

# **Principles for governance at Sheffield City Council**

**Report of the Overview and Scrutiny  
Management Committee**

December 2019

# 1 Introduction

In May 2020, the people of Sheffield will be asked in a referendum, whether they want the Council to keep a leader and cabinet model of decision making, or move to a committee system.

So that Sheffielders can make an informed choice, in March, the Council will publish proposals on how both of the referendum options will work.

As part of the process of developing referendum options, the Council's Overview and Scrutiny Management Committee – a cross party group of Councillors – was asked by Full Council to work with the Deputy Leader to look at what we want to achieve through changing our decision making structures, and come up with a set of principles that should underpin both of the options that are put to the referendum. This report sets out the process we undertook, and the principles that we have developed.

## 2 Our approach

We used a 'select committee' approach to this work, holding a series of evidence gathering sessions to hear from a range of witnesses. This included experts in local governance and decision making, local organisations with an interest in local democracy, partners from business and the Voluntary Community and Faith sector, Youth Cabinet and Youth Advisers.

We also invited contributions from citizens through an online call for evidence and attendance at meetings, and undertook site visits and conversations with other local authorities to learn from their experiences of operating different governance models.

A full list of witnesses, links to the evidence we considered and webcasts of our meetings is attached at Appendix 1.

## 3 Our findings

Through our evidence gathering sessions, it quickly became clear that '*governance*' – the technical process by which we make decisions – is only one part of the picture. We heard that how Sheffield City Council does its business, our processes, our behaviours, our culture; how we as Councillors work with each other, with our communities and with our officers has an equally significant impact on the quality, and experience, of decision making in the city. **There is no 'perfect' governance structure – there are advantages and disadvantages to all models – it is how we operate within those structures that will ultimately determine how successful they are.**

This key finding has framed our approach, and the principles we have developed therefore, go beyond the technicalities of governance and into how we do business and ways of working.

Based on everything we have heard, we believe that SCC's future governance should be shaped by five critical ambitions:

### **Sheffield City Council:**

- is a trusted organisation where decisions are taken in an open and transparent way, and accountability is clear
- is a council where all councillors are involved in and able to influence decision making
- engages, involves and listens to citizens, communities and partners
- has a modern and responsive approach to governance which reflects the increasingly complex policy making environment
- is a reflective council that is committed to continuously improving governance

In the sections below, we detail the governance principles that we hope will move us towards achieving these ambitions, as well as changes we should make to how we work.

## **4 Governance Ambitions and Principles**

### **4.1 AMBITION 1**

**Sheffield City Council is a trusted organisation, where decisions are taken in an open and transparent way and accountability is clear.**

4.1.2 The importance of openness and transparency was a theme that ran through the evidence we heard from all of our witnesses. People and partners want to understand how decisions have been made, the evidence base that has been used to develop them, and how they can be challenged. It was also made clear to us that it is important to let people know what decisions are planned over the medium/long term so that organisations and individuals can seek to engage with decisions that affect them.

4.1.3 A message that came across particularly clearly from the young people we spoke to, and from members of the public in our online call for evidence, was that a lot of people don't understand how decision making in the Council currently works – but they are interested, and want to know more. We need to be more open in our

communication about democracy and decision making, and put accessible information on platforms people are already engaging with. People we spoke to welcomed the improvement in transparency that webcasting council meetings has brought, but we recognise that we need to make it easier for people to access information – as one of the young people we spoke to told us - you shouldn't have to trawl through minutes to understand how the Council works.

- 4.1.4 Accountability was another key theme to emerge from our discussions. We recognise that one of the perceived advantages in moving to Leader/Cabinet models back in 2000 was about improved visible accountability. We have also sought to explore accountability in committee systems and raised this with experts in local governance. On the whole, their responses suggested that accountability can be less clear in a committee system, but that ultimately, in representative democracy, the majority group delivers the policy it has the mandate for and is accountable for that.
- 4.1.5 We heard again that culture and ways of working are important in building in accountability to *any* system, and the importance of the role of scrutiny in strengthening accountability. We heard from Rotherham Borough Council, who have significantly strengthened their scrutiny function with positive results. After discussion with our Statutory Scrutiny Officer we recognise that there are things we could do to strengthen our approach to scrutiny in Sheffield, and that we can start to do this now.
- 4.1.6 Finally, a message that came through our online call for evidence, and from evidence submitted by Nigel Slack, Active Citizen, Sheffield For Democracy and 'It's Our City' was that there are high expectations about Councillor conduct, and that we should ensure that the Council is upholding the Nolan Principles on public life.

