

Overview and Scrutiny Management Committee

Meeting held 14 November 2019

PRESENT: Councillors Mick Rooney (Chair), Ian Auckland, Denise Fox, Julie Grocutt, Tim Huggan, Douglas Johnson, Mike Levery, Sioned-Mair Richards and Jim Steinke

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1. APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillors Ben Curran and Cate McDonald.

2. EXCLUSION OF PUBLIC AND PRESS

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

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the meeting of the Committee held on 17th October 2019, were approved as a correct record, subject to the amendment of Item 6 - Reviewing Decision Making in Sheffield City Council, by (a) the substitution of the words “be involved in decision-making, as part of any new system” for the words ‘have an input in terms of formulating the model’, and (b) the addition of the words “especially local” after the words “at all levels”, in paragraph 6.8 of that item.

4.2 Arising therefrom, with regard to Item 4 – Minutes of Previous Meeting, and specifically (a) paragraph 4.1(a)(i), the Chair reported that this information had now been received by Members, (b) paragraph 4.1(a)(ii), the Chair stated that he was still awaiting guidance from Councillor Mark Jones (Cabinet Member for Environment, Streetscene and Climate Change) in connection with the proposed establishment of a Citizens’ Assembly to look at climate change, (c) paragraph 4.1(a)(iii), Councillor Sioned-Mair Richards confirmed that she had been informed by Councillor Tim Huggan that Councillor Roger Davison had been appointed as the nominee from the Liberal Democrat Group on the cross-party Member Task and Finish Group to look into communications and consultation on the budget process, and (d) paragraphs 4.1(a)(v) and paragraph 4.1(b), the Policy and Improvement Officer stated that she would contact Louise Brewins (Head of Performance and Intelligence), asking that she provides the information requested, and when received, circulate the information to Members on the Committee.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 Members of the public raised questions as follows:-

5.2 Nigel Slack

5.2.1 Whilst recognising that the usual protocol is for details of the agendas for meetings to be published seven days before the meeting itself, could I ask that, in these unusual circumstances of the special sessions of the Committee, details be circulated as soon as possible?

5.2.2 The Policy and Improvement Officer reported that details of all the special meetings of the Committee, to discuss the governance review, were now on the Council website, and there were plans to upload the presentation to be made at this meeting, and which contained a detailed schedule in terms of how the special meetings would be organised, together with timings, to the website.

5.2.3 The Committee placed on record its thanks and appreciation to the valuable work undertaken by Nigel Slack in connection with the governance review.

5.3 Woll Newall

5.3.1 Given that thousands of Sheffield voters have told It's Our City that they want their Councillors to work together, to do the best for the City, what proposals are this Committee going to recommend to encourage a healthy culture and cross-party working?

5.3.2 The Committee noted Mr Newall's question, which had been read out by the Policy and Improvement Officer in his absence, and agreed that this was relevant to the governance review underway, and stressed that this was part of the deliberation of governance issues.

6. ETHICAL PROCUREMENT

6.1 The Committee received a report of the Executive Director, Resources, containing an update on the Council's Ethical Procurement Policy, the aim of which was to enable the Council to conduct business ethically, effectively and efficiently for the benefit of Sheffield. The report contained details of the background to the Policy, a Policy summary, Policy outcomes, operational changes and progress, success so far, which included Real Living Wage, Early Payments Scheme, Social Value, Sourcing Team and Local Spend, and Code of Conduct, and Measurement and Performance. The report also attached, as appendices, details of various measures, including the Employment and Skills Social-Value Dashboard, Sourcing Team Savings and the Stonewall Submission Score Summary and Overview, together with details of the City Council Social Value Evaluation.

6.2 In attendance for this item were Mark Ellis (Senior Procurement and Supply Chain Manager), Jill Smith (Procurement and Supply Chain Manager), Kerry Moon (Investment Support Manager) and Adam Piotrowski (Category Manager).

6.3 Mark Ellis introduced the report and Jill Smith and Kerry Moon reported on the

social value aspects of the Policy.

