

SCR - OVERVIEW AND SCRUTINY COMMITTEE

MINUTES OF THE MEETING HELD ON:

THURSDAY, 25 MARCH 2021 AT 2.00 PM

ONLINE MEETING - VIA MICROSOFT TEAMS



Present:

Councillor Colin Ross (Chair)	Sheffield City Council
Councillor Allan Jones	Doncaster MBC
Councillor Penny Baker	Sheffield City Council
Councillor Robert Elliott	Rotherham MBC
Councillor Jeff Ennis	Barnsley MBC
Councillor Bryan Lodge	Sheffield City Council
Councillor Phillip Lofts	Barnsley MBC
Councillor Brian Steele	Rotherham MBC
Councillor Austen White	Doncaster MBC

Officers in Attendance:

Dr Dave Smith	Chief Executive	MCA Exec Team
Dr Ruth Adams	Deputy Chief Executive	MCA Exec Team
Gareth Sutton	Chief Finance Officer/S73 Officer	MCA Exec Team
Steve Davenport	Principal Solicitor & Monitoring Officer	MCA Exec Team
Christine Marriott	Scrutiny Officer	MCA Exec Team
Helen George	Assistant Director - Skills & Employment	MCA Exec Team
Gillian Richards	Minutes	JAGU
Stephen Batey	Head of Mayor's Office	MCA Exec Team
Daniel Wright	Head of Communications & Marketing	MCA Exec Team

Apologies:

Councillor Sioned-Mair Richards	Sheffield City Council
Martin Swales	MCA Exec Team
Mark Lynam	MCA Exec Team

74 Welcome and Apologies

The Chair welcomed everyone to the meeting, including new members Cllr Rob Elliott from Rotherham MBC, Cllr Bryan Lodge from Sheffield CC and Cllr Sioned-Mair Richards also from Sheffield CC who was unable to attend today's meeting.

The Chair confirmed that the meeting was quorate.

Apologies were noted as above.

75

Urgent Items/Announcements

The Chair announced that the Bus Back Better; National Bus Strategy for England had been published on Friday 12 March. Members had received a copy via email. This would impact on the discussion at item 12 on the agenda, the Integration of MCA and SYPTE.

At the MCA meeting on Monday 22 March Mayor Dan Jarvis announced that by the end of the month £30m of additional Covid funding would have “reached the bank accounts” of businesses across the region.

A major item on the MCA agenda had been the South Yorkshire Investment Strategy. The proposals addressed key economic challenges faced as a result of the pandemic and to further the ambitions of the Recovery Action Plan.

One element of the of the Investment Strategy is related to utilising £32.2m of the devolution fund which was proposed to be divided up into:

- £21.35m key infrastructure
- £5.5m flood defences
- £3.2m additional investment in the bus network
- £2.4 additional investment in active travel

In support of young people, the 80p concession bus fare for 11-18 year olds was to be extended to include all those under 21 for a period of one year.

Also proposed was the establishment of an investment pot of up to £500m of additional devolved funding to invest in the long-term continual renewal of the South Yorkshire economy from 2022.

All the above proposals were agreed by the MCA Board.

The Chair commented that this was significant financial spending over the next few years and proposed that at the first meeting of the Committee in the new municipal year should have the subject as a major item on the agenda and ask officers for a presentation on the South Yorkshire Investment Strategy.

Members agreed with the proposal.

ACTION: South Yorkshire Investment Fund to be placed on July 2021 OSC agenda.

Also on the MCA agenda was the Budget and Business Plan 2021/22, the Capital Framework, the Assurance Framework and the Evaluation Framework, all of which were approved.

76

Items to be Considered in the Absence of Public and Press

None.

77 **Declarations of Interest by any Members**

None.

78 **Reports from and Questions by Members**

None.

79 **Questions from Members of the Public**

None.

80 **Minutes of the Previous Meeting Held on 28 January 2021**

RESOLVED- That the minutes of the meeting held on 28 January 2021 be agreed as a true record.

