

Leicester  
City Council

**WARDS AFFECTED**  
**All Wards**

**Cabinet**

**18<sup>th</sup> October 2004**

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**CORPORATE GOVERNANCE**

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**REPORT OF THE DIRECTOR OF RESOURCES, ACCESS AND DIVERSITY**

**1. PURPOSE OF REPORT**

This report concerns the Annual Corporate Governance Report for 2003/4 which was discussed at Council on 30<sup>th</sup> September, in particular in relation to the Council's Consultation Strategy and Toolkit in light of the recent Judicial Review.

**2. SUMMARY**

At its meeting on September 30<sup>th</sup> Council recommended that the Leader and Chief Executive do not sign off the Corporate Governance Annual Report until the Council's consultation procedure has been revised in the light of the comments of the Honourable Mr Justice Silber.

Officers have carried out a further review of the Council's Consultation Strategy / Toolkit (can be found on the Intranet on the home page under quick links) and are of the opinion that no revisions are necessary following this judgment.

**3. RECOMMENDATIONS**

Members are recommended to:-

- a) Note the views of officers following a review of the Council's Consultation Strategy/ Toolkit following the recent Judicial Review judgment;
- b) Agree that the Consultation Strategy / Toolkit does not need to be revised in light of the judgment;
- c) Note that contractual arrangements will be reviewed as part of the development work relating to the purchase of service agreements with the voluntary and community sector; and
- d) Authorise the Leader and the Chief Executive to sign off the Corporate Governance Annual Report for 2003/4.

**4. HEADLINE FINANCIAL AND LEGAL IMPLICATIONS**

There are no direct financial implications. Legal implications are covered in the report.

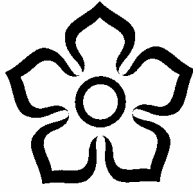
**5. REPORT AUTHOR**

Peter Nicholls, Head of Legal Services and Liz Reid Jones, Head of Policy & Performance, CXO

**DECISION STATUS**

Key Decision	No
Reason	N/A
Appeared Forward Plan	No
Executive or Council Decision	Cabinet

PGN/JC/563



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**SUPPORTING INFORMATION**

**1. REPORT**

**1.1 Background**

An Annual Corporate Governance report for 2003/4 was considered by Resources and Equal Opportunities Scrutiny Committee on 16<sup>th</sup> September. Attached shown as **Appendix 1** is a copy extract from the report which includes a statement as to the current position in respect of the Consultation Strategy.

When the Annual Report was presented to Cabinet on the 27<sup>th</sup> September, Councillor Coley referred to REOPS's question and dealt with it by saying that officers are currently reviewing whether any change to the consultation strategy is required in the light of the Judicial Review. This was correct information at the time.

Following Cabinet on the 27<sup>th</sup>, an objection was received in accordance with Cabinet Rule 12 and the Corporate Governance Annual Report was considered at Full Council on 30<sup>th</sup> September when it was agreed as follows:

“That the decisions of the Cabinet be referred back to Cabinet for further consideration and, in particular, Council recommends to Cabinet that the Leader and Chief Executive do not sign off the Corporate Governance Annual Report until the Council's consultation procedure has been revised in the light of the comments of the Honourable Mr. Justice Silver”.

**1.2 Consultation Toolkit**

The council's consultation toolkit, developed by the Chief Executive's Office, was reviewed recently and relaunched in August 2004, following extensive consultation with officers across the council involved in consultation. The toolkit gives considerable advice on consultation, including definitions, how to

plan and carry out consultation exercises and giving feedback to those taking part.

Officers have further reviewed the Council's Consultation Strategy / Toolkit in the light of comments made by the Honourable Mr. Justice Silber in the recent Judicial Review.

In this case it was found that six decision letters must be quashed because of the failure of the Council to consult properly with the six voluntary organisations in question. The judgment focused only on the way in which the decisions under challenge were reached. The judge emphasised that the Council, when consulting, must ensure to explain clearly and comprehensively the criteria the Council has adopted for decision making. This judgement has been accepted by the Authority and steps are now underway to comply with the judge's view that it is now up to the Council, if it so wishes, to further engage in a process of fresh consultation with these organisations.

There are practical lessons to be learnt from this particular judgment, but the Council's Consultation Strategy / Toolkit itself does not require change.

### **1.3 Review of contractual arrangements with the voluntary and community sector**

The consultation undertaken with the 6 voluntary groups was very specific to contractual arrangements with them and was not directly affected by the Council's Consultation Strategy / Toolkit.

A review of these contractual arrangements is being undertaken as part of the development work relating to the purchase of service agreements with the voluntary and community sector which will replace the existing grant aid contracts.

The learning from the judicial review and from a follow-up consultation exercise with the 6 voluntary groups will be built into this process.

## **2. FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

### **i. Financial Implications**

There are no direct financial implications.

### **ii. Legal Implications**

These are covered in the report.

**iii. Other Implications**

OTHER IMPLICATIONS	YES/NO	Paragraph references within supporting information
Equal Opportunities	Y	
Policy	Y	
Sustainable and Environmental		
Crime and Disorder		
Human Rights Act		
Elderly/People on Low Income		

**3. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972**

Neutral Citation Number: 2004, EWHC 2124 (Admin), Judgement of The Honourable Mr Justice Silber

**4. CONSULTATIONS**

None.

**5. REPORT AUTHOR**

Peter Nicholls, Head of Legal Services and Liz Reid Jones, Head of Policy & Performance, CXO

**CORPORATE GOVERNANCE**

<b>PROCESS: Consultation strategy</b>		
<b>LEAD OFFICER: Assistant Chief Executive</b>		
<b>POTENTIAL KEY RISKS:</b>	<b>AREAS ASSURED:</b>	1, 2 & 4
<ol style="list-style-type: none"> <li>1. The established strategy is not appropriate to the Council's needs.</li> <li>2. The strategy and resultant policy guidance is not fully implemented by the Council's management and so used to drive up performance.</li> <li>3. The generation of poor quality information from consultation leads to poor decision making.</li> <li>4. The strategy is not given the appropriate level of leadership by the political and managerial executive.</li> </ol>	<b>ADEQUACY OF PROCESS:</b>	Public consultation research group provides these alongside the consultation toolkit noting that quality management responsibility lies with those doing the consultation.
	<b>IMPROVEMENT REQUIRED AND ACTION PLANNED AS REPORTED TO CABINET ON 24.11.03:</b>	Quality of consultation and its use - review of strategy and update of toolkit. Improving the use of consultation is through the new management competencies and culture change programme.

**CURRENT POSITION:**

The consultation toolkit has been revised and relaunched giving guidance on all aspects of consultation and participation. It is available on the intranet site.