

LGA Corporate Peer Challenge – Progress Review

Sheffield City Council

14th December 2023

Feedback





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1. Introduction

The council undertook an LGA Corporate Peer Challenge (CPC) during November 2022 and promptly published the full report with an action plan.

The Progress Review is an integral part of the Corporate Peer Challenge process. Taking place approximately ten months after the CPC, it is designed to provide space for the council's senior leadership to:

- Update peers on the early progress made and to receive feedback on this including how the action plan aligns to the CPC's recommendations
- Consider peer's reflections on any new opportunities or challenges that may have arisen since the peer team were 'on-site' including any further support needs
- Discuss any early impact or learning from the progress made to date

The LGA would like to thank Sheffield City Council for their commitment to sector led improvement. This Progress Review was the next step in an ongoing, open and close relationship that the council has with LGA sector support.

2. Summary of the approach

The Progress Review at Sheffield City Council took place on 14th December 2023.

The progress review focussed on each of the recommendations from the Corporate Peer Challenge as follows:

Recommendation 1

Build on the commitment and willingness of local partners to develop the place vision and City Goals so that they are co-owned and have clear lines of responsibility and accountability for delivery - with the council as one partner albeit with a leading role.

This will provide an opportunity for deep engagement with the local community, help build a 'Team Sheffield' ethos and inform thinking about refreshed partnership structures to make an impact.

Recommendation 2

Continue to embed the newly formed organisational values through the development and delivery of a new corporate plan and engage the workforce in the development of the vision for the city and council.

This will be a good way of engaging with the workforce in a completely different and authentic way to help to strengthen communication lines in the council, facilitate more cross-organisational working and embed the desired organisational culture.

Recommendation 3

Continue at pace with the work that has been started to develop the vision, narrative and strategic priorities for the council and the city - building on the City Goals, the Local Plan and the emerging Corporate Plan.

Getting these basics in place will provide the council with the strategic framework for engaging with citizens, collaborating with partners, fuelling the inclusive growth of Sheffield, facilitating the transformation of the organisation, and enable everybody to better understand their place and role in delivering for Sheffield.

Recommendation 4

Expand the thinking and vision around the regeneration of the city so that it goes beyond economic development to also include climate, public health, a skilled and enterprising population, and community empowerment – with a particular focus on inclusive clean growth to help bring coherence.

This will help to connect the physical regeneration of 'place' with the social and economic needs of 'people' to help create greater social value and demonstrate the tangible impact the investments are making on improving the quality of life of residents.

Recommendation 5

Use the 6-month review of governance to determine further work that is needed to enable the effective implementation and operation of the committee system and ensure:

a) *Wide understanding of how the committee system works*

- b) *Clarity through processes and protocols on how business is transacted, and decisions made in a no overall control context*
- c) *The right behaviours and culture are fostered to enable the effective operation of the new system of decision making within Sheffield's political context*

This will help to facilitate better understanding and separate out the two issues of operating within the committee system of governance and decision-making when no political party has an overall majority.

Recommendation 6

Build a comprehensive community engagement, involvement and empowerment programme with the LACs and neighbourhood working at its heart; and develop an approach that enables culture change and improves relationships with the VCF sector.

This provides an opportunity for the council to ensure its services can respond effectively and in a joined-up way to the needs of different communities and neighbourhoods. It will also provide an opportunity to develop a partnership approach with the VCF sector to boost capacity and work on issues around prevention, early intervention and around some of the current challenges resulting from the cost-of-living-crisis.

Recommendation 7

Align organisational development and transformation, corporate resources, organisational capacity, workforce development and performance management to the new corporate plan.

This will strengthen the link between policy and delivery and provide a clear corporate line of sight on what is desired, how resources are being deployed, what is being achieved and how the organisation is feeling.

Recommendation 8

Implement the recommendations of the Race Equality Commission and rapidly strengthen the culture and commitment of the organisation on equalities, diversity and inclusion with consistent and coordinated senior political and officer leadership to

bring about measurable improvements.

This is important for a diverse city like Sheffield and is non-negotiable. The city benefits from a diverse population with the potential to make significant contributions to its future prosperity, as well as the effective and efficient workings of the council, and this capacity and capability must be utilised in the most effective way.

Recommendation 9

Continue to develop the strategy to balance the budget without the use of reserves by the end of 2023/24, backed up by tight financial control and mitigation of adverse issues. Ensure the budget strategy follows the priorities of the corporate plan and that there is robust challenge and scrutiny at a corporate and political level to make sure savings are delivered.

This will help to ensure the council moves forward on a secure financial footing and is able to deliver the ambitions it has for the city and the transformations that are needed within the council.

Recommendation 10

Continually revisit financial assumptions and due diligence of the business cases relating to major projects.

