

INDEPENDENT INQUIRY INTO  
SHEFFIELD CITY COUNCIL'S  
RELATIONSHIP WITH THE  
AFRICAN CARIBBEAN ENTERPRISE CENTRE  
AND THE  
YEMENI COMMUNITY ASSOCIATION

First Report

YEMENI COMMUNITY ASSOCIATION

December 1995

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**To: Councillor Michael Bower, Leader, Sheffield City Council**

In April this year you asked us to carry out an inquiry into the City Council's relationship with the African Caribbean Enterprise Centre, the Yemeni Community Association, and related organisations. We are pleased to produce this first part of our report, concerning the Yemeni Community Association.

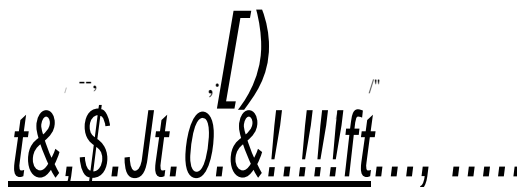
We would like to thank all your staff and Councillors who co-operated with our inquiry, and also to thank Mr Keith Crawshaw in particular, for organising the administrative support for the Panel.

Members of the Panel:

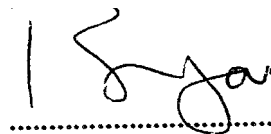
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## 1. INTRODUCTION

1.i The need for an Inquiry into the Yemeni Community Association arose out of an internal dispute between members of the Association's present and previous Management Committee. It was alleged that:

- the Association was inadequately managed
- there were cases of nepotism amongst committee members
- the Management Committee was insufficiently accountable to the whole membership
- financial mismanagement had occurred.

The Association was funded by the Urban Programme (25% Council funds), the City Council's mainstream revenue budget, the Training and Enterprise Council, the Sheffield Development Corporation, and the European Community. When these allegations were brought to the City Council's attention by people claiming to be members of the Association's Management Committee, a series of official enquiries and a great deal of discussion within the Council, together with the Department of the Environment, then followed.

I.ii Eventually an 'open letter' was sent to the Yemeni Community by the City Council's Chief Executive, based on a decision of the Policy Committee held on 26th July 1994. The Chief Executive's letter summarised the conclusions of the various enquiries and reports, indicated that there were still unresolved matters, advised the Association to clarify its Constitution and hold new elections, and expressed the hope that by these means the disputes could be laid to rest.

I.iii Neither the Yemeni complainants nor the Association's Committee were content with these proposals. Both found the method and tone of the Council's letter offensive. Moreover, with the support of the Black Community Forum (BCF), the YCA committee alleged that the matter had been prolonged over such a long period only because the Council was acting in a racist manner. It was then proposed by the BCF and subsequently, after negotiation, agreed by the City Council, that an Independent Panel of Inquiry be appointed to examine and advise on the whole affair.

Liv Our method of work has involved reading the relevant Council minutes, reports and correspondence made available to us by both Council Officers and members of the Yemeni community and the BCE There have been over 1,500 pages of such documents. We have consulted widely and made ourselves available to any who have wished to make submissions to us. So far in this process we have interviewed groups and individuals in more than 35 sessions. Because of the long-standing and unresolved conflict in the Yemeni community we have concentrated entirely on that part of our Inquiry at this stage.

I.v The Inquiry was directed to work within agreed terms of reference, and to do so in a manner consistent with achieving the aims of those terms. It was agreed between BCF and the City Council that any conclusions should not consider the actions of individuals, and that written evidence would be made freely available to the Inquiry. The members of the Panel have received widespread co-operation.

1.vi The Panel has however had difficulty in coming to conclusions which do not take into account the actions of individuals. Much of this story is about personal conflict and personal judgement Where it has been unavoidable, therefore, we have named people, but on most occasions have not done so.

I.vii            In one further respect, we have moved from the terms of the Inquiry. There was no provision for us to meet with the complainants, who have consistently levelled allegations against their fellow members of the YCA. Justice seemed to require that we should in fact do that We have met five such people on two different occasions and have received written submissions from them.