6.4 Members of the Committee raised questions, and the following responses were provided:-

- Information on new suppliers was obtained through a variety of means. In terms of the Real Living Wage (RLW), data was being collated across the supply chain, including the toolkit set up in conjunction with the University of Sheffield.
- The Authority worked extensively to encourage the payment of the Real Living Wage across its supply chain. Procurement officers carried out reviews at the commissioning, tender and contract stage to ensure that the RLW was considered in every procurement strategy. All new suppliers were asked to meet the standards of the Authority's Ethical Charter.
- The primary focus of the Policy had been its impact in Sheffield. Filip Leonard (Head of Procurement and Supply Chain) had been working with the Progressive Procurement Group, and this work was being shared with Sheffield City Region (SCR), as well as other anchor organisations in Sheffield.
- The Authority had amended the Standard Selection Questionnaire, used at tender stage, to allow for suppliers to be deselected on negative ethical performance, such as professional grave misconduct, blacklisting and misuse of migrant labour.
- Officers continued to work closely with care commissioners and those Trade Unions having signed up to the Unison Ethical Care Charter.
- A considerable amount of work had continued to be undertaken in connection with the Early Payment Scheme (Sheffield Pay Plus). All officers responsible for raising orders were being actively encouraged to receipt orders in a timely manner to ensure suppliers received payment within 30 days and in accordance with agreed payment terms.
- Use of the Social Value Portal, to measure Social Value benefits, was being implemented across the Authority. Appendix 2 to the report was a snapshot of the initial tender using this method to evaluate Social Value benefits. Officers were still evaluating and seeking clarification of figures and variation of evidence. The final outcome of this and the future tenders would be included across a final suite of Key Performance Indicators (KPIs).
- The Authority does not currently go down to the level regarding apprenticeships for people with profound disabilities or learning difficulties. However, it does work with construction companies in connection with the employment of such people.
- There was a process in place for suppliers to self-declare, and checks were also made for tax compliance.

- Local spend was defined as spend in the 'S' postcode, within the Sheffield Ward boundaries.
- The figures supplied in relation to local spend excluded Amey, where the invoice was paid from their head office, in Birmingham. In reality, the Authority's spend had a positive impact on the local economy as staff working on the contract were likely to live and work in Sheffield.
- The proxy values in Appendix 2 to the report, which were measures of Social Value contribution, had not been defined by the Authority. These figures had been established by the Social Value portal, and were used nationally. There were 35 measures, some of which had been determined through the Local Government Association (LGA) Green Book. These proxy values could not be changed. However, the Authority could adapt how it asked the question or provide further explanation on how bidders should respond. Currently, the Authority did not specify which measures a supplier needed to respond against as this approach mitigated against the bidders, including costs to deliver Social Value in their tender price.
- The monitoring of organisations was being undertaken as part of the submission to the Authority, and as part of the contract agreement. Companies were also expected to provide evidence to the Social Value Portal in order to allow for the target social value element of the contract to be monitored. Companies would be provided with dashboards showing their progress and, as part of contract management, they would be held to account if they did not deliver on Social Value commitment.
- In terms of the social value evaluation, companies bidding for contracts only have to input a target figure, and not a specific value. The Authority was represented on the Social Value National Taskforce, which was the responsible body for reviewing the application of all elements of Social Value. Any revisions required to either the measures or associated values would be undertaken at this level.
- The fact that companies bidding for contracts set their own social value targets did not appear to have any financial detriment to the Authority. This was on the basis that Social Value was always the added benefit over and above what was part of the core contract.
- The work on ethical procurement that the Authority had undertaken and delivered to date was being recognised. For example, the Real Living Wage Foundation had asked the Authority to draft a case study which it could use as a means of sharing good practice. The Authority had recently been awarded the 2019 Chartered Institute of Procurement and Supply (CIPS) Award for Ethical Procurement and following this, had received a number of enquiries from other local authorities for advice.
- Sheffield was represented on the Strategic Procurement Group, which comprised representatives from local authorities in Yorkshire and the

Humber, and at which good practice was shared.

- Local spend in terms of contracts currently stood at 47%, or £330 million, for the first six months of 2019/20.
- As the programme was rolled out, Social Value would represent as a minimum 10% weighting. All potential bidders were aware of this at tender stage, as well as what the Authority's expectations were. As part of lower value spend (below £150,000 contract value), there was a requirement to source, where possible, at least one local quote. However, the Authority was not permitted to award a contract simply based on whether or not the company was based in the 'S' postcode area.
- Monitoring of suppliers and KPIs could take considerable time but, where possible, there were systems to reduce this. For example, establishing the RLW suppliers had been resource intensive. However, moving forward, plans were in place to capture and report on this type of information, and capturing information on the finance system.
- The Authority was required to publish details of payments it had made to suppliers. However, this had not been broken down to "S" postcode or local economy level. This information could be circulated to Members of the Committee. The Authority spent approximately £700 million on works, goods or services, with local spend currently being around 47%.
- The officers present could not confirm whether the ethical performance outputs were included on the Corporate Performance Framework, but would inform Members of this.
- It was not envisaged that there would be any major changes to the Authority's tendering processes following Brexit, mainly on the basis that, under UK law, there would still be a requirement on Authorities to be fair, equal, open and transparent in terms of its tendering processes.
- The standard settlement time for paying suppliers was 30 days.
- Discounts were made in terms of early payments and these varied dependent on a number of factors. Reference was made to Social Enterprises paying a discount in order to receive early payment. The Sheffield Pay Plus programme was not mandatory and the City Council standard terms were 30 days.
- The 50% local spend, as part of the submission to the Chartered Institute of Procurement and Supply, was at a previous point in time in respect of the financial year 2018/19. The 47% stated in the scrutiny report was only a measure of the first six months of 2019/20.
- The Procurement Team was working hard to improve the figure in terms of local spend. This measure formed part of monthly reporting which allowed

