



Report to Overview and Scrutiny Management Committee 17th October 2019

Report of: Director of Policy, Performance and Communications
Director of Legal and Governance

Subject: Reviewing Decision Making in Sheffield City Council

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Summary:

In July 2019, Full Council debated a petition which called for a referendum to change the way Sheffield City Council makes decisions – from a Leader and Cabinet Model to a Committee system. At that meeting, Council resolved that the Deputy Leader, and Cabinet Member for Finance, Resources & Governance would work with the Overview and Scrutiny Management Committee to review decision making in Sheffield City Council.

This report gives the Committee an overview of the context, the petition and referendum and proposes an approach for OSMC to take this work forwards.

Type of item: The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	x
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	
Other	

The Scrutiny Committee is being asked to:

- Note the information in the report
- Consider and comment on the proposed approach for taking this work forwards

Report of the Directors of Policy Performance & Communication and Legal & Governance

Reviewing Decision Making in Sheffield City Council

1. Context

1.1 The Localism Act 2011 expanded the number of decision making systems that Councils could adopt, setting out three main models that Councils can choose from:

- Leader and Cabinet model - which Sheffield City Council currently operates.
- A Mayoral system – this model was rejected in Sheffield in a 2012 referendum
- A Committee system – before the Localism Act this option was only available to district councils with populations under 85,000.

1.2 The Localism Act also introduced a mechanism whereby a petition signed by 5% of the electorate can trigger a referendum on changing the Council's decision making model.

1.3 In 2018, 'It's Our City', a Sheffield campaign group, started a petition calling for a referendum on changing from a Leader and Cabinet to a Committee system.

1.4 Full Council debated this issue at its meeting on the 3rd July 2019, and the Deputy Leader committed to work with the Overview and Scrutiny Management Committee (OSMC) on a review of Sheffield City Council's governance arrangements:

RESOLVED: That this Council:-

- (a) notes the Sheffield People's Petition; and
- (b) refers the matter to the Cabinet Member for Finance, Resources and Governance to work cross party and with the Overview and Scrutiny Management Committee, to bring a report back, following that engagement, to full Council within a period no later than 6 months' time.¹

1.5 On 23rd September 2019, the Council confirmed that a petition submitted in August, calling for a referendum to change the council's governance arrangements, had reached the required number of signatures of 5% of the electorate to trigger a referendum on the issue.²

¹ Sheffield City Council (2019) Minutes of Public Questions, petitions and other communications, <http://democracy.sheffield.gov.uk/mgAi.aspx?ID=19123>

² The notice of valid petition can be found [here](#).

- 1.6 As the petition has received the required number of signatures, the Council has confirmed that a referendum will be held on or before the day of the next local elections, which are scheduled for 7th May 2020.
- 1.7 The Petitions Regulations require the Council to publish a proposal for what a committee system might look like no later than 56 days before the referendum.
- 1.8 In line with the resolution from the July Full Council, the Deputy Leader proposes to work with the Overview and Scrutiny Management Committee over the coming months to review the governance options for Sheffield City Council and produce a report which will be presented to Full Council on 8th January 2020.
- 1.9 In addition, the Deputy Leader will propose a cross-party approach to a major period of public engagement with every community in the city. The ‘Big City Conversation’ will include activity in every ward in Sheffield, listening to the views of citizens, voluntary, community and faith organisations, public and private sector partners about key issues and how the council engages and serves the people of Sheffield.
- 1.10 The Big City Conversation will run into the new year but the key ideas, issues and ambitions of citizens raised through engagement activity over the coming months will be summarised in the report to Full Council in January 2020. A full report of the Big City Conversation and recommendations on the Council’s future engagement will be presented to Full Council by March 2020.

2. Reviewing our governance

- 2.1 The valid petition called for the Council to convert to a committee system model of governance. We are therefore required to produce a proposal for how a committee system would work at SCC. We also have the opportunity to explore how we could enhance and improve the current Leader and Cabinet system. These proposals will inform a two-option referendum to either maintain a Leader and Cabinet system or adopt the proposed new committee system.
- 2.2 The table below summarises the key aspects of each governance system under consideration:

	Cabinet	Committee
Powers of the Full Council	<p>Certain decisions can only be taken by Full Council e.g. budget</p> <p>Full Council only has decision making powers for non-executive decisions (defined by regulations)</p> <p>Full Council can delegate decisions to a committee</p>	<p>Certain decisions can only be taken by Full Council e.g. budget</p> <p>Full Council can take all decisions</p> <p>Full Council can delegate decisions to a committee or to an officer</p> <p>Full Council appoints the Leader of the Council and</p>

	<p>or to an officer e.g. planning</p> <p>Full Council appoints the Leader of the Council and the Lord Mayor</p> <p>The Lord Mayor is the chair of Full Council</p>	<p>the Lord Mayor</p> <p>The Lord Mayor is the chair of Full Council</p>
Executive powers	<p>The Leader has the power to form an Executive/Cabinet</p> <p>The Leader can take any Executive decision</p> <p>The Leader can delegate decisions to Cabinet or committees of Cabinet, to individual cabinet members or officers</p>	<p>Executive powers do not exist under this model of governance</p>
Scrutiny and call-in	<p>There are a number of statutory scrutiny functions that must be carried out by a scrutiny committee.</p> <p>There must be at least one scrutiny committee and the ability to call in a decision</p> <p>Scrutiny committees can appoint non-voting Members</p>	<p>There are a number of statutory scrutiny functions that must be carried out by a committee but this need not be a scrutiny committee.</p> <p>There is no requirement to have the ability to call in a decision.</p> <p>There can be a scrutiny committee</p> <p>Scrutiny committees can give all members voting rights</p>
Political proportionality	<p>No requirement for Executive committees</p>	<p>All committees must be politically proportionate</p>
Access to Information	<p>Applies to all meetings, agendas and reports</p>	<p>Applies to all meetings, agendas and reports</p>

2.3 Following discussion with the Scrutiny Committee Chair and Cabinet Member, it is proposed that the Overview and Scrutiny Management Committee will:

- consider the strengths of our current decision making structures, and those of a modern committee system.
- develop a set of principles on which any future decision making structure should be based.

- produce a report setting out the Committee's views for debate at Full Council in January 2020.

2.4 It is proposed that the Committee will operate along lines similar to that of a Parliamentary Select Committee, inviting a range of people and organisations to provide written and/or oral evidence, and undertake site visits and further research as appropriate. This will require additional meetings of the Committee to be scheduled during November and December 2019. All meetings will be held in public as per normal scrutiny procedure rules.

2.5 It is proposed that the Committee requests and reviews written and oral evidence from a range of people and organisations including:

- Experts on Governance – organisations with expertise in local authority governance and decision making.
- Local groups with an interest in how decisions are made in Sheffield.
- Partner organisations who are involved in, and affected by, Council decision making
- Councils who have experience of running a committee system.
- Councillors and officers from Sheffield City Council

4. Recommendation

4.1 The Committee is asked to discuss and note the information in the report, to consider and comment on the proposed approach for taking this work forwards, and identify any further key lines of enquiry, stakeholders or evidence gathering activity it wishes to undertake.

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