

## Key Decision Threshold – Review of the Governance Working Group and Proposed Changes.

### Report of the Director of Legal and Democratic Services

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Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

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#### **1) Recommendation**

That Council be recommended to amend Part 3 of the Constitution as outlined in section 4 of the Report (with the additions to the Key Decision threshold as shown in appendix 3) and also cross reference with article 2 – Section 13.4.

#### **2) Background / Introduction**

The Governance Review Group have reviewed and benchmarked the Key Decision threshold and determined that the financial threshold of £1 million remains the appropriate threshold.

The group have, furthermore, taken into account best practice and considered the Constitution and determined that the current explanation of what constitutes a Key Decision could be improved further with a focus on greater clarity and explanation.

A copy of the current key decision is attached at appendix 2 to this Report and the proposed amendments can be found at appendix 3.

#### **3) Consultations / Representations / Technical Data**

Views were sought from the Governance Working Group and benchmarking data from across other Authorities as well as specialist support from the Local Government Association (LGA). Benchmarking information can be found at Appendix 1.

It is proposed that the definition of what the Council considers a Key Decision is further defined and the following matter are included to provide clarity to officers, Elected Members and members of the public in the framework for what is considered a Key Decision when decision making;

- any decision which would result in the closure of an amenity or total withdrawal of a service;
- any decision in accordance with the Council's Financial Regulations (Part 9), involving financial expenditure of £1,000,000 or above, with the exception of operational expenditure by the Chief Executive identified within the approved budget and policy framework;
- any proposal to change the policy framework;
- any proposal which would have a significant effect on communities living or working in an area comprising two or more electoral divisions, unless this falls under the delegation or terms of reference of another Committee of the Council;
- any contract (or programme) which: exceeds an annual value of £1 million.

It would also be prudent for the definition to allow for some flexibility for matters which fall outside of the definition but are deemed as requiring a cabinet decision so it proposed that if the Monitoring Officer in consultation with the Leader and Head of Paid Service considers a decision as requiring a Cabinet decision, they can deem the matter a key decision within the Regulations.

#### **4) Main Body / Proposal**

It is proposed that Part 3 of the Constitution be amended as follows, with amendments shown in red.

[Constitution - Part 3c Responsibility for Functions Scheme of Delegation.pdf \(devon.gov.uk\)](#)

##### 10.1 Key Decisions

10.2 In accordance with Article 13.4 the Leader, after consultation with Cabinet Members and Officers, will table at every meeting of the Cabinet a list of what they consider are key decisions and once this list has been approved such decisions shall not be taken other than by the full Cabinet.

##### 10.3 Devon County Council Defines a Key Decision as

- any decision which would result in the closure of an amenity or total withdrawal of a service;
- any decision in accordance with the Council's Financial Regulations (Part 9), involving financial expenditure of £1,000,000 or above, with

the exception of operational expenditure by the Chief Executive identified within the approved budget and policy framework;

- any proposal to change the policy framework;
- any proposal which would have a significant effect on communities living or working in an area comprising two or more electoral divisions, unless this falls under the delegation or terms of reference of another Committee of the Council;
- any contract (or programme) which: exceeds an annual value of £1 million; and
- proposes significant changes to the Constitution Together with any other decision which the Monitoring Officer in consultation with the Leader and Head of Paid Service considers to be a key decision within the Regulations.

10.4 If Key Decisions are to be discussed with Council officers at a meeting of the Cabinet, the meeting will be open for the public to attend except where matters of a confidential or exempt nature are to be discussed.

10.5 The Cabinet has to make decisions which are in line with the Council's budget and policy framework. If it considers that a decision is required which is outside the budget or policy framework, it must refer the matter to the whole Council for a decision."

## **5) Strategic Plan**

This proposal aligns to the Council's Strategic Plan 2021 – 2025. The proposal supports the commitment of ensuring that the Council makes good decisions and is transparent and supports being a trusted and inclusive Council that hears the voices of communities and listens and learns.