the Team to consider gaps and potential opportunities. This was an ongoing piece of work and there would always be a variance depending on the category of what was being bought and which suppliers were actually based in, and operating out of, Sheffield.

- Whilst issues with regard to the steps companies took to reduce their carbon footprint was included as part of the social value assessment criteria, it was not applicable, at the current time, to all contracts.

6.5 RESOLVED: That the Committee:-

- (a) notes the contents of the report now submitted, together with the information now reported and the responses to the questions raised;
- (b) thanks Mark Ellis, Jill Smith, Kerry Moon and Adam Piotrowski for attending the meeting and responding to the questions raised;
- (c) extends its congratulations to the Procurement Team for the progress made;
- (d) requests the Executive Director, Resources, to:-
 - (i) look into whether all contractors should be assessed, as part of the social value assessment criteria, with regard to their carbon footprint;
 - (ii) try to get the issue of ethical procurement on other organisations' agendas, such as the Universities, NHS and Sheffield City Region, and specifically on the agendas of the Sheffield City Partnership, Sheffield Health and Wellbeing and Sheffield City Region Boards; and
 - (iii) find a system to measure the number of people with disabilities employed by companies contracted with the Authority; and
- (e) requests that ethical procurement is included as part of the Council's Performance Management Framework.

7. SHEFFIELD CITY COUNCIL'S EQUALITY DUTIES

7.1 The Committee received a report of the Head of Policy and Partnerships outlining the City Council's statutory duties in terms of equality, and providing an overview of the work undertaken by the Equalities Team to meet those duties. The report also attached, as appendices, which were embedded into the report, a leaflet setting out the Equality Objectives 2019-23 and the Council's Equality, Diversity and Inclusion Policy Statement 2017.

7.2 In attendance for this item were Laurie Brennan (Head of Policy and Partnerships), Diane Owens (Senior Equalities and Engagement Officer) and Rosie May (Development Officer, Equalities and Engagement).

7.3 Members of the Committee raised questions, and the following responses were provided:-

- Human Resources had carried out detailed analysis of the Council's workforce and an Annual Workforce Equality Report was produced thereon. The report, which provided detailed analysis across a range of areas, including disability, sex, sexual orientation and ethnicity, would be evaluated to see if any new action was required. The report was due to be submitted to the Strategic Equality and Inclusion Board, and signed off by the relevant Cabinet Member. The Equality and Engagement Team also produced an Annual Equality Report, which outlined some key examples in terms of work that had been undertaken to meet the Council's statutory duties and equality objectives.
- The Equality and Engagement Team provided advice, guidance and system support in terms of Equality Impact Assessments (EIA). EIAs were used as a way of systematically assessing the effects and potential disproportionate impacts that a proposed policy or decision was likely to have on different groups of people, including women, BAME (Black, Asian, Minority Ethnic), termed as having protected characteristics under the Equality Act 2010. EIAs should inform decision-making, and remain live to enable them to be updated as new information becomes known, for example from an engagement exercise or if any changes occur.
- There was a need for a better understanding of how aims were measured. As a large public sector organisation, the Council's equality objectives inevitably covered a broad range of topics, and also reflected areas of persistent inequality, many of which reflect challenges at a national level. The Council's workforce focussed objective (Equality Objective 2 - "Ensure our workforce reflects the people that we serve") highlighted three specific aims, and was delivered and monitored through the HR led Equality, Diversity and Inclusion Action Plan. For each of the three remaining objectives, the Equality and Engagement Team has outlined three aims, and would report against these through its annual equality reporting.
- The issue of the General Data Protection Regulation (GDPR) was picked up by Portfolios during any communications with the public, and as part of any asks with regard to equality monitoring.
- The Council established the Equality Hub Network in 2014, with the aim of strengthening the voice and influence of communities of identity in the City. The Network comprised seven hubs, representing different communities of identity, including age, LGBT+ and BAME (Black, Asian, Minority Ethnic and Refugee), and meetings were held four times a year, at a location in the City Centre. The idea of the Network was to bring under-represented communities and decision-makers together to work for positive change. There was a website and a separate Facebook page for each of the seven hubs. Members of the hubs were invited to events and meetings by email, and details of events and meetings were posted on the Network's website and on the respective hubs Facebook pages. The Equalities and

