



Governance Committee Report

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

Date: 20 September 2021

Subject: The Vision for a Modern Committee Governance System: Draft Design Principles and Engagement Approach

Author of Report: Alexander Polak, Assistant Director (Governance)

Summary:

The purpose of this report is:

1. To affirm the Council's ambition for a range of positive outcomes from the forthcoming change of governance to a committee model (in the form of 'design principles');
2. To review and update the 'governance principles' and 'how we do business (ways of working)' at Appendix 1, which were endorsed by Full Council in 2019, underpinning the Council's five strategic ambitions for its future governance arrangements.
3. To adopt these updated governance principles and ways of working as draft 'design principles' in order to guide the design, and future review, of Sheffield's modern committee governance model. These draft design principles will be subject to ongoing stakeholder engagement and review by the committee.
4. To outline an emerging stakeholder engagement approach. The goal is to engage effectively and efficiently by aligning the scale, timing and character of the Council's engagement activity with the schedule and character of the decisions this Committee needs to make between now and May 2022 about the Council's future governance model and ways of working. While this schedule is not yet fully defined, enough is known to support the proposal to:
 - a. convene interested parties in the short term to feed into the early design questions as they arise, and
 - b. to commission a broader, city-wide exercise to take place in the new year, by which time citizens' input could be most impactfully applied to the (by then) emerging model, and to shaping future ways of working within it.

Recommendations:

1. *That the governance principles and ways of working at Appendix 1 are adopted as a working draft set of 'design principles' for the council's future committee system, subject to any changes agreed by the Governance Committee today;*
2. *That these design principles be used as the basis for immediate stakeholder engagement as per recommendation 5;*
3. *That these design principles are kept under review throughout the planned cycles of stakeholder engagement and design up to and beyond May 2022;*
4. *That the immediate commencement of design work for the new committee governance model on the basis of these design principles is endorsed (noting that early design work may need to retrospectively take account of any future revisions to the design principles);*
5. *That the immediate commencement of stakeholder engagement activity is endorsed as follows:*
 - a. *Proportionate, topic-by-topic engagement with internal and external stakeholders on technical questions as they arise, starting immediately, including an open public invitation for participants to contribute via a stakeholder group made up of interested parties;*
 - b. *A city-wide, facilitated, representative, discursive engagement exercise in the new year, by which time more citizens' input could be more impactfully applied to the emerging model, and to shaping future ways of working within it.*
 - c. *Continuous review of this approach, with further detail to return to this Committee in October for consideration.*

Background Papers: N/A

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
NO - Cleared by: Kayleigh Inman
Legal Implications
NO - Cleared by: Sarah Bennett
Equality of Opportunity Implications
NO - Cleared by: James Henderson
Tackling Health Inequalities Implications
NO
Human rights Implications
NO:
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
None
Relevant Cabinet Portfolio Member
Councillor Julie Grocutt, Deputy Leader and Executive Member for Community Engagement and Governance
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO

THE VISION FOR A MODERN COMMITTEE GOVERNANCE SYSTEM: DRAFT DESIGN PRINCIPLES AND ENGAGEMENT APPROACH

1.0 INTRODUCTION

1.1 The Governance Committee has been appointed by Sheffield City Council to lead the work which will take the Council from a 'Leader and Cabinet' model of Governance to a 'Committee' model. This is one of the first formal reports to the committee, and it aims to lay groundwork for the task ahead.

2.0 BACKGROUND

2.1 On 6th May 2021, a Sheffield City Council Governance Referendum was held to determine whether the Council should be run by a leader who is an elected councillor chosen by a vote of the other elected councillors (which is how it is run now), or alternatively, by one or more committees made up of elected councillors. One result of this referendum was [a binding resolution by Sheffield City Council on 19 May 2021](#) that it will, with effect from the start of the 2022/23 Municipal Year, cease to operate executive arrangements and start to operate a committee system of governance.

2.2 On [16 June 2021 Sheffield City Council resolved](#) to establish a Governance Committee as a politically proportionate member steering group to guide the transition to a committee system of governance and to set the parameters for stakeholder engagement. Today's meeting is the first substantive, formal, public meeting of this new Committee.

2.3 Significant progress has been made since the 19 May resolution of Council, including:

1. Commencement of the formal, legal steps required by legislation ([as per section 3 of the 19 May report to Council](#));
2. Implementation of major, immediate changes to the Council's governance arrangements such as the creation of seven Local Area Committees and four temporary Transitional Committees (see briefing elsewhere on today's Governance Committee agenda);
3. Creation of a 'Transition to Committees' programme team and recruitment of new staff as necessary to support both the change programme and the above new governance arrangements;
4. Securing the involvement of key outside bodies which will support the Council with aspects of this process, including the Centre for Governance and Scrutiny, the Local Government Association, and a strategic partner to support engagement activity in the new year (to be announced); and
5. Commencement of a research, analysis and planning exercise

to:

- a. catalogue the full range of issues on which the Members or officers of the Council will need to reach decisions in order to define and implement a new governance model;
- b. design a schedule of when the council should aim to take each of these decisions;
- c. gather the technical information necessary to inform these decisions including case studies of other relevant local authorities; and
- d. design the scale, timing and character of the public engagement which will inform these decisions.

