

Extraordinary Cabinet

23 November 2015

Present: N Redfearn (Elected Mayor) (in the Chair)
Councillors EN Darke, R Glindon, IR Grayson, JLL Harrison,
CB Pickard, JJ Stirling, LA Spillard and A Waggott-Fairley.

In Attendance: M Almond (Voluntary and Community Sector)
R Layton (North Tyneside JTUC)
S Reddie (Northumbria Police)

CAB85/11/15 Apologies

Apologies were received from Councillor CA Burdis, M Cushlow (North Tyneside Clinical Commissioning Group) and S Stavers (Northumbria Police).

CAB86/11/15 Declarations of Interest and Dispensations

Councillor R Glindon declared a registerable personal interest in the item North Tyneside Trading Company – Strategic Business Plan (Minute CAB87/11/15), as he was a Director of North Tyneside Trading Company, North Tyneside Trading Company (Consulting) Limited and North Tyneside Trading Company (Development) Limited. A dispensation had been granted in relation to the main Trading Company appointment.

Councillor CB Pickard declared a registerable personal interest in the item North Tyneside Trading Company – Strategic Business Plan (Minute CAB87/11/15), as he was a Director of North Tyneside Trading Company, North Tyneside Trading Company (Consulting) Limited and North Tyneside Trading Company (Development) Limited. A dispensation had been granted in relation to the main Trading Company appointment.

CAB87/11/15 North Tyneside Trading Company – Strategic Business Plan (All Wards)

Cabinet considered a report which sought approval of the North Tyneside Trading Company Business Plan 2015-18

Cabinet was the shareholder's representative for the North Tyneside Trading Company. In this role and in accordance with the Trading Company's constitution, Cabinet was requested to approve the Trading Company's Strategic Business Plan 2015-18.

The Trading Company had been established as a Private Company, Limited by Shares in December 2012. The Trading Company was wholly owned by North Tyneside Council and the Authority was the sole shareholder of the Trading Company. The Trading Company had been created to provide services to public bodies and to other customers, as considered appropriate, enabling trading in new markets and different places.

The Trading Company was required to have a Strategic Business Plan that provided a sense of direction for the Trading Company, and that was intended to guide business development. The Board of Directors had reviewed and refreshed the Strategic Business Plan for 2015 – 2018.

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It detailed the Trading Company's history; governance; mission; approach to appraising business opportunities; assets; products and services; and risks.

Part of the Plan set out how the Trading Company would support the delivery of the Authority's Affordable Homes Programme through its consideration of the use of Reed Avenue and Northumberland Square as initial potential development sites.

The full Strategic Business Plan was attached as an Appendix to the report.

Cabinet considered the following decision options: either to agree the recommendations as detailed in Paragraph 1.2 of the report and approve the North Tyneside Trading Company Business Plan, or alternatively not approve the recommendations and refer the Business Plan back to the Trading Company to examine further options/opportunities.

Resolved that the North Tyneside Trading Company Strategic Business Plan 2015-18, be approved.

(Reason for Decision – It will allow the Trading Company to continue with the activities set out in the Strategic Business Plan, including the potential imminent development of the Reed Avenue site for the purpose of creating new affordable homes.)

N.B Councillors R Glindon and CB Pickard took no part in the discussion or voting on the item.

CAB88/11/15 Future Governance Arrangements for the Authority (All Wards)

Cabinet considered a report requesting approval to request Full Council to consider whether to undertake a Referendum to determine if the electors of North Tyneside wished to continue with the current Mayor and Cabinet model of governance in North Tyneside Council. The report also sought approval to authorise the carrying out of a public engagement process, prior to the meeting of Full Council on 21 January 2016, to inform Full Council's deliberations on the proposed Referendum and any alternative form of governance that could be adopted if the residents of North Tyneside chose not to retain the current Mayor and Cabinet model of governance.

North Tyneside Council had adopted an elected mayor and cabinet form of governance from May 2002 following a Referendum held on 18 November 2001.

For a substantial period of time the Elected Mayor had maintained her support for the holding of a Referendum on whether the current Elected Mayor and Cabinet Model of governance within the Authority should continue, or whether residents would prefer a change from this model.

The Local Government Act 2000 (as amended by the Localism Act 2011) allowed local authorities to change the form of governance arrangements under which they operated. However the legislation required that a local authority had to operate either executive arrangements or a committee system, as its form of governance. Also the executive arrangements had to be either an Elected Mayor and Cabinet or an Executive Leader and Cabinet.

Although in certain circumstances other novel forms of governance could be permitted and these were subject to a period of consultation with and formal agreement of the Secretary of State. To date, no such alternative models of governance had emerged and been agreed by the Secretary of State.

As part of the process of any change from the current governance model a Referendum was required.

A Referendum was necessary as the Authority's current governance model had been adopted following a referendum. It was the responsibility of Full Council to determine whether to undertake such a Referendum and also to determine the form of governance to be introduced as the alternative in the event that residents rejected the current model. The alternative model had to be clearly identified on the Referendum ballot paper.

