

16th November 2020

SCHEME OF DELEGATION: CONTRACTS AND ACCOUNTS

Purpose of Report

This report proposes an amendment to the threshold at which the MCA's statutory officers are authorised to take decisions under delegation from the MCA for certain types of contracting for goods and services. The proposal will align MCA decision making processes to that of SYPTE and reduce the number of operational matters coming before the MCA Board.

Thematic Priority

All.

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

This paper will be available under the Combined Authority Publication Scheme

Recommendations

- The MCA approves the increase in the delegation threshold under which statutory officers may accept a tender or quotation for the supply of goods, services, or materials to £200k for matters that cannot be otherwise approved by a Thematic Board

1. Introduction

- 1.1** Under the Constitution, the MCA authorises certain officers to take decisions on its behalf through the Scheme of Delegation.
- 1.2** The Scheme of Delegation sets out which decisions officers are authorised to make and to what value. Generally, decisions relate to operational matters with delegations granted to allow the smooth functioning of the organisation and avoid undue Board time being absorbed by non-strategic matters.
- 1.3** Currently, the MCA's statutory officers are authorised to accept all tenders and quotations up to a £100k threshold. Above this value, authorisation must be sought from a Thematic Board for matters up to £200k, or where an issue does not relate to a Thematic Board to the MCA Board.
- 1.4** Whilst the relatively low threshold does afford the MCA Board with oversight and control over operational matters, it has led to trivial matters – such as the award of cleaning contracts – being brought before the Board.

- 1.5 This report proposes that this matter is addressed by increasing the value at which the MCA's statutory officers are authorised to make contracting decisions for matters that cannot be brought to a Thematic Board.
- 1.6 It is proposed that the delegation threshold for such matters is increased to £200k, which would bring decision-making in-line with the threshold for Thematic Boards and the officer decision-making threshold afforded to South Yorkshire Passenger Transport Executive (SYPTTE). Changes to the scheme of delegation requires approval from the MCA Board.

2. Proposal and justification

- 2.1 Under Section 23a of the Scheme of Delegation, the statutory officers are authorised to accept all tenders or quotations up to a value of £100k. Above this value, the Thematic Boards have delegations to authorise the acceptance of tenders or quotations up to £200k, and above this all decisions are reserved to the MCA Board.
- 2.2 Since 2016, 52 separate procurements have been undertaken by the MCA at values in excess of £100k. Many of these procurements relate to items that do not align to the functions of a Thematic Board, and which have required MCA Board approval.
- 2.3 Such procurements can be loosely grouped as 'corporate' procurements, and reflect issues relating to office accommodation and its servicing, ICT systems and equipment, external support to back-office teams, and items that cut across Thematic Boards and allow the MCA to discharge obligations to statute or funding such as assurance workstreams.
- 2.4 As the MCAs activity grows in scope and scale, and as inflation increases the cost of activity (inflation between 2014 and now stands at c. 15%), the number of contracting matters that cannot be authorised by officers or Thematic Boards will likely increase. This will place an additional burden on the Board and displace time from other priorities.
- 2.5 In mitigation of this, it is proposed that the threshold for delegations to officers for the acceptance of tenders or quotations for matters that cannot be authorised under delegation by a Thematic Board be increased to £200k. Decisions taken at this level will be reported to the MCA Board through existing delegated authority reporting mechanisms.
- 2.6 At this level, officer decision thresholds will be aligned to SYPTTE threshold levels without impinging on the purview of the Thematic Boards. This approach will reduce the likelihood of operational matters being brought before the full Board, allowing focus to be retained on priority issues.

3. Consideration of alternative approaches

- 3.1 The proposals in this report could be rejected. In rejecting the proposals all contracting matters above the £100k threshold that could not be brought before a Thematic Board would be brought to the MCA for decision.

4. Implications

- 4.1 **Financial**
This report proposes a change to the scheme of delegation. The details of the proposal are presented in the body of the document.
- 4.2 **Legal**
If approved, the MCA's constitution will be amended to reflect the changes in level of delegation.

4.3 Risk Management
N/A

4.4 Equality, Diversity and Social Inclusion
N/A

5. Communications

5.1 N/A

6. Appendices/Annexes

6.1 None.

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