

	<p><b>Author/Lead Officer of Report:</b> John Macilwraith Executive Director People. Gillian Duckworth, Director of Legal and Governance</p> <p><b>Tel: 0114 273 4018</b></p>
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<b>Report of:</b>	Director of Legal and Governance
<b>Report to:</b>	Cabinet
<b>Date of Decision:</b>	17 <sup>th</sup> March 2021
<b>Subject:</b>	Empowering communities: shifting power from the Town Hall to communities in every part of Sheffield

Is this a Key Decision? If Yes, reason Key Decision:-

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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- Expenditure and/or savings over £500,000
- Affects 2 or more Wards

Which Cabinet Member Portfolio does this relate to? Leader of the Council

Which Scrutiny and Policy Development Committee does this relate to?  
Overview and Scrutiny Management Committee

Has an Equality Impact Assessment (EIA) been undertaken? Yes  No

If YES, what EIA reference number has it been given? **916**

Does the report contain confidential or exempt information? Yes  No

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

**Purpose of Report:**

Through the Big City Conversation before the pandemic, together with the work undertaken by the Overview and Scrutiny Management Committee on Sheffield City Council's governance in 2019/20, citizens told us that they want more control and influence over the decisions and issues that really matter to their local area.

The report sets out a proposal that 7 Local Area Committees are established by Sheffield City Council in May 2021.

The new Area Committees will engage, enable, and empower communities across the city with increasing control over decision making, marking a major shift in

power to communities with a rolling programme of devolution over the next 12 to 18 months.

The Committees will

- Be the principal means by which the Council engages, empowers, enables, and seeks the active participation of all residents and community organisations on any topic of local interest.
- Actively utilise all available communication methods, including social media, improved local websites and blogs and where possible the use of virtual meeting technology.
- Provide a geographical framework that, over time, will be used to prioritise and direct the local delivery of an increasing number of Council services
- Oversee the production of a co-produced annual Area Committee Plan, with strong commitment to delivery from Council services and partner organisations, the Community Plans will reflect resident priorities
- Ensure that plans have ambitious but achievable improvement targets that have been agreed with the community, feeding into, and influencing the strategic plans of the Council
- Work with local partners and stakeholders to ensure services are joined up and operating effectively in line with the needs of local communities.
- Work with local Voluntary, Community and Faith Sector organisations to ensure greater efficiency of resources, improved services, and a stronger local voice.
- Monitor and hold to account those who are responsible for delivering on the Area Committee Plans actions and performance targets both SCC and partner organisations
- Be empowered to set priorities and direct resources

The report sets out a work plan for the coming months, focusing on the immediate steps to establish the new Local Area Committees by May 2021 and an iterative programme of activity over the 12 - 18 months from May to increase the responsibilities of those Area Committees.

**Recommendations:**

That Cabinet:

1. Agrees the approach and issues identified within this report as providing the framework within which the detailed work on Local Area Committees to replace the current 7 Local Area Partnerships will be taken forward.
2. Agree the initial engagement of community groups and residents as part of the shaping of the Local Area Committees as defined by the big city conversation, and the continuing engagement of local communities as further powers are devolved over the implementation period.
3. Approves the arrangements set out in this report and recommends Council to establish 7 Local Area Committees and to approve the draft Area Committee Terms of Reference and Area Committee Procedure Rules attached to this report at Appendix 1 & 2 as changes to the Constitution, together with any minor consequential amendments, to take effect from Annual Council.
4. Subject to Full Council agreeing to establish area committees, agrees that the proposals for an enhanced Leader and Cabinet governance model and for a Committee system of governance, as approved by Cabinet on 19<sup>th</sup> February 2020, each be amended to include area committees as described in this report.
5. Requests the Director of Policy Performance and Communications, in consultation with the Director of Legal and Governance, to set out the main features of these proposals as amended in a notice to be published as required by the Referendum Regulations, and to undertake additional activity to ensure that they are communicated to people in the city as clearly as possible before the referendum.
6. Notes and support the Programme Governance described within the report.
7. Approves the use of reserves for 2021/22 as set out in the report
8. Requires Officers to ensure that progress with programme development and implementation is regularly reported to Elected Members.