If Cabinet wished the views of residents to be sought in May 2016 on whether or not to continue with the Mayoral model, and taking into account the timetable for undertaking elections and referenda, it would be necessary for Full Council to decide whether to pursue a Referendum at its meeting on 21 January 2016.

It was proposed to carry out public engagement prior to that meeting on the alternative forms of governance available should a move from the Mayoral model be preferred in the Referendum. This engagement was proposed to take place during the latter part of November 2015 to early January 2016. The responses received would be reported to Full Council at the meeting on 21 January 2016. This would inform the decision on which model of governance would be provided to voters in the Referendum as an alternative to the current Elected Mayor and Cabinet model.

A Communications and Engagement plan would be implemented to ensure that information about the Referendum, and the potential different governance options, was shared in an integrated approach to both raise awareness and understanding, as well as to enable individuals and organisations to have their say.

The target audiences for the Communications and Engagement Plan would include residents, staff involved in delivering council services (including those within business partners), North Tyneside businesses and formal partners including North Tyneside Strategic Partnership, health, voluntary and community sectors. The Plan would use the following methods of delivery:

- Factual information, including frequently asked questions;
- The Authority's website;
- The Intranet for staff;
- Digital platforms including via the Authority's social media sites (Facebook and Twitter);
- An information leaflet that would be distributed to public buildings, including Customer First Centres, libraries and the council's headquarters; and
- Using the media to share awareness of the Referendum and the opportunity for residents to have their say on future governance.

It was proposed that, if agreed by the Full Council on 21 January 2016, the Referendum would take place on 5 May 2016. There was an opportunity to undertake the Referendum within current budget provision by holding it on the same day as the combined Local and Police and Crime Commissioner elections. The combining of the Referendum with the Local and Police and Crime Commissioner elections provided the most cost effective method of undertaking a Referendum particularly when compared against running a Referendum as a stand alone event. Other than the elections in May 2016 there were no other planned elections available to combine the Referendum with before the process to undertake the next Mayoral elections in May 2017 began.

If the outcome of the Referendum was to change from the current model of governance this would be effective from May 2017 when the next election for a Mayor would have otherwise taken place.

The process the Authority was required to take for changing the current form of governance comprised of the three broad stages, which were detailed in the report as follows:

Stage 1 - Full Council to agree what the alternative form of governance would be in the event that the residents of North Tyneside chose not to retain the current Mayor and Cabinet model of governance and agree draft Proposals for change in its governance arrangements (at the Council Meeting on 21 January 2016). The draft Proposals must then be advertised and made available for inspection by the public and must specify:

- the date any change in governance arrangements would come into effect;
- the main features of the change; and
- where copies of the document setting out the provisions of the arrangements that are to have effect can be found.

Stage 2 - The Referendum to be held on 5 May 2016 combined with local elections and the election of the Police and Crime Commissioner.

Stage 3 - If the Referendum supported the proposals for change a resolution of Full Council must be passed within 28 days of the date of the Referendum (by 2 June 2016) to the effect that the Authority intends to change its governance arrangements. The making of the Resolution must be advertised in the local press as soon as practicable.

If a change in the model of governance was supported by the Referendum this change would take effect at the end of the Elected Mayor's current term of office in May 2017. In the event that the outcome of the Referendum was to support retention of the current Mayor and Cabinet model of governance these arrangements would continue and the next Mayoral election would take place on 4 May 2017.

If following a Referendum, the current governance arrangements were retained the legislation providing for changes in local authority models of governance did not permit any further referendum on whether to change from an Elected Mayor and Cabinet Model for a period of 10 years, i.e. 2026.

Cabinet considered the following decision options:-

Option 1 – recommend to Full Council that a Referendum to determine if the electors of North Tyneside wish to continue with the current Mayor and Cabinet model of governance in North Tyneside Council be undertaken as described in the report; and authorise the Chief Executive in consultation with the Head of Law and Governance and the Head of Corporate Strategy to undertake a public engagement process on the alternative forms of governance available to the Authority if the current Mayor and Cabinet model of governance is not retained and report the outcome of the engagement process to Full Council in January 2016.

Option 2 - defer a decision to a later date and request Officers to undertake further research and consider other options for change.

Resolved that (1) Full Council be requested to hold a Referendum on the retention of the Elected Mayor and Cabinet form of governance in North Tyneside Council in May 2016; and

(2) the Chief Executive, in consultation with the Head of Law and Governance and the Head of Corporate Strategy, be authorised to undertake a public engagement process on the alternative forms of governance available to the Authority if the current Mayor and Cabinet model of governance is not retained and report the outcome to Full Council in January 2016.

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(Reason for decision - It fulfils the commitment of the Elected Mayor to seek residents' views on whether to retain the Elected Mayor and Cabinet form of governance. It also co-ordinates a Referendum with the forthcoming Local and Police and Crime Commissioner elections in May 2016. This is a cost-effective method of undertaking a Referendum.)

CAB89/11/15 Dates and Times of Next Meetings

4.00pm on Monday 7 December 2015 (Extraordinary Meeting)

6.00pm on Monday 14 December 2015 (Ordinary Meeting)

Minutes published on Thursday 26 November 2015.

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview, Scrutiny and Policy Development Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on 3 December 2015.