 

**JOINT CORPORATE GOVERNANCE FRAMEWORK**

**2022/23**

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**Statement of Corporate Governance for the Police and Crime Commissioner for Thames Valley and the Chief Constable of Thames Valley Police**

**Introduction**

The purpose of this statement is to give clarity to the way the two corporations sole, the Police and Crime Commissioner for Thames Valley (PCC) and the Chief Constable of Thames Valley Police, will govern both jointly and separately to ensure they are conducting business in the right way, for the right reason at the right time.

**Context**

The principal governance framework within which the corporations sole will operate is:

* Police Reform and Social Responsibility Act 2011
* The Policing Protocol Order 2011
* Standards in Public Life (known as ‘the Nolan Principles’)
* PCC Oath of Office
* PCC Code of Conduct
* The Good Governance Standard for Public Services[[1]](#footnote-2)
* Police Service Code of Ethics
* Home Office Strategic Policing Requirement
* Home Office Financial Management Code of Practice
* CIPFA Financial Management Code

This framework creates a public sector relationship, based upon the commissioner-provider arrangement but with unique elements such as the single elected commissioner and operational independence of the police service. It is therefore not appropriate to import corporate governance arrangements into this environment but to build upon existing good governance principles and experience.

In accordance with the CIPFA / SOLACE framework on corporate governance, the PCC and Chief Constable are required to produce separate annual governance statements to show how their respective organisations have complied with the joint code of corporate governance.

**Principles**

The Policing Protocol Order 2011 requires the PCC and Chief Constable to abide by the seven principles set out in ‘Standards in Public Life’ (commonly known as ‘the Nolan Principles’) which set out the personal conduct expectations of holders of a public office, i.e.

* Selflessness,
* Integrity,
* Objectivity,
* Accountability,
* Openness,
* Honesty, and
* Leadership.

These Nolan Principles are incorporated into the PCC Code of Conduct which, together with the PCC’s ‘Oath of Office’, are published on the OPCC website.

The above Nolan Principles, covering the personal conduct of public office holders, are supplemented by those organisational governance principles and management arrangements highlighted by CIPFA and SOLACE in their publication ‘*Delivering Good Governance in Local Government’*:

* Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
* Ensuring openness and comprehensive stakeholder engagement
* Defining outcomes in terms of sustainable service and economic benefits
* Determining the interventions necessary to optimise the achievement of the intended outcomes
* Developing the entity’s capacity, including the capability of its leadership and the individuals within it
* Managing risks and performance through robust internal control and strong public financial management
* Implementing good practices in transparency, reporting, and audit to deliver effective accountability

**Framework / Instruments of governance**

The corporate governance framework within which the PCC and Chief Constable will govern, both jointly and separately, will consist of:

* Statement of corporate governance – statutory framework and local policy,
* Code of corporate governance – sets out how the core principles will be implemented,
* Scheme of corporate governance – defines the parameters within which the corporations sole will conduct their business,
* Separate policy and procedures for each corporation sole, with protocols and other governance documents where they operate jointly.

**Statement of**

**corporate governance**

**Code of**

**corporate governance**

**Scheme of**

**corporate governance**

**Office of the PCC**

**policy & procedures**

PCC Code of Conduct

**Joint arrangements**

Joint Independent Audit Committee

Professional and Ethical Standards Panel

Independent Scrutiny and Oversight Board

Information sharing agreement

Media handling protocol

Correspondence handling protocol

Policing Protocol Order

**Force**

**policy & procedures**

Financial Instructions

Police Regulations

Police Code of Ethics

**Leadership**

The Governance Advisory Group reviews and updates the framework and oversees its implementation. An annual update is provided to the Joint Independent Audit Committee, which scrutinises the framework and makes recommendations to the PCC and Chief Constable who approve the final version at one of the PCC’s public ‘Performance and Accountability’ meetings’.

**Definitions used within this Joint Corporate Governance Framework**

1. The Police and Crime Commissioner shall be referred to as the PCC
2. The PCC’s Chief Finance Officer shall be referred to as the PCC CFO
3. The Chief Constable’s Chief Finance Officer (CC CFO) is the Director of Finance
4. The ‘Force’ shall refer to the Chief Constable, police officers, police civilian staff, police community support officers (PCSO), special constabulary, volunteers and other members of the wider police family under the Chief Constable’s direction and control
5. Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders

**CODE OF CORPORATE GOVERNANCE**

**for the Police and Crime Commissioner for Thames Valley and Chief Constable of Thames Valley Police**

**1 INTRODUCTION**

* 1. Governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open and accountable manner. It comprises the system, processes, culture and values by which organisations are directed and controlled, and through which they account to, engage with and lead their communities.
  2. This Code of Corporate Governance describes how the Police and Crime Commissioner (PCC) for the Thames Valley and the Chief Constable of Thames Valley Police discharge their responsibilities in this respect, reflecting their commitment to the statutory requirements. It should be read alongside the Scheme of Corporate Governance which defines the parameters for decision making, including schemes of delegations, consents and financial regulations, including contracts regulations.
  3. The PCC has two key statutory responsibilities:
* To secure the maintenance of an efficient and effective local police force;
* To hold to account the Chief Constable of Thames Valley Police for the exercise of his functions and those of persons under his direction and control.

In exercising these functions, the PCC is accountable to the electorate in the Thames Valley Police area.

* 1. The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by the Force.
  2. The Good Governance Standard for Public Services[[2]](#footnote-3) sets out seven core principles on which effective corporate governance should be built:

* Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
* Ensuring openness and comprehensive stakeholder engagement
* Defining outcomes in terms of sustainable service and economic benefits
* Determining the interventions necessary to optimise the achievement of the intended outcomes
* Developing the entity’s capacity, including the capability of its leadership and the individuals within it
* Managing risks and performance through robust internal control and strong public financial management
* Implementing good practices in transparency, reporting, and audit to deliver effective accountability
  1. To achieve this, a local scheme has been formulated to ensure that these principles are fully integrated in the conduct of Thames Valley Police’s business as well as establishing a means of demonstrating compliance.

* 1. Thames Valley Police must also demonstrate that the systems and processes in place are:
* Monitored for their effectiveness in practice
* Subject to annual review to ensure they remain up to date
  1. Underneath each of the seven sets of principles are a series of behaviours and outcomes that demonstrate good governance in practice.
  2. Throughout this Code, the term “employees” refers to all police officers, police support staff, special constables, volunteers and other members of the wider policing family working for Thames Valley Police.
  3. This Code applies to all employees, contractors and/or agents providing a direct service to Thames Valley Police.
  4. The Code will be reviewed and updated as appropriate on an annual basis.

**2. THE CODE OF CORPORATE GOVERNANCE**

* 1. Effective governance relies on public confidence in the PCC, Chief Constable and their respective employees. Good governance strengthens credibility and confidence in our public services.
  2. Thames Valley Police has developed a single joint Code of Corporate Governance which incorporates the core good governance principles, develops these in a local context, and sets out the arrangements for reviewing their effectiveness. At year-end the PCC and Chief Constable will produce Annual Governance Statements to show their compliance with this Code (see section 3).
  3. The way in which each of the seven core principles of good governance is put into practice by Thames Valley Police is set out below, together with the expected behaviours and outcomes:

**A BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW**

* 1. *Good governance flows from a shared ethos or culture, as well as from systems and structures. It cannot be reduced to a set of rules or achieved fully by compliance with a set of requirements. This spirit or ethos of good governance can be expressed as values and demonstrated as behaviour. It depends on building a corporate environment where leaders and staff believe personally in acting in accordance with* *generally accepted values.*

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

A1 The Policing Protocol Order 2011 (the Protocol) requires all parties to abide by the seven principles set out in ‘Standards in Public Life’ (known as “*the Nolan Principles”) -* *i.e.* Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership - and these will be central to the conduct and behaviour of all. It also highlights the expectation that the relationship between all parties will be based upon the principles of goodwill, professionalism, openness and trust

A2 Additionally, the Home Office Financial Management Code of Practice requires the PCC and Chief Constable to ensure that the CIPFA ‘G*ood Governance principles’* are embedded within the way the organisations operate. As such, the PCC and Chief Constable will set the tone for their respective organisations by creating a climate of openness, support and respect

A3 The Police Service Code of Ethics, issued under the Police Act 1996, sets out principles and standards of professional behaviour for the policing profession of England and Wales. The Code applies to all police forces and, specifically, to chief officers in the discharge of their functions.

A4 The PCC and Chief Constable will set out their values in the respective corporate and strategic plans and use them as a guide for decision making and as a basis for developing positive and trusting relationships

A5 The PCC and Chief Constable will put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice. To that end, the PCC and Chief Constable have agreed to maintain jointly a ‘Professional and Ethical Standards Panel’ comprising members of the public. The purpose of this Panel is to monitor, challenge and make recommendations about the way complaints, ethics and integrity issues are handled by the Force and overseen by the PCC.

A6 In addition, the PCC and Chief Constable have also put in place the Independent Scrutiny and Oversight Board. Its purpose is to provide oversight and advice to the Force to support delivery of the Race Action Plan.

A7 The PCC and Chief Constable will recognise the limits of lawful action placed on them (e.g. the ‘ultra vires doctrine’) and will observe both the specific requirements of legislation and the general responsibilities placed on the PCC and Chief Constable by public law

A8 The Chief Constable will ensure compliance with relevant national standards and policies in terms of vetting

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

**Behaving with integrity**

A9 Ensuring that the PCC, chief officers and staff behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby promoting and upholding the reputation of the organisation amongst its stakeholders

A10 Ensuring the PCC and chief officers lead in establishing a culture and specific values for their organisations and staff and that they are communicated and understood. The values should build on the *Nolan Principles*

A11 Leading by example and using these values as a framework for decision making and other actions

A12 Demonstrating, communicating and embedding values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively

**Demonstrating strong commitment to ethical values**

A13 Seeking to understand, monitor and maintain the organisation’s ethical performance

A14 Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation’s culture and operation

A15 Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values

A16 Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards

**Respecting the rule of law**

A17 Ensuring the PCC, chief officers and staff demonstrate respect for the rule of law as well as adhering to relevant laws and regulations

A18 Creating the conditions to ensure that statutory chief officers, other key postholders and (where appropriate) statutory committees can fulfil their responsibilities in accordance with best practice

A19 Striving to use full powers for the benefit of citizens, communities and other stakeholders

A20 Dealing with reported breaches of legal and regulatory provisions effectively

A21 Ensuring reported corruption and misuse of power are dealt with effectively

**B ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT**

* 1. *Local Government, including the Police service, is run for the public good. Organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders*
  2. *The PCC and Chief Constable exist primarily to provide services that people need, and this will only be achieved if there is a consistent dialogue in both directions*

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

B1 The Policing Protocol Order 2011 highlights that the PCC is accountable to local people and has a duty to set and shape the strategic direction and objectives for the force area in consultation with the Chief Constable, taking into account the Strategic Policing Requirement

B2 The PCC and Chief Constable will ensure that a shared vision, strategic plans, priorities and targets are developed having regards to the views of the local community and other key stakeholders, and that they are clearly articulated and disseminated

B3 The PCC’s statutory police and crime plan for the period 2021-2025, locally titled the ‘Police and Criminal Justice Plan’ (and referred to as such hereon) will clearly set out what the PCC’s strategic priorities and objectives are and how they will be delivered

B4 To complement this, the communication and engagement strategies will set out how local people will be involved with the PCC and the Chief Constable to ensure that their views inform decision making, accountability and future direction

B5 The PCC and Chief Constable will develop arrangements for effective engagement with key stakeholders ensuring that, where appropriate, they inform decision making, accountability and future direction

B6 The PCC, with the support of the Chief Constable, will engage with the independent Thames Valley Police and Crime Panel to facilitate scrutiny and public accountability of the PCC, over and above development of the annual budget and delivery of the objectives set out in the Police and Criminal Justice Plan

B7 The PCC and Chief Constable will develop effective working relationships with constituent local authorities and other partners as necessary and appropriate