This will help to mitigate against financial risks associated with big capital projects during times of changes in global markets, rising inflation, and the cost-of-living crises. Financial scenario planning and due diligence now will help the council in the long run.

For this progress review, the following members of the original CPC team were involved:

- **Deborah Cadman OBE** (Chief Executive, Birmingham City Council)
- **Councillor Eamonn O'Brien** (Leader of the Council, Bury Council) - Partly
- **Councillor Howard Sykes MBE** (Leader of the Liberal Democrat Group, Oldham Council)
- **Kathryn Rees** (Director of Strategy, Stockport Metropolitan Borough Council)

- **Paul Clarke** (Director of Programmes, Performance and Improvement, Birmingham City Council)
- **Satvinder Rana** (Senior Regional Adviser, Local Government Association)

The peer team met face to face at Sheffield City Council over the course of one day with the following representatives from the council:

- **Councillor Tom Hunt** - Leader
- **Kate Josephs** - Chief Executive
- Senior Management Team members
- Other leading politicians
- Cross-party councillors' focus group
- Staff focus group
- Cross-section of strategic partners

3. Progress Review - Feedback

The peer team was pleased to see the positive way in which the council addressed the recommendations of the Corporate Peer Challenge of November 2022, the actions it has taken so far, the evidence provided to show the progress being made, and the plans it has in place for future improvements. The council's leadership briefed the peer team about the work it has been doing and the context within which it has been operating since the peer challenge.

The senior leadership team and elected leadership of the council has significantly changed. The interim managerial leadership arrangements that were in place during the corporate peer challenge have been replaced with a complete and permanently appointed senior leadership team. In terms of political leadership, a new leader of the council has been elected and whilst the council remains in no overall control, a fourth political group has been established.

The council has done much work over the last 12 months. Specifically, it has been embedding its strategic leadership team; with partners collaboratively developing its City Goals; setting a clear mission and priorities with the council plan; establishing the 'First Foundations' for Future Sheffield; and working to establish a stable financial

position for 2024/25.

In relation to the corporate peer challenge recommendations, the council developed and published an action plan and has been delivering against this. The peer team was impressed with the progress made so far and would encourage the council to continue its delivery whilst ensuring that it is measuring the impacts of its efforts.

Recommendation 1

Build on the commitment and willingness of local partners to develop the place vision and City Goals so that they are co-owned and have clear lines of responsibility and accountability for delivery - with the council as one partner albeit with a leading role.

The peer team heard that work on developing the City Goals is in the advanced stages with a full range of public engagement undertaken and co-creation of a draft set of goals. This provided the basis of the recently completed citywide conversation. The goals will be formally adopted by the council and other organisations early 2024.

The council has been an active partner in this process, has supported the process by providing resources, capacity and expertise as part of a cross-partner working group, and is clear about how its own council plan will contribute to the delivery of the City Goals. It is now actively working towards supporting new partnership governance to ensure the goals become the foundation for a Team Sheffield approach and actively guide the work of all partners in the city over the coming years.

Developing the City Goals through better engagement and involvement of partners appears to have demonstrated a change in the council's approach. Partners have experienced a change in the council for the better and feel that partnership working in Sheffield is now much more open, transparent and collegiate – *"It feels like night and day between now and 4-5 years ago. We're now having a different conversation with the council"*. Partners have been more deeply involved in developing the City Goals and feel there is evidence of partners owning the City Goals. The challenge now is to "re-wire" how the city works to deliver the City Goals and to build challenge into the system.

Recommendation 2

Continue to embed the newly formed organisational values through the development

and delivery of a new corporate plan and engage the workforce in the development of the vision for the city and council.

A new council plan has been drafted and is currently going through the political processes. It is rooted in the values of the organisation and places people at the heart of everything that the council does, working with, listening to, and ensuring that all its services are focused on communities and citizens. A people, prosperity, planet model has been adopted and placed at the heart of the council plan – thereby reflecting the relationship between place leadership, sustainable growth, prosperity and ambition. The draft council plan is a four-year statement of the council's priorities.

The peer team heard from staff on how the council's culture has improved. The organisation is now more open and transparent with better communication from senior management. The council's newly developed strategic plans are bringing more clarity – *"makes us feel we know what we are doing"*. Stable officer leadership through several key permanent appointments is providing more stability to the organisation and signals commitment and confidence to staff. Continuous work to embed the council's values across the organisation and build trust at all levels is a key challenge for the council going forward.

Recommendation 3

Continue at pace with the work that has been started to develop the vision, narrative and strategic priorities for the council and the city - building on the City Goals, the Local Plan and the emerging Corporate Plan.

The vision, narrative and strategic priorities of the council are outlined in the new draft four-year council plan which uses the City Goals information and engagement findings as the underpinning evidence for where they city is headed.

