CABINET

28th April 2010

CHANGES TO GOVERNANCE ARRANGEMENTS

Relevant Portfolio Holder	Geoff Denaro
Relevant Head of Service	Claire Felton
Non-Key Decision	

1. SUMMARY OF PROPOSALS

1.1 The Local Government and Public Involvement in Health Act 2007requires every authority operating a Leader and Cabinet model to change its executive arrangements in accordance with a statutory timetable. This report sets out what the necessary changes mean, what steps need to be taken and requests Cabinet to make appropriate recommendations to Council.

2. **RECOMMENDATIONS**

- 2.1 The Cabinet is asked to RECOMMEND to the Council the model which should form the basis for consultation; and
- 2.2 The Cabinet is asked to RECOMMEND to Council the consultation process to be adopted

3. BACKGROUND

- 3.1 The Local Government Act 2000 required all authorities to adopt executive arrangements in one of three forms, namely:
 - A Mayor and Cabinet executive; or
 - A Leader and Cabinet executive; or
 - A Mayor and Council Manager.
- 3.2 This Council adopted a Leader and Cabinet executive.
- 3.3 The Local Government and Public Involvement in Health Act 2007 abolishes the Mayor and Council Manager model and replaces the Leader and Cabinet executive model with a Leader and Cabinet Executive (England) model which is known as the "Strong Leader" model. The Strong Leader model is a different legal form of executive to the old-style Leader and Cabinet model. It is a requirement of the Act that the Council changes its governance arrangements to either the Strong Leader model or the Mayor and Cabinet model in accordance with a statutory timetable.

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3.4 The Council must draw up proposals for change, consult on those proposals, take a decision and implement the proposals in readiness for the municipal year commencing in May 2011.

4. KEY ISSUES

- 4.1 Under the new Strong Leader model, the Council elects a Leader, all executive powers then vest in the Leader and the Leader is then responsible for:
 - Determining the size of the Cabinet;
 - Appointing the members of the Cabinet;
 - Allocating portfolios or areas of responsibility to the various Cabinet Members;
 - Allocating decision-making powers to the Cabinet and to individual Cabinet Members; and
 - Removing and replacing Cabinet members.
- 4.2 The Leader must be elected for a 4 year term of office.
- 4.3 However, there are 3 key differences to the current Leader and Cabinet model:
 - The Leader's term of office is extended beyond the 4th day after the local elections to run up to the day of the first annual meeting after the Leader's normal day of retirement as a Councillor;
 - During his/her term of office the Leader will automatically cease to be Leader on death or disqualification, but may only be removed from office by a resolution of Council. Currently an authority's Constitution may specify other means of removing a Leader, such as notification that he/she has ceased to be Leader of the relevant political group; and
 - There is a requirement for the Leader to nominate a Deputy leader who may act if the Leader is unable to act or the post of Leader is vacant. Currently, a Deputy Leader may only exercise the "portfolio responsibilities" of the Leader in his/her absence as opposed to the statutory functions.

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- 4.4 District Councils have to pass the relevant resolution by 31st December 2010 and implement the change 3 days after the local elections in May 2011.
- 4.5 The legislation sets out a 3-stage process:

Stage 1

The Council must take reasonable steps to consult the local government electors and other interested persons in the area. At this stage there is a choice of moving either to a Strong Leader executive model or to a Mayor and Cabinet executive model. Cabinet is requested to consider the preferred option on which to consult and make recommendations to Council.

The extent of the consultation is not prescribed. The Council may decide to opt for a full and detailed consultation process involving road shows and questionnaires to all electors. At the other end of the spectrum the Council may decide to formally seek the views of a limited number of partner authorities and organisations, and place a modest advertisement in the local press and on the Council's website.

Stage 2

The Council must then draw up proposals, the implementation timetable and any transitional arrangements. In drawing up these proposals the Council must have regard to economy, efficiency and effectiveness. These proposals should be agreed at a meeting of the full Council and must then be made available to the public, but no period for publicity is prescribed.

Stage 3

The Council must by 31 December 2010 resolve to implement the proposals with effect from May 2011.

