



SHEFFIELD CITY COUNCIL Report to Council

Report of: Director of Legal and Governance (Monitoring Officer)

Date: 19th May 2021

Subject: Sheffield City Council Governance Referendum

Author of Report: Jason Dietsch, Head of Democratic & Member Services
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Summary:

To report to the Council the result of the Sheffield City Council Governance Referendum and to outline the steps to be taken in consequence of its outcome.

Recommendations:

That the Council:-

- (a) notes the outcome of the Sheffield City Council Governance Referendum;
- (b) resolves to cease to operate executive arrangements and start to operate a committee system of governance with effect from the start of the 2022/23 Municipal Year;
- (c) requests the Director of Legal and Governance to take the steps outlined in paragraph 3.1 of this report; and
- (d) requests the Director of Legal and Governance, in consultation with the Leaders of the political groups on the Council, to take all steps necessary to develop and implement the change, as set out in paragraph 3.3 of this report, and to recommend the necessary changes to the Constitution, etc, reporting back to Full Council as and when necessary, such as to recommend the number and the functions of the new committees, their terms of reference, etc.

Background Papers: NONE

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial implications
NO – Cleared by Paul Schofield
Legal implications
YES – Cleared by Andrea Simpson
Equality of Opportunity implications
NO
Tackling Health Inequalities implications
NO
Human Rights implications
NO
Environmental and Sustainability implications
NO
Economic impact
NO
Community Safety implications
NO
Human Resources implications
NO
Property implications
NO
Area(s) affected
None
Relevant Scrutiny Committee if decision called in
N/A
Is the item a matter which is reserved for approval by the City Council?
Yes
Press release
NO

Sheffield City Council Governance Referendum 2021

1. INTRODUCTION

- 1.1 The purpose of this report is to report to the Council the result of the Sheffield City Council Governance Referendum and to outline the steps to be taken in consequence of its outcome.

2. THE GOVERNANCE REFERENDUM

- 2.1 On 6th May 2021, a Sheffield City Council Governance Referendum was held to determine whether the Council should be run by a leader who is an elected councillor chosen by a vote of the other elected councillors (which is how it is run now), or alternatively, by one or more committees made up of elected councillors.
- 2.2 The Referendum had been held following the submission to the Council of a petition pursuant to the Local Authorities (Referendums) (Petitions) (England) Regulations 2011. The Referendum had originally been scheduled to take place in May 2020 but had been postponed, along with all other elections scheduled at that time, due to the Coronavirus (Covid-19) pandemic.

- 2.3 The Referendum asked -

How would you like Sheffield City Council to be run?

By a leader who is an elected councillor chosen by a vote of the other elected councillors. This is how the council is run now.

Or

By one or more committees made up of elected councillors. This would be a change from how the council is run now.

- 2.4 There were 48,727 votes in favour of the Council being run by a Leader, and 89,670 votes in favour of the Council being run by one or more committees. Therefore, the outcome of the Governance Referendum was to change how the Council is run, involving the introduction of a committee model form of governance.
- 2.5 By virtue of the Local Authorities (Conduct of Referendums) (England) Regulations 2012, this means that the proposals that were the subject of the referendum were approved and in accordance with Regulation 18 of the Local Authorities (Referendums) (Petitions) (England) Regulations 2011, the Council must implement those proposals.
- 2.6 Furthermore, provisions within Chapter 4 of Part 1A of the Local Government Act 2000, mean that the Council may not hold a further governance referendum within 10 years. Neither can it make a further change in governance arrangements without approval in a referendum.

3. NEXT STEPS TO IMPLEMENT THE OUTCOME

3.1 The process that a local authority must follow to implement changes to governance arrangements is set out in Chapter 4 of Part 1A of the Local Government Act 2000. A resolution of the Council is required in order to make a change in governance arrangements. As soon as possible after making the resolution, the local authority must:-

(a) secure that copies of a document setting out the provisions of the arrangements that are to have effect following the resolution are available at its principal office for inspection by members of the public, and

(b) publish in one or more newspapers circulating in its area a notice which—

(i) states that the authority has resolved to make a change in its governance arrangements,

(ii) states the date on which the change is to have effect,

(iii) describes the main features of the change,

(iv) states that copies of a document setting out the provisions of the arrangements that are to have effect following the resolution are available at the authority's principal office for inspection by members of the public, and

(v) specifies the address of the authority's principal office.

3.2 At the “relevant change time” (the first annual meeting to be held after the resolution to make the change in governance arrangements is passed) the Council must cease operating the old form of executive and start operating the committee system of governance. It may take steps for the purposes of preparing for the change or implementing it (including steps relating to transitional arrangements).

3.3 The further work to be carried out to prepare for implementation of the new arrangements was reported to Full Council in February 2020, and is set out below:-

If the Council changes the way it is governed and adopts a committee system, the Council will have a period of one year to implement the change. During that implementation period, the Constitution and supporting documents will be rewritten and developed in conjunction with Members of the Council and these would be subject to approval by Full Council.

In line with the governance principles, the decision making structure will include a body to look at corporate governance and to oversee and periodically review the effectiveness of our governance arrangements. The Corporate Members Group, which includes representatives from all of the political groups on the Council is established within the Council's present structure.

At its meeting on 8 January 2020, Council also resolved that following the referendum, the Overview and Scrutiny Management Committee will provide cross party oversight of the development of the new governance arrangements prior to their implementation.

Issues which will need to be decided in more detail include the following:

- *The terms of reference of the committees and sub committees*
- *How the public will participate in a new or enhanced model, for example, by asking public questions and submitting petitions, and how we will engage with people and communities as part of the decision making process*
- *How a new governance structure will work with partners and partner organisations*
- *Committee sizes and frequencies*
- *How the budgetary framework will work*
- *Other work to implement in practice the principles adopted by Council at its meeting on 8 January 2020.*

3.4 In February 2020, in preparation for the Referendum (which was then due to be held in May 2020), Full Council resolved to recommend to Cabinet, and Cabinet approved, proposals for a committee system of governance to be published before the Referendum. The Council is obliged to adopt a committee system of governance, not the exact model as proposed.

4. FINANCIAL IMPLICATIONS

4.1 There are no immediate cost implications for the Council's 2021-22 budget resulting from the outcome of the referendum. The financial implications of implementing and operating the new committee model system of governance will be outlined in the report(s) to be submitted to the Council in due course as new structures are developed. As referred to in paragraph 3.3 of this report, the main strategic financial implication affects how the budgetary framework will operate in the new system of governance.

5. LEGAL IMPLICATIONS

5.1 The legal implications are set out in the body of this report.

6. EQUALITY OF OPPORTUNITY IMPLICATIONS

6.1 There are no equalities implications.

7. RECOMMENDATIONS

7.1 That the Council:-

- (a) notes the outcome of the Sheffield City Council Governance Referendum;

- (b) resolves to cease to operate executive arrangements and start to operate a committee system of governance with effect from the start of the 2022/23 Municipal Year;
- (c) requests the Director of Legal and Governance to take the steps outlined in paragraph 3.1 of this report; and
- (d) requests the Director of Legal and Governance, in consultation with the Leaders of the political groups on the Council, to take all steps necessary to develop and implement the change, as set out in paragraph 3.3 of this report, and to recommend the necessary changes to the Constitution, etc, reporting back to Full Council as and when necessary, such as to recommend the number and the functions of the new committees, their terms of reference, etc.

Gillian Duckworth
Director of Legal & Governance (and Monitoring Officer)