### **Background Papers:**

1. 'Principles for Governance at Sheffield City Council', *Overview and Scrutiny Management Committee*, Dec 2019, <http://democracy.sheffield.gov.uk/documents/s37769/Principles%20for%200Governance%20at%20SCC.pdf>
2. Local Area Committees Terms of Reference (Appendix 1)
3. Local Area Committees Procedure Rules (Appendix 2)
4. Local Area Committees Governance Structure (Appendix 3)
5. Big City Conversation Report (Appendix 4)
6. Governance Schematic - Cabinet and Committee (Appendix 5)

**Lead Officer to complete:**

1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Ryan Keyworth
		Legal: Andrea Simpson
		Equalities: Adele Robinson, Equalities and Engagement Manager
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>EMT member who approved submission:</b>	Kate Josephs, Chief Executive
3	<b>Cabinet Member consulted:</b>	Cllr. Bob Johnson, Leader of the Council
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> <i>Gillian Duckworth</i>	<b>Job Title:</b> <i>Director of Legal and Governance</i>
	<b>Date: 09 March 2021</b>	

# Empowering communities

Listening to our communities and delivering real change for every part of the city

## Engage | Empower | Enable



### Empowering communities - new Local Area Committees (LACs) with a LAC for every place in Sheffield

The seven new Local Area Committees will be created in May 2021 and will be led by locally elected councillors. Over the coming 18 months, the LACs will take on more responsibilities, shifting decision making from the town hall to communities, with more and more decisions made at the level at which they make most sense.



### A new relationship: engaging, empowering and enabling communities

The LACs will be part of the Council's constitution and led by elected Councillors so that there is democratic accountability of the decisions and budgets that will be devolved. Yes, there will be meetings but LACs will be much more than that; they will be rooted and connected, working with communities and local groups to shape decisions, invest and agree solutions that work best for different areas in Sheffield.



### Real change at a level that makes sense

Every part of Sheffield has different assets, strengths and needs. LACs will talk and listen to citizens and create Plans for the local area to deliver the actions and change that communities want to see. Over time, the geographic areas covered by LACs will be used to organise the delivery of an increasing number of Council services, focusing on local needs, what works in specific parts of the city, and working with public services to deliver better for our places.

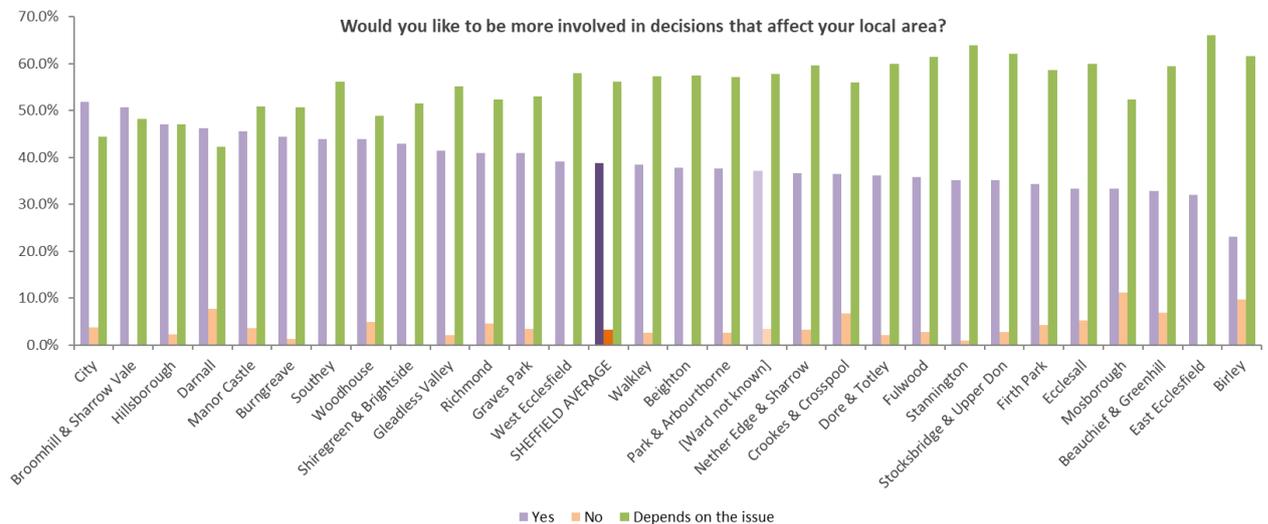


### One community, working together for better wellbeing, better places and empowered people

Every community in Sheffield has huge strengths and vital organisations and networks. LACs will be the connecting point for everyone to work together for the good of the local area – communities, public services, community organisations and businesses connected for to get the best for the local area.