- 4.6 This report requests Cabinet to recommend to Council the preferred option on which to consult ie a Strong Leader model or the Mayor and Cabinet model. There are only 2 options:
 - a) the Strong Leader executive model, set out above; or
 - b) An **elected Mayor and Cabinet executive** whereby a Mayor is elected directly by the electorate for a 4 year period and he/she must appoint at least 2 members to the Cabinet.

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The vast majority of local authorities have to date favoured the Strong Leader and Cabinet model. Moving to the Strong Leader model would not differ significantly from the current governance model adopted by this Council, as the Constitution currently empowers the Leader to determine the size of the Cabinet, appoint the members of the Cabinet, allocate portfolios or areas of responsibility to the various Cabinet Members and remove and replace Cabinet members. This would be the least disruptive to implement and would incur the least cost to the Council.

- 4.7 The key difference with an elected Mayor is that it is the electorate which selects the Mayor, not in effect the controlling political group, and the Mayor would be under no obligation to select the Cabinet members from the controlling political Group.
- 4.8 If the Council's proposals are to move to a Mayor and Cabinet model, a referendum would be required.
- 4.9 Cabinet is requested to make recommendations to Council as to which model should form the basis of the consultation process. Cabinet is also requested to make recommendations to Council as to the form of consultation to be taken.

5. FINANCIAL IMPLICATIONS

5.1 The consultation process will incur cost. The extent of the cost will depend on the extent of the consultation process. A low-key consultation process will involve the cost of notices the local press which will cost up to £1500 to ensure that all areas of the district are covered. A full-scale consultation process will cost up to approximately £50,000. No budgetary provision currently exists.

6. LEGAL IMPLICATIONS

6.1 The Local Government and Public Involvement in Health Act 2007 inserts new provisions into the Local Government Act 2000 which make changes to the form of executive arrangements which the authority can have. The legal implications of these changes are set out in the report. Dependent on the form of Executive arrangements which is eventually selected, the Council's Constitution will need to be changed to reflect the arrangements chosen.

7. POLICY IMPLICATIONS

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- 7.1 This matter has not previously been considered by Council and therefore full Council approval will be required.
- 8. COUNCIL OBJECTIVES
- 8.1 N/a
- 9. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS
- 9.1 The main risks associated with the details included in this report are:
 - Failure to follow the statutory process
- 9.2 These risks are being managed as follows:

Risk Register: Legal & Democratic Services Key Objective 3: Effective Ethical Governance

- 10. CUSTOMER IMPLICATIONS
- 10.1 Cabinet is asked to recommend to Council how consultation with the electorate and key partners should take place.
- 11. EQUALITIES AND DIVERSITY IMPLICATIONS
- 11.1 N/a
- 12. <u>VALUE FOR MONEY IMPLICATIONS, PROCUREMENT AND ASSET MANAGEMENT</u>
- 12.1 N/a
- 13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY
- 13.1 None
- 14. HUMAN RESOURCES IMPLICATIONS
- 14.1 None
- 15. GOVERNANCE/PERFORMANCE MANAGEMENT IMPLICATIONS

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- 15.1 Governance implications are set out in the report
- 16. COMMUNITY SAFETY IMPLICATIONS INCLUDING SECTION 17 OF CRIME AND DISORDER ACT 1998
- 16.1 None
- 17. HEALTH INEQUALITIES IMPLICATIONS
- 17.1 None
- 18. **LESSONS LEARNT**
- 18.1 N/a

19. COMMUNITY AND STAKEHOLDER ENGAGEMENT

19.1 Cabinet is requested to decided the extent and nature of any community and stakeholder engagement in the consultation process

20. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	Yes
Executive Director (S151 Officer)	Yes
Executive Director – Leisure, Cultural, Environmental and Community Services	No
Executive Director – Planning & Regeneration, Regulatory and Housing Services	No
Director of Policy, Performance and Partnerships	No
Head of Service	Yes
Head of Resources	No

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Head of Legal, Equalities & Democratic Services	Yes
Corporate Procurement Team	No

21. WARDS AFFECTED

All wards

22. APPENDICES

None

23. BACKGROUND PAPERS

None

24. <u>KEY</u>

AUTHOR OF REPORT

Name: Claire Felton

E Mail: c.felton@bromsgrove.gov.uk

Tel: (01527) 881429