

**To:** Scrutiny Committee  
**Date:** 14 January 2025  
**Report of:** Head of Law & Governance (Monitoring Officer)  
**Title of Report:** Governance changes to address the increase in Urgent Key Decisions

| <b>Summary and recommendations</b> |   |
|------------------------------------|---|
| <b>Purpose of report:</b>          | To update the Scrutiny Committee on the progress and plans to address the increase in Urgent Key Decisions in 2024 and to improve and strengthen governance of the Council. |
| <b>Key decision:</b>               | n/a   |
| <b>Cabinet Member:</b>             | Councillor Susan Brown, Leader of the Council   |
| <b>Corporate Priority:</b>         | A Well Run Council  |
| <b>Policy Framework:</b>           |   |

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| <b>Recommendation(s):</b> That Scrutiny Committee resolves to:                 |
| 1. <b>Note</b> the progress made to date and plans being taken forward in 2025 |

| <b>Appendices</b> |                            |
|-------------------|----------------------------|
| Appendix 1        | Actions taken and proposed |

## Introduction and background

1. The law requires that the Council defines what is a Key Decision. This is set out at part 15.14 of the Constitution and was amended by the Council in November 2024.
2. Where a decision is a Key Decision then the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 (“the Regulations”) require that:
  - a. A notice of the decision to be taken is published on the forward plan 28 days in advance of the decision being taken.
  - b. That the notice states what decision is to be taken, who the decision maker is and when the decision will be taken by.

3. The Regulations also allow for Councils to take Urgent Key Decisions without complying with this arrangement. For Oxford City Council the process which allows this is set out in Parts 15.17 and 15.19 of the Constitution and requires the advance notification and/or agreement of the Chair of the Scrutiny Committee depending on whether a 5 day waiting period can be accommodated before the decision is implemented.

4. Call-in also applies to a range of Key Decisions (see 17.3) and again, agreement of the Chair of Scrutiny Committee is required to remove this requirement.

5. There has been a recent increase in the number of Urgent Key Decisions and removals of call-in agreed by the Chair of Scrutiny, with some other issues arising in governance terms. It has been agreed with the Chair of Scrutiny to bring a report to Scrutiny to outline the steps taken and proposed to address the causes of these.

### **Identified causes**

6. There have been a number of themes with the reasons for the Urgent Key Decisions as follows:

- c. Wording of forward plan entries being insufficient in that they did not properly meet the criteria within the Regulations, either in the description of the decision to be taken or the identification of the decision maker.
- d. Oversights in placing officer delegations on the forward plan in their own right once the delegation of the authority has been granted by the Cabinet and before the decision needs to be taken.
- e. Confusion about the definition of a key decision – previously it was spend over £500k and contracts over £1m however a contract is spend and the threshold at which project approval from the Cabinet was required was lower than the £1m thresholds for decisions reserved to the Cabinet.
- f. Confusion over at what stage a Key Decision was being made, some officers correctly identifying that a matter would need a Key Decision but seeing this as the stage at which the Cabinet made a delegation to officers, rather than the point at which the delegated authority was exercised.
- g. The Council's wholly owned companies not understanding where matters that require a decision by the shareholder might constitute a Key Decision or the need to comply with the arrangements.
- h. Confusion between where the Council's wholly owned companies let a contract in their own right versus for the Council. The latter requiring the Council's governance processes to be followed.

7. In addition to the above there will always be legitimate reasons for Urgent Key Decisions to be taken where there are timelines/requirements of third parties that dictate when a decision is needed e.g. in a commercial transaction or where something is required because of an emergency.

8. Whilst not ideal, the number of Urgent Key Decisions being taken, it demonstrates that the system is working. It means a legal decision has been taken and a potentially worse position has been avoided. However, Legal Services and Committee Services are the last line of defence in spotting the issue and this has been working, therefore there have been a number of Urgent Key Decisions resulting to ensure proper governance in line with the constitution, however there are steps that are proposed

and being taken that will reduce the number of Urgent Key Decisions and also ensure that they are spotted by the appropriate officers at the outset of a process, as opposed to the end.

