

Mayoral Combined Authority Board

26 July 2021

OFFICER SCHEME OF DELEGATION

Is the paper exempt from the press and public?	No
Purpose of this report:	Governance
Funding Stream:	Not applicable
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:
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Executive Summary

This report seeks approval to amend the Officer Scheme of Delegation to ensure that the Mayoral Combined Authority and SYPTE can take decisions relating to operational/organisational management in an efficient and effective manner.

What does this mean for businesses, people and places in South Yorkshire?

Improved governance arrangements will improve the efficiency and effectiveness of the MCA.

Recommendations

The MCA approve the changes to the Officer Scheme of Delegation set out in this report and approve the consequential drafting changes to the Constitution as shown in the Appendix.

Consideration by any other Board, Committee, Assurance or Advisory Panel

N/A

1. Background

- 1.1 The MCA received reports to its July and September 2020 and June 2021 meetings relating to the integration of the MCA and the PTE and in September agreed: 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 and agreed the delivery objectives 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.
- 1.2 The June 2021 paper referenced that as part of the integration work a more detailed analysis of officer delegation levels will follow, and a revised scheme of officer delegations will be proposed for Member approval. This paper brings forward that proposal for approval.

2. Key Issues

- 2.1 It is important that the governance of the MCA is reviewed in light of changes to the organisation, in particular the wider remit following the 2020 devolution deal and the decision to dissolve the SYPTTE and integrate public transport functions into the MCA.
- 2.2 Without changes to the Officer Scheme of Delegation there will be a significant increase in routine operational/organisational decision-making reports being brought to the Thematic Boards and the MCA. This is because the present delegation scheme states that all contract awards and spend decisions over £100k (£200k if not within a Thematic Boards remit) have to be determined at either a Thematic Board or, if over £200k, at the MCA itself. With the integration of the SYPTTE, being an operational type organisation, this would mean many contract award decisions being brought to Members despite the spend being part of the already MCA approved budgets and programmes. Previously many of these decisions would have been taken by Officers/Directors of the PTE.
- 2.3 Similar Officer Schemes of Delegation are used in most Local Authorities including Combined Authorities. It is not an efficient use of Member time nor an efficient or effective way to manage the organisation for such decisions to be a matter for Members as it diverts time away from their strategy, policy and direction roles/functions. There are internal controls in place to ensure decisions are properly taken, these include procurement and financial regulations, an Officers' Code of Conduct, a gifts and hospitality policy, the Conflicts of Interest Policy, an anti-fraud, bribery and corruption policy, internal audit and risk management arrangements. All Officer decisions would be taken in accordance with the Transparency Regulations and subject to appropriate requirements to consult Members. Further, it is proposed to issue more detailed guidance to Officers about what consultation with other Officers and Members would be appropriate when exercising any delegation.

2.4 The report is also recommending that the Constitution clarifies how external grants are applied for and accepted. At present the acceptance of an offer of a grant over £100,000 to the MCA, for example from Government, is reserved to the MCA. The proposal is that the acceptance of grant offers to the MCA is delegated to the Finance Director provided that the actual bid for funding has been approved by the MCA/Thematic Board (as appropriate). This would accord with actual practice in terms of bids for funding being developed in consultation with District officers and MCA Members.

3. Options Considered and Recommended Proposal

3.1 Option 1

Leave the Officer Scheme of Delegation as presently agreed. This effectively means that all decisions for the acceptance of a tender or quotation for the supply of goods, materials, or services over £100,000 would be reported to the MCA/Thematic Board for approval.

3.2 Option 1 Risks and Mitigations

The risk is that given the increased role of the MCA following devolution and the integration of SYPTE with the MCA, many more routine decision papers that are already included in the budget and capital/revenue programmes will form part of the agenda at MCA and Thematic Board meetings, diverting Member time from strategic issues.

3.3 Option 2

Revise the Officer Scheme of Delegation to provide that Statutory Officers may take decisions related to the acceptance of a tender or quotation for the supply of goods, materials, or services provided that the spend is within the MCA approved budget/capital programme.

3.4 The Appendix to this report sets out the proposed changes to the Constitution to implement the recommended approach. This drafting clarifies that such decisions can only be taken by Statutory Officers where: -

- the tender or quotation is in accordance with the Authority's Contracts Procedure Rules;
- the decision accords with any officer decision making guidance issued to Officers;
- where the decision is a key decision or may have policy or strategic implications, the Officer exercising the delegation will, before the decision is taken, consult with the relevant Thematic Board Chair, or if it does not fall within a Thematic Boards remit, with the Mayor; and
- once the decision has been made the Officer complies with the transparency requirements of The Openness of Local Government Bodies Regulations 2014.

3.5 The proposal also includes some other clarifications in respect of grants, staffing and leasehold disposals.

3.6 Option 2 Risks and Mitigations

Any risks of changing the Officer Scheme of Delegation as proposed are mitigated by the internal controls/rules detailed in paragraph 2.3 above and the constraints proposed in paragraph 3.6 above.

3.7 Recommended Option

Option 2

4. Consultation on Proposal

4.1 The Independent Member of the Audit Standards and Risk Committee has been consulted on the proposal.

5. Timetable and Accountability for Implementing this Decision:

5.1 The decision would be implemented immediately if approved

6. Financial and Procurement Implications and Advice

6.1 The proposed changes have no cost implications. However, this paper proposes a change to officer delegation limits to ensure effective and efficient management of the organisation.

7. Legal Implications and Advice

7.1 The Officer Scheme of delegation is part of the Constitution. Under s.101 Local Government Act 1972 delegations can be made to Officers. All Officer decisions will need to comply with the transparency requirements of The Openness of Local Government Bodies Regulations 2014.

8. Human Resources Implications and Advice

8.1 None

9. Equality and Diversity Implications and Advice

9.1 None arising from this report

10. Climate Change Implications and Advice

10.1 None arising from this report

11. Information and Communication Technology Implications and Advice

11.1 None arising from this report

12. Communications and Marketing Implications and Advice

12.1 The changes to the Officer Scheme of Delegation will need communicating to officers of the MCA/PTE.

List of Appendices Included

A Draft changes to the Constitution (in track change)

Background Papers

MCA Constitution