An update from the Transition to Committees programme team can be found elsewhere on today's Governance Committee agenda, in the form of a presentation.

2.4 Three key parts of the governance change process will be:

- to engage with and listen to a range of stakeholders about the change and about ways of working within the future governance model;
- to design the governance structure and ways of working within that structure; and
- to design and implement any necessary changes to the support the council gives to members, officers and the public in order to enable this new structure and ways of working to succeed.

2.5 While a detailed project plan is not yet complete (see paragraph 2.3 bullet point 5), what is clear is that we don't have time between now and May 2022 to finish each of these steps in this order, in isolation from one another. We will have to run all three concurrently. As well as helping us hit our immovable May 2022 deadline, this 'iterative' approach should provide a good environment in which stakeholder engagement can meaningfully feed into design work, and vice versa.

3.0 DESIGN PRINCIPLES

3.1 The Centre for Governance and Scrutiny has produced a range of materials designed to guide and support local authorities which embark on a change of governance model. Section 4 of their November 2020 report '[Rethinking Council Governance for the 20s](#)' describes the importance of agreeing what they call 'design principles' early on in the process. Their advice is that:

"These should not be vague, general aspirations such as making the council operate more democratically or enhancing transparency. They should be tangible aims that you can use for two purposes:

- *To reach a judgement on possible new governance models – seeing whether proposed structures and ways of working are likely to live up to your objectives;*

- *To return to in future to help you to come to a judgment on whether your new systems are working or not.”*

- 3.2 The CfGS give examples to demonstrate the clarity they suggest is needed in the objectives, such as “involve councillors more in the development of key policies” or “seek to engage more fundamentally with local people and their needs.”
- 3.3 In 2019, as part of the process of developing referendum options, Sheffield City 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 should be achieved through changing the Council’s decision-making model, and to come up with a set of principles that should underpin both of the options that would later be put to the referendum.
- 3.4 The committee 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. They 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 they considered and webcasts of their meetings can be found in that committee’s final report, [‘Principles for Governance at Sheffield City Council’](#).
- 3.5 The ‘governance principles’ and ‘how we do business (ways of working)’ from the Overview and Scrutiny Management Committee’s report, [later endorsed by the entire Council on 8 January 2020](#), have been reproduced at Appendix 1.
- 3.6 At that time, before the referendum, the principles and ways of working were designed to be applicable to either a Leader and Cabinet model of governance or a committee model of governance. Now that the future governance model is known, the committee needs to review these governance principles and ways of working and consider their applicability as ‘design principles’ for the change at hand.
- 3.7 Members are therefore invited to consider what changes or additions would be needed to the detailed principles and ways of working in Appendix 1, before they can be agreed as a working draft set of design principles.
- 3.8 They need not be perfect at this point. They will be used as the basis for stakeholder engagement over the coming weeks and months so

members, officers, and other interested parties including the public will have more opportunities to influence them.

3.9 The design principles will simultaneously be used to inform officers' work on options for the future committee governance model, as this gets underway alongside the Council's engagement programme.

3.10 By way of a prompt, members are invited to consider the following potential changes to the principles at Appendix 1 (with reference to the numbers given to each principle and way of working in that appendix).

3.10.1 Governance Principle 4:

“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.”

One of the decisions which will need to be made in the new governance model is how to hold decision-makers to account within the system.

In this context the word 'scrutiny' means more than its common-language definition – it is likely to be taken to refer to Overview and Scrutiny Committees. These were introduced to local government as part of the Leader and Cabinet model of governance, and when the Council moves to a modern committee model of governance most statutory requirements for a scrutiny function will fall away. There are a range of options for how this could be done effectively within a modern committee model. To avoid tying members' hands before they have an opportunity to consider a full report on this matter, it would be advisable not to have a design principle which appears to presuppose any particular structural solution (such as a Scrutiny Committee).

Therefore it is recommended that the word 'scrutiny' be removed from governance principle 4 when it is adopted as a 'design principle', replacing it with the following:

“Mechanisms for holding decision-makers and other parts of the wider partnership landscape to account 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.”

3.10.2 Governance principle 7:

“Our decision-making structure should be underpinned by effective ways of working with local communities, informed by the Big City Conversation.”

The intention behind this governance principle remains crucial, however the context has changed a little. Since this principle was drafted and agreed, the Council has moved forward with the creation of a network of seven Local Area Committees. These are designed to address some of the key findings from the Big City Conversation, amongst other things. The principle would be better if it reflected the latest situation.

