

**LOCAL GOVERNMENT (ORGANISATION AND STANDARDS) BILL**

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MK 252314

**1. Purpose**

- 1.1 To outline the provisions of the Local Government (Organisation and Standards) Bill.
- 1.2 To enable the Committee to consider a process for addressing the issues raised in the Bill.

**2. Summary**

- 2.1 The Government has published a draft of the Local Government (Organisation and Standards) Bill, which seeks to achieve changes in the political management structures of local authorities, and to introduce improved procedures for ensuring the maintenance of high ethical standards.
- 2.2 A report on the ethical standards aspect of the Bill is to be submitted to the Standards Committee later in the month.
- 2.3 The Government hopes to introduce the Bill in the next Parliamentary Session.
- 2.4 The Group Leaders have held three informal meetings to date to discuss a process for progressing consideration of the Bill, and a Seminar for all Members has been arranged for Friday 10 September.
- 2.5 The Committee now needs to agree a way forward to address the political management issues contained in the Bill.

**3. Recommendations**

- 3.1 That the activities which have taken place so far to commence the process arising from the draft Local Government (Organisation and Standards) Bill in relation to political management arrangements be endorsed.
- 3.2 That the process set out by Group Leaders (outlined in paragraph 5.5 of the report) be approved.

#### 4. **Background**

4.1 The Government has taken the unusual step of publishing a draft of the Local Government (Organisation and Standards) Bill before Parliamentary time has been identified for the measure.

4.2 The ethical aspects of the Bill are to be the subject of a separate report to the Standards Committee later in the month. This report outlines the main provisions of the draft Bill in relation to political management organisation.

4.3 The principal proposals contained in the draft Bill are:

- (a) the introduction of 'executive arrangements' comprising one of the following models:
  - (i) an elected Mayor and an executive;
  - (ii) a Leader and an executive; and
  - (iii) an elected Mayor and an officer.
- (b) the Chairman or Vice-chairman of the Council is a separate appointment and may not sit on the executive;
- (c) the executive is limited in size to 10 Members or 15% of the total membership (in Milton Keynes, the executive would be limited to a maximum of 8 Members);
- (d) the Secretary of State may prescribe certain functions which may or may not be carried out by the executive;
- (e) each authority will be required to draw up a scheme to identify how its functions will be discharged under its chosen model;
- (f) the executive arrangements must include provision for one or more 'overview and scrutiny' committees;
- (g) Members of the executive or the Chairman may not sit on the overview and scrutiny committees;
- (h) neither the executive nor a committee of the executive needs to be politically balanced;
- (i) the political management scheme needs to be the subject of consultation with the electorate and to be submitted to the Secretary of State;
- (j) a proposal to have an elected Mayor must be the subject of a referendum prior to implementation;

- (k) the authority may revise its electoral arrangements, subject to further consultation, and, where appropriate, to the consent of the elected Mayor;
- (l) 5% of the electors in the area (approximately 7,500 in Milton Keynes) may request a referendum on arrangements which involve an elected Mayor;
- (m) an elected Mayor shall serve for 4 years;
- (n) the election for a Mayor will involve a supplementary vote system if there are more than 2 candidates;
- (o) a referendum for an elected Mayor arrangement may not be held more than once in any five year period;
- (p) the Secretary of State will have the authority to modify Acts of Parliament as necessary to give effect to the new arrangement.

4.4 The draft Bill has been the subject of consultation with all local authorities, the Local Government Association, and other interested parties, and a joint Committee of both Houses of Parliament has also commented on the Bill's provision. In its response, the Local Government Association set out a series of principles upon which new structures should be based, and a copy of the principles is set out at **Annex A**.

4.5 There is no firm indication as to when the draft legislation will be formally presented to Parliament, but the appropriate Minister hopes that it will be included in the next session. If so, the likely implementation date will be spring of 2001.