## **2. TERMS OF REFERENCE**

### **2.i. Policies and practices**

Analyse the policies and practices with regards to the provision of grant aid to ACE, YCA and related organisations, and consider whether the way in which the organisations were treated was consistent with the way in which the problems of other groups such as Sheffield Festival Ltd. and the Leadmill were addressed. Arising from the analysis, make recommendations as to specific improvements, as well as drawing out measures to rectify any apparent omissions or differential treatment.

### **2.ii. Provision of grant aid**

Assess whether the provision of grant aid was conducted in a fair and reasonable way which did not inhibit or endanger the financing of ACE or YCA.

### **2.iii. Equal opportunities policies**

Establish whether the equal opportunities policies of the City Council were observed and whether the guidance given to the City Council, ACE and YCA were appropriate in the light of these policies. Make recommendations, with specific time limits for implementation, as to how adherence to these policies might be improved upon in the future.

#### 2.iv. Review of the City Council's investigations

Review the work of all the City Council investigations including Internal Audit with regards to ACE and YCA, and outline whether all were found to be satisfactory.

#### 2.v. Assessment of the investigators' recommendations

Consider the recommendations made by the investigations and identify whether those recommendations were acted upon by the Council.

#### 2.vi. Review of the way YCA was run

Review the way YCA was run with particular regard to the Association's internal democratic procedures, processes of accountability and constitutions; and consider whether these were advised on and dealt with by the City Council in the appropriate manner as comparable to other similar organisations in the voluntary sector.

#### 2.vii. Lessons to be Learned

Make recommendations about the lessons to be learned from the relationships and issues concerning ACE, YCA and the City Council, suggesting constructive ways of moving forward and improving future partnerships and relationships.



### 3. Summary of Principal Recommendationst

#### Policies. Practice and Eqyal Opportunities

1. Asequal opportunities policies are central to this dispute, and following on from changes arising from the reorganisation of the structures of equal opportunity in the Council, there is an urgent need for the Council to renew its commitment to equal opportunities. [Cf. p 37, n<sup>2</sup> 6]
2. The Council's document *Sheffield: Agenda for Change*, should include anti-race discrimination as one of the core objectives. [cf p 37, n<sup>2</sup> 2]
3. The Council should renew its equal opportunities commitment by strengthening its Equal Opportunities Unit as a necessary first step to enable the Unit to develop effective and credible practices for carrying out policies on equal opportunity. We further propose the following: [Cf. p 17, n<sup>2</sup> 1]
  - i The Head of the Equal Opportunities Unit be permitted periodically to attend and present a report to meetings of the Corporate Management Team on equal opportunities policy issues. [Cf. p 17, ne Ji]
  - ii The Head of the Equal Opportunities Unit be required to monitor equal opportunities policy within the Authority, to undertake periodic evaluations of the policies, and to discuss these with the Corporate Management Team. [cfp 17, ne lii]
  - iii Designated Equal Opportunities Policy Officers be appointed within Departments with responsibility for ensuring that equal opportunities policies are being complied with in their Departments. The designated Officers should be trained by the Equal

Opportunities Unit to equip them with the understanding necessary for discharging this duty. If necessary, outside support should be sought to do the training. *[cf p 17, ne 1 iii]*

- iv* The Head of the Equal Opportunities Unit be required to hold regular meetings with the designated departmental Equal Opportunities Policy Officers so as to ensure that schemes are put in place for the implementation of equal opportunities policies throughout the Authority. *[cf p 17, ne 1 ivJ]*
- v* The Equal Opportunities Unit to train a staff member as a specialist: to advise and counsel staff on equal opportunity matters, whether of a legal or practical nature; to advise any member of staff, in confidence, on difficulties that they may be having on equal opportunity matters in their area of work; and to suggest practical solutions to the staff or the Council, as appropriate. *[cf p 18, n<sup>2</sup> iv]*
- vi* The Head of the Equal Opportunities Unit should be required to present a bi-annual report to a meeting of the Corporate Management Team dedicated to this subject. *[cf.p 18, ne lvi]*
- vii* An annual equal opportunities policy and anti-racism course be organised for members of the Corporate Management Team. Great care should be taken to ensure that such a course is focused, that it is run efficiently and effectively for very busy management personnel. *[cf p 18, ne lvii]*
- viii* The Chief Executive should find every opportunity to include Internal Audit in the development of equal opportunities policies throughout the Council and in the voluntary sector.

4. If there is a need to seek opinion about equal opportunities beyond the Council, senior management staff should first consult with their relevant Officers in the strengthened Equal Opportunities Unit. Furthermore, they should be required to take account of the advice of Link Officers working with community groups to help to make meaningful and credible the Council's commitment to improving relationships with ethnic minority groups. *[cf p 37, n' 4}*
5. The Policy Committee should take the role of custodian of equal opportunities, by being more proactive, and engage in a constructive dialogue with Black Officers within the Authority and other groups within its equal opportunities framework, to establish a credible equal opportunities practice for the people of Sheffield. Furthermore, politicians should ensure that there is adherence to the Authority's equal opportunities policy. *[cf p 37, n'5]*
6. To achieve *S.* above, the Policy Committee should require the Equal Opportunities Committee to provide a bi-annual report based on an assessment and evaluation of the implementation of the equal opportunities policy within the Council, and community groups that it helps to fund. *[cj.p38, n'18)*
7. It should be a requirement for the Chief Executive to present the bi-annual report to the Policy Committee.
8. The Chief Executive's Open Letter should be set aside.
9. The Modest/Pringle recommendations should be considered by the Council.
10. The Council should engage in a dialogue with the YCA in a spirit of partnership to discuss areas of support and future co-operation.

## Provision/Monitorin2 ofGrants

11. A central databank on grants made to voluntary bodies should be established as soon as practicable and no longer than nine months from the date of the publication of this report. [*Cf p 23, ne 1J*]

12. On cost and bureaucratic grounds, we do not endorse the establishment of a central unit to monitor grants, as proposed by Internal Audit. Instead, we recommend that an Officer in the Chief Executive's Department should be allocated this role. The duties should include: [*Cf p 23, ne2*]

- ensuring that grants are monitored effectively, that unspent grants are recovered, that accounts are in order, and that projects submit audited accounts in time;
- ensuring that grants are not duplicated (by prompt updating of the databank - see Recommendation 11 above)
- providing periodic information about project monitoring **to all** funding Departments;
- keeping relevant Departments informed of particular problems or difficulties (see also Review of Grants to Voluntary Bodies, produced by Internal Audit, dated December 1994, para. SO, p 12);
- producing regular reports to the Chief Executive, copies of which should go to the Grant Officers in the various grant-giving Departments.

13. In view of the primary purpose of the Council's grants to voluntary bodies - i.e. to provide *support* to their aims and activities rather than to exert control over them - the Monitoring Officer should be required to liaise closely with Link Officers. [*Cf. p 24, ne 3*]

14. Link Officers should confine their activities to the role of initiating and helping to nurture projects. They should not be required to monitor or investigate them. [*Cf. p 24, ne 4*]

### Investiirntory Practice

15. Internal Audit should consult with the City Solicitor to agree on a set of procedures for conducting the investigation of voluntary organisations. The procedures must necessarily balance the ability of Internal Audit to discharge its statutory duties and the ability of voluntary organisations to function autonomously. [*cf p 49 ne 2*]

16. In situations where an investigation is inconclusive, and further investigations are required, legal advice should be sought from the City Solicitor.

17. Any investigation of a voluntary organisation is bound to have a negative effect. However, investigators should take care that the investigation does not of itself damage the capacity of such bodies to carry out their functions effectively, and that good relations between them and the Council are maintained. [*cf p 50, n<sup>2</sup> 3*]

18. It is vital therefore that: [*cf p 20, ne s2a-2f*]

a The nature of an allegation is identified at an early stage.