81 **Response to Recommendations in relation to SCR Website**

Following the Committee's recommendations on improvements to the MCA website, a letter had been received from Daniel Wright, the MCA Executive's Head of Communications and Marketing, confirming the changes made to enable users to find relevant information about submitting questions easier.

It was noted that work was ongoing to move to a new Content Management System which would improve the search function and accessibility of the website. Later in the year the website would undergo a full redesign and be redeveloped with user needs in mind.

A recommendation was given to Daniel Wright that when the website was redesigned a Focus Group, including members of the public, should be established to test the usability of the website before it went live. This was agreed.

Action: C Marriott to add the above to the action log and continue to monitor.

82 **Matters Arising**

The Chair raised an issue for Cllr Ennis.

At the last meeting, Mayor Jarvis had agreed to look into the arrangements for elite skaters in the region. Cllr Ennis had not yet received a reply.

Action: C Marriott to chase Mayor Jarvis for a response.

83 **OSC Action and Recommendation Register Update**

The Committee received updates on actions from previous meetings.

Action 11 – All OSC members had receive a copy of the Strategic Economic Plan.

Action: C Marriott to update the action log as ‘Action Complete’.

Action 12 – Workshop on the Assurance Framework.

Update: The Chair had agreed that the workshop on the Assurance Framework would be deferred until June 2021 when the Assurance Framework had been signed off.

Action 13 – Parking in bus lanes.

Update due in January 2022.

Action 14 – Monitoring the role of the Traffic Commissioner.

Update: Councillor Jones would continue to monitor.

Action 15 – Evaluating Outcomes and Value for Money from Active Travel Projects.

Update: The report would be available late March.

Action 16 – Recommendation by OSC to include a Climate Change Impact Assessment on MCA reports.

Update: A revised draft Board template was under development with an expected implementation in June 2021.

Action 17 – Continue to monitor public engagement on climate change issues.

Update: Scrutiny Officer proposed that a methodology for monitoring public engagement was agreed by the OSC at the start of the 2021/22 municipal year and would form part of the OSC work programme for the forthcoming year.

Action 18 – OSC to receive quarterly performance reports regarding progress/evaluation of Mayor Jarvis’ priorities for 2021.

Update: Further development required at the beginning of the 2021/22 municipal year to incorporate the receipt of quarterly reports into the OSCs work programme.

Action 19 – Formal recommendation to “include information on how to submit a question to Thematic Boards on the MCA’s website”.

Update: Response letter from Daniel Wright confirming recommendation complete.

Action: C Marriott to update the action log as “Action Complete” and add a new action to monitor the use of a focus/user group when developing the new website.

Action 20 – Formal recommendation “the MCA website’s search function be

amended to ensure that the search function be amended to ensure that relevant returns are received to the queries submitted”.

Update: Response letter received from Daniel Wright confirming recommendation complete. The website would undergo a full redesign later in the year.

Action: C Marriott to update the action log as “Action Complete”.

84

Review of latest Forward Plan of Key Decisions

The Forward Plan of Key Decision was emailed to Members on the day of publication and also presented for information today, to give Members the opportunity to ask questions.

No questions were raised by Members.

85

Integration of MCA and SYPTE

The Committee received a report on the progress and next steps for the integration of the MCA and PTE.

Members were reminded that following the publication of the Clive Betts Bus Review Report, the MCA agreed a 7-point plan. The plan included the decision fully integrate the PTE with the MCA to ensure the governance of operational transport in South Yorkshire was politically led via the governance structures of the MCA.

The legislative route to undertake the integration was under discussion with MHCLG but would require a Statutory Process and an Order of Parliament to formally merge the two bodies.

Since the decision to integrate, a high-level plan had been developed, detailing workstreams and work packages to be progressed. An update by workstream was provided in section 2 of the report.

In addition to this, an independent Strategic Partner (PwC) had been appointed. This partner, with expertise in corporate and public integrations, would advise on the efficacy of the planning and implementation to ensure that the MCA implemented an assured process.

Cllr Lodge asked how much confidence there was that the integration would deal with previous deficiencies in attitudes and approach to complaints in which the Bus Review Report had highlighted.

