

Cabinet  
Council

15 March 2011  
22 March 2011

**Name of Cabinet Member:**

Cabinet Member (Corporate & Neighbourhood Services), Councillor Townshend

**Director Approving Submission of the report:**

Director, Customer & Workforce Services

**Ward(s) affected:**

All

**Title:**

Localism Bill – new arrangements with respect to governance of English local authorities (Elected Mayors).

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**Is this a key decision?**

No

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**Executive Summary:**

This report is to update Cabinet on the progress of the Localism Bill provisions for Elected Mayors within local authorities from 2012 and to advise on likely timescales to introduce Shadow Elected Mayor arrangements from May 2011 in 12 English cities including Coventry. There is currently no firm date as to when the new shadow arrangements are to be in place.

**Recommendations:**

That the Cabinet

- (1) Consider the progress of the Localism Bill with respect to the arrangements for Elected Mayor and Shadow Mayor arrangements in local authorities

That Council:

- (1) Consider the progress of the Localism Bill with respect to the arrangements for Elected Mayor and Shadow Mayor arrangements in local authorities.
- (2) Consider any feedback or recommendations from Cabinet of 15 March 2011.

**List of Appendices included:**

None

**Other useful background papers:**

Localism Bill. <http://services.parliament.uk/bills/2010-11/localism.html>

Schedule 2 to the Localism Bill 2011.

<http://services.parliament.uk/bills/2010-11/localism/documents.html>

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

Yes 22 March 2011

**Report title: Localism Bill – New Arrangements with respect to Governance of English Local Authorities (Elected Mayors).**

**1. Context (or background)**

- 1.1 The Localism Bill is still in its passage through Parliament so is not yet in force. It is currently at the 2<sup>nd</sup> Committee stage in the House of Commons, as of 17 February 2011. The provisions relating to Elected Mayors and Shadow Elected Mayors will be implemented once the Bill receives royal assent which is currently estimated to be approximately November 2011.
- 1.2 Part 1 of Schedule 2 to the Localism Bill would introduce a new Part 1A to the Local Government Act 2000 that will enable elected Mayors/shadow Mayors to be implemented.

**2. Options considered and recommended proposal**

- 2.1 The Government proposal is for a number of major cities (possibly 12) in England to operate a shadow Mayor form of leadership, without any Head of Paid Service responsibilities, before a referendum is put to the local electorate in May 2012. This proposal would include Coventry.
- 2.2 The Shadow Mayor or Elected Mayor (as and if the case may be) will have varying degrees of powers and responsibilities depending upon which stage in the process the new governance arrangements are at. There are three key stages as follows: a) A Shadow Mayor being imposed upon Coventry following the Localism Bill receiving Royal Assent and the Secretary of State provides an Order to that effect; b) the powers available to the Shadow Mayor following a Referendum, the outcome of which supports an Elected Mayor form of governance; and c) the powers available to the Elected Mayor once formally elected. More detail on each of these are set out below.
- 2.3 Imposition of a Shadow Mayor : A shadow form of Mayor can only take effect once the Secretary of State implements an appropriate Order under the Localism Bill after it receives Royal Assent, which is currently estimated to be around November 2011. To require a Shadow Mayor to be implemented earlier it would require other legislative changes which have not been tabled. Until the exact date is known only minimal proposals for transitional arrangements can be put in place. There are no formal additional powers that are currently anticipated being available to the Shadow Mayor at this stage over and above those available to the current Leader. However, the Order itself may provide more detail in this respect. A Shadow Mayor does not cease to be a councillor by reason of becoming a Shadow Mayor.
- 2.4 Shadow Mayor following a Referendum : If the Bill is enacted and an Order is made by the Secretary of State to impose shadow arrangements, a local referendum on the Elected Mayor model would be held, most likely in May 2012, when the electorate would decide if they wanted an elected Mayor to lead the Council in place of the current Leader and Cabinet format. This would be in conjunction with the local elections and the elections for Police and Crime Commissioners.
- 2.5 If the electorate voted in favour of an Elected Mayor form of governance then it would be optional for the Shadow Mayor to make a proposal to Full Council to move towards 'mayoral management arrangements' which are that: the Mayor is the most senior officer of the Council, that the Council's head of paid service reports to the elected mayor and that the elected mayor holds office on such reasonable terms and conditions, including

remuneration as the Council thinks fit. Any such proposal would also enable the Shadow Mayor to issue reports setting out their plans in relation to the discharge of functions and resource requirements. The proposal would take effect unless the Council passes a resolution at the meeting that the Shadow Mayor's proposal should not be adopted, by a two-thirds majority of the members present and voting.

