

Audit, Standards and Risk Committee

21 October 2021

Integration Update

Is the paper exempt from the press and public? No

Reason why exempt: Not applicable

Purpose of this report: Governance

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 paper provides an update on the programme of activity being undertaken to create a single integrated MCA organisation able to respond to the challenges and opportunities for South Yorkshire.

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

The decision to formally integrate the PTE and MCA was made in order to ensure greater political oversight and decision making of passenger transport services in South Yorkshire.

Recommendations

Members consider the update and identify any issues.

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

None specifically regarding this update report, however scrutiny of integration planning is provided by an Internal Programme Board and is part of the ToR for the Audit, Standard and Risk Committee Advisory Panel.

1. Background

- 1.1 The MCA, at its meeting 27th July 2020, agreed to begin the process for integrating the South Yorkshire Passenger Transport Executive (SYPTE) and the MCA, moving away from the current Group Structure of the MCA with a wholly owned Subsidiary Body. Since this point a detailed plan to integrate has been developed and is being delivered, and a governance framework implemented to oversee progress towards integration.
- 1.2 This report provides Members with an update on programme governance and assurance activity, actions taken to strengthen programme management, the status of programme delivery and next steps, programme benefits and the critical path.

2. Key Issues

2.1 Programme Governance and Assurance Activity

Since the last report to the Committee the Programme Steering Group, Programme Board and Advisory Panel all have met according to their agreed schedule.

Steering Group

The Steering Group, attended by all Workstream Leads, the Senior Responsible Officer and the Programme Manager meets on a fortnightly basis. It provides a forum for Workstream Leads to update each other on progress, on any issues or emerging risks and to consider cross workstream dependencies. It also provides an opportunity for the identification of any issues that may need to be escalated to the Programme Board. The output of these meetings is a monthly report prepared for the Programme Board.

Programme Board

The Programme Board met on 28th September and, via the 'Programme Update Report' generated by the Steering Group, considered the activity underway in each workstream, progress against the deliverables in the Programme Plan, areas of concern/slippage and actions being taken, as well as identifying the deliverables due in the next period. Key areas of discussion at the Board were around:

- How the re-brand of the MCA to the SYMCA had been received and the planned work still required to complete all brand changes.
- The potential impact of Government department changes on the ability to progress the dissolution Order through parliament and the actions being taken to try to advance this.

- The pressure on resourcing and capacity, and the pinch points created by the activity required to finalise, communicate and consult on the target operating model/organisational structure.
- Programme benefits (see section 2.6)

The Board requested that the format of reporting be enhanced to provide a better visual representation of programme progress and dependencies. The next meeting of the Programme Board is scheduled for 26th October and will consider the high-level TOM and the related detailed plan of activity.

Audit, Standards and Risk Advisory Panel

The Audit, Standards and Risk Advisory Panel, who's role is to provide assurance to the Committee that Programme governance are effective, met on 8th October. The Senior Responsible Officer and Programme Manager joined the meeting and a paper was presented that updated the Panel on activities within workstreams, along with an analysis of the slippage identified as a result of the re-baselining exercise (see section 2.3), and the actions being taken to address the issues. The concept of phased delivery planning was also shared (see section 2.4) and the Panel were supportive of this approach.

The Panel is next scheduled to meet on 13th January. In preparation for this, discussions will take place with the Chair to better understand the reporting format and content required in order to facilitate the Panel in meeting their accountability around assuring the Programme.

2.2 Strengthening Programme Management

After evaluating the management of the Programme to date and in response to feedback, a number of additional controls have been introduced to ensure the programme is able to deliver its objectives and associated benefits, this includes:

- Weekly stand-up meetings between Programme Manager and Workstream Leads
- Weekly stand-up meetings between Accountable Officers and the Senior Responsible Officer
- A collaborative tool/software has been introduced to monitor and increase visibility of the Programme Plan for those involved in its delivery
- Identification of 'landing points' and introduction to phased, progressive delivery planning (see section 2.4)
- Development of a formal change control process to ensure that the implications of any proposed changes are fully assessed and understood, particularly in terms of time, scope, budget, resourcing and benefits delivered.

2.3 Programme Delivery Status

The initial Programme Plan, established in June, was developed on a set of initial assumptions and estimates. As reported to the previous meeting, in line with best practice, a detailed re-baselining exercise has been undertaken and concluded in early September. The preliminary findings, including some areas of slippage were reported to the Advisory Panel on 9th September and discussed at the Committee on the same day. Since then, further work has been undertaken to identify a number of considerations:

- Were the correct activities identified
- Were dates correctly captured and has there been slippage against start or end dates or a change in the duration of the activity
- Were all dependent activities understood, with clear read across between workstreams with a co-dependent activity

A summary of this work, and actions being taken to address areas of genuine slippage is provided at appendix A.

