

21st January 2021

INTEGRATION OF THE PTE WITH THE MCA UPDATE

Purpose of Report

ASC Members requested an update of progress and next steps for the integration of the PTE and MCA. This report confirms the agreement of the outline project plan agreed by the MCA Board in September.

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 ASC Members, note the project plan approved by the MCA Board, specifically:

1. the aim and objectives, as outlined in section 2.1,
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. 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.
- 1.2** Work is continuing to move towards full integration of the Executive Teams. 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. Planning work is commencing to integrate structures, processes and systems across the Group in preparation for full integration.
- 1.3** The MCA Board approved an outline project plan in September and work is commencing to further develop the workstreams and workpackages into a full operational plan.

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 is in the process of being developed, albeit we have no confirmation from Government as to the statutory timetable for this activity, which will ultimately shape the scheduling of activity.

2.3 The draft programme approved by the MCA Board 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 and will include a series of milestones where decisions will be required by the MCA Board. The Mayor and Chair of the Transport Board will maintain a detailed oversight of the process.

2.4 There is a requirement for additional capacity to support the management of this process. Work is underway to appoint an interim capacity to lead the HR workstream and a specification for additional general and specific support is planned to be issued imminently. This activity is in direct response to the need to mobilise and progress action in a timely manner.

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:

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

In view of there being no clarity on securing parliamentary time, especially against the context of operational issues relating to EU exit and the pandemic, the second option is the most likely proposal. 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,
- Additional interim and specialist support and advice required.

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 work but some elements of the implementation including harmonisation of terms and conditions may require specialist legal advice.

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.

The MCA Board are considering the name of the MCA and whether this need changing in light of changes to the LEP geography, progression of devolution and the integration work (initial discussion scheduled January 21 MCA Board). Following this the proposal is for a full review of branding.

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: