

**Meeting of the Full Council**  
**Meeting to be held on Thursday, 23 February 2017**

Report submitted by: Director of Financial Resources

**Part A**

Electoral Division affected:  
All

**Financial Threshold for Key Decisions**

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**Executive Summary**

The Council is required, each year, to specify the financial threshold above which decisions should be treated as Key Decisions as defined in Standing Order 25(1).

**Recommendation**

It is recommended that the Full Council confirms that the financial threshold for Key Decisions, for the purposes of Standing Order 25(1), should be increased to £1.5m for 2017/18.

**Background and Advice**

Standing Order 25(1) defines a Key Decision of the Cabinet/Cabinet Member for the purpose of the requirement for the County Council to publish details of a Key Decision at least 28 clear days before the decision is due to be taken.

A key decision means an executive decision which is likely:

- (a) 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 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 or electoral divisions in the area of the council.

In the case of (a), a domestic decision with a significant financial impact on the County Council, the current threshold is £1.4m.

The Council is required, by number 13 in its list of functions in the Constitution, to “specify, before the beginning of each financial year, the amounts of expenditure and savings that shall be regarded as significant for the purposes of Standing Order 25(key decisions).”

The Director of Financial Resources has, in consultation with the Chief Executive, reviewed the financial threshold for key decisions. The current threshold (£1.4m) was approved by the Full Council in 2012 and the Full Council has subsequently agreed to keep the threshold at that value as the effects of inflation had not had a material effect on the value of the threshold. The recommendation arising from the review is that the threshold should be increased to reflect the cumulative effect of inflation since the current threshold was approved in 2012. It is proposed, therefore, that the threshold for 2017/18 should be £1.5m reflecting the cumulative effect of inflation since the threshold was last amended.

### **Consultations**

The Director of Financial Resources has liaised and consulted with Democratic Services.

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

No significant risks have been identified.

### **Local Government (Access to Information) Act 1985 List of Background Papers**

Paper	Date	Contact/Tel
Lancashire County Council Constitution		Chris Mather/ (01772) 533559

Reason for inclusion in Part II, if appropriate

N/A