The draft council plan is aligned to the four-year Medium Term Financial Strategy and is supported by a draft performance framework. It sets out a new mission for the organisation – 'together we get things done' – which is underpinned by five new strategic outcomes. It demonstrates how the council will put the people of Sheffield at the heart of everything it does and prioritises the long-term prosperity of the city. The draft plan offers a positive vision for the role that the whole organisation can play in

contributing to the city's success and helping achieve Sheffield's new City Goals.

Work is now underway to develop a transformation programme that helps to reshape the council in line with its objectives and the realities of its financial position.

The council now comes across as more upbeat, optimistic and strategic as a result of the work it has been doing around developing the City Goals and the council plan.

This work is providing good foundations for a more cohesive vision for the city and the organisation. The new performance framework aligned to the council plan looks comprehensive and the challenge now is to roll it out and embed it across the organisation.

Recommendation 4

Expand the thinking and vision around the regeneration of the city so that it goes beyond economic development to also include climate, public health, a skilled and enterprising population, and community empowerment – with a particular focus on inclusive clean growth to help bring coherence.

Following the corporate peer challenge in November 2022, the council created a new framework of strategies and plans required to drive regeneration and growth in the city – reflecting the local plan progress. This framework of strategies and plans consider a holistic view of what is needed, from employment to climate to culture.

Resources have been aligned to each of these strategies as well as a process by which delivery is being regularly assessed. The council expects to have 95% of them delivered before the end of 2024.

The council has continued to partner with a range of local, regional and national partners - including several government departments - to co-produce with communities these plans and delivery partnerships for growth. Its involvement in regional forums and engagement with the South Yorkshire Mayoral Combined Authority has improved significantly with the Leader bringing more clarity and purpose – “*Sheffield is now a regional player*”. The council's recent successes include the adoption of the Local Plan, being clear on the Tram issue and its ambitions for Sheffield, South Yorkshire Investment Zone (the first in the country), developing closer relationships with Homes England, attracting big institutional private sector partners, and continuing to receive strategic support from the National

Accelerator Partnership 2022-26.

There has been a significant shift in externalising the council's ambitions for Sheffield and working with partners to bring investment to the city. However, it is still early in the journey with citizens seeing and feeling the difference - that will take more time. nevertheless, there is a clear commitment to citizens from staff and Members and in time the council will be able to demonstrate impact around inclusive growth.

Recommendation 5

Use the 6-month review of governance to determine further work that is needed to enable the effective implementation and operation of the committee system and ensure:

- a. Wide understanding of how the committee system works*
- b. Clarity through processes and protocols on how business is transacted, and decisions made in a no overall control context*
- c. The right behaviours and culture are fostered to enable the effective operation of the new system of decision making within Sheffield's political context*

The 6-month review of governance has been completed and the council's Constitution has been reviewed and updated in response to that. In addition, a refreshed member development strategy is in place which is led by the Member Development Working Group. A Governance Review Implementation Plan (GRIP) is in place and is regularly monitored by the Governance Committee.

There has been a change of Leader at the council and the new Leader is offering a refreshed, energetic and ambitious leadership to the council and the city. He has embraced the recommendation that Sheffield needed to find its confidence again, act like the big city it is – including in the Core City Group - and look out and look up to South Yorkshire and beyond. He is well respected by his colleagues across the region.

The political culture of the organisation seems to have matured across all parties and they are now working better, as demonstrated by agreeing the draft council plan, extending the Leader Briefings to all party leaders in the Administration, and gaining consensus on issues like the approach to media comments. Members are more

comfortable with the committee system and No Overall Control (NOC) and are now clearer about the political leadership of the council and the city.

Going forward, the council may need to ensure the arrangements and protocols that have been developed are future proofed for different political control and composition.

Recommendation 6

Build a comprehensive community engagement, involvement and empowerment programme with the LACs and neighbourhood working at its heart; and develop an approach that enables culture change and improves relationships with the VCF sector.

Whilst the peer team heard about some good examples of engagement including the young people's engagement (voice and influence) team, the Sheffield Equality Partnership, the work the council has supported to listen deeply to the voices of communities through the City Goals work, and the work of the officers who support LACs on the ground, it also heard that there is a lack of clarity and shared understanding of what the LACs are there for and the structure of LACs as council committees which sometimes restricts them to process and protocols.

A review of the Local Area Committees (LACs) is being undertaken with Members and the Governance Committee is commencing a full review of the council's approach to community engagement. This review should, among other things, address some of the current concerns and shortfalls of the LACs in delivering their key objectives:

- To make more decisions on issues relevant to their areas
- To bring together communities and decision makers to address local issues
- To facilitate public engagement

Recommendation 7

Align organisational development and transformation, corporate resources, organisational capacity, workforce development and performance management to the new corporate plan.

