

## Report to Sheffield City Region Overview and Scrutiny Committee

<b>Date of Meeting:</b>	25 March 2021
<b>Subject:</b>	Integration of the MCA and PTE
<b>Purpose of the Report:</b>	To update board Members of progress and next steps for the integration of the MCA and PTE.
<b>Recommendation(s):</b>	Members note the update report and future reporting requirements they have to ensure effective Scrutiny of the implementation process
<b>Category of Report:</b> Open Under the Freedom of Information Act and Schedule 12A of the Local Government Act 1972, this paper and any appendices will be made available under the Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.	

### Summary:

The MCA, at its meeting 27 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.

Practical steps towards integration are continuing to be progressed and operationalised, prior to the legislative process. This paper provides an updated position on progress to date and proposed future actions.

### 1 Introduction/Context

- 1.1 Following the report of the independent Bus Review, the MCA agreed a 7-point plan for bus service operation. A significant action was the decision to integrate fully the PTE with the MCA and to ensure the governance of operational transport in South Yorkshire was politically led via the governance structures of the MCA.
- 1.2 Prior to this formal decision to integrate there was a foundation of some integrated practice across the MCA Executive and PTE as both organisations shared a group IT, HR and Legal Service.
- 1.3 Since the decision to integrate a high-level plan has been developed, detailing workstreams and work packages to be progressed, an update by work stream is provided in section 2 below.
- 1.4 In addition to this, and with the guidance of the Audit and Standards Committee, in their consideration of risk management, an independent Strategic Partner has been appointed (commencing 22 March 2021). This partner, with expertise in corporate and public integrations, will advise on the efficacy of the planning and implementation to ensure that the MCA implements an assured process.

## **2 Matters for Consideration**

### **Governance**

#### **2.1 Actions taken**

- Joint Management Board – On a weekly basis the Directors of the MCA and PTE have a formal policy and business meeting. This has been operational since early 2020.
- Review of group delegations – The Monitoring Officer and S73 Officer are developing a single system of officer delegations, agreed in draft, with a view to seeking amendment to the Fin Regs and to ensure consistency across the group.
- Paper to amend decision making routes due to go to MCA – this paper is in the drafting stage and is proposed to be presented to the June MCA.
- Single approach to budget planning and business planning – was implemented for this financial year and a detailed composite budget is being presented to the MCA in March.
- Appointment of an independent Strategic Partner to ensure the process and implementation of integration follows an assured process and manages risk effectively – commencing 22<sup>nd</sup> March 2021.

#### **2.2 Actions Planned**

- Continue work on parliamentary order
- Amendment to the decision-making Boards and route for PTE decision making to align more closely to MCA Boards, e.g. the Transport and Environment Thematic board
- Officer Delegations harmonised and Financial Regulations amended.

### **HR Workforce**

#### **2.3 Action Taken**

- Appointment of specialist HR Integration lead. This appointment commenced on an Interim Basis from March 2021.
- Agreement by Management Board that all new vacancies will be appointed to MCA.
- Progression of agreement to a new job evaluation approach for new roles.

#### **2.4 Action Planned**

- Single system of staff communications to be rolled out from the next financial year, replacing the separate staff briefing sessions.
- Commencement of planned discussions with Unions.
- Harmonisation of policies, the first focus will be to agree the policies for the new arrangement, harmonisation of existing staff into a new policy framework is scheduled for the future as existing employees will continue on their current T&C for the immediate future.

### **Finance**

#### **2.5 Action Taken**

- Appointment of Finance Director for Group from June 2020.
- Design of Integrated team structure and amended operating model, to be implemented as one of first organisational changes ideally by Q1 2021/22.
- Single Finance system implemented in 2020/21.
- Single budget planning, monitoring and reporting process operationalised in 2020/21 for the 2021/22 financial year.

#### **2.6 Action Planned**

- Amendment of Finance Regulations and harmonisation of policies and practices.

### **Communications and Marketing**

#### **2.7 Action Taken**

- Initial paper on name, branding and MCA / PTE brands due to be discussed at the June 2021 MCA Board.