1. One of the best features of our city is the network of distinctive communities, neighbourhoods, districts, local centres, and high streets which are a fundamental part of what makes Sheffield a great place to live.
2. We want people and communities in every part of Sheffield to be in control and shape the decisions and issues which matter to them and their area. As a City Council, we recognise that we need to match the knowledge, passion, and insight that Sheffielders have for their local areas with the ability to take decisions at the local level which can deliver real change.
3. Sheffield's local communities are all distinct with unique networks, community groups, high streets and parks and open spaces which are vital to our lives and have become increasingly so during the Covid-19 pandemic. In 2019, we held a '[Big City Conversation](#)' with over 4,000 Sheffielders either talking with Councillors and officers in local centres across the city or responding to an online survey, telling us about their local area and if and how they would like to have more of a say over the issues that matter. Sheffielders told us:
  - **Everyone loves their park, but communities could be improved** – people in every part of Sheffield said they loved their parks, their local community and key local services (e.g. public transport, libraries). However, there's work to do to improve on congestion, crime and activities for young people.
  - **People do get involved in their communities** – over a third of Sheffielders said that they do get involved in local issues, particularly through online networks and local meetings. But time is precious, and people are sceptical about whether they could make a difference if they did get involved.
  - **People want to get involved through a range of channels** – where people said they'd be keen to get involved at local level, they mainly want to use online channels and social media but also go to local meetings and work with local Councillors and public services.

- **People don't feel they can influence decisions but are willing to get involved on the issues that matter** – only around a third of people said they feel they can influence decisions. However, nearly 40% said they would like to get more involved and 56% said they would get involved, depending on the issue.
- **People don't feel informed about local services** – in particular, about how decisions are made, how services are performing and about public services in their area overall.



4. In addition, the Overview and Scrutiny Management Committee (OSMC) undertook a short review to look at the governance of Sheffield City Council, using a call for evidence and hearings to understand best practice in local governance and community engagement. The OSMC identified a set of five ambitions for governance at SCC which included a clear message about the renewal of our relationship with communities in Sheffield:

“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.”<sup>1</sup>

5. Whilst the Covid-19 pandemic stopped the Big City Conversation activity, Sheffielders and the work of the OSMC scrutiny committee gave a clear indication that people want to be more involved in the decisions that the city makes at a geography and on issues which are meaningful.
6. Throughout Covid-19, communities across the city have looked out for one another and stood alongside public services and voluntary, community, and faith (VCF) sector organisations to protect our most vulnerable residents and support local communities to get through the pandemic. There have been some incredible examples of community activism and people working together to support their local communities, which we can build upon, alongside the messages from the Big City Conversation to create a new

<sup>1</sup> OSMC (Dec 2019)  
<http://democracy.sheffield.gov.uk/documents/s37769/Principles%20for%20Governance%20at%20OSCC.pdf>

relationship and way of working in the city, with communities having real control over key local issues.

7. Based on listening to what Sheffielders have told us and evidence from the OSMC governance review, we are going to increase the involvement and control that local communities have over decision making and solutions to local issues in Sheffield.
8. Our ambition is to empower communities, harnessing community assets to strengthen cohesion and connectedness and to improve health and wellbeing. Shifting influence to communities will ensure that the right decisions are made at the right level. We want to reinforce the trust we have in local communities with the power to decide what is right for their area
9. As a critical first step, we are proposing to create new Local Area Committees covering every part of Sheffield by May 2021. These will have far reaching influence and devolved decision-making over vital local issues.
10. The Local Area Committees will be led by local councillors with accountable structures supported by dedicated officer resources for each Committee, becoming the key platform for citizens to influence and shape decisions over the most important issues for their area. They will enable communities, public services, VCF organisations and Councillors to work together on the key issues for their area of the city. In the 12 – 18 months from May 2021 we will increasingly devolve responsibility for decision making and budgets to the new Area Committees, giving real control and influence to address the issues unique to their parts of the city.
11. Through the Big City Conversation, Sheffielders were clear that they want a step change in the relationship, trust and influence they have over local decisions. The new Area Committees represent a fundamental shift of power in Sheffield, putting local communities in charge of decisions and budgets for key local services. They will be the core foundations for local empowerment and will aim to achieve:
  - Communities that can influence the issues and services that directly affect them.
  - Councillors will be community leaders accountable to the people they represent.
  - Increased flexibility, influence, and direction of services at a local level.
  - Measurable improvements in service performance.
  - Stronger relationships with community partners.
  - Effective Communication and Engagement using multiple platforms to reach as many people as possible.
12. Local Area Committees will have devolved budgets and delegated decision-making authority, ensuring communities, alongside local councillors can take decisions which are best for the unique needs of Sheffield's communities. The intention is that Local Area Committees will transform the Council's approach to the delivery of services, with greater focus, responsiveness, and accountability to the different needs of communities across the city.
13. Local Area Committees will:
  - Be the principal means by which the Council engages, empowers, enables, and seeks the active participation of all residents on any topic of local interest.