B8 The PCC and Chief Constable will seek to ensure that when working in partnership that (a) there is clarity about the legal status of the partnership and that representatives, or organisations, both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions, and (b) that all employees are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the organisation

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

**Openness**

B9 Ensuring an open culture through demonstrating, documenting and communicating the organisation’s commitment to openness

B10 Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action

**Engaging comprehensively with institutional stakeholders**

B11 Engaging effectively with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably

B12 Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively

B13 Ensuring that partnerships, including collaborations, are based on trust, a shared commitment to change, and a culture which promotes and accepts challenge amongst partners and that the added value of partnership working is explicit

**Engaging stakeholders effectively, including individual citizens and service users**

B14 Ensuring that communication methods are effective and that the PCC and officers are clear about their roles regarding community engagement

B15 Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs

**C DEFINING OUTCOMES IN TERMS OF SUSTAINABLE SERVICE AND ECONOMIC BENEFITS**

* 1. *The long term nature and impact of many of the PCC and Chief Constable’s responsibilities mean that they should seek to define and plan outcomes and that these should be sustainable. Decisions should contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.*
  2. *Public sector programmes will respond to changes in the current environment, but these responses should always be framed within the PCC and Chief Constable’s long term objectives and aspirations for the service, and the resources available.*

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

C1 The Police Reform and Social Responsibility Act 2011 (PRSRA 2011) requires the PCC to issue a Police and Crime Plan (Police and Criminal Justice Plan) covering a five year period, including one year beyond his/her term of office. It will outline the policing and crime priorities and objectives (outcomes) and the strategic direction for the policing of the Force area

C2 Both the PCC and Chief Constable must have regard to the Plan and the PCC must have regard to the priorities of the responsible authorities during its development

C3 Each organisation will have an annual plan which sets out how it will operate to support achievement of these outcomes

C4 Collaboration agreements will set out those areas of business to be undertaken jointly with other forces, local policing bodies and other emergency services, whether it be to reduce cost, increase capability and/or increase resilience to protect local people

C5 A financial strategy will be developed jointly by the CFO and Director of Finance for approval and adoption by the PCC and Chief Constable. This will be reviewed and refreshed at least annually to ensure delivery of the corporate aims and objectives. Detailed arrangements for financial management will be set out in financial regulations

C6 The PCC is required to publish an annual report in relation to monitoring his own performance and that of the Chief Constable and Force

C7 A commissioning and award of grants framework will be developed and maintained by the PCC, which will incorporate commissioning intentions and priorities

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

**Defining outcomes**

C8 Having a clear vision – an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators which provide the basis for the organisation’s overall strategy, planning and other decisions

C9 Specifying the intended impact on, or changes for stakeholders, including individual citizens and service users

C10 Delivering defined outcomes on a sustainable basis within the resources that will be available while recognising that changing demands will place additional pressure on finite resources.

C11 Identifying and managing risks to the achievement of outcomes as part of delivering goods and services

C12 Managing expectations effectively about determining priorities and making the best use of the resources available

**Sustainable service and economic benefits**

C13 Considering and balancing the combined service and economic impact of policies and plans when taking decisions

C14 Taking a longer term view about decision making, taking account of risk and acting transparently where there are potential conflicts between the PCC and the Chief Constable’s intended outcomes and short term factors such as the political cycle or financial constraints

**D DETERMINING THE ACTIONS NECESSARY TO ACHIEVE THE INTENDED OUTCOMES**

* 1. *Public bodies, including the Police, achieve their intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that the Police must ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure the achievement of intended outcomes.*
  2. *Policy implementation usually involves choice about the approach, the objectives, the priorities and the costs and benefits. PCCs and Chief Constables must ensure that they have access to the appropriate skills and techniques.*

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

D1 The PCC and the Chief Constable will maintain a medium term financial strategy, updated annually, which will form the basis of the annual budgets, and provide a framework for evaluating future proposals

D2 There will be a comprehensive process of analysis and evaluation of plans, which will normally include option appraisal, techniques for assessing the impact of alternative approaches on the service’s outcomes, and benefits realisation

D3 The PCC and Chief Constable will jointly consider how best to achieve value for money and ensure that their agreed approach is reflected in the Police and Criminal Justice Plan objectives and associated delivery plans

D4 The Force will maintain appropriate workforce development and asset management plans on behalf of the Chief Constable and the PCC

D5 The PCC and Chief Constable will work together to provide clarity over the arrangements to respond to the breadth of concerns raised by local people, whether they be organisational or individual matters

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

**The decision making process**

D6 Ensuring that decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore, ensuring that best value is achieved however services are provided

D7 Making informed decisions in accordance with the National Decision Model

D8 Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used, ensuring that the impact and consequences of those decisions is clear

D9 The PCC and Chief Constable will decide jointly how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available

D10 The Chief Constable will ensure that effective mechanisms and arrangements exist to monitor service delivery and deal with apparent under-performance or failings

D11 Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets

D12 Simultaneously engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered

D13 Considering and monitoring shared risks when working collaboratively

D14 Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances

D15 Establishing appropriate performance measures as part of the planning process in order to assess and inform how the performance of the services and projects is to be measured, and service quality is reviewed

D16 Preparing annual budgets in accordance with organisational objectives, strategies and the medium term financial plan

D17 Informing medium and long term resource planning by drawing up realistic and robust estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy

D18 Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets

**Achieving intended outcomes**

D19 Ensuring the medium-term financial strategy integrates and balances service priorities, affordability, and other resource constraints

D20 Ensuring that the budgeting process is comprehensive, taking into account the full cost of operations over the medium and longer term

D21 Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for the outcomes to be achieved while optimising resource usage

**E DEVELOPING THE ENTITY’S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT**

* 1. *The PCC and the Force need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A public organisation must ensure that it has both the capacity and capability to fulfil its own mandate. Both the individuals involved and the environment in which the police operate will change over time, and there will be a continuous need to develop its capacity as well as the skills and experience of the leadership and individual staff members. Leadership in the Police service is strengthened by the participation of people with many different types of background, reflecting the diversity of communities we serve.*
  2. *Successful outcomes depend on the calibre of the people within the organisation, and it is essential that they have the appropriate skills and support*

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

E1 The Office of the PCC and the Force’s people priorities, as set out in the Force Strategic Plan, set the climate for continued development of individuals. The respective performance development review processes will ensure that these strategies are turned into reality for officers and members of staff

E2 To develop skills on a continuing basis to improve performance including the ability to scrutinise and challenge and to recognise when outside expert advice is needed

E3 To ensure that effective arrangements are in place for reviewing performance and agreeing an action plan(s) which would include any training or development needs

E4 To ensure that effective arrangements are designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the PCC and police force

E5 To ensure that career structures are in place to encourage participation and development of employees

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

**Developing the entity’s capacity**

E6 Reviewing operations, performance and asset management on a regular basis to ensure their continuing effectiveness

E7 Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how policing resources are allocated so that outcomes are achieved effectively and efficiently

E8 Recognising and promoting the benefits of collaborative working where added value can be achieved through partnerships

E9 Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources

**Developing the capability of the entity’s leadership and other individuals**

E10 Ensuring the PCC and chief officers have clearly defined and distinctive leadership roles within a structure whereby the chief officers lead by implementing strategy and managing the delivery of services and other outputs set by the PCC and/or Chief Constable, and each provides a check and balance for each other’s responsibility

E11 Developing the capabilities of the PCC and chief officers to achieve effective shared leadership where appropriate, and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political, and environmental changes and risks

E12 Ensuring the PCC, chief officers and staff receive appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged.

E13 Ensuring that the PCC, chief officers and staff have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they can update their knowledge on a continuing basis

E14 Ensuring personal, organisation and system-wide development through shared learning including lessons learnt from governance failures both internal and external

E15 Ensuring the PCC is independent of Force management and free from relationships that would materially interfere with their role

E16 The Office of the PCC, in conjunction with the Force, should ensure that appropriate information is available for potential PCC candidates

E17 Taking steps to consider the leadership’s own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections

E18 Holding staff to account through regular performance reviews which take account of training or development needs

E19 Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing

**F MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT**

* 1. *Public bodies need to ensure that the organisation’s governance structures can sustain an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.*
  2. *All public bodies spend money raised from taxpayers and use assets which have been paid for by taxpayers to deliver and maintain services. The public is entitled to expect high standards of control and the continuous oversight of performance to correct shortfalls and to identify factors which could undermine achievement*

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

F1 The PCC will develop and maintain effective arrangements to hold the Chief Constable to account for Force performance, for the exercise of the functions of the Chief Constable and the functions of persons under the direction and control of the Chief Constable, and compliance with other statutory requirements.

F2 The PCC will develop and maintain effective arrangements to hold to account his two statutory officers, being the Chief of Staff (described in the Police Reform and Social Responsibility Act 2011 as Chief Executive Officer) and Chief Finance Officer, for the exercise of their respective functions and the performance of the Office of the PCC.

F3 The Office of the PCC decision making policy sets out principles behind how decisions will be taken by the PCC and the standards to be adopted. This will ensure that those making decisions are provided with information that is fit for the purpose – relevant, timely and accurate and gives clear explanations of technical issues and their implications.

F4 It requires a combined forward plan of key decisions, which brings together the business planning cycles for the Police and Criminal Justice Plan, the Office of the PCC and the Force corporate planning process. This will ensure proper governance by bringing together the right information at the right time, e.g. strategic needs assessments, costs, budgets, etc.

F5 The National Decision Model (NDM) is suitable for all material decisions and should be used by everyone in policing where appropriate. It can be applied to spontaneous incidents or planned events, by an individual or team of people, and to both operational and non-operational situations.

F6 The Scheme of Corporate Governance defines the parameters for key roles in the corporations sole, including schemes of delegations and/or consents from the PCC or Chief Constable and financial regulations, including contract regulations.

F7 The risk management strategy establishes how risk and decision management is embedded throughout Thames Valley Police, with the PCC and Chief Constable and their respective staff and officers all recognising that risk management is an integral part of their job

F8 Information relating to decisions will be made readily available to local people, with those of greater public interest receiving the highest level of transparency, except where operational and legal constraints exist.

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

**Managing risk**

F8 Recognising that risk management is an integral part of all activities and must be regarded as a continuous process

F9 Implementing robust and integrated risk management arrangements and ensuring that they are working effectively

F10 Ensuring that the organisation is risk aware and that its risk appetite is defined and communicated clearly to those responsible for making decisions

**Managing performance**

F11 Monitoring service delivery effectively including planning, specification, execution and independent post implementation review

F12 Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation’s performance and that of any organisation for which it is responsible

F13 Providing the PCC and chief officers with regular reports on service delivery plans and on progress towards outcome achievement

F14 Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements)

**Robust internal control**

F15 Aligning the risk management strategy and policies on internal control with achieving the organisation’s objectives

F16 Evaluating and monitoring the organisation’s risk management and internal control on a regular basis

F17 Ensuring effective anti-fraud, bribery and corruption arrangements are in place

F18 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the Joint Internal Audit Team

F19 Ensuring an audit committee or equivalent group or function, which is independent of the executive, provides a further source of effective assurance to the PCC and Chief Constable regarding arrangements for managing risks and maintaining an effective control environment and that its recommendations are listened to and acted upon as appropriate

**Managing information**

F20 Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data in accordance with GDPR and Data Protection legislation

F21 Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies

F22 Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring

**Strong public financial management**

F23 Ensuring financial management supports both long term achievement of outcomes and short term financial and operational performance

F24 Ensuring well developed financial management is integrated at all levels of planning and control, including management of financial risks and controls

**G IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY**

* 1. *Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.*
  2. *It is easy to pay lip service to the principles of accountability. Aspirations which are not followed through, and actions which are not explained to those who are affected by them, undermine confidence.*

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

G1 The PRSRA 2011 and the Policing Protocol Order clearly sets out the functions of the PCC and Chief Constable and the protocol sets out how these functions will be undertaken to discharge their respective responsibilities.