- b Where the allegation is of a criminal nature, appropriate steps are taken to protect the public interest, and an urgent decision is made as to the conditions under which a project continues to receive Council support.
- c Where the allegation is made against an organisation funded by the Council, the Council must in law take appropriate steps to satisfy itself that the organisation is fit to be in receipt of public funds. In doing so, due care should be exercised to avoid the Council or its Officers being drawn into the organisation's internal disputes.
- d The investigation should be carried out speedily and properly. To achieve this, a single Council Officer should be designated to have responsibility for directing and co-ordinating the investigation.
- e Following the investigation of a voluntary project, the Council must ensure that a clear public statement of the outcome is issued. The statement should specify whether the allegation is one of a criminal character, or of incompetence in the running of the project. It is vital that all concerned are informed of the Council's present and future intentions in its relations with the project. The Council's decisions and actions must be clear.
- f Where the investigation's findings concern incompetence, the Council should indicate the steps which it proposes to take to remedy such deficiencies in the project's organisational structure. If the findings indicate conduct of a criminal nature, the statement must make clear whether or not the Council intend to continue to support the project, and the extent of that support.

## Yemeni Community Association [cf pp 61-62 n{! sJ -4-J

19. The YCA should organise an election as soon as possible. It should be open to all Yemenis who are registered members of the Association.
20. An independent Returning Officer should be appointed to supervise the elections.
21. The Council should acknowledge the special relationship between the Yemenis in Sheffield and Rotherham.
22. The Association's current constitution should be endorsed subject to the following modifications:
  - a That no-one be barred from holding office by reason of lack of competence in the English language, but the constitution could specify the kind of skills which holders of particular office would be expected to possess.
  - b That the section of the current constitution concerning disclosure of information about the Association to outside bodies be reworded so as not to create the impression that loss of membership would result from a proper disclosure of such information.
  - c That the constitution should contain clear provisions on the role and functions of the Management Committee and on the relationship between the Management Committee and the rest of the membership.
  - d That there should be clear provisions for the ventilation of disputes within the Association.

## 4. Analysis based on Terms of Reference

### 2.i. Policies and Practices

#### **Policies**

The Panel are of the view that the policies with regard to grant aid are generally sound. We cite as an example the establishment of and continuing support for a series of literacy campaigns by the Sheffield United Multi-Educational Service (SUMES) and support for ethnic minority groups in the City. There is also evidence that the urban aid programme section took a proactive approach in seeking grants to support community projects. The Panel commend this effort.

Turning to the grant-aiding of the YCA, the Panel are of the view that the grant-aid was fair, prior to complaints being made against the current Management Committee in 1992. The grants from the Council's own resources are small and specific. By far the largest single grant came from the Urban Programme to help with the renovation of the old Vestry Hall at Attercliffe for the Yemeni Economic and Training Centre (YETC).

#### **Practices**

We received information from the Grant Officers from the Education Department and the Family & Community Services (F&CS) about practice in making grants. Applications appear to be processed in compliance with the Council's standing rules. We saw no evidence of the Grant Officers being influenced in their decisions by subjective considerations, and we were impressed by the careful attention given to the quality of applications and the efforts made to help community groups within the constraints of their responsibilities. We were impressed by their professionalism and competence. The Panel was assured by the Chair of the



Education Committee and the Chair of the F&CS that they too were satisfied with the manner in which grant applications were processed within their respective sections.

### Equality of treatment between projects

The Panel received information about the Leadmill, the Lyceum and Crucible Theatres, and the Sheffield Festival. The Sheffield Festival seem to have received favourable treatment insofar as a loan of £80,000 was converted into a grant.

The Leadmill received an Urban Programme grant which they spent in advance of budget approval, in breach of UP rules. When this was brought to the notice of the Council, it was concerned that the DOE might exercise its clawback provision. The Council acted expeditiously to ensure that public funds were not being misused. Thus satisfied, it did its best to achieve a satisfactory outcome for both the Leadmill and the UP. The Panel also received reports on grants to the Sheffield Festival, which again show a failure by the Council to establish effective monitoring of its grant aid.

The treatment of the YCA appears to have been very different. The Panel saw no evidence from the five investigations to show that the YCA management had misused funds granted to it by the Council, yet the Association was treated as though it was not a fit organisation to handle public funds. Like many voluntary organisations, the YCA administration could be improved, but this is not the same as financial malpractice. The Panel is consequently of the opinion that the Council discriminated against the YCA and failed to give it equal treatment. The Panel views with alarm the Council's failure to apply the lessons of the Leadmill and the Sheffield Festival, and to introduce a mechanism to deal with such situations in the future.

