
REPORT TO:	Cabinet
DATE:	2 March 2021
SERVICE AREA:	Legal and Governance
REPORTING OFFICER:	Head of Legal and Governance <i>(Elizabeth Jackson – Democratic Services Manager)</i>
SUBJECT:	KEY DECISIONS: FINANCIAL THRESHOLDS
WARD/S AFFECTED:	All
FORWARD PLAN REF:	N/A

1.0 PURPOSE OF REPORT

- 1.1 To decide on the financial thresholds for key decisions for the year to 31 March 2022.

2.0 RECOMMENDATIONS

- 2.1 Cabinet is asked to consider whether the current thresholds detailed in this report are adequate or whether they require revision.
- 2.2 If suggested for revision then consequential amendment to Executive Procedure Rule 3.3 will need to be recommended to Council when it meets on 28 April 2021.

3.0 RECOMMENDED REASON FOR DECISION

- 3.1 To comply with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 as amended.

4.0 ALTERNATIVE OPTIONS CONSIDERED AND RECOMMENDED FOR REJECTION

- 4.1 None

5.0 THE REPORT

- 5.1 Under the provisions of Regulation 8 (1) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 as amended, key decisions are “executive decisions which are likely:-

- (a) to result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates; or
- (b) to be significant in terms of its effect on communities living or working in an area comprising two or more wards or electoral divisions in the area for the local authority"

The regulation continues under paragraph (2) that in determining the meaning of "significant" for the purposes of paragraph (1) regard is to be had to any guidance for the time being issued by the Secretary of State. The financial thresholds to be fixed for key decisions are a matter for the authority and no specific guidance has been issued.

5.2 The thresholds in (a), which the Council has considered significant to date, were fixed in 2001, with the threshold for revenue expenditure raised from £100k to £150k by Council in April 2014. The law requires that these thresholds are reviewed annually. The current financial thresholds are as follows:-

- (i) revenue expenditure of £150,000;
- (ii) savings of £50,000;
- (iii) capital expenditure of £250,000;
- (iv) for decisions made by the Chief Executive, in exercise of emergency powers only, £300,000.

5.3 The purpose of setting financial thresholds for key decisions is that all key decisions must be shown in the Forward Plan. Key decisions may be called in for consideration by the Overview and Scrutiny Commission, which means that the Overview and Scrutiny Commission will delay the implementation of key decisions during an Overview and Scrutiny Process. Financial thresholds for key decisions are set out in rule 3.3 of the Executive Procedure Rules and the approval of Council will be required in the event that Cabinet recommends changes to the thresholds.

6.0 CONCLUSIONS

6.1 The Cabinet is required by law to recommend to Council the level of financial thresholds relating to key decisions, which will appear in the Forward Plan.

6.2 There has been no suggestion of a need to increase the relevant thresholds.

7.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

- 7.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.

Background Papers - None

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