## 2.8 Action Planned

- Integration into a single corporate service (public transport operational comms / customer service to remain a separate service), to be implemented and agreed ideally by end of Q2 2021/22.
- Roll out of an approach to a single staff briefing, internal comms approach to commence early in the new financial year 2021/22.

## IT

## 2.9 Action Taken

- Moved to an integrated Group model for commissioning and financial management
- Reviewed group IT contracts and implemented a single route for IT procurement to ensure standardisation
- Commenced an independent review of our current IT delivery model to ensure we implement the right model for the Group functions.

## 2.10 Action Planned

- Single domain name being explored for the MCA. Purchase to be progressed in April 2021 with movement to full implementation by end of Q2 2021/22.
- Single Website and Intranet to be designed and implemented. This is a significant piece of work to design and agree the format and structure and the linkages with sub-brand websites, e.g. Travel South Yorkshire. There are identified skills gaps in the group for an IT Project Manager and a Digital Communications Manager, and approval is being sought to bring in interim employees whilst substantive recruitment is being undertaken. The MCA Website has a planned overhaul required to be completed by September 2021 and therefore the single website will complete after this date (planning still required).
- Single document and information management system to be designed and implemented. Ideally phase 1 by end of Q2 2021/22 but full integration of document management is scheduled to be completed fully by Q4 2021/22.

## 3 Implications

### a Financial

Costs of integration could include:

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

The 2021/22 budget has released a material amount of budget to support integration activity and created an earmarked reserve to give sufficient resource to deliver the change in a controlled manner.

### b 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.

### c Risk Management

A full risk management action plan for integration is being developed with the Strategic Partner to ensure all risks associated with Integration are captured, mitigating actions considered and appropriate scrutiny can be undertaken by the Audit and Standards Committee

### d Environmental

There are no Environmental impacts to consider associated with the Integration process

e **Equality Impact Assessment**

There is no requirement for an EIA for this integration, all data relating to equality across the Group is analysed and will be reported as part of the monitoring of the revised Corporate Plan

f **Performance Management/Measuring Outcomes**

The assured project plan will have key deliverables and an associated milestone and risk management plan.

Consideration is being given to delivering a series of independently run 'pulse surveys' to monitor mood and motivation of employees. Tangible measures such as turnover, absenteeism are metrics captured in the corporate monitoring section of the Corporate Plan. All reporting will be to the Management Board and to the Integration programme leads.

**4 Consideration of alternative approaches**

The decision to integrate was made by the MCA Board and therefore there are no alternatives to enacting this agreed position. Options have considered whether to carry on progressing softer alignment activity and wait until the statutory order or to maximise integration in a practical sense to the extent permissible in advance of the order passing. These alternative approaches were considered and have been discussed politically and with the Bus Review Commissioners. The decision was made that the latter option to maximise Integration activity, at pace and to the extent permissible within the current legislative requirements.

**5 Issues the Overview and Scrutiny Committee may wish to consider ...**

Feeding back on any specific elements of the work programme that they wish to explore in greater depth, noting the distinct role of ASC in assurance and scrutinising the risks and mitigation plans.

The Assured programme plan and feedback from the Strategic Partner when the first phase of planning work is concluded.

**6 Recommendations**

That Members of the OSC consider the report and agree any additional information they wish to scrutinise at future meetings.

**7 Appendices/Annexes**

None

<b>Report Author:</b>	Dr Ruth Adams
<b>Job Title:</b>	Deputy Chief Executive
<b>Officer responsible:</b>	Dr Dave Smith
<b>Organisation:</b>	MCA Executive
<b>Email:</b>	<a href="mailto:Ruth.adams@sheffieldcityregion.org.uk">Ruth.adams@sheffieldcityregion.org.uk</a>
<b>Telephone:</b>	0114 220 2442
<b>Background papers used in the preparation of this report are available for inspection at:</b> 11 Broad Street West, Sheffield, S1 2BQ	
<b>Other sources and references:</b>	n/a