## Recommendations

1. The Council should renew its equal opportunities commitment, by strengthening its Equal Opportunities Unit as a necessary first step. This will enable the Unit to develop effective and credible practices for carrying out policies on equal opportunity. We further propose the following:
  - i The Head of the Equal Opportunities Unit be permitted periodically to attend meetings of the Corporate Management Team, and to present a report on equal opportunities policy issues.
  - ii The Head of the Equal Opportunities Unit be required to monitor equal opportunities policy within the Authority, to undertake periodic evaluations of the policies, and to discuss these with the Corporate Management Team.
  - iii Designated Equal Opportunities Policy Officers be appointed within Departments with responsibility for ensuring that equal opportunities policies are being complied with in their Departments. The designated Officers should be trained by the Equal Opportunities Unit to equip them with the understanding necessary for discharging this duty. If necessary, outside support should be sought to do the training.
  - iv The Head of the Equal Opportunities Unit be required to hold regular meetings with the designated departmental Equal Opportunities Policy Officers so as to ensure that schemes are put in place for the implementation of equal opportunities policies throughout the Authority.

- v The Equal Opportunities Unit to train a staff member as a specialist: to advise and counsel staff on equal opportunity matters, whether of a legal or practical nature; to advise any member of staff, in confidence, on difficulties that they may be having on equal opportunity matters in their area of work; and to suggest practical solutions to the staff or the Council, as appropriate.
- vi The Head of the Equal Opportunities Unit should be required to present a bi-annual report to a meeting of the Corporate Management Team dedicated to this subject.
- vii An annual equal opportunities policy and anti-racism course be organised for members of the Corporate Management Team. Great care should be taken to ensure that such a course is focused, that it is run efficiently and effectively for very busy management personnel.

## ii. The provision of grant aid

AS indicated in 2.i, the provision of grant aid was conducted in a fair and reasonable way until complaints were received by the Authority indicating disquiet about the running of the YCA. From then onwards the normal process of funding became tainted by suspicion. Our basic criticism of the Council is that they allowed this suspicion to continue for a period of several years, thereby putting the organisation which they were funding into a state of continual crisis. The matter should have been dealt with carefully and quickly.

There is evidence to show that whilst the Authority has continued to support existing YCA projects, the Association has, since the complaints were made, received neither additional grants from the Authority to sustain their work, nor endorsement from the Council for applications for European funding to extend it.

The Panel have identified instances where the YCA could be said to have been disadvantaged in respect of their funding, namely:

- the temporary freezing of its bank account by the Bank as a consequence of the Open Letter
- the lack of support for an ERDF bid
- the non-payment of builders for a short period of time
- the non-payment of YETC staff for a period of two months
- non-support for maintenance work for the Association's building in Burngreave

These are clear instances which could be said to inhibit or endanger the projects. The Management Committee are encountering difficulty in obtaining funds from other sources because of the bad publicity arising from the complaints and the ineffective handling of the outcome of the investigations. We commend the resourcefulness of the YCA Management Committee in sustaining their projects in spite of adverse publicity and reduced Council support.

## Recommendations

1. Where a project in the voluntary sector is investigated, the investigating team should respect basic rules of natural justice by ensuring that the conduct of the investigation does not of itself damage the capacity of such bodies to carry out their functions effectively, and that good relations between them and the Council are maintained.
2. It is vital therefore that:
  - a The nature of an allegation is identified at an early stage.
  - b Where the allegation is of a criminal nature, appropriate steps are taken to protect the public interest, and an urgent decision is made as to the conditions under which a project continues to receive Council support.
  - c Where the allegation is made against an organisation funded by the Council, the Council must in law take appropriate steps to satisfy itself that the organisation is fit to be in receipt of public funds. In doing so, due care should be exercised to avoid the Council or its Officers being drawn into the organisation's internal disputes.

