

Directly Elected Mayors

Purpose of Report

For noting.

Summary

Lord Heseltine is speaking to the Councillors' Forum about directly elected mayors. The move towards directly-elected mayors is one of the central proposals in the Localism Bill currently going through Parliament, and has been particularly supported and guided by Lord Heseltine and Number 10. The LGA has some concerns with the proposals in the Bill, which are set out in the briefing report and will be suggesting amendments in Parliament.

Recommendation

Members may wish to raise questions during the discussion session, as suggested within the attached briefing report.

Action

As directed by the Forum.

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Background

1. In March 2006 David Cameron launched the Cities Taskforce with the purview of considering which policies would be needed to instigate and drive urban regeneration in UK cities. The Taskforce, led by Lord Heseltine, in particular, was charged with considering issues around local democratic engagement and what capital projects a future Conservative government might undertake.
2. The Taskforce reported in June 2007 and proposed a number of reforms designed to drive urban regeneration, including:
 - 2.1 Transfer of power from regional agencies downward to local government;
 - 2.2 Directly-elected mayors for all top-tier authorities, with four-year terms;
 - 2.3 'Pan-city' Executive Mayors for Birmingham, Newcastle, Manchester and Liverpool – with powers over regeneration, transport, skills, fire, waste and police services. These would sit above existing councils;
 - 2.4 Greater local control over finances, including retained business rates from new developments, more capital funding, and freedom to issue local bonds.
3. On launching the Taskforce's report, Lord Heseltine said, "One of the reasons why people don't want to stand in the present circumstances is local government doesn't have the power... It's totally suffocated by ring-fenced grants and by the central government machine. If you really want powerful local communities you have got to let them have power and let them make decisions."
4. The Coalition document, published in May 2010, took this policy further, stating "We will create directly-elected mayors in the 12 largest English cities, subject to confirmatory referendums and full scrutiny by elected councillors". The LGA voiced the opposition of its members to mayors being forced onto an area, arguing that it should be a local decision as to whether a mayor is installed.

The Localism Bill

5. The Localism Bill, published in December 2010, lays out a legislative framework for the policy in the Coalition agreement. It refers to the roles, elections, and powers of elected mayors but does not specifically refer to the "12 cities" in the

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Coalition document. The LGA has concerns about some of the policies, particularly:

- 5.1 The power for the Secretary of State to force an area to have a “shadow mayor” with the powers of a mayor, and subject this leadership change to a confirmatory referendum;
 - 5.2 The potential for the Secretary of State to require an elected mayor to take on the role of the chief executive of the authority;
 - 5.3 The power for any public functions to be conferred onto an elected mayor, but not onto any other form of local governance.
6. The LGA has suggested amendments to the Localism Bill which will ensure that it is up to local choice whether a mayor becomes the leader of an area and to delete the Secretary of State’s powers to lay regulations on how a local authority discharges its functions, how referendums on elected mayors are run, and further guidance-giving powers.

Potential Questions

7. Below are some questions that might be asked of Lord Heseltine in Councillors’ Forum.
- 7.1 Where do you see potential problems with the way the Government is rolling out its localism agenda and, in particular with regards to elected mayors?
 - 7.2 Why was it decided that it is better to force a “shadow mayor” on communities and the hold a confirmatory referendum, rather than to leave it local people to decide whether they want a change?
 - 7.3 The thrust of localism is to allow local areas to choose for themselves how they run things, so do you agree that there are too many powers in the Bill for Secretary of State to make regulations and issue guidance on how localism should work on the ground, especially with regards to elected mayors?
 - 7.4 What powers are being considered for conferral on new elected mayors that are over-and-above those currently held by local authorities?
 - 7.5 There is a danger that, by giving areas that choose an elected mayor more powers than those that choose a leader and cabinet model, the Government risks creating unintended “tiers” of localism. Should it be possible to confer powers onto all local leadership models, and if not, why not?

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- 7.6 How do you foresee this programme being rolled out in the long term? Do you see powerful elected mayors being taken up in communities outside of the 12 that have been earmarked, and how will the Government look to incentivise any future take-up?
- 7.7 What do you see as the role of elected mayors within the wider regeneration framework, including Local Enterprise Partnerships and the Regional Growth Fund?
- 7.8 The community budgeting (Total Place) model would put significant new power over local spending in the hands of local authorities. Would you agree that this model should inform policies on devolving powers to elected mayors to ensure they have the flexibility and powers to make savings while focusing public funds on the areas that need them most?
- 7.9 The Deputy Prime Minister has called for a wide-ranging review of local government finance to take place as soon as possible. Given the findings of your City Taskforce, would you still agree that there needs to be greater local control over finances and that this is absolutely the key to ensuring localism truly takes off and will you be supporting Nick Clegg's proposal?

Lord Heseltine



Michael Heseltine is a British businessman, Conservative politician and patron of the Tory Reform Group. He entered Parliament in 1966, and then the Cabinet in 1979 as Environment Secretary. He resigned from Margaret Thatcher's Government in 1986 over the Westland Affair, and in 1990 challenged her for the leadership of the Party, ultimately leading to John Major becoming Prime Minister. Michael returned to the Cabinet under Major and, from 1995 to 1997 was Deputy Prime Minister.

As the ex-"Minister for Liverpool" he is credited with helping the city toward urban regeneration during the 1980s, leading to David Cameron appointing him as leader of the Conservatives' City Taskforce in 2006, with a remit to identify what policies could get England's cities growing and flourishing. In October 2010 he was appointed as chairman of the independent approval panel for the Government's £1.4 billion Regional Growth Fund, designed to "provide support for projects that offer significant potential for sustainable economic growth and can create new private sector employment."

Financial Implications

9. There are no financial implications.