

21 September 2020

INTEGRATION OF THE PTE WITH THE MCA

Purpose of Report

Following agreement to progress the 7-point implementation plan of the Bus Review, this report sets out for the MCA Board a number of considerations and key milestones in progressing the integration of the PTE fully within the MCA.

Thematic Priority

Cross Cutting - governance

Freedom of Information and Schedule 12A of the Local Government Act 1972

The paper will be available under the Combined Authority Publication Scheme

Recommendations

The MCA Board agree:

1. the aim and objectives, as outlined in section 2.1, and whether these accurately capture Member's intentions following agreement to the 7-point plan (27.07.20);

The MCA Board note

2. the proposed workstreams and outline for communication, and that a fuller work programme and risk register will be developed in the coming months;

1. Introduction

- 1.1** The MCA, at its meeting 27th July 2020, agreed to begin the process for integrating the South Yorkshire Passenger Transport Executive (SYPTe) fully within the MCA, moving away from the current Group Structure of the MCA with a wholly owned Subsidiary Body. Engagement with MHCLG is underway to agree the route and milestones to dissolve the PTE. The precise legislative route to undertake the integration is under discussion with MHCLG but will require a Statutory process and an Order of Parliament to formally merge the 2 bodies. The timescale of the legal integration will depend on MHCLG securing parliamentary time following their agreement to support the proposal.
- 1.2** At conclusion of the statutory process all undertakings of the PTE will transfer to the MCA, including assets, contracts and employees. Until this point the PTE will legally retain its independent identity.
A number of services are already integrated across the Group, including legal, IT and HR, further work is taking place to fully integrate finance and marketing and communications. In addition to these, planning work can commence to integrate structures, processes and systems across the Group in preparation for full integration.

2. Proposal and justification

2.1 The proposal is to commence the process for integrating the South Yorkshire Passenger Transport Executive (SYPTTE) fully within the MCA. The aim of the activity is defined as: ***To fully integrate the PTE into the MCA as a single entity encompassing economic development and transport strategic and operational functions. Including the creation of a single Executive organisation to support the MCA remit.***

2.2 Delivery objectives are defined as:

1. To dissolve the PTE, via statutory instrument, ensuring any statutory obligations are undertaken in a timely manner,
2. To develop an integrated MCA Executive Function, including the transfer of employees from the PTE to the MCA
3. To agree the requirements for any new governance processes across the MCA, to ensure good governance and risk management systems can be agreed, developed and implemented

A detailed plan with interim and final deadlines will be developed when we are aware of the statutory timetable for this activity

2.3 The programme of activity leading to full integration has been broken down into 5 workstreams, defined as:

- Governance
- HR
- Finance and Assets
- Branding and Communications
- Programmes

A detailed project plan based on the above workstreams is in development.

2.4 As part of the project plan, a series of milestones will be established with decisions being brought back to the MCA Board for their consideration, with the Mayor and Chair of the Transport Board maintaining a detailed oversight of the process.

3. Consideration of alternative approaches

3.1 Based on the agreement to integrate the PTE fully in the MCA there are a number of sequencing issues that can be considered:

- To do the initial preparation but to largely leave implementation of practical actions until after the statutory process has concluded;
- To do the initial preparation and to implement as much as possible to achieve full integration in advance of the statutory process;

As each workstream is developed and there is greater clarity of the timeline for the statutory process Members will be updated on the proposed timetable.

4. Implications

4.1 Financial

Any costs associated with the integration process will be assessed and reported on, these may include costs related to:

- Consultation, although it is not certain that public consultation will be required,
- Legal support if revision to terms and conditions of staff are required,
- Revised branding of all operational transport assets and information.

4.2 **Legal**

Section 85 Transport Act 1985 allows the Secretary of State to dissolve the PTE by Statutory Order. The MCA are unlikely to need external legal advice to do this but some elements of the implementation including harmonisation of terms and conditions may.

4.3 **Risk Management**

A full risk plan is in development and will mirror the themes of the main work programme themes

4.4 **Equality, Diversity and Social Inclusion**

The MCA Executive and PTE HR team will be fully integrated into the implementation team to ensure that in all processes relating to employees of the MCA Executive and PTE regarding equality and diversity are fully adhered to.

5. **Communications**

5.1 Following the acceptance of the 7 Point Implementation Plan, a full briefing was provided by the Head of Paid Service and Executive Director of the PTE to all staff. Further staff consultation sessions are being scheduled to provide updates on activity.

In addition to this there is a commitment to consult with the relevant Trade Unions regarding the integration and implications for officers of both organisations.

It is proposed that there is a status update brought to every MCA as part of the CEX Report, with detailed reports to Members scheduled for key decision milestones.

Further work will be undertaken to consider branding options.

6. **Appendices/Annexes**

6.1 N/A

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: