



REPORT TO Cabinet

DATE: 24 August 2005

REPORTING OFFICER: Head of Legal and Democratic Services
(Mr A West – Member Services Manager)

SUBJECT: **KEY DECISIONS: FINANCIAL THRESHOLDS**

WARD/S AFFECTED: All

FORWARD PLAN REF: N/A

1.0 PURPOSE OF REPORT

To decide on the financial thresholds for key decisions for the municipal year from 1 September 2005 to 31 August 2006.

2.0 RECOMMENDATIONS

- 2.1 Members are asked to consider whether the current thresholds detailed in this report are adequate or whether they require revision.
- 2.2 If recommended for revision then consequential amendment to EPR 3.3 will need to be recommended.

3.0 RECOMMENDED REASONS FOR DECISIONS

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

None.

5.0 FINANCIAL THRESHOLDS FOR KEY DECISIONS

- 5.1 Under the provisions of Regulation 8 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 decisions 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 in the area for the local authority”.

In relation to Part (b) the Council has already agreed that the effect on one ward will be used and therefore this report is addressed to the requirements of regulation 8(1)(a).

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 guidance issued by the Secretary of State refers to the use of the effect on one ward but the financial thresholds to be fixed for key decisions are a matter for the authority on which no specific guidance has been issued.

5.2 The thresholds which the Council has considered significant to date were fixed in 2001 and reviewed annually since then. The law requires that these thresholds are reviewed annually and published in the press with the dates when the forward plan will be available. The financial thresholds are as follows:-

- (i) revenue expenditure of £100,000;
- (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 threshold for key decisions is that all key decisions must be shown in the Forward Plan which is rolled forward monthly and covers a four month period. Key decisions may be called in for consideration by the Overview and Scrutiny Commissions which means that the Overview and Scrutiny Commissions 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, call in of decisions is set out in rule 16 of the Overview and Scrutiny Procedure Rules and specific procedural requirements apply to the determination of key decisions under the Access to Information Procedure Rules 13-17 inclusive. It is therefore important that the Cabinet is content that the thresholds for key decisions are both sensible and reasonable and this report therefore asks that Cabinet should consider whether to recommend to Council a review of the key decisions financial thresholds.

5.4 In the event that the Cabinet recommends changes to the thresholds and these are approved by Council, then the consequential change to the Constitution will be necessary at rule 3.3(a) of the Executive Procedure Rules.

6.0 CONCLUSIONS

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.

Background Papers:

OFFICER CONTACT: Please contact Mr A. West – Member Services Manager if you require any further information on the contents of this report. The officer can be contacted at Department of Administration, Council Offices, Crescent Gardens, Harrogate by telephone on 01423 556015

SUSTAINABILITY ASSESSMENT/POLICY CONSIDERATIONS

		Implications are		
		Positive	Neutral	Negative
A	Economy		✓	
B	Environment		✓	
C	Social Equity			
(i)	General		✓	
(ii)	Customer		✓	
	Care/People with Disabilities			
(iii)	Health Implications			
D	Crime and Disorder Implications		✓	

If all comments lie within the shaded areas, the proposal is sustainable.

KEY WORDS -