**Proposals and steps taken**

9. Appendix 1 to this report sets out the plans to address the issues that have been identified and are either implemented, in progress or will be timetabled in shortly.

10. The steps consist of a range of measures, including training, guidance, changes to forms and processes and to the Constitution.

11. In addition, the plans and updates will be reported in the Annual Governance Statement to the Audit and Governance Committee when the Annual Governance Statement for 2023/24 is prepared in September 2025.

**Financial implications**

12. There are no financial implications from this report.

However, clarification of the financial thresholds and definitions of values is updated to state that:

All financial thresholds for Key Decisions by the Council for the approval of income, expenditure, investment, borrowing, acquisition and disposal transactions/projects and for transfers between cost centres exclude VAT (if it is applicable and chargeable).

The financial value of a contract is quantified for the whole life of the contract taking into account any specified variables such as options to supply additional goods/services/works or options to extend or re-new the contract.

**Legal issues**

13. There are none arising directly from the recommendation of the report however the report outlines steps necessary to ensure robust governance and decision making and therefore reduce legal risks of challenge to the Council.

**Level of risk**

14. N/A

**Equalities impact**

15.N/A

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## Appendix One

| <b>Actions</b>   | <b>Status / Target date</b>  |
|--|--|
| Address inconsistency in the definition of Key Decision in the constitution  | Done<br>November Council   |
| Update report templates and guidance for officers  | In progress<br>Complete by end of January 2025                         |
| Training on decision making of the Council / Cabinet / Officers and Key Decisions – Legal Services and Committee Services              | Delivered<br>December 2024   |
| Training on decision making of the Council / Cabinet / Officers and key decisions – Corporate Management Team and Heads of Service     | Delivered<br>December 2024   |
| Training on decision making of the Council / Cabinet / Officers and key decisions – Wider Management                                   | Scheduled<br>January 2025  |
| Training on decision making of the Council / Cabinet / Officers and key decisions – all staff  | Scheduled<br>April 2025 (and earlier date will be secured if possible) |
| Training on decision making of the Council / Cabinet / Officers and key decisions – attendance at team meetings as requested           | To be arranged once all other training has been delivered              |
| Mandatory training – once the Council's new e-learning system is in place it is proposed to look at an on-line module for all staff to | Review once the new system has been procured and implemented in 2025.  |

| Actions   | Status / Target date   |
|---|--|
| undertaken on starting their employment.  |  |
| Training of the officers of the Council's companies and a formal letter and guidance to the Company Boards setting out the requirements and asking they ensure their organisations follow them where contracting for the Council.                                 | To be arranged once a Company Secretary is in post for each                  |
| Review of the format and structure of the forward plan – create a delegated decisions (officers) forward plan and a meetings forward plan (Cabinet, Council and SHJVG)  | In progress<br>Complete by end of February 2025                              |
| Review of standing items on the forward plan with a view to rewording where required and minimise standing items to those where it can be effective (there are some situations where delegation may be too wide and long term to allow for a standing delegation) | In progress<br>Complete by end of January 2025                               |
| Clienting review of the Council's companies   | March 2026   |
| Clarification / reorganisation of clienting responsibilities within senior management   | Done<br>Implement from the 1 February with the Senior Management restructure |
| Review and clarify contract signing responsibilities in the constitutional review   | To be looked at with anticipated approval in Spring 2025.                    |
| Ensuring officers producing reports for Cabinet have onwards responsibility where the Cabinet will make recommendations to the Council  | Implemented  |
| Produce an actions list from each Cabinet meeting to circulate and prompt officers who author reports to consider adding relevant decisions needed as a result of delegations made to the Forward Plan  | In progress<br>End of February 2025  |

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