- d The investigation should be carried out speedily and properly. To achieve this, a single Council Officer should be designated to have responsibility for directing and co-ordinating the investigation.
  
- e Following the investigation of a voluntary project, the Council must ensure that a clear public statement of the outcome is issued. The statement should specify whether the allegation is one of a criminal character or of incompetence in the running of the project. It is vital that all concerned are informed of the Council's present and future intentions in its relations with the project. The Council's decisions and actions must be clear.
  
- f Where the findings indicate incompetence, the Council should indicate the steps which it proposes to take to remedy such deficiencies in the project's organisational structure. If the findings indicate conduct of a criminal nature, the statement must make clear whether or not the Council intend to continue to support the project, and the extent of that support.**

### **Practice relating to provision of grant aid**

The Panel found that grant aid is made without adequate monitoring. This contributed in a large measure to the failure of the Council to provide information to the complainants about the grants it was making to the YCA. For example, when the Education Department provided information about its grant to YCA, it did not include grants made to the organisation by other Departments. However, the complainants subsequently obtained the information with the help of Internal Audit, who confirmed that this information was public (although perhaps not immediately available). As they obtained partial information on grants, it refuelled their suspicion that Council staff were in cahoots with the YCA management to deprive them of vital information. This problem could

easily have been resolved if a central databank was established containing information on grants from different Departments to organisations. Other considerations aside, it would help the Council to avoid the duplication of grants to one organisation for the same purpose.

The Panel are concerned to note that recommendations made as long ago as 1985 on a scheme for monitoring projects have not been followed. The City Treasurer himself, in a paper dated 4 January 1989, warned the Council of 'reported instances of mismanagement within some voluntary bodies'. He continued that although they were few in number, 'the Council could attract bad publicity from such cases, even though the financial affairs and management of the bodies are not the direct responsibility of the Authority or its Officers.' The paper referred the Policy Committee to a Grant Aid Policy Document, presented to the Council in 1985, and lamented that the policy had not been officially adopted, 'though it is understood that the principles outlined in the document were acceptable'. Although individual Grant Officers follow the 1985 guidelines, a corporate strategy is lacking. Again, two other proposals concerning monitoring Internal Audit Review of Grant Aid to Voluntary Bodies, dated 30 June 1989 and Review of Grants to Voluntary Organisations, of 12 December, 1994) do not appear to have been acted upon. While the Panel endorses the Internal Audit observation (Review of Grants to Voluntary Bodies, 12/1994, para 50, p 12) that 'effective monitoring and approval of grant aid' are necessary, we doubt that the only way to achieve this is through the establishment of a central grant aid monitoring unit.

The Panel are also concerned about the current situation which leaves Link Officers, especially Black members of staff, open to the accusation that they are not robust enough in monitoring or investigating projects of community organisations, because of alleged misplaced sympathies. It is necessary to ensure that such Officers receive adequate support from the Authority in the proper discharge of their duties.

## Recommendations

1. A central databank on grants made to voluntary bodies should be established as soon as practicable, and no longer than nine months from the date of the publication of this report.
2. On cost and bureaucratic grounds, we do not endorse the establishment of a central unit to monitor grants, as proposed by Internal Audit. Instead, we recommend that an Officer in the Chief Executive's Department should be allocated this role. The duties should include:
  - ensuring that grants are not duplicated (by prompt updating of the databank - see Recommendation 1 above)
  - keeping relevant Departments informed of particular problems or difficulties (see also Review of Grants to Voluntary Bodies, produced by Internal Audit, dated December 1994, para. SO, p 12);
  - producing regular reports to the Chief Executive, copies of which should go to the Grant Officers in the various grant-giving Departments.
  - ensuring that grants are monitored effectively, that unspent grants are recovered, that accounts are in order, and that projects submit audited accounts in time;
  - providing periodic information about project monitoring to all funding Departments.



3. In view of the primary purpose of the Council's grants to voluntary bodies - i.e. to provide *support* to their aims and activities rather than to exert control over them - the Monitoring Officer should be required to liaise closely with Link Officers•
4. Link Officers should confine their activities to the role of initiating and helping to nurture projects. They should not be required to monitor or investigate them.