### Governance Principles

- A commitment to **openness and transparency** must run through our decision making structure. This needs to start with **comprehensive forward planning** of decisions – being clear about what decisions we are planning to take, when they will be taken, who will be taking them. It needs to continue through the decision making process, with **clear reports** from officers that set out the relevant information in an accessible way, and are clear about the reasons for a decision being made.
- Scrutiny is important in any future structure – both in terms of our statutory responsibility around health and community safety scrutiny and in terms of building in checks and balances. **Scrutiny should be strengthened in any future decision making structure** – we must be held accountable for the decisions that we take, and embrace challenge to ensure we're getting the best outcomes for Sheffield.
- Regardless of decision making structure, our governance should be underpinned by

a **commitment to the highest ethical standards as set out in the Nolan Standards on Public Life**. We are in the process of reviewing the Councillor Code of Conduct to ensure it is fit for purpose in the light of any new structure.

### **Ways of Working**

- We need to take a more **creative approach to communicating about how decision making in the Council works** – in terms of how decisions are made, what those decisions are, and what they mean for the city.

## **4.2 AMBITION 2**

### **Sheffield City Council is a council where all councillors are involved in - and can influence - decision making**

- 4.2.1 At the heart of the evidence presented to us by 'It's Our City', the campaign group who started the petition to move to a committee system, is a concern that the current Leader and Cabinet model concentrates power in a small number of decision makers, excluding the majority of Sheffield's 84 Elected Councillors from the decision making process. This message also came through clearly from members of the public in our online call for evidence.
- 4.2.2 We explored this in detail through our evidence gathering process and have seen that a move to a committee system alone does not guarantee more involvement and influence for Councillors. We heard from experts in local governance that culture and processes are more significant than structure here. Through these conversations we have seen how committee systems can serve to marginalise opposition councillors if they operate with a de facto 'cabinet' in the form of a powerful policy committee. Conversely, our conversations with Rotherham MBC have shown us that a significant strengthening of pre-decision scrutiny has given all councillors an opportunity to have their say on policy before decisions are made, and opposition councillors feel that they can have a real impact. We recognise that ultimately, in any decision making structure we implement, the majority party has a mandate to govern – but we need to ensure that our structures and processes enable all councillors to be involved and have influence.
- 4.2.3 We heard from the Centre for Public Scrutiny that effective delegation is crucial in developing an effective governance structure. In a Leader and Cabinet model, decisions can be delegated to Cabinet, to individual cabinet members, or to officers. Under a committee system decisions can only be delegated to committees or officers. We are keen to see that any future decision making structure keeps Elected Councillors at the heart of decision making, considering strategic issues where they can add value, without inappropriately increasing delegations to officers. We also need to ensure that any new decision making structure does not significantly increase the amount of time Councillors spend in Town Hall meetings,

to the detriment of working in their communities – a criticism that was levelled at pre-2000 committee models.

- 4.2.4 Once elected, Councillors carry out a wide range of roles on behalf of their communities and the city. We need to ensure that we appropriately support Members with the skills and competencies they need fulfil a wide range of roles (eg. meeting chair, community leader, Cabinet Member).
- 4.2.5 The Committee considered the role of Full Council meetings, with many Councillors feeling that the current approach does not provide a meaningful forum for debate, and that this process provides us with an opportunity to reconsider how our Full Council meeting is used.
- 4.2.6 We recognise that influencing decision making isn't something that only happens in the Town Hall. People, partners and groups want to be able to work with their councillors on issues that matter in their local neighbourhoods. The need to strengthen neighbourhood arrangements below the city level was raised as an issue by many of our witnesses, and we recognise that we need to address this. The Big City Conversation is talking to people about what is important to them locally, and we need to consider how we can use this to develop local structures and strengthen ward councillors' ability to influence outcomes in their local areas.

### Governance Principles

- Our decision making structure should be designed in a way that creates **channels for all 84 Councillors to be involved in, and influence decision making**.
- Our decision making structure should be underpinned by **effective ways of working with local communities**, informed by the Big City Conversation.
- We are a member-led authority, where accountability lies with elected councillors. Our decision making structure must reflect this, and **not inappropriately increase delegations to officers**.
- Our decision making structure needs to reflect the practical demands on councillors' time. Need to find a balance between **time spent in formal decision making meetings in the Town Hall against working with and in communities**. Time demands shouldn't prohibit people with working/caring commitments from being a Councillor.