Therefore it is recommended that governance principle 7 is edited as follows when it is adopted as a ‘design principle’:

“Our decision-making structure should be underpinned by effective ways of working with local communities, *including through development of the role and use of Local Area Committees*, informed by the Big City Conversation *and other, ongoing engagement with Sheffielders.*”

4.0 STAKEHOLDER ENGAGEMENT

4.1 Members have been clear that the development of and transition to a committee system in Sheffield will be fundamentally based on the views and ambitions of Sheffielders.

4.2 In all the Council’s work to develop a committee system for Sheffield, it is committed to working in the open and creating meaningful opportunities at every stage for citizens, partners, interest groups and VCF organisations to get involved and shape the new decision-making model. Further, the move to a committee system has implications for Members and for SCC employees and we will ensure they are fully engaged in development of the new model.

4.3 We know that we do not have all the answers about the governance model that will need to be in place by May 2022. The development of that model and the ways of working, cultures, and behaviours within it will be strengthened by ensuring there is a strong and active role for citizens from every part of the city. Specifically, our approach will aim to ensure that:

- Citizens, VCF organisations and interest groups have an active role in the development of our new governance;
- The development of our governance is inclusive, with involvement from all communities and Sheffielders with protected characteristics;
- Our new governance model is designed to maximise citizen involvement and empowerment, enabling Sheffielders to shape

- the decisions that matter to them;
 - Through the engagement activity, we build a better understanding of how citizens want to get involved in decision making at city and local level, informing the development of the new committee model and the Local Area Committees; and
 - We will build an understanding of where community capacity exists and where we need to support the development of that capacity to better enable people in Sheffield to have their democratic voice heard
- 4.4 Recognising the scale of the changes that we need to make and the complexity of the issues, we want to make it simple for people to engage and ensure that any engagement has a clear purpose so that Sheffielders can see where their time and influence is shaping the development of the new governance.
- 4.5 There are two key parts to our proposed approach:
- a. **Specific elements of the new committee system** – as mentioned above, there are a lot of big and small decisions and questions we need to answer about how the new committee system will operate in Sheffield. This will include, for example, the principles and ambitions driving Sheffield’s committee system, the structure of its committees, the names of its committees and how often they meet, technical alterations to the Council’s constitution and changes to who can make decisions and how. We will create proportionate and meaningful opportunities for everyone to have a voice and engage in these proposals as they develop.
 - b. **Becoming an empowering and engaging council** – as the Overview and Scrutiny Management Committee found [in their review of governance in December 2019](#), there are strengths and weaknesses to all governance models but it is *“it is how we operate within those structures that will ultimately determine how successful they are”*. In line with our One Year Plan, we want to fundamentally change our relationship with citizens, creating deeper connections with our communities, working alongside and involving people in decision making. As part of the transition to committees, we will use innovative and deliberative engagement techniques to work with citizens and stakeholders to better understand how people from all backgrounds and communities want to influence and shape decisions in the city. This is intended to shape the ways of working and cultures that underpin decision making in Sheffield.
- 4.6 To support the engagement programme, we propose to create an open network for anyone who wants to engage in the development of

the various aspects of the committee system, providing views on specific elements, getting involved in meetings, and events. Everyone will be able to participate in the conversations and we will work with established community networks and VCF organisations to ensure people from all communities have a voice and can engage in a way which works for them.

- 4.7 The Council has benefitted from talking on this topic with a number of, interested local individuals and groups both before and since the referendum and it is hoped that this can continue as part of the above.
- 4.8 There is also a related opportunity to ensure that we are learning from the best technical advice available. Not just from the expert bodies already enjoined by the Council but also by exploring the issue with VCF partners, universities and other centres of expertise in Sheffield City Council's wider network.
- 4.9 The transition to a committee system is one significant part of the transformation of governance, accountability, local democracy and community empowerment in Sheffield. Alongside the committee system, we have also established a network of Local Area Committees (LACs) which will put local areas at the heart of decision-making.
- 4.10 Over the coming months, communities across Sheffield will have an unprecedented opportunity to create plans to improve their local area. As a starting point, we have launched an online survey to tell us their views on their local area <https://sheffield.citizenspace.com/chiefs-executives/lac-community-survey/>. The views and perspectives of Sheffielders from these LAC conversations will also help inform the transition to the committee system.

5.0 LEGAL, FINANCIAL AND EQUALITY OF OPPORTUNITY IMPLICATIONS

- 5.1 There are no immediate legal implications to this report.
- 5.2 The cost of engagement and consultation will be contained within the overall programme forecast spend of £1.3m – outlined in the Cabinet Paper 21.7.21.
- 5.3 There are no immediate equalities implications to this report. Equalities will be a key consideration in the design and implementation of the engagement programme, the detail of which will return to the October meeting of this committee for agreement. As per section 4.3 above, the Council is committed to ensuring that the development of our governance is inclusive, with involvement from all communities and Sheffielders with protected characteristics, and these views will feed directly into the design of the new governance model. An Equality Impact Assessment is underway and will be kept

under review as part of the engagement work.