- Actively utilise all available communication methods, including social media, improved local websites and blogs and the use of virtual meeting technology.
  - Provide a geographical framework that, over time, will be used to prioritise and direct the local delivery of an increasing number of Council services
  - Oversee the production of a co-produced annual Area Committee Plan. With strong commitment to delivery from Council services and partner organisations, the Community Plans will reflect resident priorities.
  - Ensure that plans have ambitious but achievable improvement targets that have been agreed with the community, feeding into, and influencing the strategic plans of the Council.
  - Work with local partners and stakeholders to ensure services are joined up and operating effectively in line with the needs of local communities.
  - Work with local Voluntary, Community and Faith Sector organisations to ensure greater efficiency of resources, improved services, and a stronger local voice.
  - Monitor and hold to account those who are responsible for delivering on the Area Committee Plans actions and performance targets.
  - Be empowered to set priorities and direct resources.
14. The proposed Local Area Committees will replace the existing Local Area Partnerships (LAPs) which have been in place since 2013. The seven LAP areas are based on the city's 28 wards (four wards in each LAP) and they have been successful in supporting and developing community resilience in communities across the city. LAPs do not have devolved powers and responsibilities and thus are limited in their ability to directly respond to the needs of local communities.
15. Reflecting on the views expressed in the Big City Conversation, citizens clearly want to have a greater role and direct say on key locality issues and are keen to get more involved through digital and physical channels. Despite the LAP model being in place, most respondents did not feel that they could influence local decision making and therefore, we are keen to match this appetite by increasing decision making capabilities of local communities through Local Area Committees, building on good practice, networks and partnerships that have developed under the LAP approach.
16. The geography (Area Boundaries) that the new Local Area Committees cover will be discussed and agreed as part of the initial implementation.

### **Establishment of Local Area Committees and how they would work**

17. The operation of Local Area Committees, in terms of their roles, powers and relationships with residents and other Council and external bodies (such as partner organisations and, in the north of the city, town and parish councils) will be further defined as part of this programme and will be the subject of future recommendations to Cabinet and Full Council.

18. The first step is that Full Council must establish the committees and agree their terms of reference and any consequential amendments to the Constitution. Article 10 at Part 2 of the Constitution currently makes provision for the establishment of area committees, comprising all Ward councillors from the Wards in the area, with Terms of Reference to be set out in Part 3 and Procedure Rules in Part 4. The relevant places in Parts 3 and 4 note that no Area Committees are currently established.
19. This report recommends that Cabinet make a recommendation to Full Council that Local Area Committees be established with effect from 19 May 2021 (the date of the Council AGM), with draft Terms of Reference and Area Committee Procedure Rules as attached to this report at Appendix 1 & 2.
20. Each committee will have a Chair and Vice-chair (to act in the Chair's absence), elected by the committee in accordance with Council Procedure Rules.
21. Once established, committees may exercise any executive functions that are delegated to them through the Leader's Scheme of Delegation of Executive Functions. It is envisaged that initially their role may chiefly be consultative and that they will act as conduits between local residents, and executive decision makers to ensure that their views are known and considered. They may also make decisions in respect of devolved budgets such as Ward Pots and the portion of Community Infrastructure Levy (neighbourhood CIL). The roles of residents and community organisations and the building of their relationships with area committees will be part of this programme.
22. Any other powers to be delegated will be considered during phase 2 of the programme, so the structure will be in place immediately but what the committees will do will still be a work in progress. In time they will have powers to make decisions in respect of their areas, but they must still be bound by city-wide policies and strategies.
23. Full Council may also delegate non-executive functions to Local Area Committees but at this stage it is considered unlikely that they will undertake non-executive functions. They will have the power to consult the community and make representations on planning and licencing applications but will not have any role in deciding those applications.
24. Alongside the iterative implementation of the Local Area Committees the EMT of SCC will initiate a workstream to ensure strategy, structures, roles, responsibilities, processes and culture are aligned to support the effective implementation of greater local engagement, empowerment and delivery.
25. Local Area Committees will have a relationship with the Council's Overview and Scrutiny Committees, which may scrutinise any executive function including those exercised by area committees. Also, Local Area Committees may draw matters to the attention of a Scrutiny Committee to be considered for inclusion in the Work Programme.
26. It is likely that Local Area Committees may wish to have a role in "holding to account" operations or actions in their areas. This will need to be carried out in a way that does not duplicate the work of a Scrutiny Committee, but it may feed into that work.
27. Each Local Area Committee will report its Community Plan and progress against it to the Full Council no more than once in every municipal year, commencing in the municipal year 2022/23 with the programme fixed at the Council AGM in May 2022. The Governance structure for Local Area Committees is as set out in Appendix 3.
28. Local Area Committees can operate within an executive or committee structure so the work to develop their role can continue whatever the outcome of the governance referendum. If the outcome is a move to a committee system, then what the Local Area