### Ways of Working

- **Role of Full Council** – should be reviewed in the light of changes following the referendum – consider how we could make it a more meaningful forum.
- Ensure that the **appropriate support, training and skills development** is continuously available for councillors so they can take full advantage of the opportunities under the new structure.

### 4.3 AMBITION 3

#### Sheffield City Council engages, involves and listens to citizens, communities and partners

- 4.3.1 One of the key messages to have come out of our evidence gathering sessions was about the importance of quality engagement and involvement with people, communities and partners. Young people told us that involvement shouldn't be tokenistic, and should happen at a time when it can meaningfully influence – a youth cabinet member shared their frustration at being consulted on the 'final draft' of a strategy which they felt was too late to have a real impact. They were also keen to ensure that more is done to involve and engage with 'hard to reach' communities. This need for meaningful and timely engagement and participation also came through in the responses to our online call for evidence, as well as from 'Its Our City'. Voluntary Action Sheffield told us that better collaboration and involvement with the VCF in decision making would deliver real benefits for the city.
- 4.3.2 'It's Our City' shared their concerns that the only formal mechanism for public participation in decision making in Sheffield is through asking public questions at formal meetings, and that the absence of area or locality committees is a gap. We have highlighted the issue around effective locality working under ambition 2, but recognise that local structures are a key element to strengthening our approach to engagement and involvement as well.
- 4.3.3 We also heard examples of good, early engagement – Hallamshire Historic Buildings told us about their experience of being involved in plans for Heart of the City II at the right time – resulting in a scheme that celebrates heritage without compromising viability. We want to make sure that this becomes the norm and not the exception.

#### Governance Principles

- The issues people care about are often local in nature. Our decision making structure needs to include channels through which people, communities and partners can work with local councillors about what is important to them. We need to **strengthen locality arrangements** based on the findings of the Big City Conversation and ensure that these arrangements work effectively alongside, and feed into, citywide decision making processes.

#### Ways of Working

- We must ensure that a **commitment to meaningful engagement, involvement and consultation runs through the organisation**. We should renew our commitment to our Consultation Principles, and reflect on how the council's Engagement Standards which are currently in development can improve practice throughout our work.

- We need to **constantly demonstrate how engagement activity is shaping decision making**, and be honest about the impact it is having, so communities and partners can understand how their views have been responded to.
- We need to make it **as easy as possible for people to engage with us** – the starting point for this should be clear, consistent, accessible communication about what the Council is doing, what decisions we are planning to take and how to get involved.

#### 4.4 AMBITION 4

### Sheffield City Council has a modern and responsive approach to governance which reflects the increasingly complex policy making environment

- 4.4.1 We recognise that some of the most important issues we need to tackle as a council – climate change, inequality, inclusive growth - do not fit neatly into any one policy area, and require a joined up approach from a range of Council services and indeed, partners. Voluntary Action Sheffield shared their concern that a decision making structure must not lose critical interrelationships between issues such as the economy and the climate crisis. This was echoed in the evidence from local governance experts who talked to us about the importance of being able to deal with complex 'wicked' issues.
- 4.4.2 The Chamber of Commerce told us that they want to see a decision making structure that doesn't procrastinate and put off decisions. Timely, and on occasion, quick, decision making is important to avoid missing out on opportunities – particularly around inward investment. We want to make the most of all of the opportunities that come Sheffield's way, and to be able to respond appropriately to urgent issues as they arise across all policy areas. We recognise that the quality of decision making should not come at the price of speed, but any future system needs to have a **mechanism for making urgent decisions** openly, transparently and involving elected councillors.
- 4.4.3 The policy making environment has become increasingly complex over recent years. There are a range of joint boards and partnerships operating across the city – for example in health alone we have a Health and Wellbeing Board, Joint Commissioning Committee, Accountable Care Partnership, Integrated Care System and Statutory Scrutiny Committee. We need to ensure that our decision making structure enables us to function effectively, and play a leadership role in this environment. We also need to be clear about how these structures interconnect, and improve the information that we provide about decision making in the City as a whole – linking back into our ambition around openness and transparency.