A new two-phased council wide approach to transformation has been agreed. The first phase of the transformation programme has been focused on the implementation of the new senior structure and a set of 'first foundations' upon which to prepare the organisation and build a more fundamental transformation programme.

The second phase of the transformation programme will focus on communities and customer experience with a focus on a one council approach to customer contact and service and the role of the community in terms of early intervention and prevention.

Alongside the development of the council plan a full review of performance management has been undertaken and a new approach developed including enhanced governance of performance with a focused performance and delivery board. The new performance management framework will set out an outcomes framework (aligned to the council plan) with quarterly updates to be received by strategy & resources policy committee and policy committees receiving performance updates on their areas.

The new performance management framework looks comprehensive. However, it will be important to ensure a culture of performance across the organisation so that the behaviours across the whole organisation (including the frontline) align with the framework to prevent service and governance failures, and to proactively identify areas for improvement.

The council recognises that further work is required in terms of strategic workforce planning. However, a new role of director of people and culture has been appointed and additional resources to support the development of a modern and strategic Human Resources (HR) service have been agreed. Work has begun to renew the HR and Payroll business system and the council has prioritised a new approach to Equalities, Diversity and Inclusion (EDI) training linking directly into the council plan, the new EDI strategy and feedback from the Race Equality Commission.

Recommendation 8

Implement the recommendations of the Race Equality Commission and rapidly strengthen the culture and commitment of the organisation on equalities, diversity and inclusion with consistent and coordinated senior political and officer leadership to

bring about measurable improvements.

The council is bringing clarity to its commitment to becoming an anti-racist organisation and is funding the establishment of the legacy group, recognising the unique role the council has as a leader of place and as a convenor within this agenda. The council's leadership has taken a proactive role to facilitate city wide interfaith conversations in the light of the ongoing conflict between Israel and Palestine.

A new EDI strategy has been developed with a focus on three key themes of community leadership, engagement and partnerships, service delivery and workforce. The key challenge for the council now is to translate these key themes into measurable outcomes and palpable impacts on the ground - both in terms of employment and service delivery.

Recommendation 9

Continue to develop the strategy to balance the budget without the use of reserves by the end of 2023/24, backed up by tight financial control and mitigation of adverse issues. Ensure the budget strategy follows the priorities of the corporate plan and that there is robust challenge and scrutiny at a corporate and political level to make sure savings are delivered.

The delivery of planned savings across the council has improved (from 65% in 2022/23 to a forecast delivery of 80% in 2023/24) and a medium-term financial analysis has been agreed. This is forming the basis of future budget planning and a three-year transformation plan aligned to the delivery of the Medium Term Financial Analysis (MTFA) savings has been commissioned.

Significant work has been undertaken to set a clear suite of cross council strategic priorities (as outlined in the council plan) and a new 'strategic rhythm' that aligns corporate, service, transformation and budget planning activities. 2023/4 has been a transitional year as the new finance leadership has come onboard and shaped this new approach. There is growing political consensus on the financial challenges and what needs to be done.

Increasing the delivery of planned savings from 65% to 80% is a move in the right direction and the peer team was encouraged with the robustness the council has

brought to its financial management processes.

Recommendation 10

Continually revisit financial assumptions and due diligence of the business cases relating to major projects.

Various mechanisms are in place to provide due diligence of the business cases relating to major projects. For example:

- Heart of the City 2 represents the largest major project that the City Council is investing in. Many phases of the project are at or approaching practical completion. Occupation rates are closely monitored for completed phases
- A Capital Programme Transparency document has been drafted which sets out the gateways that business cases are subject to and the officer and/or member groups that consider the business cases and subsequent monitoring.
- The Capital Strategy is produced annually and sets out the City Council's investment priorities
- Quarterly budget monitoring, including capital programme, is presented to the Finance Committee
- Monthly reports are presented to directors which identify key risks and any projects that may face risks of underspending or overspending with explanation of the reasons to enable directors to any necessary take action
- A cross-council review of capital approvals, business model and financial performance of the programme is undertaken on a monthly basis (in particular for Heart of the City 2).

The council's work on managing its finances in light of significant challenges has been impressive and the peer team would encourage the council to continue building in mechanisms to ensure that it retains a firm grip on both its revenue and capital budgets so that is able to deliver against its ambitions and at the same time maintain fiscal control.

4. Final thoughts and next steps

The LGA would like to thank Sheffield City Council for undertaking an LGA CPC progress review.

We appreciate that senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this.

Mark Edgell (Principal Adviser) is the main point of contact between the authority and the Local Government Association (LGA) and his e-mail address is

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