Engagement Team, along with the voluntary sector “Support Organisations” that were funded to support the hubs, were always striving to attract more members, particularly to increase attendance at meetings and involvement in activities. The Team was planning to work with colleagues in Communications in order to promote the hubs. Suggestions had been made with regard to holding meetings at different locations around the City, in order to make it easier for members to attend meetings. Plans were being made to pilot this in connection with the Age Hub, with plans for similar arrangements for the other hubs if successful. It was accepted that the current operation had room for improvement, but it was considered that the Network represented an effective way of reaching out to people who needed a stronger voice. There were approximately 300 people on the mailing lists for each of the seven hubs. An external review had been undertaken of the Network in 2016, following which a number of recommendations had been made, some of which had been implemented. Officers had visited other local authorities, and had spoken to colleagues in other local authorities, in order to discuss best practice with regard to the Network. Although it wasn’t done at the moment, consideration would be given to analysing and/or collecting postal addresses of members of the Network, and also communicating channels other than online, on the basis that several people, particularly the elderly, would not be online, and would find it difficult to access information regarding events and meetings.

7.4 RESOLVED: That the Committee:-

- (a) notes the contents of the report now submitted, together with the comments now made and the responses to the questions raised;
- (b) thanks Laurie Brennan, Diane Owens and Rosie May for attending the meeting and responding to the questions raised; and
- (c) requests that:-
 - (i) future Annual Equality Reports be submitted to this Committee for consideration, and should include details on the measurement of the success of the objectives set out in the Reports;
 - (ii) in terms of the Equality Hub Networks, consideration be given to collecting data on which areas of the City attendees at meetings came from and publicising meetings/events; and
 - (iii) the Equality Hub Newsletter be sent to all Members of the Council.

8. ISSUES TO RAISE FROM SCRUTINY COMMITTEES

- 8.1 Councillor Mick Rooney reported that the Children, Young People and Family Support Scrutiny and Policy Development Committee had considered the Special Educational Needs Inspection Action Plan at its meeting held on 4th November 2019.

8.2 Councillor Denise Fox reported that the Economic and Environmental Wellbeing Scrutiny and Policy Development Committee had received updates on (a) Brexit and the current financial position regarding the Sheffield City Trust at its meeting held on 22nd October 2019, and (b) on Heart of the City 2, the Transforming Cities Fund and CycleSheffield in connection with the recent Division Street temporary closure, at its meeting held on 12th November 2019.

8.3 The Committee noted the information now reported.

9. UPDATE ON GOVERNANCE WORK

9.1 The Policy and Improvement Officer (Alice Nicholson) gave a presentation updating Members on the Governance work. Ms Nicholson reported on the aims of the process, a proposed programme of activity and referred to the timetables in respect of the three planned evidence sessions, at the special meetings of the Committee to be held on 26th and 28th November and 3rd December 2019, respectively. She concluded by reporting that, following the conclusion of the evidence gathering sessions, a draft report would be prepared for consideration by Members at an informal meeting on 10th December, with the final draft being published by 13th December, for consideration by the Committee at its meeting to be held on 18th December 2019. The final report would then be submitted for debate to the meeting of the Council to be held on 6th January 2020.

9.2 In response to questions raised by Members of the Committee, it was reported that every effort would be made to ensure that links were sent to Members in connection with other local authorities' websites, with regard to their governance arrangements, if applicable. All those organisations and individuals who would be attending the special meetings of the Committee to provide evidence had self-selected to attend.

9.3 Members of the Committee raised the following points:-

- It was important that Members of all political parties on the Council attended the visits to other local authorities, as part of the evidence-gathering process.
- Members of the Committee be reminded to send colleagues appointed as reserves to meetings if they were unable to attend themselves.
- Details of examples where changes in governance systems at local authorities had not worked out should be forwarded to Members.
- It was considered that there was far too much work to be undertaken in too little time.

9.4 Nigel Slack expressed his concerns at the potential for a lack of an in-depth conversation with the public given the very short timescale. He was, however, hopeful that, following the work of the Committee, a robust report would be drafted, and would hopefully receive support from all parties.

9.5 The Committee notes the information reported as part of the presentation, the information now reported and the comments now made.

10. WORK PROGRAMME 2019/20

10.1 RESOLVED: That the Committee notes and approves the report now submitted by the Policy and Improvement Officer, containing the Work Programme for 2019/20.

11. DATE OF NEXT MEETING

11.1 It was noted that the next meeting of the Committee would be a special meeting, and would be held on Tuesday, 26th November 2019, at 1.00 pm, in the Town Hall.