Committees do will be part of the wider constitutional arrangements as the Leader/executive will no longer have a role in delegation to them.

29. In February 2020 Cabinet, on the recommendation of Full Council, approved proposals for an enhanced Leader and Cabinet governance model and for a committee system of governance to be published before the referendum and for publication of a notice (as required by regulations) setting out the main features of these proposals. Because the referendum has been postponed for a year due to the coronavirus, the Council will need to issue a new notice of it no earlier than 55 and no later than 28 days before the new date (6<sup>th</sup> May). If the governance proposals described in the notice are to be revised to include Local Area Committees, Cabinet must make a decision to that effect.

The current enhanced Leader and Cabinet governance model and Committee system model are set out in Appendix 5. They will be revised to incorporate Local Area Committees in line with the governance structure shown at Appendix 3.

## Timetable for delivery

30. The new Local Area Committees will be established by May 2021 which will then be followed by a 12 – 18 month rolling programme of devolution of responsibilities to the Committees. This will be agreed by the relevant Executive Director in consultation with the relevant Cabinet member after consultation with the ward councillors.
31. In order to deliver a change of this nature effectively, an iterative and open approach is necessary. We will seek to implement in stages, increasingly led and informed by the priorities and feedback of LACs, and creating the space for learning and reflection.
32. A number of other cities and local areas in the UK and beyond have implemented devolved models in recent years (such as Leeds and Nottingham) SCC will seek to learn from the experience and evidence of these programmes wherever possible and appropriate.
33. Programme Governance – the establishment of new Local Area Committees and the subsequent rolling programme of devolution will require professional programme management and as such an officer Programme Board, drawn from portfolios across SCC, has been established. A named ‘Senior Responsible Officer’ (SRO) will be identified and empowered to work across the Council to drive progress and ensure issues are addressed. Work-streams will be established and a phased approach taken. Current suggested workstreams and phases are as follows:

### Workstreams

Governance work-stream	Local Area Committees must be established by Full Council, which will require a number of consequential amendments to the Constitution; delegation of executive functions to Local Area Committees will require the Leader to make changes to his Scheme of Delegation of Executive Functions.
Service Delivery and Operating Model work-stream	Work will be needed to change the operational model of the Council to support localised service delivery. Devolution of decision making and budgets to Local Area Committees will have implications for ways of working and for staff across the Council
Community Empowerment and	Work will be required to create the systems and processes for engaging, empowering and enabling communities in the work

Engagement work-stream	of Local Area Committees, setting out clearly what residents can expect
Planning and Performance Management work-stream	Local Area Committees and their functions will require forward planning and timetabling as well as robust performance indicators to evaluate their impact and performance
Communications work-stream	Work will be needed to ensure that all stakeholders, most importantly Councillors and local residents of Sheffield, are kept in touch with the programme as it reaches key milestones and that plans for the formal launch are developed and delivered.
Finance work-stream	Work is required to ensure that any changes needed to the Council's budget structure and financial management and control arrangements are made. This is in order to enable the Local Area Committees to operate effectively and within legal and local government financial best practice frameworks

