

Governance Committee

Meeting held 8 December 2022

PRESENT: Councillors Julie Grocutt (Chair), Sue Alston (Deputy Chair), Christine Gilligan Kubo, Dianne Hurst, Mark Jones, Mary Lea, Mike Levery, Bryan Lodge, Joe Otten and Richard Williams (Substitute Member)

1. APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillors Penny Baker and Mick Rooney.

2. EXCLUSION OF PUBLIC AND PRESS

2.1 No items were identified where resolutions may be moved to exclude the press and public.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest made at the meeting.

4. MINUTES OF PREVIOUS MEETING

4.1 RESOLVED: That the minutes of the meeting held on 10 November 2022 be agreed as an accurate record.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 There were no public questions or petitions received.

6. GOVERNANCE REVIEW UPDATE

6.1 The Committee received a presentation from the Interim Director of Legal and Governance, David Hollis. The presentation updated Members on the progress of the 6-month review of governance arrangements since the last meeting of the Committee.

6.2 The Policy and Improvement Officer, Emily Standbrook-Shaw informed the Committee of what engagement activities were underway. Regarding Member engagement, the online survey had launched, drop-in sessions had been arranged for each of the Policy Committees

and an update will be taken to the LAC (Local Area Committee) Chairs Group.

- 6.3 In regard to Citizen engagement, the online survey had launched along with an invitation for citizens to engage, and also the LAC networks had been used to publicise the ongoing work and how citizens could engage with the Council on this.
- 6.4 In regard to Officer engagement, the online survey had launched and structured conversations with various officers and groups were being arranged.
- 6.5 The Policy and Improvement Officer explained that drop-in sessions had only been carried out at two of the Policy Committee meetings. Therefore, the next steps were to carry out drop-in sessions at the remaining Policy Committees throughout December 2022. She added that Officers would be in touch with Members of the Governance Committee about taking part in public facing events.
- 6.6 Members of the Committee were asked to give their views on the update and presentation and the key points to note were: -
- 6.7 A Member of the Committee asked whether staff and pupils at schools and colleges were being engaged, as part of this piece of engagement.

The Policy and Improvement Officer responded that this was a group that had not been engaged, although agreed that it would be important to do so.

The Head of Policy and Partnerships, Laurie Brenan added that the Governance Committee working group could explore long-term development and engagement by looking into how the Council promoted and did business with different groups in the City, In particular younger voices.

The Chair (Councillor Julie Grocutt) mentioned how capturing the thoughts of young people were valuable. She added that the Committee could engage with the Youth Cabinet and secondary schools.

- 6.8 RESOLVED: That the Committee notes the update on the 6-month review of governance arrangements.

7. GRANTS, LOANS, AND GUARANTEES: DELEGATION REVIEW

- 7.1 The Committee received a report of the Assistant Director of Legal and Governance, Robert Parkin which invited Members to consider the current delegations in relation to matters that related to receiving annually recurrent grants, and also grant aid, loans and guarantees. It

also invited Members to consider developing the role of Policy Committees, the role of the Director of Finance and how the role of Communities Parks, and Leisure Policy Committee was described in relation to promoting, and monitoring the role of the voluntary sector.

- 7.2 The Assistant Director of Legal and Governance was in attendance to present the report to the Committee.
- 7.3 The Assistant Director of Legal and Governance explained that the purpose of the report was for Members to consider the issues presented, and then determine whether they would like Officers to go away and report back with further details and specific changes that could be incorporated into the Council's constitution.
- 7.4 The Committee was informed that currently, the Council's constitution stated that the acceptance of grants under £750,000 be delegated to Officers, under delegated powers. Decisions over that amount were referred to the Finance Sub-Committee. Therefore, Policy Committees had not had a formal role on the acceptance of grants over that threshold.
- 7.5 It was also explained that the Communities, Parks and Leisure Policy Committee had delegated authority in relation to any grant where it would affect the voluntary sector, even where it fell within the subject matter remit of another Policy Committee.
- 7.6 Another aspect to consider was decisions on recurring grants. It was explained that certain external grant funding was recurrent on an annual basis without material change in the terms and conditions of funding. These were not often referred to in the annual Council Budget. There was no clear provision in the constitution setting out delegation to accept such recurrent grants under the committee system.
- 7.7 The Council's Finance Manager, Mark Wassell explained that in relation to recurrent grants, the Council currently had approximately 60 of those grants and these were previously dealt with in block by the relevant Cabinet Member in the previous structure. These grants were usually quite fixed and had been recurring for many years and were likely to continue. Therefore, it was suggested that a better process of dealing with these may be for the approval to be delegated to the Director of Finance to sign them off.
- 7.8 Members of the Committee asked questions and the key points to note were: -
- 7.9 A Member of the Committee asked for examples of recurrent grants.

