

Report to: West Yorkshire Combined Authority

Date: 10 May 2018

Subject: **Corporate priorities**

Director: Angela Taylor, Director, Resources

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Is this a key decision?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	

1. Purpose of this report

- 1.1 To approve entering into a borrowing facility with the European Investment Bank.
- 1.2 To advise the Combined Authority of the work undertaken to establish a corporate technology strategy.
- 1.3 To seek approval for the corporate technology strategy to progress through decision point 2 of the assurance framework and for work to proceed on the outline business case.

2. Information

European Investment Bank

- 2.1 As part of the Growth Deal the Combined Authority has secured significant funding for the West Yorkshire plus Transport Fund, to which local contributions are also required. The ambition is to deliver a programme of schemes over a shorter timescale than over the twenty years for which funding has been granted. Borrowing will be required in order to achieve this, although not in the current year (this is reflected in the medium term financial

strategy and capital resourcing requirements). Discussions have been underway for some time with the European Investment Bank (EIB) who can offer a flexible facility that could be utilised alongside traditional Public Works Loan Board type lending. Many of the schemes within the Transport Fund provide a good strategic fit to the EIB requirements.

- 2.2 Contract negotiations are continuing and the Investment Committee was advised of progress on this at their last meeting. It noted the specific requirement of the EIB that approval be given to the nominated officer, in this case the Director, Resources, to enter into the finance contract with the EIB, up to the value of £100m, and to be authorised to make drawdowns, amendments and disbursements over the five year term. Whilst the EIB require a specific approval to this effect the Combined Authority should note that the Director, Resources as the s73 finance officer already has authority to enter into appropriate borrowing and investment arrangements within the approved treasury management strategy.

Corporate Technology Strategy

- 2.3 The Combined Authority has developed a corporate technology strategy (CTS) that sets out the current and future business requirements of the organisation and how these can be best met through the use of effective and efficient technology. The strategy is focussed on transforming the Combined Authority into a 'digital first' organisation that can work flexibly with reliable and effective tools and systems enabling better productivity. The current ICT systems are largely out-dated legacy systems inherited from the previous transport authority with some additions brought across through the transfer of the Leeds City Region Enterprise Partnership, inward investment and research and intelligence teams. Little ongoing investment has been made in this period in the core systems, with the focus being on using the available transport funding to develop the passenger facing systems such as bus real time and smartcard ticketing. A review of business needs across the whole organisation has revealed the need for the better use of technology to enable greater efficiencies, better communications and improved productivity.
- 2.4 The CTS seeks to ensure compliance with quality standards and utilise a clear set of design and technology principles to shape the delivery of an integrated and effective ICT solution. Five objectives have been set out:
- 2.5 **Security and compliance** – ensuring continual improvement to security through improvements to systems, increasing awareness and testing and challenge of the arrangements in place.
- 2.6 **Day to day business** – improving stability and reliance of current systems and ensuring these are quality assured and that support and development arrangements are clear for each application.
- 2.7 **One Organisation infrastructure** – ensuring the underlying infrastructure and data management reflect today's organisation, including alignment of websites, hardware and software and data centre hosting.

- 2.8 **New and refreshed corporate systems** – updating corporate systems, ensuring integration between teams, better sharing of data and digitising processes that currently are less efficient than they should be.
- 2.9 **Empowerment via mobility and collaboration** – a ‘my desk anytime anywhere’ solution for accessing files, documents and systems from anywhere along with collaboration tools to work internally and with partner organisations.
- 2.10 These objectives have been validated by the teams within the Combined Authority and subject to an element of external challenge to ensure they are aligned with current ICT developments. Engagement with colleagues in partner authorities has also been undertaken. A technical advisory board has been set up that includes membership of the Head of ICT at Bradford Council who have themselves been through a similar strategy over recent years.
- 2.11 The strategy sets out the necessary work required to achieve the objectives with the next stage being the development of a prioritised programme of actions needed to address the objectives.
- 2.12 It is proposed that some of the required work packages will be undertaken within current resources by the existing team. Other projects will require the purchase of new applications and their implementation will require a blend of internal and external expertise. Some early market engagement has taken place to assist in ensuring that work packages are put together in the most effective way, recognising interdependencies, and that will enable the efficient and timely delivery of improvements.
- 2.13 Early priorities for investment include network upgrades, solutions for mobile working, Public Services Network (PSN) accreditation to enable secure access to other partners, intranet upgrades and the implementation of Office 365.
- 2.14 Indicative cost ceiling for the planned programme of investment over the next three years are £3.5 million. These costs will be further refined as requirements are finalised and procurement undertaken. It is proposed that these costs are funded through the Combined Authority’s internally funded capital programme.
- 2.15 The CTS is subject to the Combined Authority’s Assurance Framework with the Programme Appraisal Team recommending its progression through decision point 2 (expression of interest). It noted the benefits offered by technology as an enabler of better productivity, efficiencies and communications and that current inefficiencies as a result of underinvestment result in wasted resource and heightened risk.
- 2.16 The Combined Authority is requested to approve the progress of the Corporate Technology Strategy through decision point 2 with an indicative allocation of £3.5 million. Funding of £150,000 is requested to enable the development of an outline business case with costs and a procurement

strategy. It is recommended that progression through future decision points is delegated to the Managing Director with zero tolerance for cost increase.

3. Inclusive Growth Implications

- 3.1 There are no inclusive growth implications directly arising from this report although the CTS systems will facilitate more efficient virtual working between partners on the inclusive growth programme.

4. Financial Implications

- 4.1 As set out in the report. Funding of £150,000 is sought to enable resource to be procured to develop the full business case and procurement strategy.

5. Legal Implications

- 5.1 None arising directly from this report.

6. Staffing Implications

- 6.1 Implementation of the CTS will be undertaken by a combination of existing resources and external partners.
- 6.2 Modern ICT arrangements will help facilitate the cultural change towards more flexible working and culture of collaboration, partnership working and better support to customers that are at the heart of the values work of the Combined Authority.

7. External Consultees

- 7.1 None.

8. Recommendations

- 8.1 That the Director, Resources be authorised to contract with the European Investment Bank for a borrowing facility up to the value of £100m and approve subsequent disbursements and amendments over the five year term.
- 8.2 That the corporate technology strategy be noted.
- 8.3 That the corporate technology strategy progress through decision point 2 of the assurance framework with an indicative allocation of £3.5 million, funded through the Combined Authority's internally funded capital programme.
- 8.4 That funding of £150,000 be approved to develop the outline business case and that future progress through the assurance process be delegated to the Managing Director, subject to remaining within tolerance.

9. Background Documents

There are no background documents referenced in this report.

10. Appendices

Appendix 1 - Executive summary of the Corporate Technology Strategy