

Committee	Date	Classification	Report No	Agenda Item No
Cabinet	29 July 2009	Unrestricted	CAB	
Report of: Assistant Chief Executive Originating Officer(s) John Williams, Service Head, Democratic Services.		Title: New Executive Arrangements – consultation Wards Affected: All		

1. SUMMARY

- 1.1 Since the implementation of the Local Government Act 2000 Tower Hamlets has, in common with most other authorities, operated a 'Leader and Cabinet' model of Executive Arrangements. Under this model, the Leader and Lead Members are each appointed annually by the full Council and the Leader allocates a portfolio of responsibilities to each Lead Member.
- 1.2 The Local Government & Public Involvement in Health Act 2007 ('the 2007 Act') has amended the provisions of the 2000 Act in relation to Executives and the Council will have to change its arrangements with effect from the 2010 Borough Elections.
- 1.3 This report sets out the action that the Council is required to take in relation to adopting a new model of executive governance from May 2010.

2. RECOMMENDATIONS

- 2.1 That the Cabinet:-
 - a) Note the requirements of the Local Government & Public Involvement in Health Act 2007 in relation to Executive Arrangements;
 - b) Confirm that a revised 'Leader and Cabinet' model is the Council's preferred option for the purpose of public consultation; and
 - c) Approve the proposed action plan and timetable at paragraph 6.1; and the consultation proposal at Appendix A to this report.

3. BACKGROUND

- 3.1 The 2007 Act requires that every local authority in England with a population of over 85,000 must adopt one of two models of governance:-
- Either a Leader and Cabinet model with a stronger role for the Leader, who will be elected by the Council for a four year term of office and will appoint the other Cabinet Members;
 - Or a Directly Elected Mayor and Cabinet model.
- 3.2 Both of these models place Executive powers formally in the hands of one person (the Leader or Mayor) who may then delegate to other Members, and who in the normal course of events will serve an uninterrupted four year term. The Council Leader or Directly Elected Mayor appoints and dismisses his/her Cabinet of between two and nine Councillors and decides what (if any) Executive powers they will exercise, either collectively or individually. The Leader can be removed during his/her four year term by a majority vote of the Council.
- 3.3 The Elected Mayor or Leader must appoint a Deputy who will hold office until the end of the Mayor/Leader's term, but can be removed and replaced mid-term by the Leader or Mayor.
- 3.4 The Government believes that the changes will promote effective leadership and decision-making and enable a longer-term view to be taken, to the benefit of councils and local communities. The functions that are the remit of the full Council remain unchanged by the 2007 Act, so e.g. setting the Budget/Council Tax and agreeing the Plans and Strategies in the Policy Framework remain decisions for all Council Members.

4. ACTION REQUIRED

- 4.1 The Council must decide to adopt a new model of governance, either by varying the current Leader and Cabinet arrangements to comply with the requirements of the 2007 Act or by moving to a Directly Elected Mayoral system. A consultation exercise must be undertaken before the final decision is made.
- 4.2 The previous consultation exercise, undertaken prior to the initial introduction of Executive Arrangements after the 2000 Act, showed a preference for a Leader and Cabinet system at that time. It is considered that this model has operated well at Tower Hamlets, providing a transparent and accountable decision-making process and enabling effective scrutiny and improvements in services reflected in the Council again achieving a 4 star CPA rating. Government research has shown that nationally, 81% of local authorities opted for a Leader and Cabinet model as against 3% opting for a Directly Elected Mayor.

- 4.3 It is proposed that subject to the public consultation exercise, the Council's preferred option for the new Executive Arrangements is a revised Leader and Cabinet model. A new Leader and Cabinet model would require the Council to elect its Leader for the next four years at the post-election annual meeting in May 2010.
- 4.4 Should the Council wish to adopt the Mayoral model, it may decide whether or not a referendum should be held before the new model is implemented. If a Mayoral model is agreed, the Mayoral election would take place at the same time as the Council elections in May 2010 and the Elected Mayor would serve for the same term as the Council.

