

To: COUNCIL

Date: 25th February 2013

Report of: Head of Law and Governance / Monitoring Officer

**Title of Report: KEY DECISIONS – ALIGNMENT OF FINANCIAL LIMITS
WITHIN THE CONSTITUTION**

Summary and Recommendations

Purpose of report: To align the Council's financial definition of a key decision with the financial limits for officer approvals of projects and acceptance of contracts.

Report Approved by:

Finance: Nigel Kennedy

Legal: Jeremy Thomas

Policy Framework: Not applicable

Recommendation(s): That the definition of a key decision in financial terms be increased to £500,000 to align with project approval and contract acceptance figures in the Constitution, and to authorise the Monitoring Officer to make the necessary constitutional changes.

1. A key decision is an executive decision which is likely:-
 - (a) To result in a 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 two or more wards in the area of the local authority.
2. At present the City Council's financial limits, above which executive decisions are key decisions, are £150,000 for General Fund and £200,000 for Housing Revenue Account.

3. The key decision financial limit does not align to the Council's finance and contract rules. Those rules were changed and updated in February 2012. The rules set a limit of up to £500,000 for officers to agree project approvals and the same limit for officers to accept contracts. Project approvals and contracts over £500,000 must be agreed by the City Executive Board.
4. This report recommends Council to change the financial definition of a key decision so that the limit is £500,000. Approvals and acceptances above that sum will represent key (Board) decisions and below that sum will not represent key decisions.

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