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## **THE MODERNISING AGENDA – AN UPDATE ON THE LOCAL GOVERNMENT BILL:IMPLICATIONS FOR THE DISTRICT COUNCIL**

### **1 SUMMARY**

- 1.1 This report updates Members on the progress and content of the Local Government Bill. It concentrates on those aspects relating to new political structures and brings to Members attention details of the latest drafts of the guidance and regulations issued by Central Government on “New Constitutions for Councils” which it is envisaged will accompany the legislation once the Bill becomes an Act.
- 1.2 It is still anticipated that the Bill will be passed by Parliament before the summer recess and this report attempts to highlight for Members the main implications of the legislation for the District Council.

### **2 INTRODUCTION**

- 2.1 Members have already received several reports on the Local Government Bill and in particular its content in relation to new political structures. The last presentation, to Full Council in February (Minute 57/2000) focussed very much on the three models outlined in the Bill for separating out the executive from the other functions of the Authority, namely –
  - a directly elected Mayor with a cabinet of Councillors appointed by the mayor (Mayor and cabinet option)
  - a Council leader appointed by the Council with a cabinet appointed either by the Council or the leader (leader and cabinet option)
  - a directly elected Mayor with an officer appointed by the Council (known as the Council Manager) who is responsible for the executive functions (Mayor and Council Manager option)
- 2.2 The presentation also gave an indication of the likely timescale for implementation and detailed the consultation likely to be required.
- 2.3 Since that time, Members have received updates on the progress of the Bill through Parliament and possible changes to its content via the Members’ Bulletin. The passage of the Bill through the House of Lords did result in amendments being sought to add to the three model options. However, the Bill is now back in the House of Commons and the indications are that the Government is not going to introduce any further model options as such.

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- 2.4 Drafts containing proposed guidance and regulations on 'New Constitutions for Councils' have now been issued for consultation purposes. Their content provides further detail on the legislation. They also give a good insight into the way the Government envisages that the legislation will be enacted by Local Councils. Given the importance of this legislation to the way in which the Council operates, a very detailed summary of the proposed guidance is attached as Appendix 1. Included as an appendix to the proposed guidance is a constitution checklist outlining those issues to be addressed in meeting the legislation and that is reproduced as Appendix 2.

### **3 DETAILED CONSIDERATIONS**

- 3.1 It still appears that the Bill will become an Act by the end of July. Also, that the three model options will remain, with few concessions, given any possible further alternatives. Instead, it appears that the power to consider additional options will rest with the Secretary of State, and will be subject to strict criteria. The retention of the status quo is not an option and the emphasis remains on the separation of the Executive from other functions. The information contained in the proposed guidance suggests that the promotion of other options which meet the criteria laid down and which would be approved by the Secretary of State is likely to prove extremely difficult to achieve.
- 3.2 All Councils are expected to have their new arrangements in place by May/June 2002 at the latest. They should have completed their consultation and submitted their proposals to the Secretary of State by May/June 2001. Members allowances need to be reviewed in conjunction with these changes and overall, the cost implications of introducing any new political structure will need to be fed into the budget making process.
- 3.3 When Members have considered the three model options in the past, of the three choices a firm preference has always been expressed for the leader and cabinet option as opposed to either of the elected Mayor options. On the assumption that this still remains the case, and given the timeframe outlined in the legislation, Members of the Working Party might now like to examine that option in more detail and work on drafting model arrangements for the Council to consider, prior to any consultation taking place.
- 3.4 In any model arrangement based on the leader and cabinet option, it is important to ensure that attention is paid at the outset to the role and contribution of Full Council and all Councillors as individual Members, rather than focussing on the workings of the cabinet and the Members within it. On a practical note, the number, size and composition of the overview and scrutiny committee(s), together with the size and composition of any cabinet, will not only need to take on board the legislative requirements – separate Members for overview/scrutiny and

cabinet, independent role of chairman of the Council, application of pro-rata rules to overview/scrutiny committee(s), but will also need to take into account the current political balance and political administrative arrangements of the Council. Clearly, there could be practical problems in devising a cabinet solely comprising a minority administration and at the same time, applying the pro-rata rules to any overview/scrutiny committee system, unless the size of the cabinet and the number and size of each overview/scrutiny committee was relatively small. A couple of potential options based on the leader and cabinet model are included as Appendix 3. These will be expanded upon on the night.

- 3.5 Whatever preference the Council may have, consultation is seen as an important part of the process by Central Government. Clearly, the local press, Rochford District Matters and the Council's tenants' newspaper can play a part. The Evening Echo campaigned actively when Southend first set up its cabinet system and examples of coverage and consultation from elsewhere, both from the local press and Council newspapers, will be circulated at the meeting. The proposed guidance refers to opinion polling as part of the first stage of consultation and Members might like to consider whether any questions on this should be included, if at all possible, in any county-wide consortium approach to consultation under best value, details on which are to be reported to the Special Council meeting on 28 June 2000. The proposed guidance is clear that Councils should consult on all three model options, not just their preferred one, although they can state their option preference. Members might like to consider other consultation mechanisms which might be worth pursuing.
- 3.6 Lastly, Members might also like to give some thought to the composition and operation of the independent panel which will be required to review Members remuneration in due course. Whilst further guidance and regulation is promised on this, it would be worthwhile to bring to this Working Party further details on the composition, costs and findings of Panels which have already been set up by and reported to local authorities across the Country. Both the County Council and Southend have recently been considering reports from independent panels set up by each authority to consider Members remuneration in the light of their revised political structures and details of these and other reviews could be brought forward for consideration in due course.

#### **4 ENVIRONMENTAL IMPLICATIONS**

- 4.1 Nothing specific.

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**5 RESOURCE IMPLICATIONS**

- 5.1 The implementation of any new political structure is likely to have resource implications. However, cost and staff resourcing information from authorities who have already fully embraced the modernising agenda is patchy and thus it is difficult to be too specific on this matter at present. Also savings could accrue if there was a rationalisation in the total number of meetings. Any additional costs which might occur could be outweighed by improvements in transparency and accountability and also in the speed of the decision making process.

**6 LEGAL IMPLICATIONS**

- 6.1 The anticipated changes are as a consequence of legislation.

**7 PARISH IMPLICATIONS**

- 7.1 If the Council is to amend its decision making structure, there is a need to consider how any new structure interacts with the Parishes.

**8 RECOMMENDATION**

It is **recommended** that the Working Group determines

How it wishes to respond to the latest information now coming forward in relation to the Local Government Bill, specifically with regard to –

- (a) The implementation of a new decision making structure.
- (b) Consultation of any proposed changes as a result of (a).
- (c) A review of Members remuneration.

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**Background Papers**

Local Government Bill  
Second Consultative Drafts of Proposed Guidance and Regulations on New  
Constitutions for Councils

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