- 2.6 Elected Mayor following formal election : Should the outcome of the Referendum be in favour of an Elected Mayor then the election for the Elected Mayor is scheduled to take place in May 2013. Once the Mayor is elected then the Council is obliged to adopt the 'mayoral management arrangements' as described above. The Elected Mayor is also required to notify Full Council of their responsibility to issue certain reports concerning the discharge of council functions and resource requirements. These actions must take place within the first term of office of the Elected Mayor. The Elected Mayor's term of office would be for four years with the power to appoint a Cabinet. The Mayor would not be an employee of the Council.
- 2.7 In addition, the Secretary of State may make provision to enable or require a Council that has an elected Mayor and Cabinet style of governance to confer a local public service function of any person or body on its elected Mayor. A 'local public service function' is widely defined and includes any function of a public nature where it relates to a public service in the local authority's area or to the inhabitants of the area. This would include the transfer or shared use of property, rights and responsibilities from the existing provider and TUPE regulations would apply.
- 2.8 An alternative form of governance is permitted by using the previously used Committee System but may not be available for selection for at least a few years.

### **3. Results of consultation undertaken**

- 3.1 No consultation is required by the City Council as this change of governance is being imposed through legislation

### **4. Timetable for implementing this decision**

- 4.1 The Localism Bill is currently expected to receive Royal Assent around November 2011. This will then enable the Secretary of State after that date, by Order, to require the prescribed major cities to implement a Shadow Mayor form of governance.

### **5. Comments from Director of Finance and Legal Services**

#### **5.1 Financial implications**

It is not yet clear whether any money will be available from central government to fund a referendum. However, if it is held on the same date as local elections in 2012, then the extra costs incurred should be manageable from within the existing budget for the conduct of the local elections.

#### **5.2 Legal implications**

These have been referred to in the report in relation to new governance proposals with particular reference to the elected/shadow Mayor. Essentially the Localism Bill will enable central Government to impose upon the 12 major cities in England a shadow form of elected Mayor once the Bill is enacted, at a date to be decided by the Secretary of State. This would be followed by a local referendum in May 2012 (in conjunction with the local elections and the elections for Police and Crime Commissioners) where the electorate would decide if they wanted an elected Mayor to lead the Council in place of the current

Leader format. Should the electorate prefer an elected Mayor then the first Mayoral elections will be held in May 2013.

The references within Bill in relation to new governance arrangements, including elected Mayors, are contained in Part 1 of Schedule 2. These provisions will introduce a new Part 1A into the Local Government Act 2000.

## **6. Other implications**

### **6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?**

If new model of governance such as the Elected Mayor model were implemented, such a significant change to the Council's corporate governance arrangements will have a big impact on how the Council does business. At this stage, there is insufficient information to clarify if it will improve or hinder the Council's ability to achieve its key objectives.

### **6.2 How is risk being managed?**

One risk is the uncertainty around the timetable for both parliamentary approval and implementation. The mitigating action is to keep a close watching brief on the developments going through the parliamentary process, and in particular the detailed Schedules within the Localism Bill. Another risk is the cost in staff time and other costs to implement a new governance model, if and when that stage is reached. The detail around the costs and other resources would have to be assessed when the Council receives any Order from the Secretary of State.

### **6.3 What is the impact on the organisation?**

This is major constitutional change, it will have a significant impact on the way the Council currently works and the decision making process as well as the current Council Constitution. A detailed assessment would be carried out when the Council receives any Order from the Secretary of State.

### **6.4 Equalities / EIA**

This legislation gives power to each individual elector to vote for the political leadership of the Council. Currently this is done by the majority party electing one of their number as leader. An EIA would be carried out when more detail is known - for example when the Council receives any Order from the Secretary of State.

### **6.5 Implications for (or impact on) the environment**

None

### **6.6 Implications for partner organisations?**

None

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