The Finance Manager explained that these types of grants varied. Some examples were adult education grants, higher education funding, school milk and free school meals. As previously mentioned, the

conditions of these grants do not vary greatly.

- 7.10 A Member of the Committee mentioned that LACs needed to be informed when grant funding came into their respective areas.

The Finance Manager mentioned that on average, the Council received 10 grants a month. The finance service then determined where the grants needed to go. Therefore, informing the relevant business unit manager, and explaining how to deal with them.

The Interim Director of Legal and Governance stated that acceptance of grants delegated to Officers, required that decision to be published. Therefore, this process was transparent. He added that there were grants which the Council do not bid for, they were just given from the Government. There were others that are given and were ring fenced for a purpose although there was sometimes discretion within that, of how the Council spent that funding. There was also grants that the Council do bid for and the process and reason for that bid sets out how that funding can be spent, this was where Member engagement would be crucial.

- 7.11 A Member of the Committee mentioned how the Strategy and Resources Policy Committee previously agreed to extend the length of grants to the voluntary sector and how this was appreciated by those sectors. He believed that decisions on grants should sit within the role of Policy Committees.

- 7.12 A Member of the Committee raised the importance of Officers consulting with Members before they determined how a grant would be spent, ensuring that money is spent effectively. It was added that, in regard to recurrent grants, the Council needed to ensure they were doing everything they could to promote the local economy. An example of this was given, that the recurrent grant of school milk was sourced by a local supplier.

- 7.13 The Interim Director of Legal and Governance highlighted the difference between revenue and capital grants, and suggested that capital grants remained with Strategy and Resources Policy Committee and Finance Sub-Committee as part of the capital process. The revenue grants were what was being discussed at the meeting.

- 7.14 A Member of the Committee also believed that awarding grants for a particular sector or area should be determined by the relevant Policy Committee, as that Committee would be best informed to decide whether the strategy of that grant would deliver the best outcome for the people of Sheffield.

- 7.15 A Member of the Committee stated how delegated powers to Officers needed to be explored further. It was mentioned that Officers should be able to carry out delegations against the strategic framework in which

Members created. It was important for Members and Officers to carry out an effective process although equally important to have that separation.

7.16 A Member of the Committee raised the importance of processes of dealing with grants being transparent and accountable. It was added that a mechanism needed to be defined, so that LACs were aware of what grant funding was going to their respective areas.

7.17 A Member of the Committee summarised that Members felt like there needed to be an open and transparent process with dealing with grants, and that the decision be determined by the relevant Policy Committee. It was also suggested that where recurrent grants be delegated to Officers, each year they were reported back to that relevant Policy Committee.

7.18 The Assistant Director of Legal and Governance explained that the next steps would be for Officers to take away the comments made by Members at the meeting and prepare a report to be brought back to a future Committee. He mentioned that a Governance Committee workshop could be used before that Committee, to ensure that the aspects mentioned in the meeting were covered appropriately.

7.19 RESOLVED: That the Governance Committee (1) notes and comments on the report on the current delegations in relation to Grants, Loans, and Guarantees, annually recurring grants, and the role of the Communities, Parks, and Leisure Committee in relation to grant aid in the voluntary sector; and

(2) requests that the Monitoring Officer in consultation with the Chief Finance Officer prepares a report to be considered at a future meeting of the Governance Committee which:

- i. Recommends revised levels of delegated authority in respect of the approval of the receipt of External Grants by the City Council in the contexts of:
 - a) External grants to be used for onward third-party grant aid, and loans; and,
 - b) External grants to be received and used directly by the Council;
- ii. Proposes revisions to the role of the Communities, Parks, and Leisure Committee in respect of the award of Grant Aid;
- iii. Proposes a role for the Policy Committees in making decisions on providing Grant Aid, Loans, and Guarantees in relation to matters within their remit, while retaining a

role on larger sized or mixed remit Grant Aid, Loans, and Guarantees for the Finance Sub-Committee.

- iv. Proposes a Delegation to the Director of Finance and Commercial Services in relation to the acceptance of annually recurrent grants.

8. DATE OF NEXT MEETING

- 8.1 It was noted that the next meeting of the Committee would be held on 12 January 2023.