G2 The PCC may appoint a Deputy who will be a member of his staff as highlighted in the PRSRA 2011. The role description approved by the PCC may incorporate functions delegated within the Scheme of Corporate Governance.

G3 The PRSRA 2011 requires the PCC to have a Chief Executive and Chief Finance Officer. The Chief Executive who is referred to as the Chief of Staff will be the head of paid service and undertake the statutory responsibilities of Monitoring Officer.

G4 The PRSRA 2011 requires the Chief Constable to appoint a Chief Finance Officer.

G5 The Home Office Financial Management Code of Practice sets out the responsibilities of Chief Finance Officers for both the PCC and Chief Constable.

G6 The CIPFA Financial Management Code identifies the risks to financial sustainability and introduces an overarching framework of assurance which builds on existing financial management good practice.

G7 The PCC and Chief Constable will put in place appropriate arrangements to help ensure that the PCC, Deputy PCC (if appointed) and all employees are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice

G8 The Scheme of Corporate Governance defines the parameters for decision making, including delegations, consents and financial regulations, including contract regulations.

G9 The PCC, Chief Constable and all employees will operate within relevant:

* 1. Office of the PCC and Force policy and procedures,
  2. corporate governance framework,
  3. disciplinary regulations and codes of conduct.

G10 A Joint Independent Audit Committee will operate in accordance with CIPFA guidance and the Home Office Financial Management Code of Practice.

G11 The independent Thames Valley Police and Crime Panel provides checks and balances in relation to the performance of the PCC. It does this by reviewing and scrutinising the decisions and actions of the PCC. However, the Panel does not scrutinise the Chief Constable.

G12 The PCC and Chief Constable will ensure that arrangements are in place for whistle blowing to which employees and all those contracting with Thames Valley Police have access

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

**Implementing good practice in transparency**

G13 Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring they are easy to access and interrogate in accordance with accessibility regulations.

G14 Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny whilst not being too onerous to provide and for users to understand in compliance with the Elected Local Policing Bodies (Specified Information) Order 2011 and the Freedom of Information Act 2000.

**Implementing good practices in reporting**

G15 Reporting at least annually on performance, value for money and the stewardship of resources to stakeholders in a timely and understandable way

G16 Assessing the extent that the organisation is applying the principles contained in the Framework and publishing the results of this assessment annually including an action plan for improvement and evidence to demonstrate good governance in action (the Annual Governance Statement)

G17 Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar entities

G18 The PCC and the Chief Constable will assess the adequacy and effectiveness of the governance arrangements for jointly managed functions as part of the annual arrangement for the review of governance.

**Assurance and effective accountability**

G19 Ensuring that recommendations for corrective action made by external audit are acted upon

G20 Ensuring an effective Internal Audit Service exists with direct access to the PCC, Chief Constable, and the Joint Independent Audit Committee, which provides assurance about the organisation’s governance and risk management arrangements, and whose reports are acted upon by management

G21 Utilising peer challenge, reviews and inspections from regulatory bodies, and implementing recommendations

G22 Gaining assurance on risks associated with delivering services through third party suppliers, and subjecting these arrangements to regular review

G23 Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised

**3 ARRANGEMENTS FOR REVIEW OF GOVERNANCE**

* 1. The PCC and Chief Constable are committed to maintaining a joint local Code of Corporate Governance and a Scheme of Corporate Governance, and for carrying out an annual review of their effectiveness.
  2. The PCC and Chief Constable have put in place the following arrangements to review the effectiveness of the Code of Corporate Governance:

* 1. The PCC and Chief Constable will jointly produce an Annual Governance Statement (AGS) which will be published on the PCC and Force websites within the annual Statement of Accounts.
  2. The AGS will include an Action Plan, as necessary and appropriate, to rectify any significant areas of weakness in internal control and/or corporate governance.

**The Force**

* 1. The Deputy Chief Constable, under delegated authority from the Chief Constable, is responsible for corporate governance issues affecting the Force, ensuring that appropriate reviews, both proactively and reactively, are carried out into key areas and highlighted, including:
  + Professional standards and performance
  + Strategic co-ordination and planning, including risk management and business continuity, and Force Management Statement.
  + Crime recording
  1. The Chief Information Officer is responsible for the management of information, including information security and data protection

**The Joint Independent Audit Committee**

* 1. The Committee’s operating principles include the following key requirements in respect of corporate governance:
  + To consider and endorse the local Code of Corporate Governance.
  + To consider and endorse the Annual Governance Statements (AGS).
  + To monitor implementation and delivery of the agreed AGS Action Plan(s).
  + To consider the arrangements to secure value for money and review assurances and assessments of the effectiveness of these arrangements.
  + To consider and comment upon the adequacy and effectiveness of the assurance framework, and the specific governance and accountability policies, systems and controls in place, such as the Corporate Governance Framework; anti-fraud, bribery and corruption; whistle-blowing, and declarations of interest, gifts and hospitality.
  + To review arrangements for the assessment of fraud risks and potential harm from fraud and corruption, and monitor the effectiveness of the counter-fraud strategy, actions and resources.
  + To consider the governance and assurance arrangements for significant partnerships or collaborations.

**The Governance Advisory Group**

* 1. The Governance Advisory Group, which comprises senior officers from the Office of the PCC and Force, is responsible for:
  + Reviewing and updating the local Joint Corporate Governance Framework;
  + monitoring compliance with the Code during the year, including the system of internal control;
  + preparing the draft Annual Governance Statement(s);
  + recommending an AGS Action Plan(s) to rectify significant areas of weakness;
  + monitoring the implementation of agreed action plans.
  1. Reports from the Governance Advisory Group will be presented to the Joint Independent Audit Committee, where appropriate, prior to approval by the PCC and Chief Constable.

**Internal Audit**

* 1. The primary role of internal audit is to give an assurance to the PCC and Chief Constable, through their two respective Chief Finance Officers, on the adequacy and effectiveness of the governance arrangements and internal controls in place to manage and mitigate risk. To this end the Chief Internal Auditor delivers an annual opinion on the effectiveness of the controls reviewed by the Joint Internal Audit Team. This annual opinion, set out in the Annual Report of the Chief Internal Auditor, is one of the key sources of evidence in support of the Annual Governance Statement(s).
  2. The Chief Internal Auditor provides regular update reports to the Joint Independent Audit Committee on the delivery of the Annual Audit Plan and any outstanding management actions.
  3. Major control weaknesses are reported to the Force Risk Management Group and to the Joint Independent Audit Committee.
  4. Reviews of both the corporate governance framework and risk management arrangements periodically feature in the Annual Audit Plan. Corporate governance and risk management issues may arise through other reviews carried out by the Joint Internal Audit Team. In this case the issues will be dealt with initially in the relevant audit report. Significant governance failures identified through general audit work will also be referred to the Governance Advisory Group.

**External Audit**

* 1. The external auditor will audit the financial statements of the PCC and Chief Constable, as well as the Group accounts, and will also review the Annual Governance Statement(s). The external auditor also provides a Value for Money opinion which includes a review and assessment of going concern and financial sustainability. External audit plans and reports, including the Annual Audit Report, are considered by the Joint Independent Audit Committee at appropriate times in the annual cycle of meetings.

**Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS)**

* 1. The role of HMICFRS is to independently assess the effectiveness and efficiency of police forces and fire and rescue services – in the public interest. In respect of the national police service, it also provides advice and support to the tripartite partners (Home Secretary, PCCs and police forces).
  2. HMICFRS reports are sent to the Chief Constable and the PCC for consideration and appropriate action. HMICFRS, working alongside external audit, will play a key role in informing the PCC and the public on the efficiency and effectiveness of their forces and, in so doing, will facilitate the accountability of chief constables to their PCCs, and PCCs to the public.
  3. The PCC shall invite the Chief Constable to submit comments to him on any report published by HMICFRS that makes recommendations that apply to Thames Valley Police.
  4. The PCC is required to publish his response to any relevant report issued by HMICFRS under section 55(1) of the Police Act 1996, together with any comments submitted by the Chief Constable and any response that the PCC has to the comments submitted to him by the Chief Constable, within 56 days of publication of the report by HMICFRS. The PCC will publish all such relevant reports and responses on his website. The PCC is also required to send a copy of any such published documents to the Secretary of State and HMICFRS.
  5. Relevant information (reports and responses) shall also be provided to members of the Joint Independent Audit Committee and the Professional and Ethical Standards Panel and the Independent Scrutiny and Oversight Board.

**Scheme of Corporate Governance 2022/23**

This Scheme sets out the common understanding and agreement of the PCC and Chief Constable as to the ways in which certain functions will be governed and managed.

The Scheme includes, but is not limited to, formal delegations by the PCC and the Chief Constable. It also includes activities where the Chief Constable acts in his own right and/or pursuant to the duty to exercise his power of direction and control in such a way as is reasonable to assist the PCC to exercise his functions.

**Delegation**

The PCC may not arrange for any constable or any person employed by the Chief Constable to exercise any of the PCC’s functions (section 18 PRSRA). Under this scheme, there is no formal delegation of any function from the PCC to any constable or member of police staff. Where this scheme refers to a delegation, that is a reference to a delegation of a function or power:

1. By the PCC to the Deputy PCC or to a member of his own staff; or
2. By the Chief Constable to another police officer or member of police civilian staff.

**Chief Constable’s own functions**

The statutory restriction on delegation does not prevent the Chief Constable carrying out functions in his own right. That is a wide-ranging power: in addition to broad functions of keeping the peace and enforcing the law, the Chief Constable also has the power “to do anything which is calculated to facilitate, or is conducive or incidental to, to the exercise of [his] functions”. This scheme also deals with the ways in which certain of the Chief Constable’s functions will be exercised in such a way as is reasonable to assist the PCC to exercise his functions. For the avoidance of doubt, these are not delegations from the PCC. Nothing in this scheme is intended to fetter the Chief Constable’s operational independence.

**Consent**

There are certain statutory restrictions on the Chief Constable’s power to exercise certain functions in his own right: the Chief Constable may not acquire or dispose of land, and needs the consent of the PCC to enter into contracts and to acquire or dispose of property. This scheme also sets out the conditions on which the PCC has given consent to the Chief Constable to enter into contracts and to acquire or dispose of property (other than land[[3]](#footnote-4)). For the avoidance of doubt, this is not a delegation from the PCC – it is the PCC giving consent to the Chief Constable to exercise certain functions in his own right, subject to compliance with this Scheme.

The PCC for Thames Valley has given consent to the Chief Constable of TVP to enter into contracts and to acquire or dispose of property, other than land, subject to the requirements of Financial Regulations, including Contract Regulations

**Key Principles**

Officers and staff of the Chief Constable may assist the PCC to exercise his functions; indeed, the Chief Constable is under a statutory duty to exercise direction and control in such a way as is reasonable to give that assistance. This scheme sets out some of the ways in which that assistance will be given. For the avoidance of doubt, these are not delegations from the PCC.

The statutory officers are responsible for ensuring that members of staff they supervise are aware of and comply with the provisions and obligations of this Scheme of Delegation

The PCC must not restrict the operational independence of the police force and the Chief Constable who leads it.

To enable the PCC to exercise the functions of his office effectively he will need reasonable access to information held by the Force and police officers and civilian staff employed by the Chief Constable. This access must not be unreasonably withheld or obstructed by the Chief Constable or any of his employees. The importance of this requirement is reflected in the Information Sharing Agreement.