2.4 Next Steps – Planning Phase Two Delivery

Following the identification of the two fundamental milestones or ‘landing points’ during the re-baselining activity a ‘plan progressive delivery’ approach has been agreed. This landing point will provide an appropriate place to stop, evaluate and, in response to new information, plan the next phase or ‘tranche’ of programme delivery. Uncertainty and ambiguity feature in most programme environments and this incremental approach will allow delivery to be planned in the most effective and achievable way. It will also ensure the best pace of delivery, will not jeopardise the realisation of programme benefits or business as usual activity, and will allow the organisation to transition to its future state and achieve the desired benefits.

Agreed landing points are:

- 31st October 2021– Decision on Target Operating Models

Clarity on the organisational structure will inform the work in a number of areas. It is critical to meet the milestone in order to develop the detailed planning and schedule for implementation activity and to plan any resourcing issues in order to enable the mobilisation/ delivery phase for the new structure to commence. A session involving all Accountable Officers and Workstream Leads is scheduled for early November to plan the next phase of delivery in the context of this information.

- 7th January 2022 – Confirmation regarding the Order

This milestone is largely the decision of government. If the Order is not passed in time the integration can largely be enacted with some minor workarounds due to the PTE legally remaining.

Phase 2 planning will take these two possible scenarios into account whilst phase 3 planning in January) will be undertaken with a clear understanding of whether (or not) there will be one legal entity at the 1st April 2022.

2.6 Programme Benefits

The integration of the PTE and MCA was initially a politically driven decision seeking primary benefits associated with enhanced public accountability, transparency of decision making and increasing organisational effectiveness. These were the key drivers and objectives at the outset of the Programme, as the Programme Plan has developed, secondary benefits have been identified and understood, and a benefits profile is included at appendix B.

2.7 Critical Path

At time of writing detailed planning focussed on the activity required to agree, communicate, consult on and implement the new target operating model and organisational structure is underway. As referenced at 2.5, this pathway will also inform phase 2 delivery planning and will be shared with members at the meeting.

3. Options Considered and Recommended Proposal

- 3.1 This paper does not have a range of alternative options to consider as it is providing an update for Members only.

3.2 Risks and Mitigations

Workstream risks are reviewed on a fortnightly basis and updated risk registers are provided to the Programme Board at their monthly meetings. At the meeting 28th September the Programme Board noted that, at that point, there were 25 recorded risks across the five workstreams and that 5 of these had an inherent risk score of medium-high. Only one of the risks, relating to external specialist support on the Target Operating Model, remained medium-high even after mitigation due to its relationship with the critical milestone to agree the model by 31st October. The Board discussed the action required and were assured that the necessary activity would be undertaken to ensure the milestone would be met.

The Senior Responsible Officer and Programme Manager have undertaken a piece of work to review risks presenting themselves at a programme wide level. An analysis of this will be considered at the Programme Board in October.

4. Consultation on Proposal

- 4.1 This report is provided for update and assurance.

5. Timetable and Accountability for Implementing this Decision

- 5.1 This report is provided for update and assurance.

6. Financial and Procurement Implications and Advice

- 6.1 Budgetary considerations for integration were considered as part of the 2021/22 budget setting process. The Programme Board receives a monthly update on the budget for the programme.

7. Legal Implications and Advice

- 7.1 There are no legal implications directly relating to this report however, the legal implications regarding the Order and changes to the constitution are being led by the Monitoring Officer.

8. Human Resources Implications and Advice

- 8.1 The integration of the MCA Executive and PTE organisation has considerable HR implications that are being managed through the Programme. These considerations form a detailed element of the programme plan, and form part of regular discussions with the Trade Union.

9. Equality and Diversity Implications and Advice

- 9.1 There are no equality and diversity implications related to the production of this report, however data and statistics are monitored as part of regular HR monitoring.

10. Climate Change Implications and Advice

- 10.1 No implications as a result of this aspect of integration.

11. Information and Communication Technology Implications and Advice

- 11.1 Information Technology is a dedicated workstream of the integration plan, led by the Head of IT. Work is underway, with the support of an external partner (Grant Thornton) to consider the operating model for IT and the areas where technology can support the effective delivery of services.

12. Communications and Marketing Implications and Advice

- 12.1 Communications and Marketing is a dedicated workstream of the integration plan and is supported by a detailed Internal Communications Plan.

List of Appendices Included

- A Programme Delivery - Slippage
- B Programme Benefits

Background Papers

Not Applicable to this update