



Leicester
City Council

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Cabinet
Council

22 December 2010

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NEW EXECUTIVE ARRANGEMENTS

Report of the Director of Corporate Governance

1. PURPOSE OF REPORT

To update Council on the actions taken since the meeting held on 9 December 2010, to ask Council to consider which of the models of governance, available within the Local Government and Public Involvement in Health Act 2007 (the 2007 Act), it wishes to adopt and to consider the actions to be taken to implement the consequent changes to the Council's Constitution

2. SUMMARY

Leicester City Council is required to adopt a new model of governance as set out in the 2007 Act.

The two models available are:

- 1) Leader and Cabinet Executive (England) model (often described as the "strong leader" model);
- 2) Mayor and Cabinet Executive model

The Council, at a Special meeting on 19 November 2010, agreed a timetable for consultation and implementation and agreed to commence consultation. At a further Special meeting on 9 December 2010 Council considered the results of the consultation and resolved that its preferred model of governance was the Mayor and Cabinet Executive model.

Under the terms of the 2007 Act, Council must now pass a resolution to adopt a new model of executive arrangements by 31 December 2010.

The 2007 Act does not affect the requirement on the Council to hold a referendum if at least 5% of the local electorate petitions for a referendum on the Council's governance arrangements.

3. RECOMMENDATIONS

3.1 Cabinet is recommended to

- 1) Consider the report and make comments to Council as it sees fit.
- 2) Request the Director of Corporate Governance to bring forward any necessary proposed amendments to the Constitution.

3.2 Council is recommended to:

Adopt the elected Mayor and Cabinet Executive model of executive governance with effect from the third day after the local government elections in May 2011.

4. REPORT

4.1 The Local Government Act 2000 introduced the requirement for local authorities to adopt a prescribed model for executive arrangements. Following this, Leicester City Council adopted the "Leader and Cabinet Executive" model. The 2007 Act introduced a new Leader and Cabinet Executive model which differs from the existing in some key areas. Councils have been required to take steps to adopt one of the two current models available i.e. Strong Leader and Cabinet Executive or elected Mayor and Cabinet Executive.

Although the Decentralisation and Localism Bill may require the Council to hold a referendum on the introduction of an elected mayor, as one of the 12 largest cities without an elected mayor, the Government has advised Councils that work needs to continue on adopting one of the models required by the 2007 Act, but that attempts should be made to contain costs. A separate briefing will be provided for Members on the Bill and any possible implications for this.

4.2 **Key features of each model**

Leader and Cabinet Executive

- Leader is elected for a four-year term at the next Annual Council following the Local Elections.
- The Leader will be able to appoint up to nine other Councillors to the Cabinet Executive. The Leader can change these appointments within the four-year term.
- The Leader is responsible for the allocation and discharge of all executive functions.
- The Leader can discharge any function of the executive, or determine whether the Cabinet, officers, or Council committees can discharge executive functions.
- The Council can make provision in the Constitution for the removal of the Leader by a resolution of full Council.

Current arrangements differ from this model in that the Leader and Cabinet are appointed by Council annually, and executive functions are allocated by Council.

Mayor and Cabinet Executive

- The Mayor is directly elected by the local electorate for a four-year term.
- The Mayor will be able to appoint up to nine other Councillors to the Cabinet Executive.
- The Mayor is responsible for all executive decisions of the authority.
- The Mayor can discharge any function of the executive, or determine whether the Cabinet, officers, or Council committees can discharge executive functions.
- The Mayor cannot be removed by a resolution of full Council during their period of office.
- The Mayor cannot also be a Councillor. If elected to both, a vacancy arises for the position of Councillor.

4.3 **The process for adopting a new model**

The 2007 Act gives detail of the implementation process to be followed. This is summarised below.

- 1) Agreement by Council on timetable for consultation and implementation.
- 2) Carry out consultation.
- 3) Prepare proposals following consultation and submit to Council for agreement.
- 4) Make the proposals available, and put a notice in the Leicester Mercury.
- 5) Report to a Special Council before 31 December 2010, to obtain a resolution to adopt the new model.
- 6) Make available for public viewing the provisions of the new arrangements and place a notice in the Leicester Mercury.
- 7) Changes to Constitution to be agreed by Council.
- 8) If the Mayoral model is adopted, hold mayoral election on 5 May 2011 at the same time as the Local Elections.
- 9) 8 May 2011 – new executive governance arrangements come into effect.
- 10) If Strong Leader model is adopted, the Leader would take position at Annual Council in May 2011.

4.4 **Publication of proposals**

As statutorily required, following the resolution of Council on 9 December 2010 to adopt the Mayor and Cabinet Executive model as its preferred model of governance, proposals were prepared by the Director of Corporate Governance in consultation with the Leader of the Council in accordance with the requirements of the Act.

As required by the Act in drawing up the proposals consideration was given to the extent to which the proposals, if implemented, would be likely to assist in securing continuous improvement in the way in which the local authority's functions are exercised, having regard to a combination of economy, efficiency and effectiveness and included a timetable with respect to the implementation of the proposals and details of any necessary transitional arrangements. A copy of the proposals is attached at Appendix A.