1. **Introduction**
   1. The Statement of Corporate Governance gives clarity to the way the two corporations sole (i.e. PCC and Chief Constable) will govern both jointly and separately to ensure they are conducting business in the right way, for the right reason at the right time.
   2. The Code of Corporate Governance describes the strategies, arrangements, instruments and controls to ensure good governance in the two corporations sole.
   3. This Scheme of Corporate Governance sets out the delegations from the PCC and the Chief Constable to their respective staff, and should be read alongside the aforementioned Statement and Code. In addition, it incorporates other instruments such as the financial regulations and standing orders relating to contracts.
   4. This Scheme aims to clarify those powers which, for the benefit of good business practice, are given to the statutory officers. The PCC and Chief Constable may limit these powers and/or remove delegation.
   5. This Scheme provides a framework which ensures business is carried out lawfully and efficiently, ensuring that decisions are not unnecessarily delayed and are taken at the appropriate level. It forms part of the overall corporate governance framework of the two corporations sole.
   6. Powers are given to the PCC and Chief Constable by laws, orders, rules or regulations. Also, national conditions of employment give powers to the PCC and/or the Chief Constable or, as in the case of police regulations, the Secretary of State for the Home Department.
   7. Any powers or duties placed on other statutory officers should be exercised lawfully in accordance with the PCC’s and Chief Constable’s respective delegations, standing orders and financial regulations, and also relevant policies, procedures, plans, strategies and budgets.
   8. This Scheme does not identify all the statutory duties which are contained in specific laws and regulations; however, it provides the framework in which the various duties and powers are exercised.
2. **General principles of delegation**
   1. The persons appointed as the PCC’s Chief of Staff (who will also be the Monitoring Officer), the PCC’s Chief Finance Officer and the Chief Constable’s Director of Finance have statutory powers and duties relating to their positions and, therefore, do not rely on matters being delegated to them to carry out these specific powers and duties.
   2. This scheme provides an officer with the legal authority to carry out appropriate duties of the PCC and/or Chief Constable. In carrying out these duties the officer must comply with all other statutory and regulatory requirements and relevant professional guidance including:

* The Police Reform and Social Responsibility Act 2011 and other relevant legislation issued under this Act (e.g. The Policing Protocol Order 2011)
* Home Office Financial Management Code of Practice
* CIPFA Statement on the role of the Chief Financial Officer of the PCC and the Chief Finance Officer of the Chief Constable
* CIPFA Financial Management Code
* The PCC and Chief Constable’s Joint Corporate Governance Framework, including Financial Regulations and Contract Regulations
* The PCC’s and Thames Valley Police policies and procedures.
* All data protection legislation including the Data Protection Act 2018 together with the UK General Data Protection Regulation (UK GDPR) and the Freedom of Information Act 2000
* Health and safety at work legislation and codes
* The Police Service Code of Ethics
  1. This Scheme is a record of the formal delegations that are in effect at the time of its publication. The PCC and Chief Constable’s joint governance framework, including this Scheme, will be reviewed at least annually. With the exception of those matters listed in paragraph 4.6, any person to whom a power is delegated under this scheme may sub-delegate that power as they deem appropriate. The formal responsibility and accountability to the PCC or Chief Constable for the effective discharge of such sub-delegated powers remains in law with the person to whom the power was delegated by the PCC or Chief Constable.
  2. The PCC and/or Chief Constable may ask that a specific matter be referred to them for a decision and not be dealt with under powers of delegation.
  3. The scheme does not attempt to list all matters which form part of everyday management responsibilities.
  4. Giving delegation to officers under this scheme does not prevent an officer from referring the matter to the PCC and/or Chief Constable for a decision if the officer thinks this is appropriate (for example, because of sensitive community and/or stakeholder issues or any matter which may have a significant operational, political, reputational or financial implications).
  5. All decisions officers make under formal powers delegated to them by the PCC and/or Chief Constable must be recorded and be available for inspection.
  6. The PCC and Chief Constable may set out their reporting arrangements on actions undertaken by their own staff in respect of the use of powers delegated to them.

1. **Financial Regulations, including Contract Regulations**
   1. Financial regulations explain the working financial relationship between the PCC, the Chief Constable and their respective chief finance officers, having regard also to the role played by the Chief of Staff. A copy is attached at Appendix 3.
   2. Financial Regulations ensure that financial dealings are conducted properly and in a way which incorporates recognised best practice, and focuses on bringing operational and financial management together with timely and accurate financial information. They also include sufficient safeguards for both chief finance officers who are responsible for ensuring that the financial affairs of the PCC and police force are properly administered to discharge their statutory obligations.
   3. Embedded within Financial Regulations are the Contract Regulations, which is a single set of standing orders relating to contracts. These regulations explain the procedures to be followed for procurement, tenders and contracts, including tender thresholds and authorisation levels.
2. **Role of the PCC**
   1. The details of the role of the PCC can be found in the Code of Corporate Governance.
   2. The primary responsibilities of the PCC include:

* Providing a link between the police and the community, which involves obtaining and representing the views and priorities of local people, councils and other criminal justice organisations
* Setting out the strategic policing, crime and community safety priorities and objectives through the publication of a Police and Crime Plan
* Setting out the Force’s budget and community safety grants
* Setting the council tax precept for policing and crime reduction
* Overseeing community safety, the reduction of crime and delivering value for money in policing
* Commissioning victims and witness support services
* Handling complaints made against the personal conduct of the Chief Constable
* Undertaking formal reviews (formerly known as ‘appeals’) of the handling and outcome of complaints made against the Force
* Holding the Chief Constable to account for the performance of the Force, including that of police officers and civilian staff under his direction and control
* Appointing the Chief Constable (and dismissing them when necessary)
* Preparing and publishing an annual report on progress on the delivery of the Police and Criminal Justice Plan
  1. The PCC owns all land and buildings and will sign contracts in accordance with the requirements of financial regulations. In approving the annual treasury management strategy statement he approves borrowing limits for both his own office and the Force.
  2. The PCC will receive government grants and the council tax precept. Other sources of income received by the Force will be paid into the police fund. How this funding is allocated to operational activities is for the Chief Constable to decide in consultation with the PCC, and in accordance with the priorities and objectives set out in the Police and Criminal Justice Plan, the Strategic Policing Requirement, and any Government grant terms and conditions.
  3. When exercising his duties and functions, the PCC must have regard to the following:
* The views of the people in Thames Valley, including victims of crime
* Any report or recommendation made by the Police and Crime Panel in respect of the Police and Criminal Justice Plan, the proposed annual precept, and the annual report for the previous financial year.
* The Police and Criminal Justice Plan and any guidance issued by the Secretary of State, including specifically the Strategic Policing Requirement.

(Note: this list is a summary and is not exhaustive)

* 1. The PCC may arrange for any person (who is not the Deputy PCC) to exercise any of his functions, with the exception of those listed below:
* Determining the strategic policing and crime reduction priorities and objectives to be set out in the PCC’s Police and Criminal Justice Plan
* Issuing the Police and Criminal Justice Plan
* Calculation of the budget requirement
* Appointing or suspending the Chief Constable, or calling upon the Chief Constable to retire or resign
* Attendance at the Police and Crime Panel in compliance with a requirement by the Panel for the PCC to do so
* Attendance at, and presenting the PCC’s annual report to, the Police and Crime Panel.
  1. The Police and Crime Panel is a check and balance on the PCC through reviewing and/or scrutinising his decisions and actions, but not those of the Chief Constable.
  2. The PCC will be responsible for handling complaints and conduct matters in relation to the Chief Constable, holding the Chief Constable to account for the Force’s handling and investigation of complaints against police officers and civilian staff, and complying with the requirements of the Independent Office for Police Conduct.
  3. The PCC has wider community safety, crime reduction and criminal justice responsibilities than those solely relating to the responsibilities and activities of the police force, and this is referred to in the Code of Corporate Governance.

1. **Role of the deputy PCC**
   1. The PCC may appoint a deputy to exercise his functions, with the exception of those which cannot be delegated as defined by the PRSRA 2011, as listed below:

* Issuing the Police and Crime Plan
* Appointing or suspending the Chief Constable, or calling upon the Chief Constable to retire or resign
* Calculation of the budget requirement.
  1. Theformal delegation from the PCC to the Deputy PCC, where appointed, is set out in Appendix 1

1. **Role of the PCC’s Chief of Staff**

Introduction

6.1 The PCC will appoint, under paragraph 6, Schedule 1 of the Police Reform and Social Responsibility Act 2011 (PRSRA 2011), a person to be the head of the PCC’s staff namely Chief Executive (referred to in this document as the PCC’s Chief of Staff) and who will act as the head of the body’s paid service. Under Section 5(1C) of the Local Government and Housing Act 1989, as amended by Schedule 16 of the PRSRA 2011, the Chief of Staff is also designated to undertake the role of statutory Monitoring Officer for the PCC.

6.2 Accordingly, the Code of Corporate Governance identifies the role of the Chief of Staff as the head of the PCC’s paid service and Monitoring Officer.

6.3 The formal delegations from the PCC to the Chief of Staff, which are in effect at the time of the publication of this scheme, are listed in Appendix 1. Other key responsibilities are set out below.

General

6.4 To prepare the Police and Criminal Justice Plan, in consultation with the Chief Constable, for submission to the PCC, including:

* obtaining the views of the public
* identifying the strategic policing and crime reduction priorities and objectives
* planning how resources will be used
* how services will be commissioned
* development and implementation of performance monitoring and reporting arrangements.

6.5 To prepare an Annual Report on behalf of and for submission to the PCC.

6.6 To provide information to the Police and Crime Panel, as reasonably required to enable the Panel to carry out its functions.

6.7 To consider whether, in consultation with the PCC’s CFO, to provide indemnity to the PCC (and Deputy PCC) in accordance with appropriate statutory provisions and to deal with or make provision to deal with other matters arising from any proceedings relating to them.

6.8 To consider and approve, in consultation with the PCC’s CFO, provision of indemnity and/or insurance to individual staff of the Commissioner in accordance with appropriate statutory provisions.

Financial

6.9 The financial management responsibilities of the Chief of Staff are set out in the financial regulations.

6.10 To manage the budget of the PCC’s office, in consultation with PCC CFO, particularly to:

* order goods and services and spend on items provided for in the revenue budget.
* ask for and accept quotations and tenders for goods and services provided for in the revenue budget

Human Resources

6.11 To appoint, in consultation with the PCC, staff in the Office of the PCC (OPCC)

6.12 To make recommendations to the PCC with regard to OPCC staff terms and conditions of service, in consultation with the PCC CFO as necessary.

6.13 To appoint Independent Custody Visitors and terminate appointments if necessary.

Other

6.14 To affix the common seal of the PCC to all relevant contracts, agreements or transactions, where sealing is necessary in addition to the CFO and Head of Governance.

6.15 To consider and advise the PCC on the handling of any complaint or conduct matter in respect of the Chief Constable including, in consultation with the PCC’s Head of Governance and Compliance, determining whether to record such a complaint on behalf of the PCC and determine whether it meets the threshold to be referred to the Independent Office for Police Conduct (IOPC)

6.16 To exercise such powers of the Thames Valley Police and Crime Panel as may be delegated by that Panel and accepted by the Chief of Staff. A police and crime panel may delegate all or any of the powers or duties conferred or imposed on it by The Elected Local Policing Bodies (Complaints and Misconduct) Regulations 2012, with the exception of Part 4 (resolution of other complaints), to the PCC’s Chief of Staff. The Thames Valley Police and Crime Panel has currently delegated to the Chief of Staff, and the Chief of Staff has accepted, the initial requirement to record and assess complaints made against the PCC to determine whether it is a ‘conduct matter’ or ‘serious complaint’ that must be referred to the Independent Office for Police Conduct (IOPC) or if it is a ‘non-serious’ complaint that is appropriate to be handled by the Police and Crime Panel itself, under Part 4 of the Regulations, i.e. under the ‘informal resolution of other complaints’ process.

6.17 To respond to consultations on proposals affecting the PCC, if necessary, after first taking the views of the Commissioner, the PCC’s CFO and/or the Chief Constable, as necessary and appropriate.

6.18 To obtain legal or other expert advice and to appoint legal professionals whenever this is considered to be in the PCC’s best interests in the exercise of his functions.

6.19 To make appropriate arrangements to gather the community’s views on the policing of Thames Valley and preventing crime.