5. TIMETABLE AND PROCEDURE

- 5.1 The 2007 Act sets out the timetable and process to be followed. The Council must, at a special Council Meeting convened for the purpose **before 31st December 2009**:-
- pass a resolution deciding on the form of its new Executive Arrangements;
 - agree a timetable for implementation of the proposals. The last day that the Council can continue to operate its current arrangements is the third day following the 2010 elections; and
 - agree transitional arrangements as necessary.
- 5.2 Before the Council makes its decision, consultation must be undertaken with local people either in the form of a referendum or other consultation with the electorate and stakeholders, depending on the form of consultation previously used when the existing arrangements were introduced. The proposals will be advertised in a local newspaper and copies retained in the Town Hall for inspection.
- 5.3 As previously, a broad consultation programme will allow all interested parties to have their say in the Council's preferred option. It is proposed that the consultation should include a range of opportunities for residents and stakeholders to comment, including:-
- information on the website inviting feedback and an on-line survey;
 - public notices in key locations around the Borough;
 - an article in East End Life and other press inviting feedback; and
 - a letter to partner organizations, business representatives and local groups including residents' and tenants' associations and community groups inviting feedback.
- 5.4 A letter or similar notice would also be made available to Members so that they are fully briefed on the issues, and the Overview and Scrutiny Committee would be formally included in the consultation and invited to submit their views.

5.5 A draft proposal for the consultation, including an outline of the questions and information to be presented is attached at Appendix A for Members' comments.

6. TIMETABLE/ACTION PLAN

6.1 The following timetable is proposed for the consultation and decision-making process required:-

- Initial report to Cabinet: 29th July 2009
- Launch of Consultation (12 weeks): 30th July 2009
- Close of Consultation: 22nd October 2009
- Further report to Cabinet with results of consultation: 4th November 2009
- Special Council Meeting to adopt proposals 2nd or 9th December 2009
- New Arrangements take effect: 9th May 2010

7. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

7.1 The legal context and implications arising from the proposals are incorporated in the main body of the report.

8. COMMENTS OF THE CHIEF FINANCE OFFICER

8.1 The report describes the changes the council must make to its executive arrangements with effect from May 2010. The proposed changes are subject to consultation, as summarised in paragraph 5.3 above. The maximum cost of the consultation exercise described at paragraph 5.3 is £10k. This sum can be met from within the existing budget provision for consultation.

8.2 Should the Council decide, following the consultation exercise, to hold a referendum on the introduction of a Directly Elected Mayor this would give rise to additional costs. In that event a further report will be made on the financial implications at that stage.

9. ONE TOWER HAMLETS CONSIDERATIONS

9.1 The new Executive Arrangements are designed to promote more effective community leadership and accountability, to the benefit of the whole borough and all its communities.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 The new Executive Arrangements are designed to enable effective decision-making and a longer-term view to be taken on all matters including measures to enhance the local environment.

11. RISK MANAGEMENT IMPLICATIONS

- 11.1 There are no direct risk management implications arising from this report.

LOCAL GOVERNMENT ACT, 1972 SECTION 100D (AS AMENDED) LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT

**Brief description of background papers: Name and telephone number of holder
and address where open to inspection**

No unpublished background papers were relied upon to a material extent in the preparation of this report.