Copies of the proposals have been made available in the Customer Service Centre and a notice placed in the Leicester Mercury which:

- Stated that the Authority has drawn up the proposals;
- Described the main features of the proposals;
- Stated that copies of the document setting out the proposals are available at the Customer Service Centre for inspection by members of the public at such times as specified in the notice, and
- Specified the address of the Customer Service Centre.

A copy of the notice placed in the Leicester Mercury is attached at Appendix B.

Details of any representations received following the publication of proposals will be reported at the meeting of Council on 22 December 2010

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

1. There are additional costs associated with the mayoral model in the form of a mayoral election. The cost of the Council election in 2007 was around £183,000, and the costs of a separate election are likely to be similar. However, if the mayoral election took place at the same time as the Council election in 2011, costs for the mayoral election itself would be minimal.

2. Should the Elected Mayor already be a Councillor, he/she would not be able to take up the seat, necessitating a by-election. A by-election costs approximately £17,000.

3. The scheme of allowances payable to Councillors and the Mayor remain a matter for the Council, after considering the recommendations of the Independent Panel.

4. It is too soon to say what the results of such deliberations would be. However, given the Elected Mayor's role will be exclusively leadership (not having their own ward), and the likely public profile, this may be reflected in the scheme of allowances.

5. Under a mayoral model, the Mayor will be additional to the current 54 Councillors. Under the Strong Leader model, the Leader will be one of the 54 Councillors. Consequently, should the Council decide on an Elected Mayor model, there will be costs associated with an additional elected representative. The basic allowances and support package for paying a "supplementary" Councillor amount to £11,000 per annum on average.

6. Under both models the Mayor/Strong Leader will appoint a deputy, which will also be reflected in the scheme of allowances.

7. Both models envisage the Elected Mayor/Leader directly appointing between 2 and 9 Cabinet members (unlike the present system where appointments are made by Council). Each Cabinet member would be entitled to allowances as determined by Council. It is conceivable that, under either model, the mayor or Leader will wish to streamline decision making and reduce the current Cabinet membership of 9.

8. Scrutiny arrangements will continue, and their form be a matter for the Council to determine. This would need a review whichever model was adopted. It is assumed the Council would wish to adopt a model which was complementary to the Mayor/Leader and Cabinet arrangements.

9. Under either model, the Mayor/Leader may decide to take personal accountability for decisions currently delegated to officers, and that the senior management structure will change to reflect this. It is possible that the mayoral model, with its direct democratic mandate and reduced powers of Council veto, will give greater impetus to such changes (and this appears to be the government expectation).

10. Such changes are likely to be accompanied by the need for the establishment of a greater level of direct support (ie a mayoral/leader's office).

Mark Noble, Chief Finance Officer, x29 7401

5.2 Legal Implications

Leicester City Council is required to adopt a new model of governance as set out in the Local Government and Public Involvement in Health Act, 2007:

- * Leader and Cabinet Executive model, known as the "Strong Leader model".
- * Mayor and Cabinet Executive model.

Consultation undertaken between 20th November to 6th December was designed to meet the requirement to "consult the Local Government electors for, and other interested persons in, the Authority's area" (Section 33E6) Local Government Act, 2000).

Proposals may provide for the change in governance arrangements to be subject to approval in a referendum but this is not obligatory and full Council decided not to have one.

In drawing up its proposals the Council was obliged to consider the extent to which the proposals, if implemented, would be likely to assist in securing continuous improvement in the way in which the Local Authority's functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

At its meeting on 9th December full Council decided on its preferred model i.e. the Elected Mayor and Cabinet Executive. Following this, proposals were published and an appropriate notice placed in the local press. The public were entitled to submit any representations to the Council and these must be considered before the Council passes a final resolution on the 22nd December. A decision must be made by the 31st December 2010.

Section 245 of the Local Government Act, 1972, as amended, provides that where a Council decides to operate an Elected Mayor and Cabinet Executive, then the "style of

Mayor" previously used by the Chairman of the Council shall no longer be used. This means that the current Lord Mayor position may have to be re-titled but every effort can be made to retain civic traditions within the current legal framework.

The Decentralisation and Localism Bill was published on the 13th December 2010. A separate briefing on the legal implications of this draft Bill and any implications for this report will be circulated to Members as soon as possible.

Peter Nicholls, Director of Legal Services x29 6302

5.3 Climate change implications

This report does not contain significant climate change implications and therefore should not have a detrimental effect on the Councils climate change targets.

Claire Pipe, Senior Environmental Consultant - Climate Change x 29 6776

6. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph Within the Report	References
Equal Opportunities	No		
Policy	No		
Sustainable and Environmental	No		
Crime and Disorder	No		
Human Rights Act	No		
Elderly/People on Low Income	No		
Corporate Parenting	No		

7. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

Local Government Act 2000

Local Government and Public Involvement in Health Act 2007

Letter to Council Leader from the Rt Honourable Grant Shapps MP, Minister for Housing and Local Government, 7 July 2010

8. REPORT AUTHOR

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