6.20 In accordance with the Vetting Code of Practice and Authorised Professional Practice (APP) issued by the College of Policing, and in the Chief of Staff’s statutory capacity as the PCC’s ‘Monitoring Officer’, to act:

1. as decision-maker for vetting clearance in respect of the Chief Constable, and
2. as appeal body in respect of vetting decisions taken by the Chief Constable in respect of other chief officers.

In both cases, the Chief of Staff will be advised by, and receive a recommendation from, the Force Vetting Manager (FVM), or the FVM of another force in circumstances where reciprocal arrangements are in place.

1. **Role of the PCC’s Chief Finance Officer (CFO)**
   1. The PCC must appoint a person to be responsible for the proper administration of the PCC’s financial affairs, in accordance with the Financial Management Code of Practice, as issued by the Home Office.
   2. As the Chief Finance Officer to the PCC, the post-holder has a statutory responsibility to manage the PCC’s financial affairs in accordance with sections 113 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2015.
   3. The detailed financial management responsibilities of the PCC’s CFO, which includes a number of delegated powers, are set out in the Financial Regulations – see Appendix 3.

1. **Role of the Chief Constable**

* 1. The role of the Chief Constable is referred to in the Code of Corporate Governance but, essentially, the Chief Constable is responsible for maintaining the King’s peace and for the direction and control of the Force.
  2. The Chief Constable is accountable to the law for the exercise of police powers, and to the PCC for the delivery of efficient and effective policing, and management of resources and expenditure by the police force.
  3. The list of delegations from the Chief Constable to key Force personnel is attached at Appendix 2.
  4. The Chief Constable shall appoint suitably qualified and experienced heads of department.

1. **Role of the Director of Finance** 
   1. The Chief Constable must appoint a person to be responsible for the proper administration of the Force’s financial affairs, in accordance with the Financial Management Code of Practice, as issued by the Home Office.
   2. As the Chief Finance Officer appointed by the Chief Constable there is a statutory responsibility for the post-holder to manage the Force’s financial affairs, in accordance with sections 113 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2015 (as amended).
   3. The detailed financial management responsibilities of the Director of Finance, which includes a number of delegated powers, are set out in the Financial Regulations – see Appendix 3.
2. **Role of the Director of People** 
   1. To lead the development and implementation of strategies and policies to ensure the effective recruitment, development, deployment and management of police officers and staff, and undertake the day-to-day management of the People Directorate and services in accordance with the Financial Regulations – Appendix 3.
   2. To arrange and/or provide strategic and tactical advice and assistance to the PCC and PCC’s Chief of Staff on all matters relating to employment of staff, except that where responsibility to both the PCC and the CC may lead to a conflict of interest, the PCC may seek assistance from an independent advisor.
3. **Role of the Head of Legal Services**

11.1 To provide advice to and institute, defend or participate in legal actions on behalf of the Chief Constable.

11.2 To provide advice to, and institute, defend or participate in legal actions on behalf of, the PCC when requested to do so and where there is no identifiable conflict of interest between the PCC and the Chief Constable.

11.3 Specific delegations from the Chief Constable are set out in Appendix 2

1. **Role of the Head of Property Services**
   1. Although the PCC owns all Force land and buildings, the Head of Property Services will undertake the day-to-day management of the property function subject to the provision of financial regulations, and in accordance with the agreed asset management strategy.
2. **Role of the Chief Information Officer**
   1. The effective delivery of the Joint ICT Department and the Joint Information Management Unit, providing information assurance, access and security services across Thames Valley Police and Hampshire Constabulary.
   2. To provide governance, oversight and decisions as the Senior Information Risk Owner on behalf of the Chief Constable Data Controllers.
3. **Heads of Department**
   1. In addition to those mentioned above the Chief Constable will appoint appropriate Heads of Department to assist with the governance of the Force including but not limited to:
   * Head of Chiltern Transport Consortium
   * Head of ICT
   * Head of Information Management
   * Head of Procurement
   * Head of Professional Standards
4. **Urgency provisions**

PCC

* 1. If any matter which would normally be referred to the PCC (or Deputy PCC where appointed) for a decision which arises and cannot be delayed, in the absence of the PCC or Deputy PCC the matter may be decided by the appropriate chief officer.
  2. The appropriate chief officers authorised to decide urgent matters are:
* the Chief of Staff (all issues);
* the PCC’s Chief Finance Officer (financial and related issues, and all issues in the absence of the Chief of Staff in the post-holder’s capacity as the designated Deputy Chief of Staff)
  1. Urgent decisions taken must be reported to the PCC as soon as practicably possible.

Police Force

* 1. If any matter which would normally be referred to the Chief Constable (or Deputy Chief Constable) for a decision arises and cannot be delayed, in the absence of the Chief Constable (or Deputy Chief Constable as the case may be), the matter may be decided by an appropriate member of the Chief Constable’s Management Team (save always that any function of the Chief Constable which must as a matter of law normally be performed by the Chief Constable personally, may only be performed by another officer in accordance with the provisions of section 41 of the PRSRA 2011) .

**Appendix 1**

**Delegations from the PCC**

**To the Deputy PCC** (where appointed)

1. To exercise any function of the PCC, with the exception of those referred to in section 18 (7) (a) (e) and (f) of the Police Reform and Social Responsibility Act 2011, i.e.

a) Issuing the Police and Criminal Justice Plan

e) Appointing or suspending the Chief Constable, or calling upon the Chief Constable to retire or resign

f) Calculation of the budget requirement.

**To the Chief of Staff**

1. To sign contracts or deeds on behalf of the PCC, irrespective of value, once they have been properly approved, and to affix the common seal of the PCC where necessary. The PCC’s CFO (deputy Chief of Staff) can sign contracts or deeds as well as signing and affixing the seal.
2. To dismiss, in consultation with the Director of People, staff employed by the PCC (Note: Appeals will be heard by the PCC, sitting with an independent person).
3. To exercise the statutory powers of the PCC as “appropriate authority” for complaints and conduct matters in respect of the Chief Constable including, in consultation with the PCC’s Head of Governance and Compliance, making a recording decision, referral to the Independent Office for Police Conduct (the IOPC) and appointing an officer to resolve or investigate the complaint where necessary

5. To approve the settlement of any claim (including Employment Tribunal claims) brought against the Chief Constable or the PCC, or the making of any ex gratia payment, subject to the following limits:

* £30,000 in the case of any damages payment (where payments are to be made to more than one claimant in the case of any claim, they shall be aggregated for the purposes of calculating the level of payment)
* £10,000 in the case of any ex gratia payment

6. Any special severance payment is excluded from the terms of this delegated authority. Such payments must be approved personally by the PCC, in consultation with the PCC’s Chief of Staff, the PCC CFO, the Director of Finance and the Head of Legal Services. Such payments do not usually represent value for money, and will only be approved in exceptional circumstances in accordance with the principles contained in statutory guidance published in May 2022. For the purposes of this paragraph, “special severance payment” means any payment, over and above contractual or statutory entitlements, made on or in connection with the exit of an officer or member of staff (except those made in settlement of an existing legal claim where legal advice has been obtained).

7. To approve the payment of damages or legal costs incurred personally by police officers and staff in connection with legal proceedings, in consultation with the Chief Constable’s Head of Legal Services (subject, in the case of damages payments, to the limits set out in paragraph 6 above). Decisions on approval shall be made in accordance with Home Office Circular 10/2017, or any circular or guidance replacing or supplementing that circular.

8. To arrange for the institution of, withdrawal of, defence of, or participation in, legal proceedings on behalf of the PCC.

9. To make decisions as to the exercise of discretion under the Local Government Pension Scheme, in cases where the PCC is the relevant scheme employer.

**To the Chief Finance Officer**

1. To sign contracts or deeds on behalf of the PCC, irrespective of value, once they have been properly approved, and to affix the common seal of the PCC where necessary.

**To the Head of Governance and Compliance**

1. Where the PCC is the relevant review body for police complaints matters, to carry out the functions of that review body.
2. Where the PCC has the responsibility to appoint Legally Qualified Chairs and Independent Panel Members for misconduct hearings, to make such appointments.
3. In the absence of both the Chief of Staff and the CFO, the Head of Governance and Compliance (deputy Monitoring Officer) can sign contracts or deeds as well as signing and affixing the seal.

**Appendix 2**

**Delegations from the Chief Constable**

It is recognised that, unless a power or function of the Chief Constable must, as a matter of law, be exercised personally by him, such functions or powers need not be exercised by the Chief Constable personally but may be exercised on his behalf by such officers and staff as the Chief Constable thinks fit. There are numerous functions and powers of the Chief Constable which, as a matter of inevitable everyday practice, are in fact exercised on his behalf by other officers and members of staff. Case law recognises that where the responsibilities of an office created by statute are such that delegation is inevitable, there is an implied power to delegate. In such circumstances, there is a presumption that, where statutory powers and duties are conferred, there is a power to delegate the same unless the statute conferring them expressly or by implication provides to the contrary.

The specific delegations set out in this Appendix are not, therefore, intended to be an exhaustive list of the functions and powers of the Chief Constable which may be exercised on his behalf by another person. However, where the delegation of a specific function or power is set out in this Appendix, it must only be exercised as provided for in this Appendix (unless specifically agreed otherwise by both Chief Constable and PCC) and in accordance with any relevant Force policy. For the avoidance of doubt, however, nothing in this Appendix precludes any function or power being exercised by the Chief Constable personally, or by the Deputy Chief Constable on his behalf (to whom the functions and powers below are delegated as far as it is necessary to do so).  Also, for the avoidance of doubt, any person to whom the functions and powers below are delegated may sub-delegate as they deem appropriate in accordance with the provisions of paragraph 2c of this Scheme of Governance

The delegation by the Chief Constable of his functions as “appropriate authority” for the purposes of legislation relating to complaints and conduct matters is dealt with in a separate document entitled “Chief Constable’s Scheme of Delegation: Professional Standards”, held by the Head of Professional Standards and dated 10th December 2021, as reviewed and amended from time to time.

**To the Director of People**

1. To make decisions on behalf of the Chief Constable under Police Pensions Regulations (except in relation to Regulation A20 (retention)), Police (Injury Benefits) Regulations and any equivalent or related regulations in respect of police pension schemes, subject to the concurrence of the Director of Finance in relation to any decision that may result in additional cost to the Force. Note: The Deputy Chief Constable will continue to have delegated authority to take decisions in respect of Regulation A20 (retention), or any equivalent regulation dealing with retention.
2. Managing posting, secondment and corporate special leave decisions
3. Extending the payment of sick pay beyond the contractual entitlement (in the case of police staff) or beyond the entitlement in Police Regulations (in the case of police officers) in accordance with (as applicable) police staff terms and conditions, Police Regulations and Home Office Guidance
4. Decisions relating to Police Staff suspensions and dismissal from employment
5. The exercise of discretion in relation to police officer and police staff payments in accordance with Police Regulations, PNB, TVP policy and legislation
6. Determination of Job Evaluation appeals
7. The payment of removal allowances, housing and relocation costs for senior officers and staff and hard to recruit specialist roles.
8. To make decisions as to the exercise of discretion under the Local Government Pension Scheme, in cases where the Chief Constable is the relevant scheme employer.

**To the Force Head of Legal Services**

1. The authority to approve the settlement of any claim (including Employment Tribunal claims) brought against the Chief Constable or the PCC, or the making of any ex-gratia payment by or on behalf of the Chief Constable, subject to the following conditions
   1. Any damages payment of more than £10,000 must be approved by the PCC’s Chief of Staff or Chief Finance Officer
   2. Any damages payment of more than £30,000 must be approved by the PCC
   3. Any ex-gratia payment of more than £10,000 must be approved by the PCC
   4. Where the prior approval of insurers is required, this is obtained prior to the approval of any settlement

Note: for the purposes of section 88(2)(b) of the Police Act 1996, and paragraph 8(c) of Schedule 2 to the Police Reform and Social Responsibility Act 2011, the PCC approves the settlement of any claim made in accordance with the above authority and conditions.

