

## CABINET AND FORWARD PLAN

### Section 1: Current Position

#### Cabinet

The Cabinet is the main decision making body under the new democratic structures. With the Leader it forms the Executive of the Council. As well as making day to day decisions it makes proposals to the Council on the budget and on Policy Framework documents.

Individual Cabinet Members are able to make decisions but they are not currently permitted by the Council's constitution to make "key decisions" (see below).

#### The Forward Plan

The Council is required to publish a Forward Plan each month setting out all the "key decisions" which are to be taken by the Cabinet or officers during the following 4 month period. A key decision is defined in Article 14 of the Constitution as:

"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 to which the decision relates;
- b) To be significant in terms of its effects on the communities living or working in an area comprising two or more wards."

In the absence of Government guidance the Council has specified a threshold of £50,000 to determine significant expenditure or savings.

A key decision can only be taken if notification of it has been given in at least one published edition of the Forward Plan, unless it is urgent and if specific procedures laid down in the Constitution (paragraphs 15 or 16 of the Access to Information Procedure Rules) have been followed.

### Section 2: Research Findings

#### Cabinet

There appears to be a general perception amongst both officers and members that the Cabinet works well as a mechanism for executive decision making.

The arrangements for Cabinet decision making are easily understood and are open and accountable in that meetings are held in public, and it is clear who is responsible for the decisions. However, there are some concerns, apparently more amongst officers than members, that there is a degree of “stage management” about some aspects of meetings because decisions often appear to have already been taken privately and are merely “rubber stamped” at the meeting.

There is strong support for providing an opportunity for Overview and Scrutiny Committees to have a greater input to and impact on Cabinet Meetings (96% of Councillors and 83% of Officers agreed that the Cabinet should respond specifically to each recommendation from Overview and Scrutiny Committees).

### The Forward Plan

Comparisons with a random selection of 15 other authorities has revealed that the content of Forward Plans is fairly similar, perhaps unsurprising as the contents are largely prescribed in legislation. The presentation of the information is a bit more varied, particularly the amount of information that is accessible electronically. The most significant variation is the choice by some authorities to include all decisions to be taken by the Cabinet rather than just key decisions. (In such cases key decisions are identified by a symbol or in some other way). One or two authorities produce a Forward Plan (sometimes for internal use only) for a full year ahead. There is also a significant range in the financial limits applied to the definition of key decisions.

Responses to the questionnaire indicate that both members and officers are satisfied that the current format of the Forward Plan gives them enough information (96% and 92% of respondents respectively).

However, when asked if the scope of the Forward Plan should be extended to include all Cabinet decisions and to cover a longer period the majority of members who responded (68%) were positive while officers were evenly split.

A majority of Councillors (57%) and 50% of members also agreed that the Forward Plan should look forward a year even if it was speculative rather than four months as it does at present. Again, officers were evenly split.

The views of Councillors and Officers on the financial threshold of all key decisions are dramatically different. All officer respondents felt that the current £50,000 threshold should be increased, while only 21% of member respondents considered that it should be increased.

A survey of 26 Councils published by the Local Government Information Unit in October 2002 revealed financial thresholds for additional expenditure or savings ranging from £30,000 (in one small District) upto £1 million. The average for county and unitary councils was £405,000. Only one other council in this category (Bolton) had a figure as low as £50,000. The most commonly specified figure was £500,000.

There is also a divergence of views about whether individual Cabinet members should be able to make key decisions. All officer respondents think they should, where only a small majority (52%) of Council respondents support such a proposal.

### **Section 3: Options**

#### Cabinet Meetings

**OPTION 1:** The Cabinet could be required to respond specifically to each recommendation made by an Overview and Scrutiny Committee.

**OPTION 2:** There could also be a presumption that the Chair or nominated spokesperson of an Overview and Scrutiny Committee or a Review Group will be invited to present recommendations at the Cabinet Meetings.

#### Forward Plan

**OPTION 1:** Make no changes

**OPTION 2:** Extend the period covered by the Forward Plan.

**OPTION 3:** Include all decisions to be taken by the Cabinet instead of just key decisions.

**OPTION 4:** Change the financial threshold for key decisions.

**OPTION 5:** Authorise individual Cabinet members to take key decisions.

### **Section 4: Conclusions**

#### Cabinet Meetings

There is very strong support for the proposal that the Cabinet should be required to respond specifically to each recommendation made by an Overview and Scrutiny Committee. This could easily be achieved. Consideration could take the form, either of discussing each recommendation at the meeting to which it is submitted, or the Lead Cabinet Member being asked to discuss the recommendations in detail with Officers and to submit written responses for consideration at a subsequent Cabinet Meeting. A time limit for the submission of a response would probably need to be specified.

The suggestion that the Chair, or a nominated spokesperson of an Overview and Scrutiny Committee will be invited to present recommendations at Cabinet meetings, does not appear to be controversial. It would achieve the desired aim of increasing input of Overview and Scrutiny members to the Cabinet decision making process and would also, to some extent, help to overcome the “stage managed” appearance of some Cabinet Meetings.

## The Forward Plan

Although the majority of Members and Officers appear to be content with the basic information contained in the Forward Plan, the option of making no change is not favoured.

Extending the period covered by the Forward Plan would be in line with the fundamental objectives of the new democratic structures and could potentially make the whole decision making process work more smoothly. Some unforeseen issues requiring decisions by the Cabinet will always arise. However, officers delivering and developing services in line with stated policies, budgets and objectives should be able to identify a year in advance when a large proportion of Cabinet decisions will need to be taken. The timescales for the submission to the Government of the increasing number of bids for funding and action plans in response to inspections of services should also be predictable, as should the timescales needed for the award of major contracts. Identifying a full year ahead when significant decisions would be needed should improve the programming and future planning of work by officers, the executive and scrutiny bodies and would give more notice to the public and interested bodies of when particular issues were to be considered. The main disadvantage of extending the period covered by the Plan would be its bulk and the difficulty in making it accurate, particularly towards the end of the period.

Including all items to be considered by the Cabinet in the Forward Plan would provide a more complete picture for non executive councillors, the media and the public and would be less confusing. Key decisions would still need to be identified. The main disadvantage would again be the increased bulk of the document and the difficulty in identifying when some of the non-key decisions would be needed.

A possible approach to overcome these problems, would be to include all items to be considered by the Cabinet for the first 4 month period but only to list key decisions for the remainder of the 12 month period. the Plan could be extended to include

A possible change to the financial threshold for key decisions is more controversial but a £50,000 variation on approved budgets is very low in comparison with the thresholds used by other councils. It is also a very small figure bearing in mind the size of many contracts and the overall level of the Council's expenditure. Given that there is extensive consultation on and political input to the formulation of the budget, keeping such a tight control on individual projects is considered to cause unnecessary delay and operational inefficiency. In practice Officers are routinely authorising expenditure, where costs are within overall budgets, greatly in excess of £50,000. However, non executive members who responded to the questionnaire are opposed to any increase in the financial threshold, apparently because of concerns about a reduced opportunity to scrutinise executive decision making.

So far there has been a reluctance to delegate authority to make key decisions to individual councillors. The potential benefit would be to speed up decision making and avoid Cabinet Agendas becoming over burdened.

## **Section 5: Constitutional Implications**

The proposals made below could be implemented by recommending Council to approve the suggested changes to the Cabinet Procedure Rules.

## **Section 6: Recommendations**

### Cabinet

1. That the Cabinet Procedure Rules be amended to require the Cabinet to respond specifically to each recommendation made by an Overview and Scrutiny Committee or an Overview and Scrutiny Committee Review Group.
2. That the Cabinet Procedure Rules be amended to allocate the Chair or a nominated spokesperson of an Overview and Scrutiny Committee Review Group up to 10 minutes to present the findings, conclusions and recommendations of the Committee or Review Group to Cabinet.

### Forward Plan

3. That, from September 2003, the period of each Forward Plan be extended to cover the coming 12 month period.
4. That all decisions to be taken by the Cabinet (not just key decisions) be included.
5. That individual Cabinet Members be authorised to take key decisions (subject to the notification requirements of the Access to Information Procedure Rules and the call-in provisions).
6. That the financial threshold for key decisions be increased to £100,000.