## Governance Principles

- Our decision making structure must avoid silo working both within and outside of the City Council, and **enable a joined up approach to tackling issues which need the involvement of a number of organisations in the city**
- Our decision making structure needs to have a **mechanism for making urgent decisions** openly, transparently and effectively engaging elected councillors.
- Our decision making structure needs to **strengthen our ability to work with our partners in a complex local, sub-regional and national policy environment, and enable us to take a lead on key issues facing the city and the citizens of Sheffield.**

## Ways of Working

- We need to **improve the information we provide about how decision making happens across the City as a whole** and how partnerships and structures interconnect.

## 4.5 AMBITION 5

### **Sheffield City Council is a reflective council that is committed to continuously improving governance**

- 4.5.1 Our conversations with experts in local governance and councils who have undergone a change in decision making structure emphasised that for Sheffield City Council, this is the start of a journey. There is no 'perfect' decision making structure, and there will always be room for improvement. The Councillor we spoke to from Cheshire East Council, about their experience of changing governance structure was keen to explain that 'getting it right first time' is difficult, and that review will be important.
- 4.5.2 'It's Our City' highlighted the need for this process to result in communities and stakeholders seeing and feeling changes for the better – we need to be able to monitor and evaluate whether the changes we make are working in the way we intended.

## Governance Principle

- We need to be **clear about what we are trying to achieve through our governance arrangements**, and build in measures to assess whether it is working
- We need to **identify a forum that enables us to reflect, on an ongoing basis, on whether our governance systems are working as anticipated, and if changes need to be made.**

## Ways of Working

- We need to establish a process of continuous engagement so that Members, partners and citizens can give a view on how the system is working.

## 5 Recommendations

- 5.1 We are keen to hear the views of Full Council on these ambitions and principles, and hope that we can find consensus on what we want our governance structure to achieve. We believe that in using these principles to inform the proposals for how future governance structures will work, we will be starting a positive journey towards improved governance.
- 5.2 As we stated at the beginning of this report – how we do business, how we work and operate is just as important as the structures we create. There are a number of principles and ways of working that we have identified which do not require a referendum for Sheffield City Council to deliver: **We therefore recommend that Full Council endorses the principles we have identified in this report to shape our future governance options, and supports the implementation of the following as soon as possible:**
- Strengthening our approach to Scrutiny
  - A commitment to the highest ethical standards and ensuring our Code of Conduct reflects this
  - Improving our approach to communicating about how decision making works in the Council
  - Ensuring that a commitment to meaningful engagement, involvement and consultation runs through the organisation.
  - Improving the information that we provide about how decision making happens across the city as a whole, and how partnerships and boards interconnect
- 5.3 After the referendum, it will be critical that we respond to everything we have heard in the original petition, this Overview and Scrutiny Management review, the Big City Conversation and the referendum result to deliver change based on the principles in this report. **We therefore recommend that OSMC has a role, post-referendum, in providing cross party oversight of the development of the new governance arrangements prior to their implementation in 2021.**