<b>Phase 1 – Establishing the Framework</b>	<b>Delivery Date</b>
Establishment of programme governance	Feb 2021
Creation of Local Area Committee staffing teams	March/April 2021
Cabinet report in draft form	March 2021
<b>Phase 2 – Devolution of Responsibilities</b>	
Launch of Local Area Committees	May 2021
Arrangements in place for the devolvement of the first tranche of decisions and budgets.	May to July 2021
Production of the first set of Community Plans	Aug to Oct 2021
Processes and guidance on service commissioning and procurement agreed.	Aug to Oct 2021
Assessment and agreement of services where decision making and direction will be devolved from May 2021	Rolling programme from May 2021 to April 2022
<b>Phase 3 – Embedding and Developing the Model</b>	
Ongoing development of the Local Area Committee model	May 2021 to April 2022
Year 1 review of impact and performance	April/May 2022
Implement changes arising from Year 1 review	May 2022

The SRO and Programme Board will report to the Corporate Member Group on a quarterly basis

## Risk analysis and implications of the decision

## Equality of opportunity implications

34. The overall impact of this decision is likely to be highly positive from an equality, diversity and inclusion perspective. Local communities will have a far greater say in local decision making for services which impact their daily lives. The devolution of responsibilities will greatly improve inclusion for local people of all ethnicities, faiths, abilities, sexualities, genders, etc. The work of the Equality Hub Network (Sheffield Equality Partnership) will support the approach.

## Financial and commercial implications

35. Programme management estimated costs are outlined below (which includes activity such as performance monitoring, governance, comms and engagement);

**Phase 1 – Creating the LAC Framework/Structure – Feb 2021 to May 2021 – cost estimate = £65,439**

**Phase 2 – Devolution of Responsibilities to LACs – May 2021 to May 2022 =**

- **Transformation Element – cost estimate = £536,285**
- **Administration and Running Costs – cost estimate = £618,000**

Additional costs (IT infrastructure, other supplies and services) to be identified as the Local Area Committees are established.

This cost exceeds the provision in the 2021/22 budget by approximately £650k, mostly relating to transformation costs. This will be funded from reserves for 2021/22 with any ongoing costs built into the 2022/23 budget process.

Local Area Committees are in the earliest stages of development. As the work progresses, it is intended that the scope and role of Local Area Committees will expand and change. The change in the remit of LACs over time will have implications for the Council's overall budget and the structure of the budget which we are currently unable to assess. The financial implications of these changes will need to be assessed on an ongoing basis as decisions are made.

36. The establishment of Area Committees may result in additional costs through changes to the Members Allowances Scheme. In accordance with the Council's Constitution and the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003 the Independent Remuneration Panel will consider which positions should receive a special responsibilities allowance and the level of that allowance and make recommendations to Full Council. These costs will be offset by the removal of the posts of Local Area Partnership Chair from the Scheme.

## Legal implications

37. There are powers in section 9E of the Local Government Act 2000 for functions of the executive of a local authority to be discharged by area committees established by the local authority in accordance with its powers under section 102 of the Local Government Act 1972. Subject to necessary amendments to the Council's Constitution, to be the

subject of a further report when the proposals are fully developed, there is nothing in the proposals in this report which cannot be achieved within the legislation.

38. The political balance requirements of the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990 do not apply to any formal Area Committees established under the Local Government Act 2000 or otherwise meeting the criteria set out in regulation 16A of the Regulations. Those criteria are briefly that the committee discharges functions of the authority or advises the authority (or a committee of it) only in respect of part of the area of the authority, and all the voting members of it who are council members have been elected to wards wholly or partly within that part.

#### 39. Alternative Options

Retaining the existing Local Area Partnership Structure is an option however this would not allow for the significant shift in devolvement of powers to local decision-making committees. Retaining Local Area Partnerships would therefore not achieve the aims and ambitions of the City to further empower local communities.

#### 40. Reasons for Recommendations

We want people and communities in every part of Sheffield to be in control and shape the decisions and issues which matter to them and their area. As a City Council, we recognise that we need to match the knowledge, passion and insight that Sheffielders have for their local areas with the ability to take decisions at the local level which can deliver real change.

The proposed establishment of Local Area Committees will ensure that this ambition is achieved. We will put in place a community led committee system with strong decision-making powers and accountability.

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