1. Any special severance payment is excluded from the terms of this delegated authority. Such payments must be approved personally by the PCC, in consultation with the PCC’s Chief of Staff, the PCC CFO, the Director of Finance and the Head of Legal Services. Such payments do not usually represent value for money, and will only be approved in exceptional circumstances in accordance with the principles contained in statutory guidance published in May 2022. For the purposes of this paragraph, “special severance payment” means any payment, over and above contractual or statutory entitlements, made on or in connection with the exit of an officer or member of staff (except those made in settlement of an existing legal claim where legal advice has been obtained).

**Appendix 3**

**FINANCIAL REGULATIONS**

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**INTRODUCTION**

**Overview**

1. Public sector accounting is covered by a range of government legislation and accounting standards that are designed to ensure proper accountability for public funds. In addition, the Home Office has issued a Financial Management Code of Practice under section 17 of the Police Reform and Social Responsibility Act 2011 and section 39 of the Police Act 1996 which permit the Secretary of State to issue codes of practice to all Police and Crime Commissioners (PCCs) and Chief Constables. The CIFPA Financial Management Code provides guidance for good and sustainable financial management in local authorities, including the police service. By complying with the principles and standards, local authorities will be able to demonstrate effective and sustainable financial stewardship.
2. Each PCC and their respective Chief Constable is established in law as a corporation sole within the 2011 Act. As such, both are enabled by law to employ staff and hold funds in their official capacity. Chief Constables are charged with the impartial direction and control of all constables and staff within the police force that they lead. Staff of the PCC are accountable to the directly elected holder of that office.
3. The public accountability for the delivery and performance of the police service is placed into the hands of the PCC on behalf of their electorate. The PCC draws on their mandate to set and shape the strategic objectives of their force area in consultation with the Chief Constable. They are accountable to the electorate; the Chief Constable is accountable to their PCC. The Police and Crime Panel within each force area is empowered to maintain a regular check and balance on the performance of the PCC in that context.
4. The PCC within each force area has a statutory duty and electoral mandate to hold the police to account on behalf of the public.
5. The PCC may appoint a Deputy PCC who may exercise any function of the PCC (with the exception of those referred to in section 18 (7) (a) (e) and (f) of the Police Reform and Social Responsibility Act 2011 – see Appendix 1, above).
6. The PCC is the recipient of all funding, including the government grant, council tax precept and other sources of income, related to policing and crime reduction and all funding for a force must come via the PCC. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, or in accordance with any grant terms. The Chief Constable will provide professional advice and recommendations.

1. The PCC and the Chief Constable are both required to appoint a chief finance officer.
2. To conduct its business effectively, TVP needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is to adopt and implement Financial Regulations. The Regulations contained herein have been drawn up in such a way as to ensure that the financial matters of TVP are conducted properly and in compliance with all necessary requirements.
3. The Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, the Chief Constable and their officers and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.
4. A modern organisation should also be committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.

**Definitions within the Regulations**

1. For the purposes of these Regulations TVP, when used as a generic term, shall refer to:

* The PCC
* The Chief Constable
* The Office of the PCC (OPCC)
* The Force

1. The PCC’s chief finance officer is referred to as the PCC CFO.
2. The Chief Constable’s chief finance officer is the Director of Finance
3. The Chief of Staff also fulfils the monitoring officer role
4. The OPCC shall refer to the PCC, Deputy PCC and all members of staff employed by and under the direction and control of the PCC.
5. The ‘Force’ shall refer to the Chief Constable, police officers, police staff, police community support officers (PCSO), special constabulary, volunteers and other members of the wider police family under his direction.
6. Chief Officers when referred to as a generic term shall mean the Chief of Staff, PCC CFO, Chief Constable, Director of Finance and all other members of the Chief Constable’s Management Team.
7. ‘Employees’ when referred to as a generic term shall refer to police officers, police staff (Force and OPCC) and other members of the wider police family.
8. The expression ‘authorised officer’ refers to employees authorised by a chief officer.
9. The expression ‘contract’ refers to any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods, services or building works made on behalf of the PCC, the Force or their affiliated bodies.
10. The expression ‘best value for money’ shall mean the most cost effective means of meeting the need and takes account of whole life costs.
11. The expression ‘he’ shall refer to both male and female.
12. Within these Regulations, most of the references have been made to the responsibilities of the Chief Constable since most of the day-to-day financial management is vested with that post. However, where resources are under the control of the Chief of Staff or PCC CFO, the duties, rights and powers as detailed for the Chief Constable shall apply equally to the Chief of Staff or PCC CFO.
13. The terms Chief Constable, Director of Finance, Chief of Staff and PCC CFO include any member of staff, contractors or agents to whom particular responsibilities may be delegated. However, the level of such delegated responsibility must be evidenced clearly, made to an appropriate level, and the member of staff given sufficient authority, training and resources to undertake the duty in hand.

**Status**

1. These Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework of TVP that includes the Policing Protocol, codes of conduct and the scheme of governance.
2. The PCC, Chief Constable and all employees have a general duty to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.
3. Financial Regulations explain the working financial relationship between the PCC and the Chief Constable and their respective chief financial officers, having regard also to the role played by the PCCs Chief of Staff.
4. The PCC and Chief Constable are jointly responsible for approving or amending Financial Regulations. The PCC CFO and Director of Finance are jointly responsible for maintaining a review of Financial Regulations and submitting any additions or amendments to the PCC and Chief Constable, after consulting with the Chief of Staff.
5. More detailed Financial Instructions to supplement these Regulations, shall be issued by the Chief Constable after consultation with the PCC CFO and Chief of Staff.
6. Chief Officers are responsible for ensuring that all employees, contractors and agents are aware of the existence and content of these Financial Regulations and that they are complied with.
7. Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings and, potentially, criminal action. Such cases shall be reported to the PCC CFO and/or Director of Finance who shall determine, after consulting with the Chief of Staff, whether the matter shall be reported to the PCC and/or Chief Constable.
8. The PCC, Chief Constable and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues – also see section 2 in the Scheme of Corporate Governance.
9. These Financial Regulations (including contract regulations) apply to all activities undertaken by TVP including those where TVP is the lead force in a collaboration or partnership activity, irrespective of where the funding for the activity comes from (e.g. Government grants, contributions from partners, fees and charges etc.)

**Content**

1. The Financial Regulations are divided into a number of sections, each with detailed requirements relating to the section heading. References are made throughout the individual sections to delegated limits of authority. These are also summarised in Section 7.

* Section 1 - Financial management
* Section 2 - Financial planning
* Section 3 - Management of risk and resources
* Section 4 - Systems and procedures
* Section 5 - External arrangements
* Section 6 - Contract regulations
* Section 7 - Summary of delegated limits

# **1.1 FINANCIAL MANAGEMENT**

**The Police and Crime Commissioner (PCC)**

* + 1. The PCC has a statutory duty and electoral mandate to ensure an efficient and effective police service and to hold the police to account on behalf of the public. The PCC is the recipient of funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, or in accordance with any grant terms. The statutory officers of the Chief Constable and the PCC will provide professional advice and recommendations.
    2. The PCC shall appoint a Chief Financial Officer (the PCC CFO) to be responsible for the proper administration of the commissioner’s financial affairs. He shall also appoint a Chief of Staff who shall act as the PCC’s monitoring officer.
    3. The PCC is responsible for approving the policy framework and budget, monitoring financial outcomes and the approval of medium term financial plans in consultation with the Chief Constable. He is responsible for approving the overall framework of accountability and control, and monitoring compliance. In relation to these Financial Regulations this includes:
* Police and Criminal Justice Plan
* Financial strategy
* Capital strategy
* Annual revenue budget
* Capital programme
* Medium term financial forecasts
* Treasury management strategy, including the annual investment strategy
* Reserves strategy and usage of reserves
* Asset management strategy
* Risk management strategy
* Governance policies
  + 1. The PCC is responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.
    2. The PCC is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.
    3. The PCC shall provide his chief finance officer with such staff, accommodation and other resources as are in his opinion sufficient to allow his duties under this section to be performed
    4. The PCC may appoint a Deputy PCC (DPCC) for that area and arrange for the DPCC to exercise any function of the PCC

**The Deputy Police and Crime Commissioner (DPCC)**

* + 1. The DPCC may exercise any function lawfully conferred on him by the PCC. Under the Police Reform and Social Responsibility Act 2011, the DPCC may not:
* Issue the Police and Crime Plan
* Appoint or suspend the Chief Constable, or call upon the Chief Constable to retire or resign
* Calculate the budget requirement

**The Chief Constable**

* + 1. The Chief Constable is responsible for maintaining the King’s Peace and has direction and control over the Force’s officers and staff. The Chief Constable holds office under the Crown, but is appointed by the PCC.

* + 1. The Chief Constable is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force. At all times the Chief Constable, his constables and staff remain operationally independent in the service of the public.
    2. To help ensure the effective delivery of policing services the Chief Constable employs all constables and staff within the force and has day to day responsibility for financial management of the force within the framework of the agreed budget allocation and levels of authorisation issued by the PCC.
    3. The Chief Constable shall appoint a Chief Finance Officer (Director of Finance) to be responsible for the proper administration of the Chief Constable’s financial affairs.
    4. The Chief Constable must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the PCC. The Chief Constable will discharge this through the Director of Finance who will lead for the force on financial management.
    5. When the Chief Constable intends to make significant change of policy or seeks to move significant sums of their budget then the approval of the PCC should be sought.
    6. The Chief Constable shall provide the Director of Finance with such staff, accommodation and other resources as are in his opinion sufficient to allow his duties under this section to be performed
    7. The Chief Constable is responsible for the day-to-day financial management of the Force within the framework of the budget, rules of virement and reporting arrangements. In operating day-to-day financial management, the Chief Constable shall comply with the approved policies and framework of accountability.
    8. The Chief Constable shall prepare Financial Instructions to supplement the Financial Regulations and provide detailed instructions on the operation of the specific financial processes delegated to the Chief Constable. The Chief Constable shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with.

**The Joint Independent Audit Committee**

* + 1. The Home Office Financial Management Code of Practice states that the PCC and Chief Constable should establish an independent audit committee. This should be a combined body which will consider the internal and external audit reports of both the PCC and the Chief Constable. This committee will advise the PCC and the Chief Constable according to good governance principles and will adopt appropriate risk management arrangements in accordance with proper practices. In establishing the Audit Committee, the PCC and Chief Constable shall have regard to CIPFA Guidance on Audit Committees.
    2. The Audit Committee shall comprise between three and five members who are independent of the PCC and the Force.
    3. The Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis
    4. The PCC and Chief Constable shall be represented at all meetings of the Audit Committee.

**The PCC CFO**

* + 1. The PCC CFO has a statutory responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer.
    2. The PCC CFO’s statutory responsibilities are set out in:
* Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011
* Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
* The Accounts and Audit Regulations 2015
  + 1. The PCC CFO is the PCC’s professional adviser on financial matters and shall be responsible for:
* ensuring that the financial affairs of the PCC are properly administered and that financial regulations are observed and kept up to date;
* advise and scrutinise with respect to regularity, propriety and Value for Money (VfM) in the use of public funds;
* ensuring that the funding required to finance agreed programmes is available from central Government, council tax precept, other contributions and recharges;
* Reporting to the PCC, the Police and Crime Panel and to the external auditor (s114):
  + - any unlawful, or potentially unlawful, expenditure by the PCC or officers of the PCC;
    - when it appears that any expenditure is likely to exceed the resources available to it to meet that expenditure;
* advising the PCC on the robustness of the estimates and the adequacy of financial reserves (s25 LG Act 2003);
* preparing the annual statement of accounts for the PCC and Group, in conjunction with the Director of Finance
* ensuring the provision of an effective internal audit service, in conjunction with the Director of Finance;
* securing the treasury management function, including loans and investments;
* advising, in consultation with the Chief of Staff on the safeguarding of assets, including risk management and insurance
* arranging for the determination and issue of the precept
* liaising with the external auditor; advising the PCC on the application of value for money principles by the police force to support the PCC in holding the chief constable to account for efficient and effective financial management; and.
* ensuring compliance with the CIPFA Financial Management Code
  + 1. The PCC CFO, in consultation with the Chief of Staff, Director of Finance and/or Chief Constable as appropriate, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of TVP.
    2. The PCC CFO has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the PCC on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the PCC’s accounts, including group accounts.
    3. The PCC CFO is the PCCs professional adviser on financial matters. To enable him to fulfil these duties and to ensure the PCC is provided with adequate financial advice the PCC CFO:
* must be a key member of the PCC’s Leadership Team, working closely with the Chief of Staff, helping the team to develop and implement strategy and to resource and deliver the PCC’s strategic objectives sustainably and in the public interest;
* must be actively involved in, and able to bring influence to bear on, all strategic business decisions, of the PCC, to ensure that the financial aspects of immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the PCC’s financial strategy;
* must lead the promotion and delivery by the PCC of good financial management so that public money is always safeguarded and used appropriately, economically, efficiently and effectively; and
* must ensure that the finance function is resourced to be fit for purpose.