Overview and Scrutiny Management Committee

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<p><b>Governance Principles</b></p> <ul style="list-style-type: none"> <li>• A commitment to <b>openness and transparency</b> must run through our decision making structure with a <b>comprehensive forward planning</b> of decisions and clear decision making reports.</li> <li>• <b>Scrutiny should be strengthened in any future decision making structure</b> – we must be held accountable for the decisions that we take, and embrace challenge to ensure we're getting the best outcomes for Sheffield</li> <li>• Our governance should be underpinned by a <b>commitment to the highest ethical standards as set out in the Nolan Standards on Public Life</b></li> </ul> <p><b>How we do business</b></p> <ul style="list-style-type: none"> <li>• We need to take a more <b>creative approach to communicating about how decision making in the Council works</b> – how decisions are made, what those decisions are and what they mean for the city.</li> </ul>	<p><b>Governance Principles</b></p> <ul style="list-style-type: none"> <li>• Our decision making structure should create <b>channels for all 84 Councillors to be involved in, and influence decision making.</b></li> <li>• Our decision making structure should be underpinned by <b>effective ways of working with local communities.</b></li> <li>• Our decision making structure must <b>not inappropriately increase delegations to officers.</b></li> <li>• Our decision making structure needs to balance between <b>time spent in formal decision making meetings in the Town Hall against working with and in communities.</b></li> </ul> <p><b>How we do business</b></p> <ul style="list-style-type: none"> <li>• Role of Full Council – should be reviewed in the light of changes following the referendum</li> <li>• Ensure that the appropriate support, training and skills development is available for Councillors on an ongoing basis.</li> </ul>	<p><b>Governance Principles</b></p> <ul style="list-style-type: none"> <li>• The issues people care about are often local in nature. Our decision making structure needs to include channels through which people, communities and partners can work with local councillors about what is important to them.</li> <li>• We need to <b>strengthen locality arrangements</b> based on the findings of the Big City Conversation and ensure that these arrangements work effectively alongside, and feed into, citywide decision making processes.</li> </ul> <p><b>How we do business</b></p> <ul style="list-style-type: none"> <li>• We must ensure that a commitment to meaningful engagement, involvement and consultation runs through the organisation.</li> <li>• We need to constantly demonstrate how engagement activity is shaping decision making.</li> <li>• We need to make it <b>as easy as possible for people to engage with us</b> – with clear, consistent, accessible communication about what the Council is doing.</li> </ul>	<p><b>Governance Principles</b></p> <ul style="list-style-type: none"> <li>• Our decision making structure must avoid silo working, and enable a <b>joined up approach to tackling issues which need the involvement of a number of organisations in the city..</b></li> <li>• Our decision making structure <b>needs to have a mechanism for making urgent decisions</b> openly, transparently and effectively engaging elected councillors.</li> <li>• Our decision making structure <b>needs to strengthen our ability to work with our partners</b> in a complex policy environment, and enable us to take a lead on key issues facing the city and the citizens of Sheffield.</li> </ul> <p><b>How we do business</b></p> <ul style="list-style-type: none"> <li>• We need to improve the information we provide about how decision making happens across the City as a whole and how partnerships and structures interconnect.</li> </ul>	<p><b>Governance Principle</b></p> <ul style="list-style-type: none"> <li>• We need to be clear about what we are trying to achieve through our governance arrangements, and build in measures to assess whether it is working.</li> <li>• We need to identify a forum that enables us to reflect, on an ongoing basis, on whether our governance systems are working as anticipated, and if changes need to be made.</li> </ul> <p><b>How we do business</b></p> <ul style="list-style-type: none"> <li>• We need to establish a process of continuous engagement so that Members, partners and citizens can give a view on how the system is working.</li> </ul>

## Overview and Scrutiny Management Committee

### Governance Review - Evidence and Witnesses

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All of the written evidence considered by the Committee has been published on the Council's website and can be found at:

<http://democracy.sheffield.gov.uk/ieListMeetings.aspx?Committeed=139>

Webcasts and recordings of the meetings can be found at:

<https://sheffield.public-i.tv/core/portal/home>

### Meeting 1 - November 26<sup>th</sup> 2019

A recording of this meeting is available [here](#)

Written evidence for this meeting is available [here](#)

#### Experts in Local Governance

Judith Hurcombe, Local Government Association

Ian Parry, Centre for Public Scrutiny

John Cade, Institute of Local Government Studies

#### How Decision making currently works in Sheffield

Gillian Duckworth, Director of Legal & Governance, Sheffield City Council

Laurie Brennan, Head of Policy & Partnerships, Sheffield City Council

### Meeting 2 – November 28<sup>th</sup> 2019

A webcast of this meeting is available [here](#)

Written evidence for this meeting is available [here](#)

#### Local Groups with an interest in governance

'Its Our City' represented by Ruth Hubbard, Woll Newall, Margaret Hines, Sue Kondaker

Nigel Slack, Active Citizen

Vicky Seddon, Co-ordinator, Sheffield For Democracy

#### Voluntary Sector and Business Community

Maddy DesForges, Voluntary Action Sheffield

Richard Wright, Sheffield Chamber of Commerce and Industry

**Online Call for Evidence** – including presentations to the Committee from Robin Hughes, Joined up Heritage Sheffield, Karen Ford and Kevin Poppelwell.

#### Young People

Young Advisers and Members of Sheffield Youth Cabinet, supported by Emma Hinchcliffe, Sheffield Futures.

## **Meeting 3 – December 3<sup>rd</sup> 2019**

A webcast of this meeting is available [here](#)

Written evidence for this meeting is available [here](#)

### **Learning from other Councils**

Councillor Bryan Steel, Rotherham Borough Council

Site visits and conversations with: Rotherham Borough Council, Melton Borough Council, Cheshire East Council, Reading Borough Council

### **Interim Feedback from Big City Conversation**

Laurie Brennan, Head of Policy and Partnerships, Sheffield City Council