

Appendix 1

Amendment to Article 6 of Constitution

(To replace all other current definitions of key decision in constitution)

Key Decisions are those that meet criteria laid down in legislation and the Council's criteria. Key Decisions will be recorded on the Mayor's Forward Plan of Key Decisions. Details regarding the procedure for Key Decisions are given in the Access to Information Procedure Rules.

The statutory definition of Key Decision is an executive decision, which is likely:

- to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- to be significant in terms of its effects on communities living or working in two or more wards in the City.

The threshold at which expenditure or savings will be regarded as significant has been set at £500,000 (see guidance in [INSERT]).

For clarity, the following will also be reported to the Executive:

- Any matters deemed to have a reputational risk to the Council
- Any matter deemed to have significant financial or legal risk
- Any matter relating to cessation or significant change in service delivery or policy direction
- Any matter deemed significant by the Head of Paid Service, the Monitoring Officer, or s151 Officer
- Concession contracts with a value in excess of £500,000

Further guidance on key decisions may be found at [INSERT]

FURTHER GUIDANCE

Calculating the value for the purposes of the threshold

When calculating whether or not expenditure/savings are above the £500,000 threshold, the cumulative value is the relevant amount. Typically this will be the total contract value, inclusive of any extensions e.g. a four year contract with a two year extension period and an annual value of £100,000 will be worth a cumulative value of £600,000 and therefore will require a key decision.

Significant impact on communities

Central government guidance clarifies what is meant by “significant impact on communities”:

- For example a council should regard as key a decision to close a school or carry out road works (such as introducing or altering traffic calming measures) in a neighbourhood, notwithstanding the thresholds of financial significance and that there may be an impact on only one ward.

- Where a decision is only likely to have a significant impact on a very small number of people in one ward or electoral division the decision maker should ensure that those people are nevertheless

informed of the forthcoming decision and sufficient time allowed for them to exercise their rights to see the relevant papers and make an input into the decision making process.

- In considering whether a decision is likely to be significant, the decision maker will need to consider the strategic nature of the decision and whether or not the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality affected. The following should be considered:

- o The effect on communities, businesses and communities;

- o The expectation of the public and councillors as to whether the decision should be taken by the executive;

- o The anticipated interest of the public and of councillors;

- o The effect on other council services and functions.

Who decides if a decision is key?

- It is for the Executive Director to decide which decisions within their responsibility are key, subject to [consultation with the Mayor/relevant Cabinet Member and] guidance from the Monitoring Officer who may require that a decision be treated as a key decision.