business Plan 2006-9*’. In point 6 of this report I will outline any major new demands or tasks.

5. Draft Budget

The Draft Budget for 2006-2009 is attached as **Appendix A**. Members will recall that in broad terms approximately 75% of funds received from ODPM must be spent on Regional Spatial Strategy (RSS) related work.

Highlighted below are some key issues.

5.1 Income (Projected)

- 5.1.1 ODPM has indicated the grant for existing Assembly activities. In addition (as Members will note from the report at item 10), the Assembly has been asked to submit a budget for undertaking the Regional Housing Board function. For a full year these are estimated at £250,000 however this function is not likely to commence until September 2006 and therefore a pro rata figure for 2006-07 of £116,917 is included in the budget under income strand 3 and work strand 25.
- 5.1.2 Members will note the absence of an indication of income on income line 7 from Department of Health (DoH) to support the work of the Regional Health Partnership. This is a result of the current freeze on all their budgets.

For the purpose of this budget, the allocation of 2006-07 Assembly funds (WS31) plus the balance of DoH funds held on account by us for this work programme, will only provide funding for the Health Policy Officer post until December 2006. DoH retain an aspiration to continue to support this area of work and we hope to be able to clarify their position on further contribute in due

course. The Health Partnership meetings are serviced by the DoH.

- 5.1.3 The contribution to costs from The English Regions Network (income strand 8) is reduced with effect from 2006-07 reflecting the end of our chairmanship of the organisation in July 2006.
- 5.1.4 There is no entry in this budget for the Forestry Commission (strands 6 & 37) as we anticipate that they are moving towards completion of this particular work programme.
- 5.1.5 The grant from AWM for the Regional Transport Planning Partnership (RTPP) has been excluded from this budget at this time, as it has a match funding requirement and we are not yet clear what projects may be eligible. Activity in this area (strands 5 & 23) will not affect our budget plans.
- 5.2 Expenditure (proposed)
 - 5.2.1 The expenditure budget reflects the priorities identified in the business plan and the resource constraints. It also reflects a combined officer support structure within the Regional Partnership Centre and the resulting efficiencies. These have resulted in the indirect subsidy from the WMLGA to the Assembly reducing from £270,000 to £233,000.
 - 5.2.2 The Assembly continues to work, wherever possible, through partner organisations and Service Level Agreements will once again be entered into with Local Authorities, West Midlands Business Council, Regional Action West Midlands, Regional Observatory and Sustainability West Midlands. These all represent excellent value for money and we are grateful for their continued support.
 - 5.2.3 Potential Legal Costs (WS29): The Assembly (as the Regional Planning Body) now faces the potential risk of costs of attending or being represented at inquiries, hearings or other legal proceedings relating to this role. The English Regions Network are in discussion with OPDM about establishing a 3 year fund to meet these costs. Meanwhile we have set aside a budget of £25,000 of ODPM funds as a contingency.

5.2.4 Planning, Transport and Housing – (WS 15-29): The proposed expenditure against these work strands has been re-profiled to record all work associated with RSS Revision Phases 2 and 3 under work strand 18. Previously work and therefore budgets associated with the Revision was set against the full range of policy headings/work strands. In addition in view of limited staff capacity and budgets the formal commencement of Revision Phase 3 has been deferred to 2007-08.

6. Business Plan

6.1 The priorities and tasks identified in the last years 3 year rolling business plan are rolled forward. I highlight only key changes or where the resource demands of a task are growing at a greater extent than anticipated.

6.1.1 Regional Planning: The simultaneous work of implementation, Phase 1 and 2 reviews and the ever increasing demands of conformity are placing a strain both on our team, our partners and those lead members involved in the task. We are of the view that more resources are required to undertake this task, but unfortunately none are available. As a result we are of the opinion that the Phase 3 review cannot commence until 2007-2008. In addition, if the conformity workload continues to be as demanding at least one more officer will be required for the task next year.

6.1.2 Scrutiny: The Strategic Review Group has been concerned at the volume of work particularly borne by one officer for this valuable area of work. As a result, next year we have allocated an additional half policy officer post to the task from within existing resources and have utilised some of the budget to buy in further support. As a result we have transferred £25,000 from WS30 to the meet the costs of identified support for scrutiny.

6.1.3 Equality and Diversity: In addition to the enormous voluntary contribution we receive from regional partners, for the next 3 years we will benefit from a free secondment from the Home Office, who will undertake the role of Director Equality and Diversity on behalf of the Assembly and drive forward implementation of the recommendations of the Strategic Review.

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WM REGIONAL ASSEMBLY DRAFT BUDGET 2006-09

INCOME	WS	2006-07	2007-08	2008-09
ODPM	1	2,191,000	2,321,000	2,321,000
ODPM for Black Country Study	* 2	0	0	0
Housing Board Funding	* 3	116,917	250,000	250,000
Advantage West Midlands	* 4	0	0	0
Advantage West Midlands	* 5	0	0	0
Forestry Commission	6	0	0	0
Department of Health	7	0	0	0
English Regions Network	8	5,000	5,000	5,000
Energy Office (DTI)	9	100,000	100,000	100,000
Partner Support c/fwd 05-06		15,697		
Total		2,428,614	2,676,000	2,676,000
EXPENDITURE				
Corporate				
Staffing	10	1,115,393	1,130,076	1,164,000
Staff Training (CPD)	11	11,000	10,000	10,000
Members Allowance	12	15,000	15,000	15,000
Operational	13	125,804	128,000	130,000
Communications	14	55,000	55,000	55,000
<i>Sub Total</i>		<i>1,322,197</i>	<i>1,338,076</i>	<i>1,374,000</i>
Planning, Housing & Transport				
Implementation	15	32,000	35,000	35,000
Monitoring	16	223,500	246,000	246,000
Conformity	17	20,000	22,000	22,000
Review	18	167,500	238,924	222,000
Urban & Rural Renaissance	19	39,000	79,000	79,000
Increase Partnering/Participation	20	31,000	34,000	34,000
Black Country Study	* 21	100,000	0	0
Transport	22	19,500	21,000	21,000
RTPP	* 23	0	0	0
Housing	24	19,500	21,000	21,000
Housing Board	* 25	116,917	250,000	250,000
Environment	26	43,500	48,000	40,875
Sustainable Development	27	20,000	22,000	14,875
Economy	28	39,000	79,000	79,000
Legal Expenses	29	25,000	27,000	27,000
<i>Sub Total</i>		<i>896,417</i>	<i>1,122,924</i>	<i>1,091,750</i>
Strategic Review	30	30,000	35,000	35,000
Policy Integration & Development				
Health	31	10,000	10,000	9,050
Europe & International Policy	32	15,000	15,000	14,050
Social Inclusion	33	10,000	10,000	9,050
Culture & Skills	34	10,000	10,000	9,050
Rural	35	10,000	10,000	9,050
WMRO State of Region	36	25,000	25,000	25,000
<i>Sub Total</i>		<i>80,000</i>	<i>80,000</i>	<i>75,250</i>
Other Activities				
Forestry	37	0	0	0
Regional Energy	38	100,000	100,000	100,000
<i>Sub Total</i>		<i>100,000</i>	<i>100,000</i>	<i>100,000</i>
Total		2,428,614	2,676,000	2,676,000