4.6 In anticipation of the legislation, the Group Leaders have met on three occasions so far, and have agreed to commence a process based on the following principles:

- (a) that the process of devising a new structure should include all Members of the Council, with a view to achieving a structure which can be supported by each Group on the Council, and have continuity beyond elections;
- (b) that any structures should be based on the established values of the Council.

4.7 A seminar has been organised for all Members to be held on 10 September 1999.

4.8 Arrangements are being made for appropriate questions to be included in the next public satisfaction survey which will be held in the autumn.

## 5. **Issues and Choices**

5.1 There is no provision in the draft legislation for the existing local government committee system to remain unaltered. Although representations have been made to add this option as a fourth model, the joint committee of the two Houses of Parliament are not in favour of the change, and it is unlikely to be adopted by the Government.

- 5.2 Unless the legislation does not proceed, therefore, it would seem that changes to the Council's political management structures are inevitable.
- 5.3 Several other councils are implementing changes in advance of the legislation, using the existing powers, and a list of examples produced by the Local Government Association is attached at **Annex B**.
- 5.4 The Committee is invited to consider whether or not it would wish to proceed towards a scheme which would be within the terms of the Local Government Act 1972, but would be a natural move towards the requirements of the draft Bill. If so, the Council needs to establish a timetable for this work.
- 5.5 The discussions with the Group Leaders to date have identified the following process issues:
- (a) that the process should be aimed towards the implementation of a new structure within the current Council year;
  - (b) that the Group Leaders should continue to meet to oversee the change process;
  - (c) that focus groups/juries be held in early September 1999 and used to scope local issues with the meetings being based around the question 'What do you expect your council to do for you';
  - (d) that the general approach to new structures should be based on establishing the scrutiny role of Members, with the executive function to follow;
  - (e) that once the Seminar for Members has been held it will be necessary to consult the wider community on the Council's views either by arranging special meetings, or by taking part in existing meetings during early October 1999;
  - (f) that the Leaders and appropriate senior officers form a 'Conference Panel' to present this Council's views to the various meetings, based on a core presentation, covering the background to change, and the issues and principles identified by the Council;
  - (g) that the consultation with external persons be based on the following sectors:
    - (i) Parish/Town and Neighbourhood Councils;
    - (ii) Voluntary Organisations;
    - (iii) Business; and
    - (iv) Others.
  - (h) that any submissions by Members or groups will be circulated to Group Leaders on a non-attributable basis;

- (i) that further work be done on identifying aspects of different structures currently being implemented.

A further meeting of the Group Leaders is being held on 7 September, and the outcomes will be reported to the meeting.

## 6. **Implications**

### 6.1 Environmental

The revised political management arrangements will be devised with the Council's established environmental values in mind.

### 6.2 Equalities

The revised political management arrangements will be devised with the Council's established equalities values in mind.

### 6.3 Financial

The Council's budget does not contain any provision for the consultation exercise. The current Committee support budget is based on the existing Committee structure, and it is too early to state that a revised structure will be more or less costly.

### 6.4 Legal

The Council's revised political management arrangements will need to be based on existing legislation, such as the 1972 Local Government Act (which does not permit delegation of authority to a single Member) and the 1989 Local Government and Housing Act (which introduced the requirements to have political balance on Committees) until such time as the draft Bill is enacted and alternative arrangements can be approved.

### 6.5 Staff and Accommodation

None identified at present.

## 7. **Conclusions**

7.1 The draft Local Government (Organisation and Standards) Bill sets out the Government's thinking in relation to new political management structures in local authorities.

7.2 Several authorities are taking initiatives in advance of the legislation, and discussions have taken place on an informal basis to examine the possibility of this Council doing the same.

7.3 Any progress needs to include all Members and the community, and the proposals contained in this report will provide a basis for the process.

Background Papers: Draft Local Government (Organisation and Standards) Bill

'Local Leadership, Local Choice' published by DETR in March 1999

LGA response to the draft Bill published in May 1999

'Leading the Agenda' - Case studies of new political management arrangements - published by LGA in March 1999