R Adams replied that although the details of policies and processes had not yet been decided a significant change to governance would be through the Transport and Environment Board. This Board was co-chaired by Cllr Chris Read and Peter Kennan, a LEP Board member. Membership also included a Cabinet Member from each authority. This meant that the proposed new governance structure would be politically led.

Concerns were expressed regarding the potential culture of the new organisation. The Chair commented on the handling of a petition which had been received by the Mayor at the MCA meeting in January 2021 - after the criticisms contained within the Bus Review Report. He requested that the Committee be provided with the steps taken in response to the petition so they could form an understanding of how the process worked and be satisfied that the concerns of the public were being treated seriously and a change in culture was already beginning to take shape.

ACTION: C Marriott to request information regarding the above petition from SYPTE which will then be circulated to the Committee.

D Smith commented that he would only be confident in a change in culture when it was 'live', and differences could be seen. The whole principle of the integration was that, as a new organisation, best practices were adopted in terms of customer care.

Cllr Loftis asked for details of the newly appointed Strategic Partner, what their expertise was, how long the contract was for and the cost.

R Adams replied that the Strategic Partner was PwC who had been engaged following a procurement process. They would provide technical expertise, if required, on matters such as VAT issues or merging bank accounts. The team also included a local government expert. Timescales were tight to complete the initial planning and processes before the June deadline. The exact cost would be determined and emailed to Members.

Action: R Adams to determine the cost of the Strategic Partner and email to Committee members.

The Chair questioned how much confidence there was that the deadlines set out in the National Bus Strategy could be met.

D Smith commented that he was confident with regards to the deadline, but the other question was the decision making itself.

The MCA would be asked to make a decision with regard to its agreement, or otherwise, on enhanced partnerships at its June meeting and commit to delivering the Improvement Plan by the October deadline.

The Chair questioned how this would impact on future developments towards franchising.

D Smith replied that it was impossible to say at this stage as it was not known if the MCA wished to pursue franchising. All that was required at this stage was to commit to enhanced partnerships. It was possible that the issue of franchising would be discussed at the June MCA meeting where they may decide to begin a process of exploring the opportunities, costs, challenges and benefits of franchising.

In response to a question from a Member, S Davenport explained that in a Mayoral Combined Authority, the Mayor had access to franchising powers but

the statutory process to implement a franchise still had to be followed.

With regard to Enhanced Partnerships, government funding was dependant on the operators and local authorities coming to an agreement by June 2022. Enhanced Partnerships went further than previous voluntary partnership arrangements in some areas, for example, restrictions around ticketing and control of some fares.

Cllr Baker asked what assurances could be given that the people of South Yorkshire would have the bus services that they needed.

D Smith replied that after integration, the new organisation would be politically led by the MCA, the Mayor, Leaders and the Transport Executive Board.

Transport services would be directly overseen by Members representing the interests of their constituents and would make the Executive accountable for any actions taken

The committee was informed that following the easing of lockdown and the return to schools, capacity issues were being monitored on a day-to-day basis by PTE officers to try and mitigate problems as they arose. The Mayor receives a weekly report.

The Chair commented that members of the OSC were keen to ensure that the shortcomings of SYPTE, as outlined in the Bus Review Report, were not transported into the new organisation. Assurances were required that the new governance arrangements were much more responsive to the public's legitimate concerns about the inadequacies of the bus operators across South Yorkshire.

D Smith commented that the whole point and objective of the integration was to create an organisation that had accountability to the political leadership of the Mayor, South Yorkshire Leaders and the local authorities thereby introducing a level of accountability and responsibility that changed the dynamic in terms of how the needs of the public are met and represented.

RESOLVED – That Members note the report and future reporting requirements they had to ensure effective scrutiny of the implementation process.

Devolved Adult Education Budget Commissioning

A report was submitted to the Committee which provided an overview of the Adult Education Budget and the context in which the Authority was commissioning delivery of the devolved budget from August 2021. The report explained the budgets, the provider landscape, the nature of provision and how that related to learner needs.

H George informed the Committee that South Yorkshire would receive a 3% share of the Adult Education Budget (AEB) which equated to approximately £39.3m. The budget came with a number of statutory responsibilities which were included in an Annex to of the report.

