

**Report to:** West Yorkshire Combined Authority

**Date:** 21 May 2020

**Subject:** **Corporate matters**

**Director:** Angela Taylor, Director, Corporate Services

**Author(s):** Jon Sheard, Faye Barker

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" 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:	N/A

## 1. Purpose of this report

- 1.1 To endorse the revised capital strategy and consider the updated procurement strategy.

## 2. Information

### Capital strategy

- 2.1 A capital strategy was considered and endorsed by the Combined Authority at its April meeting in 2019. The Governance and Audit Committee considered a revision of that strategy at its meeting on 12 May 2020 and have recommended it to today's meeting for approval. The Committee did note however that the strategy would require early review to ensure it remained fit for purpose for the Covid-19 response which may require a change to the current strategy. The updated strategy is attached at **Appendix 1**.
- 2.2 Determining a capital strategy for the Combined Authority is a requirement of the Prudential Code that require all local authorities to have one in place. It is required in order to demonstrate that the Combined Authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence,

sustainability and affordability. The strategy, in a high-level view, sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. The capital strategy will form part of the authority's revenue, capital and balance sheet planning. The strategy is tailored to the authority's circumstances and includes or signposts information on capital expenditure, investments and liabilities and treasury management.

2.3 The revised strategy has not had any material changes from the one approved in 2019, which was developed using the following guidance provided by CIPFA and by benchmarking with other local authorities:

- apply a long-term approach ie 20-30 years;
- explore external influences (eg government funding / policy);
- explore internal influences (eg corporate plan, local plan etc);
- ensure corporate plan priorities drive capital investment ambition;
- determine implications of any Investment Strategy;
- examine commercial activity / ambition;
- examine available resources and capacity to deliver;
- assess affordability against ambition and identify any gap;
- identify capital financing principles;
- demonstrate integration with other strategies / plans;
- produce a 10 year capital investment plan;
- capture risks and mitigating factors;
- outline governance and monitoring processes.

2.4 Members are asked to approve the Capital Strategy and to note that it will continue to be developed and reviewed during the coming year, as set out in paragraph 2.1 above and as requested by the Governance and Audit Committee. It is also expected that it will need a more fundamental review and consideration ahead of its next review date of April 2021 in the light of the move to becoming a mayoral combined authority.

### **Procurement Strategy**

2.5 A three year procurement strategy was considered and endorsed by the Combined Authority at its February meeting in 2018. That strategy reflected the findings of a review of the procurement function within the Combined Authority at the time. There have been a lot of changes within procurement and the wider organisation during the intervening period. Those changes need to be reflected in the procurement strategy and more definition given to the next phases of development. A new procurement strategy can therefore be found in **Appendix 2**.

2.6 The strategy clearly sets out the direction of travel for procurement within the Combined Authority. The document explains the drivers, approach and intended outcomes for procurement activity. It is a point of reference internally and will be used as a means of signposting intentions externally.

2.7 The main elements of the strategy are:  
2.14.1 a reflection on the successes and issues to date  
2.14.2 defining value for money

- 2.15.3 making social value part of every aspect of procurement
- 2.15.3 enhanced stakeholder management
- 2.16.4 introduction of category management
- 2.17.5 improving contract management.

2.8 Members are asked to approve the procurement strategy and to note that it will continue to be developed throughout the strategic cycle. The revised strategy facilitates individual procurements being undertaken in a way to support the appropriate policy driver, including inclusive growth or clean growth implications.

### **3. Inclusive Growth Implications**

3.1 The revisions to the procurement strategy strengthen the requirement for procurements to include inclusive growth requirements.

### **4. Clean Growth Implications**

4.1 The revisions to the procurement strategy will facilitate a greater focus on clean growth in procurements.

### **5. Financial Implications**

5.1 None arising directly from this report.

### **6. Legal Implications**

6.1 None arising directly from this report.

### **7. Staffing Implications**

7.1 None arising directly from this report.

### **8. External Consultees**

8.1 No external consultations have been undertaken.

### **9. Recommendations**

8.1 That the Combined Authority approves the capital strategy at Appendix 1.

8.2 That the Combined Authority approves the procurement strategy at Appendix 2.

### **9. Background Documents**

None.

## **10. Appendices**

Appendix 1 – Capital strategy

Appendix 2 – Procurement strategy