

COUNCIL MEETING – 11TH OCTOBER 2012

Extract from the Minutes of the Constitution Committee Meeting on 20th September 2012

17 KEY DECISIONS - DEFINITION AND THRESHOLDS

The Committee considered revised definitions with regard to key decisions.

The definition of a key decision was two-fold. The first limb related to those executive decisions where either expenditure or savings were significant having regard to either the service or the function to which the decision related. The Council's current definition of a key decision did not specify any financial thresholds. Guidance indicated that the Council ought to look at specifying limits, both in the interests of consistency and so that the public were clear about which decisions were considered to be significant in financial terms.

The second limb of the definition of a key decision related to its impact and effect upon local communities. Although the statutory definition required the impact to be on two or more wards, guidance recognised that in some instances there would be a significant impact on one ward.

Information had been obtained on the definition of a "key decision" adopted by Cheshire East Council's 15 near statistical neighbours and was appended to the report.

The Director of Finance and Business Services advised the Committee that for Cheshire East Council, a financial threshold of £1M would be appropriate. Members felt, however, that a lower threshold would allow more openness and scrutiny of decisions and as a result should lead to better decisions.

RESOLVED

That Council be recommended to approve that the following definition of a key decision be adopted:

"an executive decision which is 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 effects on communities living or working in an area comprising one or more wards or electoral divisions in the area of the local authority.

For the purpose of the above, savings or expenditure are "significant" if they are equal to or greater than £250,000."