**The Director of Finance**

* + 1. The Director of Finance is the Chief Constable’s Chief Finance Officer with responsibility for proper financial administration and a personal fiduciary responsibility to the local council taxpayer
    2. The Director of Finance is responsible to the Chief Constable for all financial activities within the Force or contracted out under the supervision of the Force.
    3. The Director of Finance’s responsibilities are set out in:
* Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform and Social Responsibility Act 2011
* Section 114 Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
* The Accounts and Audit Regulations 2015
  + 1. The Director of Finance is responsible for:
* ensuring that the financial affairs of the force are properly administered and that these financial regulations are observed and kept up to date;
* Reporting to the Chief Constable, the PCC, the PCC CFO and to the external auditor (s114):
  + - any unlawful, or potentially unlawful, expenditure by the Chief Constable or officers of the Chief Constable;
    - when it appears that any expenditure of the Chief Constable is likely to exceed the resources available to it to meet that expenditure
* reporting on value for money in relation to all aspects of the force’s expenditure, and implementing the processes to achieve value for money;
* advising the Chief Constable and the PCC on the soundness of the budget in relation to the force;
* liaising with the external auditor;
* working with the PCC CFO’s staff to produce the statement of accounts for the Chief Constable and to assist in the production of group accounts for TVP;
* ensuring compliance with the CIPFA Financial management Code.
  + 1. The Director of Finance has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the force on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the Chief Constable’s accounts. The Director of Finance will need to observe the locally agreed timetable for the compilation of the group accounts by the PCC CFO.
    2. The Director of Finance is the Chief Constable’s professional adviser on financial matters. To enable her to fulfil these duties the Director of Finance:
* must be a key member of the Chief Constable’s Management Team, helping it to develop and implement strategy and to resource and deliver the PCC’s strategic objectives sustainably and in the public interest;
* must be actively involved in, and able to bring influence to bear on, all strategic business decisions of the Chief Constable to ensure immediate and longer-term implications, opportunities and risks are fully considered;
* must lead the promotion and delivery by the Chief Constable of good financial management so that public money is always safeguarded and used appropriately, economically, efficiently and effectively; and
* must ensure that the finance function is resourced to be fit for purpose.
  + 1. It must be recognised that financial regulations cannot foresee every eventuality. The Director of Finance, in consultation with the PCC CFO, shall be responsible for interpreting these regulations so as to ensure the efficient and effective operation of services.

**The Chief of Staff**

* + 1. The **Chief of Staff** is responsible for the leadership and general administration of the PCC’s office.
    2. The **Chief of Staff** is also the PCC’s designated monitoring officer, appointed under section 5(1) of the Local Government and Housing Act 1989.
    3. The monitoring officer is responsible for:
* ensuring the legality of the actions of the PCC and his officers.
* ensuring that procedures for recording and reporting key decisions are operating effectively
* advising the PCC and officers about who has authority to take a particular decision
* advising the PCC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework
* advising the PCC on matters relating to standards of conduct

**1**.**2 FINANCIAL MANAGEMENT STANDARDS**

**Why is this important?**

* + 1. The PCC, Chief Constable and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues. This is facilitated by ensuring that everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

**Responsibilities of the PCC CFO and Director of Finance**

* + 1. To ensure the proper administration of the financial affairs of TVP
    2. To ensure that proper practices are adhered to
    3. To advise on the key strategic controls necessary to secure sound financial management
    4. To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators
    5. To ensure that all staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
    6. To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.

**1.3 ACCOUNTING RECORDS AND RETURNS**

**Why is this important?**

* + 1. The PCC and Chief Constable will help discharge their responsibility for stewardship of public resources by maintaining proper accounting records and effective reporting arrangements. The PCC and Chief Constable have a statutory responsibility to prepare their own annual accounts to present fairly their operations during the year. These are subject to external audit. This audit provides assurance that the two separate sets of accounts have been prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of TVP resources.

**Joint Responsibilities of the PCC CFO and Director of Finance**

* + 1. To determine the accounting procedures and records for TVP, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures employed by the Chief Constable. All employees shall operate within the required accounting policies and published timetables.
    2. To make proper arrangements for the audit of the PCC, Force and Group accounts in accordance with the Accounts and Audit Regulations 2015.
    3. To ensure that all claims for funds including grants are made by the due date
    4. To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis
    5. To prepare and publish the audited accounts in accordance with the statutory timetable.

**Responsibilities of the Director of Finance**

* + 1. To obtain the approval of the PCC CFO before making any fundamental changes to accounting records and procedures or accounting systems
    2. To ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis
    3. To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements

**1.4 THE ANNUAL STATEMENT OF ACCOUNTS**

**Why is this important?**

* + 1. The PCC and Chief Constable have a statutory responsibility to prepare their own accounts to present fairly their operations during the year. They must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The accounts will comprise separate statements for the PCC, Chief Constable as well as group accounts covering both entities.
    2. The accounts are subject to detailed independent review by the external auditor. This audit provides assurance that the accounts are prepared correctly, that proper accounting practices have been followed and that arrangements have been made for securing economy, efficiency and effectiveness in the use of TVP resources.

**Joint Responsibilities of the PCC CFO and Director of Finance**

* + 1. To agree and publish the timetable for final accounts preparation
    2. To select suitable accounting policies and apply them consistently
    3. To make judgements and estimates that are reasonable and prudent
    4. To comply with the Code of Practice on Local Authority Accounting
    5. To prepare, sign and date the separate statement of accounts, stating that they present fairly the financial position of the PCC, Force and Group at the accounting date and their income and expenditure for the financial year just ended
    6. To publish the audited accounts each year, in accordance with the statutory timetable
    7. To produce summary accounts for inclusion in the PCC’s annual report

**Responsibilities of the PCC and Chief Constable**

* + 1. To consider and approve their annual accounts in accordance with the statutory timetable.

#### 

**2.1 FINANCIAL PLANNING**

**Why is this important?**

* + 1. TVP is a complex organisation responsible for delivering a range of policing activities. It needs to develop systems to enable resources to be allocated in accordance with priorities. Financial planning is essential if it is to function effectively
    2. The financial planning process should be directed by the approved policy framework, the business planning process and the need to meet key objectives
    3. The planning process should be continuous and the planning period should cover at least 3 years. The process should include a more detailed annual plan - the budget, covering the forthcoming financial year. This allows the PCC and Force to plan, monitor and manage the way funds are allocated and spent.
    4. It is recognised that the impact of financial planning in the police service will be constrained by the quality and timeliness of information made available by central government on resource allocation.

**Financial Strategies**

* + 1. The financial strategy explains how the PCC and Chief Constable manage their finances to support delivery of the aims and objectives of the service, as set out in the PCC’s Police and Criminal Justice Plan and the Strategic Plan, whilst ensuring financial sustainability.
    2. The capital strategy is intended to give a high level overview of how capital expenditure, capital finance and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

**Responsibilities of the PCC CFO and Director of Finance**

* + 1. To review and update, on an annual basis, the financial strategy and the capital strategy.

**Responsibility of the PCC**

* + 1. To approve the annual financial strategy and the capital strategy.

**Medium Term Financial Planning**

* + 1. The PCC and Chief Constable share a responsibility to provide effective financial and budget planning for the short, medium and longer term. They achieve this by preparing a medium term (3-5 years) financial plan (revenue) and medium term capital plan.

**Responsibilities of the PCC**

* + 1. To identify and agree, in consultation with the Chief Constable and other relevant partners and stakeholders, a medium-term financial strategy which includes funding and spending plans for both revenue and capital. The strategy should take into account multiple years, the inter-dependencies of revenue budgets and capital investment, the role of reserves and consideration of risks. It should have regard to affordability and to CIPFA’s Prudential Code for Capital Finance in Local authorities. The strategy should be aligned with the Police and Criminal Justice Plan.

**Responsibilities of the PCC CFO and Director of Finance**

* + 1. To determine the format and timing of the medium-term financial plans to be presented to the Chief Constable and PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.
    2. To prepare a medium term forecast of proposed income and expenditure for submission, initially to the Chief Constable’s Management Team, and then to the PCC. When preparing the forecast, the PCC CFO and Director of Finance shall have regard to:
* the police and criminal Justice plan
* Strategic Plan
* policy requirements approved by the PCC as part of the policy framework
* the strategic policing requirement
* expected future commitments, including legislative requirements
* initiatives planned/already underway including the local implications of national initiatives
* funding of the draft medium term capital plan
* proposed service developments and plans which reflect public consultation
* the need to deliver efficiency and/or productivity savings
* government grant allocations
* potential implications for local taxpayers
  + 1. To prepare a medium term forecast of potential resources, including options for the use of general balances, reserves and provisions, and an assumption about future levels of government funding and council tax precept income.
    2. A gap may be identified between available resources and required resources. Requirements should be prioritised by the Chief Constable to enable the PCC to make informed judgements as to future funding levels and planning the use of resources.

**Annual Revenue Budget**

* + 1. The revenue budget provides an estimate of the annual income and expenditure requirements for the police service and sets out the financial implications of the PCCs strategic policies. It provides Chief Officers with authority to incur expenditure and a basis on which to monitor the financial performance of both the PCC and the Force.
    2. The PCC should consult with the Chief Constable and other relevant partners and stakeholders in planning the overall annual budget which will include a separate force budget allocation. This will take into consideration funding from government and from other sources, and balance the expenditure needs of the policing service, community safety and victims and witnesses against the level of local taxation. This should meet the statutory requirements to achieve a balanced budget (Local Government Act 2003) and be completed in accordance with the statutory timeframe.
    3. The impact of the annual budget on the priorities and funding of future years as set out in the Police and Criminal Justice Plan and the medium-term financial strategy should be clearly identified.

**Responsibilities of the PCC**

* + 1. To agree the planning timetable with the Chief Constable
    2. To obtain the views of the people and relevant ratepayers’ representatives in the Force area on the proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates
    3. To present his proposed council tax precept to the Police and Crime Panel each year and to have regard to any report or recommendation that the Panel makes in response

**Responsibilities of the PCC CFO**

* + 1. To determine the format of the revenue budget to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA
    2. To obtain timely and accurate information from billing authorities on the council taxbase and the latest surplus/deficit position on collection funds to inform budget deliberations
    3. To advise the PCC on the appropriate level of general balances, earmarked reserves and provisions to be held.
    4. To submit a report to the PCC on (1) the robustness of the estimates and the adequacy of reserves and (2) the suite of prudential indicators for the next three years, arising from the Prudential Code for Capital Finance in Local Authorities. These indicators shall be consistent with the annual revenue budget and capital programme approved by the PCC.
    5. Upon approval of the annual budget, to submit the council tax requirement return to central government and precept requests to appropriate bodies in accordance with the legal requirement.
    6. To produce and publish, in accordance with statutory requirements and timescales, the council tax information leaflet and send a web-link to the billing authorities.