New Executive Arrangements: Proposal for consultation

1. Each local authority has the discretion to decide what “reasonable steps” are required to consult on the new executive arrangements. In deciding what consultation is reasonable, Councils can take into account how radical the proposals are, and the extent to which the Council has received any representations lobbying for change.
2. The original consultation on governance arrangements in 2001 showed a preference for the Leader and Cabinet model. There has been no evidence of significant lobbying or debate about changes to governance structures, suggesting there is little public appetite for change. The changes to the Leader and Cabinet model itself under the legislation are relatively minimal, encompassing an extended term and a more centralised focus of power.
3. It is therefore proposed that it would be reasonable to undertake a modest consultation about changes to current arrangements. This consultation could encompass:
 - information on the website inviting feedback and an on-line survey;
 - public notices in key locations around the Borough;
 - an article in East End Life and other press inviting feedback; and
 - a letter to partner organizations, business representatives and local groups including residents’ and tenants’ associations and community groups inviting feedback.
4. It is also suggested that a letter or similar notice is made available to other Members so that they are fully aware of the consultation and can express any preferences or queries.
5. A draft outline of the questions and information to be presented during the consultation is included overleaf. This information can be adapted in length and level of detail depending on the consultation method preferred.
6. Members are invited to comment on the proposed draft. Subject to the comments of Members, the chosen forms of consultation will be implemented through the Communications and Consultation & Involvement teams.

How your Council will be run in the future – HAVE YOUR SAY



The Government wants to make Council leadership stronger. The Local Government and Public Involvement in Health Act 2007 gives two alternative options for how the Council can be run in Tower Hamlets. These two options are listed below. The Council must choose one of them.

How it works now: The Leader of the Council is elected by the full Council (all the Councillors in the Borough) to serve for a year. The Council also appoints nine other Councillors to form a Cabinet alongside the Leader. Cabinet members are responsible for making policy and taking decisions. The rest of the Councillors are responsible for scrutinising (checking and challenging) the decisions of the Cabinet. The Mayor chairs the full Council meetings and has a ceremonial role.

The new proposals are:

Option A: Leader and Cabinet – The Leader of the Council would be elected by full Council to serve for four years. The Leader can appoint between two and nine Councillors to form a Cabinet. The Leader can dismiss this Cabinet at any time. The Leader will have to appoint a deputy leader to serve for four years. Other councillors would continue to scrutinise the decisions made by the Cabinet.

Option B: Directly Elected Mayor and Cabinet – The Mayor would be elected by voters in the Borough to serve for four years. The Mayor is not a Councillor, meaning they will work full-time as a Mayor. The Mayor can appoint between two and nine Councillors to form a Cabinet but does not need to do so. The Mayor can dismiss this Cabinet at any time. The Mayor will have to appoint a deputy Mayor to serve for four years. Other councillors would continue to scrutinise the decisions made by the Cabinet.

Choosing Option A would mean:

- Remaining with a system fairly similar to that operating currently
- The 51 Councillors will elect the Leader every four years
- The Leader can be removed by the Council at any time.
- The current ceremonial Mayor will continue to carry out ceremonial duties.

Choosing Option B would mean:

- A Mayor will be elected by the people of Tower Hamlets every four years
- The Mayor can make most decisions on his/her own or with the Cabinet
- Once elected the Mayor cannot be removed from office by the Council and would serve for a full four year term
- The civic duties and other roles currently performed by the ceremonial Mayor would need to be carried out by someone else - to avoid confusion it may be necessary to re-name the role of ceremonial Mayor to 'Chair of the Council' or 'Speaker'.

The Council's initial view on the options

Option A is quite similar to the system we have in place now. The main difference is that the Leader will be elected for a four year term, and will appoint Cabinet members and decide what powers they will have.

Currently the Council's view is that Tower Hamlets should continue to have a Leader with a strengthened role. The Council has operated a Leader and Cabinet model since 2001 and believes that this model has operated well in Tower Hamlets and will continue to provide stability in the way the borough is run. Nationally, only 3% of Councils have opted for a directly elected Mayor.

Do you agree?

Please tell us which option you prefer for Tower Hamlets:

Option A: Leader and Cabinet	<input type="checkbox"/>
Option B: Directly Elected Mayor and Cabinet	<input type="checkbox"/>
If you have no preference tick this box	<input type="checkbox"/>

**You can also express your preference and have your say online at:
www.towerhamlets.gov.uk/**

To find out more please visit www.towerhamlets.gov.uk/ or contact the Democratic Services team: Mulberry Place, 5 Clove Crescent, London, E14 2BG, 020 7364 4841.

Thanks for having your say.