

WEST MIDLANDS REGIONAL ASSEMBLY
Board of Directors – 2 February 2009

Report of the Chief Executive and Company Secretary

1. Purpose

- 1.1 To provide the Board with the 2008-09 Q3 Progress Report and the 2009-10 Draft Business Plan & Budget both of which have been submitted to Government Office in accordance with CLG reporting deadlines.

2. Recommendation

- 2.1 The Board is asked to **approve the 2008-09 Q3 Progress Report and proposed virements.**
- 2.2 The Board is asked to **approve the 2009-10 Draft Business Plan & Budget.**

3. 2008-09 Q3 Progress Report & Proposed Virements

- 3.1 In order to meet CLG deadlines the Chief Executive had to agree and submit the Progress Report to 31 December 2008 to GOWM by 16 January 2009. At Q3 a full review of expenditure is undertaken with the team and due to the little time available to complete this analysis we were unable to seek formal approval before the deadline.
- 3.2 A copy of the Q3 Progress Report and Proposed Virements is available at:
[www.wmra.gov.uk/Meetings and Agendas/Board of Directors/Q3.aspx](http://www.wmra.gov.uk/Meetings_and_Agendas/Board_of_Directors/Q3.aspx)
- 3.3 We made a request to CLG in 2008 for a contingency budget of £100,000 to meet the costs of the Examination in Public in April. CLG has agreed this request but advised that the funds will not be provided to us now until Q1 of the 2009-10 claim. A Q3 review meeting is to be held with GOWM on 29 January and they will no doubt request that we adjust our Q4 claim accordingly.

- 3.4 During the Q3 internal review we identified a number of variances on expenditure, the major one being a significant under-spend on staffing due to posts not being replaced and lagging. This is funding the EiP contingency, but there were a number of other virements that were proposed in the report to ensure the work programme commitments are met in the year.
- 3.5 The key CLG virements are outlined in the table below and **the Board is asked to approve** these Q4 adjustments.

INCOME	WS	Revised CLG Budget	Virement
CLG Assembly Funding	1	2,348,829	
CLG Contingency	2	10,208	
Total		2,359,037	
EXPENDITURE			
Corporate			
Staffing	10	1,295,159	-102,392
Staff Training (CPD)	11	15,000	5,000
Operational	13	137,778	0
Communications	14	9,000	0
<i>Sub Total</i>		<i>1,456,937</i>	<i>-97,392</i>
Planning, Housing & Transport			
Implementation	15	25,000	0
Monitoring	16	198,824	-16,176
Conformity	17	20,000	0
RSS Revision Phase Two	18a	102,300	2,300
RSS Revision Phase Three	18b	210,269	27,269
Urban & Rural Renaissance	19	19,500	0
Increase Partnering/Participation	20	15,000	0
Transport	22	32,207	-10,293
Housing	25	25,000	0
Environment	26	49,500	6,000
Sustainable Development	27	20,000	0
Economy	28	39,000	0
Legal Expenses	29		0
<i>Sub Total</i>		<i>756,600</i>	<i>9,100</i>
Strategic Review	30	14,500	-5,500
Policy Integration & Development			
Health	31		
Europe & International Policy	32	15,000	5,000
Social Inclusion	33	6,000	1,000
Culture & Skills	34	7,000	0
Rural	35	3,000	-2,000
<i>Sub Total</i>		<i>31,000</i>	<i>4,000</i>
Total		2,259,037	
EiP Contingency for 2009-10		£100,000	

- 3.6 We ave put an additional £5,000 into the Corporate Training budget [WS11] to meet staff development needs identified in personal reviews.
- 3.7 Savings identified on transport [WS22] and monitoring [WS16] are meeting additional costs around WMRSS [WS18] and environment [WS26]. These additional costs generally relate to technical support around the EiP.
- 3.8 In this year we have also invested an additional £1,000 in the Equality & Diversity [WS33] programme and £5,000 in the EUConnects Project [WS32] to ensure continuity of staff from the pilot phase to the second phase which has won £1.5m funding to December 2011. In 2009-10 we will sadly not be able to support these work programmes. This additional expenditure is partly met by reduced support to the WM Rural Affairs Forum [WS35] and savings from a reduced work programme on Scrutiny [WS30].

4. 2009-10 Draft Business Plan & Budget

- 4.1 The 2009-10 Draft Business Plan & Budget was submitted to GOWM on 23 December following consultation with the Chairman and Vice Chairs. **The Board is now asked to approve this document.**
- 4.2 A review meeting was held with GOWM on 7 January at which no further amendments were required, but they requested the covering letter provide clarification on issues such as wind up costs, scrutiny, etc. A copy of the Draft 2009-10 Business Plan and cover letter are available at:
- www.wmra.gov.uk/Meetings_and_Agendas/Board_of_Directors/Draft_200910_Business_Plan.aspx
- 4.3 The 2009-10 Draft Business Plan and Budget focuses on delivering on two key priorities for the Assembly; the WMRSS Examination in Public and the continued progress of the WMRSS Phase Three.
- 4.4 The 2009-10 Draft Budget is reliant upon an agreed contingency for EiP from 2008-09 funding and the recent CLG approval for this now means the overall plan is both realistic and deliverable.
- 4.5 Whilst the guidance originally called for a final year business plan that included a change management plan, it has subsequently been agreed that regions will submit their plans separately to Government by the end of March. Within the Draft Business Plan we have therefore not provided any detail but have confirmed that the intention is to utilise 'reserves' to meet any associated wind-up

costs, but with a proviso to go back to CLG to revisit the budget if reserves are insufficient.

- 4.6 The guidance from CLG indicated they were looking for a budget cut of 10% and we therefore restricted funding only to planning, housing and transport activities; we can no longer fund policy development work strands nor partner engagement, and we have had to cut Planning Agreement fees to local authorities by 10%.
- 4.7 We have already begun to reduce the overall staffing resource by not replacing two policy posts and a support officer post in 2008 and in 2009-10 we will look carefully at any post that falls empty and will seek to utilise fixed term contracts until there is clarity regarding the new arrangements.
- 4.8 CLG have indicated that funding agreements should be issued in February 2009 and we are hopeful that the requested budget will be approved.

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