## **6) Financial Considerations**

There are no financial considerations.

## **7) Legal Considerations**

Under Section 37 of the Localism Act 2011, the Council must prepare and keep up to date a Constitution. The proposed arrangements would not compromise this requirement.

## **8) Environmental Impact Considerations (Including Climate Change, Sustainability and Socio-economic)**

There are no environmental related issues.

## **9) Equality Considerations**

There are no equality related issues.

## **10) Risk Management Considerations**

No risks have been identified.

## **11) Summary / Conclusions / Reasons for Recommendations**

Under Section 37 of the Localism Act 2011, the Council must prepare and keep up to date a Constitution. The proposed arrangements would not compromise this requirement.

### **Name**

Director of Legal and Democratic Services – Maria Price

**Electoral Divisions:** All

### **Local Government Act 1972: List of background papers**

NIL

### **Contact for enquiries:**

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## Appendix 1 Benchmarking – Financial Thresholds

Local Authority	Established	District Councils	Cabinet / Committee	Key Threshold £
<a href="#">Cambridgeshire County Council</a>	1974 <sup>Cambs</sup>	5	Committee	500,000
<a href="#">Derbyshire County Council</a>	1889	8	cabinet	500,000
<a href="#">Devon County Council</a>	1889	8	cabinet	1000,000
<a href="#">East Sussex County Council</a>	1889	5	cabinet	500,000
<a href="#">Essex County Council</a>	1889	12	cabinet	2000,000
<a href="#">Gloucestershire County Council</a>	1889	6	cabinet	500,000
<a href="#">Hampshire County Council</a>	1889	11	cabinet	1000,000
<a href="#">Hertfordshire County Council</a>	1889	10	cabinet	500,000
<a href="#">Kent County Council</a>	1889	12	cabinet	1000,000
<a href="#">Lancashire County Council</a>	1889	12	cabinet	2000,000
<a href="#">Leicestershire County Council</a>	1889	7	cabinet	Not defined as a monetary figure
<a href="#">Lincolnshire County Council</a>	1974	7	<a href="#">cabinet</a>	500,000
<a href="#">Norfolk County Council</a>	1889	7	cabinet	1250,000
<a href="#">Nottinghamshire County Council</a>	1889	7	cabinet	1000,000
<a href="#">Oxfordshire County Council</a>	1889	5	cabinet	500,000 or 1000,000 capital
<a href="#">Staffordshire County Council</a>	1889	8	cabinet	No monetary definition, substantial in budget, effect on community affecting more than one electoral division.
<a href="#">Suffolk County Council</a>	1974	5	cabinet	500,000
<a href="#">Surrey County Council</a>	1889	11	cabinet	Not clear
<a href="#">Warwickshire County Council</a>	1889	5	cabinet	500,000
<a href="#">West Sussex County Council</a>	1889	7	cabinet	500,000
<a href="#">Worcestershire County Council</a>	1998 <sup>Worcs</sup>	6	cabinet	<p>in connection with the discharge of an executive function and</p> <p>* involves significant expenditure or savings having regard to the budget for the related service or function; or</p> <p>* has a significant effect on communities in two or more electoral divisions.</p>

**Appendix 2**  
**Current key decision wording**

[Constitution - Part 3c Responsibility for Functions Scheme of Delegation.pdf \(devon.gov.uk\)](#)

**10.1 Key Decisions**

10.2 In accordance with Article 13.4 the Leader, after consultation with Cabinet Members and Officers, will table at every meeting of the Cabinet a list of what they consider are key decisions and once this list has been approved such decisions shall not be taken other than by the full Cabinet.

## **Appendix 3**

### Proposed Key Decision Wording

#### **Proposed Wording (Marked up)**

#### **[Constitution - Part 3c Responsibility for Functions Scheme of Delegation.pdf \(devon.gov.uk\)](#)**

##### “10.1 Key Decisions

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