In addition to the AEB there was £2.79m of Adult Skills Offer funding which was ring-fenced for adults studying towards an approved Level 3 qualification.

The Committee noted that the provider base was large and varied. It included nine South Yorkshire based grant funded providers. In June 2020 the Education, Skills and Employability Board had decided that the grant funding arrangements should roll forward for these nine providers but not for other grant funded providers. This was part of the approach to rationalise the landscape. At the moment there are 347 providers which meant a huge amount of additional work in terms of management and administration. The aim was to reduce these costs and secure greater accountability and outcomes.

A procurement exercise was underway against Lots with an indicative value of £10.2m. Details of each Lot were set out in Annex 1 to the report.

2021/22 was going to be a transition year, to ensure a smooth transition to devolved arrangements, making progress towards achievements, signalling priorities and building towards further achievements in future years that supported the MCA's programme of priorities.

Cllr Lofts asked how much work had been done to define the skills that would be needed in a post-pandemic, post-Brexit world.

H George replied that the work done when developing the Recovery Action Plan had been used to identify broad areas where focus was needed. It was known that young people and the hospitality and retail sectors would be particularly affected. The Education, Skills and Employability Board had also identified people losing jobs later in their careers as a concern. A full mapping exercise had not been done as the present focus was on transition.

The Education, Skills and Employability Board were looking deeper into the future labour market and schemes to assist people back into employment that didn't come under the remit of the AEB.

Cllr Ennis noted that the provider base was 75% direct provision and 25% sub-contracted and asked what the nature of the sub-contracting was.

It was explained that arrangements varied considerably. As the move was made into devolved funding, sub-contracting would not be ruled out but all providers who wanted to sub-contract would be asked who and what would be delivered and the rationale behind the sub-contracted provision.

The Chair commented that 347 providers was a very large number which made quality assurance and monitoring of delivery very difficult and sought assurance that this would be done adequately.

H George replied that the report showed the current provision from government funding. The aim was to change the provider base before devolved funding.

It is envisaged that, going forward, there would be nine grant fund providers and approximately 40-50 providers overall which was a much more

manageable number.

Delivery was tracked through an Individualised Learner Record which all providers had to complete. The data was then fed back to the Education and Skills Funding Agency who would produce a report as to what each learner had completed. Under devolved arrangements that data would be sent to the Authority for rationalisation against the plans and contracts the providers had supplied.

The Chair questioned whether, under the present system, there were any penalties for poor performance, quality or quantity of learners and could assurance be given that there would be going forward.

It was noted that:

- Assurance on quality was provided through the OFSTED regime.
- Measures in terms of the quality and volumes that providers were delivering was monitored by the Education and Skills Funding Agency – this function would transfer to the Authority's Performance Management Team.
- Assessment of providers' financial standing were completed to ensure they had the resources to deliver the learning.
- Guarantees and protections were in place for learners should they have problems with a particular provider.

The Authority had not yet published its full set of funding and performance management rules, this would be done as part of the grant award process.

Cllr Jones questioned why the nine grant funded providers had not been included in the procurement process and whether the Authority had the capacity to cope with the work that would be transferred due to the devolution of funding.

H George informed the Committee that as part of the devolution agreement with government, the Authority had committed to support the grant funded providers through transition to new devolved arrangements by initially guaranteeing core funding. The Authority was challenging the grant funded providers by working with them in developing delivery plans and making sure those plans were aligned to the priorities set out in the Strategic Economic Plan and the Recovery Action Plan.

With regard to capacity, resources would be needed for the management of the provider base and contracts. This was being looked at in line with benchmarks from other MCA's who had already received devolved funding.

If the government suggested new funding there was an internal process where Finance and HR would analyse the knock-on incremental costs, for example, audit, communications and governance, and if necessary, seek government permission to negotiate additional administration costs.

RESOLVED – That the Committee note the update on Adult Education Budget Commissioning.

I, the undersigned, confirm that this is a true and accurate record of the meeting.

Signed _____

Name _____

Position _____

Date _____