



LOCALISM BILL – GOVERNANCE PROVISIONS

SUMMARY

- 1.1 The Localism Bill (sometimes known as the Decentralisation and Localism Bill) was laid before Parliament on 13 December 2010. Measures within the Bill radically transform the relationships between central government, local government, communities and individuals. It forms part of the Government's wider agenda for decentralisation and to deliver their vision for a Big Society.
- 1.2 This report summarises the governance provisions within the Bill

RECOMMENDATION

- 2.1 To note the report.
- 2.2 To give an indication, in principle, as to whether the Members would favour
 - Returning to the committee system or retaining the current leader and cabinet model.
 - Adopting a voluntary code of conduct.
 - Retaining a local Standards Committee.

REASONS FOR RECOMMENDATION

- 3.1 To update the Committee and to seek a view on future governance arrangements.

SUPPORTING INFORMATION

- 4.1 The Localism Bill contains a number of clauses affecting the governance of local authorities. The most significant are summarised below. The provisions are taken from the Bill as introduced. They may change as the Bill passes through its various parliamentary stages.

Local Referendums

- 4.2 These provisions give people, councillors and councils the power to instigate a local referendum on any local issue. Although these referendums will be non-binding, local authorities and other public authorities will be required to take the outcomes into account in decision making. Referendums are triggered by a petition signed by at least 5% of the electorate for the area affected, or by local councillors, but there are a number of conditions and procedural steps.
- 4.3 Local authorities will be required to hold a referendum if calculations based on principles determined annually by the Secretary of State result in a council tax for the financial year that is 'excessive'. A parallel set of rules will apply to precepting authorities. The principles must be approved by Parliament: the Secretary of State has the option of specifying an alternative amount.

Local Authority Governance

- 4.4 These measures will allow councils to return to the committee system of governance, should they wish. If the Council resolves to change to a committee system, that change takes effect from the next annual elections after the resolution is passed. The earliest possible date is currently expected to be May 2012. It would be useful to have an early indication of Members' views on this.
- 4.5 Overview and Scrutiny committees will be permitted, but not compulsory, under a committee system. The Bill repeals provisions in the Local Democracy, Economic Development and Construction Act 2009 for councils to promote democracy and have Petition Schemes

Predetermination

- 4.6 The Bill will make it clear that the normal activities of a councillor; campaigning, talking with constituents, expressing views on local matters and seeking to gain support for those views should not lead to an unjust accusation of having a closed mind on an issue that can lead to a legal challenge. It aims to give councillors the assurance that they can campaign, discuss and vote on issues with confidence. This provision will enable members to participate more fully in meetings, especially the Planning Control Committee.

Standards Board

- 4.7 The abolition of the Standards Board regime will revoke the centralist model code of conduct for councillors, abolish the need for a local authority to have a statutory standards committee and abolish the Standards Board for England.
- 4.8 While the Standards Board is being abolished, Government is legislating to make it a criminal offence to deliberately withhold or misrepresent a personal interest. This means that serious misconduct that can at present lead to censure by a local authority standards committee and having to make an apology will instead possibly result in a criminal conviction.

- 4.9 There are also discretionary powers for councils to adopt a voluntary code of conduct, to investigate allegations of breaches of the code and to take action if a member is found to have breached the code. The council may opt to retain a Standards Committee and again it would be useful to know Members' views on this.

Directly Elected Mayors

- 4.10 The Bill gives twelve cities the right to have a directly elected mayor. These cities will hold mayoral referendums on local election day in May 2012. For areas that vote in favour, mayoral elections would then be held on local election day in May 2013 using the Supplementary Vote system which is used for existing mayors. Mayors will be elected for four year terms.

OTHER OPTIONS CONSIDERED

- 5.1 No other options have been considered.

This report has been approved by the following officers:

Legal officer	Olumide Idowu
Financial officer	Not applicable
Human Resources officer	Not applicable
Service Director(s)	Stuart Leslie
Other(s)	None

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Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

1.1 None directly arising.

Legal

2.1 None directly arising.

Personnel

3.1 As outlined in the report.

Equalities Impact

4.1 None directly arising.

Health and Safety

5.1 None directly arising.

Environmental Sustainability

6.1 None directly arising.

Asset Management

7.1 None directly arising.

Risk Management

8.1 None directly arising.

Corporate objectives and priorities for change

9.1 None directly arising.