6.0 RECOMMENDATIONS

1. *That the governance principles and ways of working at Appendix 1 are adopted as a working draft set of 'design principles' for the council's future committee system, subject to any changes agreed by the Governance Committee today;*
2. *That these design principles be used as the basis for immediate stakeholder engagement as per recommendation 5;*
3. *That these design principles are kept under review throughout the planned cycles of stakeholder engagement and design up to and beyond May 2022;*
4. *That the immediate commencement of design work for the new committee governance model on the basis of these design principles is endorsed (noting that early design work may need to retrospectively take account of any future revisions to the design principles);*
5. *That the immediate commencement of stakeholder engagement activity is endorsed along the following lines:*
 - a. *Topic-by-topic engagement with internal and external stakeholders on technical questions as they arise for the Committee's consideration, including via an open public invitation for participants to contribute via a stakeholder group made up of interested parties;*
 - b. *A city-wide, facilitated, representative, discursive engagement exercise in the new calendar year, by which time more citizens' input could be more impactfully applied to the emerging model, and to shaping future ways of working within it.*
 - c. *Continuous review of this approach, with further detail to return to this Committee in October for consideration.*

7.0 APPENDICES

Appendix 1 – Extract from '*Principles for Governance and Scrutiny at Sheffield City Council*'

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

Appendix 1

Extract from

<https://democracy.sheffield.gov.uk/documents/s37769/Principles%20for%20Governance%20at%20SCC.pdf>

SCC...is a trusted organisation where decisions are taken in an open and transparent way, and accountability is clear.	SCC... is a council where all councillors are involved in and able to influence decision making	SCC...engages, involves and listens to citizens, communities and partners	SCC...has a modern and responsive approach to governance which reflects the increasingly complex policy making environment	SCC...is a reflective council that is committed to continuously improving governance
<p>Governance Principles</p> <ul style="list-style-type: none"> A commitment to openness and transparency must run through our decision making structure with a comprehensive forward planning of decisions and clear decision making reports. 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 Our governance should be underpinned by a commitment to the highest ethical standards as set out in the Nolan Standards on Public Life <p>How we do business</p> <ul style="list-style-type: none"> We need to take a more creative approach to communicating about how decision making in the Council works – how decisions are made, what those decisions are and what they mean for the city. 	<p>Governance Principles</p> <ul style="list-style-type: none"> Our decision making structure should create 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. Our decision making structure must not inappropriately increase delegations to officers. Our decision making structure needs to balance between time spent in formal decision making meetings in the Town Hall against working with and in communities. <p>How we do business</p> <ul style="list-style-type: none"> Role of Full Council – should be reviewed in the light of changes following the referendum Ensure that the appropriate support, training and skills development is available for Councillors on an ongoing basis. 	<p>Governance Principles</p> <ul style="list-style-type: none"> 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. <p>How we do business</p> <ul style="list-style-type: none"> We must ensure that a commitment to meaningful engagement, involvement and consultation runs through the organisation. We need to constantly demonstrate how engagement activity is shaping decision making. We need to make it as easy as possible for people to engage with us – with clear, consistent, accessible communication about what the Council is doing. 	<p>Governance Principles</p> <ul style="list-style-type: none"> Our decision making structure must avoid silo working, 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 policy environment, and enable us to take a lead on key issues facing the city and the citizens of Sheffield. <p>How we do business</p> <ul style="list-style-type: none"> 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. 	<p>Governance Principle</p> <ul style="list-style-type: none"> 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. <p>How we do business</p> <ul style="list-style-type: none"> 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.

For convenient reference, text from the above table is reproduced below. The 'governance principles' and 'how we do business' (ways of working) are numbered:

Critical ambitions

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

Governance Principles

1. A commitment to openness and transparency must run through our decision-making structure.
2. 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.
3. 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.
4. 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.
5. Our governance should be underpinned by a commitment to the highest ethical standards as set out in the Nolan Standards on Public Life.
6. 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.
7. Our decision-making structure should be underpinned by effective ways of working with local communities, informed by the Big City Conversation.
8. 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.
9. 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.
10. 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.
11. 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
12. Our decision-making structure needs to have a mechanism for making urgent decisions openly, transparently and effectively engaging elected councillors.
13. 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.
14. 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

15. 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.

How we do Business (Ways of Working)

16. 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.
17. 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.
18. 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.
19. We must ensure that a commitment to meaningful engagement, involvement and consultation runs through the organisation. We should renew a 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.
20. 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.
21. 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.
22. 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.
23. 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.