**Responsibilities of the Director of Finance**

* + 1. To prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the PCC CFO.
    2. To submit draft budget proposals to the Chief Constable’s Management Team to obtain approval from the Chief Constable
    3. To submit estimates in the agreed format to the PCC for approval, including details of council tax implications and precept requirements.

**2.2 BUDGETARY CONTROL**

**Why is this important?**

* + 1. Budget management ensures that once the PCC has approved the budget, resources allocated are used for their intended purpose and are properly accounted for. Budgetary control is a continuous process, enabling both the Chief Constable and PCC to review and adjust their budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
    2. The key controls for managing and controlling the revenue budget are that:

1. there is a nominated budget manager for each cost centre heading who is accountable for the budgets under his direct control; and
2. the management of budgets must not be seen in isolation. It should be measured in conjunction with service outputs and performance measures

**Revenue Monitoring**

**Why is this important?**

* + 1. By continuously identifying and explaining variances against budgetary targets, TVP can identify changes in trends and resource requirements at the earliest opportunity. The PCC and Chief Constable both operate within an annual cash limit, approved when setting the annual budget. To ensure that TVP in total does not overspend, the Director of Finance and PCC CFO are required to manage expenditure within their budget allocations, subject to the rules of virement.

**Responsibilities of the Director of Finance**

* + 1. To provide appropriate financial information to enable budgets to be monitored effectively.
    2. To ensure that each element of income or expenditure has a nominated budget manager to take responsibility for that part of the budget. Budget responsibility should be aligned as closely as possible to the decision making process that commits expenditure.
    3. To ensure that total spending for operational policing remains within the overall allocation of resources and takes corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the Chief Constable, both the PCC CFO and PCC shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process to the PCC. The same responsibilities apply to the Chief of Staff and the PCC CFO for their budgets.
    4. To submit a budget monitoring report to the Chief Constable’s Management Team and the PCC on a regular basis throughout the year, containing the most recently available financial information.

**Virement**

**Why is this important?**

* + 1. A virement is an approved reallocation of resources between budgets or heads of expenditure. A budget head is a line in the approved budget report. The scheme of virement is intended to enable chief officers to manage their budgets with a degree of flexibility within the overall policy framework determined by the PCC and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.
    2. The Chief Constable should only be required to refer back to the PCC when virement would incur substantive changes in the policy of the PCC or where a virement might create a future year or continuing commitment. Revenue expenditure can only be funded from revenue funding.
    3. Key controls for the scheme of virement are:

1. it is administered by chief officers in accordance within the limits set out in Financial Regulations. Any variation from this scheme requires the approval of the PCC
2. the overall budget is agreed by the PCC. Chief officers and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget
3. virement does not create additional overall budget liability.
4. each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring.

**Responsibilities**

* + 1. The Chief Constable may use revenue provision to purchase capital items or carry out capital works subject to obtaining PCC or PCC CFO approval where the proposed transfer exceeds £1m.
    2. The Director of Finance can approve any virement of the Force Budget where the additional costs are fully reimbursed by other bodies. The PCC’s CFO can approve any virement of the PCC’s own budget where the additional costs are fully reimbursed by other bodies.
    3. For all other budgets each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring, subject to the following approval levels

***Force Budget***

*Up to £1,000,000 Director of Finance*

*Over £1,000,000 PCC or PCC CFO*

***PCC’s own budget***

*Up to £200,000 PCC CFO*

*Over £200,000 PCC*

* + 1. The approval of the PCC CFO (and the PCC if the value is greater than £1m) is required if an appropriation to/from earmarked revenue reserves or general revenue reserves is being sought, or the value of an existing appropriation is being amended.
    2. The approval of the PCC shall be required if the virement involves:

1. a substantial change in policy
2. a significant addition to commitments in future years

**2.3 CAPITAL PROGRAMME**

**Why is this important?**

* + 1. Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to TVP such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and may create financial commitments in the form of financing costs and revenue running costs.
    2. TVP is able to undertake capital investment providing the spending plans are affordable, prudent and sustainable. CIPFA’s Prudential code sets out the framework under which the Force and PCC will consider their spending plans.
    3. The capital programme is linked to both the approved financial strategy and the capital strategy.
    4. A medium term capital plan will be produced, in accordance with the financial strategy and the capital strategy, which shows all planned capital investment over the next 3-5 years. This plan will include a schedule to show how the planned expenditure will be funded.
    5. A separate annual capital budget will be produced before the start of the financial year. Initially, this budget will include ongoing schemes from previous years as well as annual provisions such as vehicles, plant and equipment. Additional schemes from the medium term capital plan will be included in the annual budget after tenders have been accepted and timescales are known.
    6. Although TVP procures capital items on behalf of consortium partners, only TVP related expenditure which will be included in the fixed asset register (i.e. including CTPSE) will be included in the medium term capital plan and the annual capital budget.

**Responsibilities of the Chief Constable**

* + 1. To develop and implement asset management plans. These will inform the medium term and annual capital programmes.

**Responsibilities of the PCC**

* + 1. To approve the estates asset management plan

**Medium Term Capital Plan**

**Responsibilities of the Director of Finance**

* + 1. To prepare a rolling programme of proposed capital expenditure, in accordance with the agreed financial strategy and the capital strategy, for initial consideration by the Chief Constable’s Management Team and then for presentation to the PCC. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.
    2. To prepare project appraisals (i.e. the Business Proposal Form) for all schemes in the draft medium term capital plan. Where appropriate these will be developed jointly with Hampshire Constabulary and/or other partners, and will include an appropriate element for optimism bias. These shall be submitted to the PCC CFO and PCC for consideration and scheme approval. This will include all additional revenue and capital costs.
    3. To identify, in consultation with the PCC CFO, available sources of funding for the medium term capital plan, including the identification of potential capital receipts from disposal of assets and the level of Direct Revenue Funding required.
    4. A gap may be identified between available resources and required capital investment. Requirements should be prioritised by the Chief Constable to enable the PCC to make informed judgements as to which schemes should be included in the capital plan, the minimum level of funding required for each scheme and the potential phasing of capital expenditure.
    5. A fully funded medium term capital plan shall, on an annual basis, be presented to the PCC for consideration and approval
    6. Approval of the medium term capital plan by the PCC in January / February each year authorises the Chief Constable to seek planning permissions, incur professional fees and preliminary expenses as appropriate.

**Responsibilities of the PCC CFO**

* + 1. To make recommendations to the PCC on the most appropriate level and application of revenue support, reserves and borrowing, under the Prudential Code, to support the capital plan.

**Responsibilities of the PCC**

* + 1. To approve a fully funded medium term capital plan.

**Annual Capital Budget**

**Responsibilities of the PCC**

* + 1. To agree the annual capital budget, and how it is to be financed.
    2. To hold the Chief Constable to account for delivery of effective capital schemes within budget.

**Responsibilities of the Chief Constable**

* + 1. To present an annual capital budget to the PCC for approval
    2. To manage expenditure on individual capital schemes within the approved scheme budget. Where schemes are expected to exceed budget by more than 10% or £200,000 (whichever is the lower amount) approval should be sought from the PCC CFO. Increases of more than £1m must be approved by the PCC.
    3. To ensure that finance leases or other credit arrangements are not entered into without the prior approval of the PCC CFO.
    4. To ensure that, apart from professional fees (e.g. feasibility studies and planning fees) no other capital expenditure is incurred before the contract is let and the scheme is included in the annual capital budget.

**Monitoring of Capital Expenditure**

**Responsibilities of the Director of Finance**

* + 1. To ensure that adequate records are maintained for all capital contracts
    2. To monitor expenditure throughout the year against the approved capital budget.
    3. To submit capital monitoring reports to both the Chief Constable’s Management Team and the PCC on a regular basis throughout the year. These reports are to be based on the most recently available financial information. The monitoring reports will show spending to date and compare projected income and expenditure with the approved budget.
    4. For proposed in-year amendments to the annual capital budget, for schemes not already included in the medium term capital plan, to prepare a business case for submission to the PCC for consideration and approval, including details on how the new scheme is to be funded.

**Responsibilities of the PCC CFO and Director of Finance**

* + 1. To report on the outturn of capital expenditure as part of the annual report on the statutory accounts.

**2.4 MAINTENANCE OF BALANCES AND RESERVES**

**Why is this important?**

* + 1. The PCC must decide the level of general reserves he wishes to retain before he can decide the level of council tax. Reserves are maintained as a matter of prudence. They enable the organisation to provide for cash flow fluctuations and unexpected costly events and thereby help protect it from overspending the annual budget, should such events occur. Reserves for specific purposes may also be maintained where it is likely that a spending requirement will occur in the future.

**Responsibilities of the PCC CFO**

* + 1. To advise the PCC on reasonable levels of balances and reserves.
    2. To report to the PCC on the adequacy of reserves and balances before he approves the annual budget and council tax (s25, LG Act 2003).
    3. To approve appropriations to and from each earmarked reserve. These will be separately identified in the Annual Statement of Accounts.
    4. To ensure the Annual Reserves Strategy is published on the PCC’s website in accordance with Home Office requirements.

**Responsibilities of the Director of Finance**

* + 1. To ensure that the annual revenue budget is sufficient to finance foreseeable operational needs without having to request additional approval.
    2. To present a business case to the PCC CFO and PCC for one-off expenditure items to be funded from earmarked and/or general reserves.

**Responsibilities of the PCC**

* + 1. To approve a policy on reserves and balances, including lower and upper parameters for the level of general balances
    2. To approve the creation of each earmarked reserve. The purpose, usage and basis of transactions should be clearly identified for each reserve established.
    3. To approve the allocation of monies to and from general and earmarked reserves, as part of the annual budget setting process.

**3.1 RISK MANAGEMENT AND BUSINESS CONTINUITY**

**Why is this important?**

* + 1. It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all potential significant corporate and operational risks. This should include the proactive participation of all those associated with planning and delivering services.
    2. All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk cannot be eliminated altogether. However, risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of TVP and to ensure the continued corporate and financial wellbeing of TVP. It is, therefore, an integral part of good business practice.
    3. Business continuity is a key part of the risk management agenda and is concerned with ensuring that the organisation can continue to operate and deliver its critical services during a period of disruption.

**Responsibilities of the PCC and Chief Constable**

* + 1. The PCC and Chief Constable are jointly responsible for approving the risk management policy statement and strategy, and for reviewing the effectiveness of risk management.

**Responsibilities of Chief Officers**

* + 1. To prepare the TVP risk management policy statement and for promoting a culture of risk management awareness throughout TVP and reviewing risk as an ongoing process.
    2. To maintain and/or implement new procedures, as necessary and appropriate, to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis
    3. To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis

**Responsibilities of the PCC CFO and Director of Finance**

* + 1. To advise the PCC and Chief Constable on appropriate arrangements for insurance. Acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken.
    2. To arrange for an actuary to undertake a regular review of TVP’s own self-insurance fund and, following that review, to recommend to the Chief Constable and PCC a course of action to ensure that, over the medium term, the fund is able to meet all known liabilities.
    3. To ensure that appropriate insurance cover is provided.

* + 1. To ensure that claims made by TVP against insurance policies are made promptly

**Responsibilities of the Chief Constable**

* + 1. To make all appropriate employees aware of their responsibilities for managing relevant risks
    2. To ensure that employees, or anyone covered by TVP insurance, is instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim
    3. To ensure that a comprehensive risk register is produced and updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk

**Responsibilities of the Chief of Staff**

* + 1. To ensure that a comprehensive risk register is produced for the OPCC and is updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk

**Responsibilities of the Chief of Staff and Head of Legal Services**

* + 1. To evaluate and authorise any terms of indemnity that TVP is requested to give by external parties.

**3.2 INTERNAL CONTROL SYSTEM**

**Why is this important?**

* + 1. Internal control refers to the systems of control devised by management to help ensure TVP objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that TVP assets and interests are safeguarded.
    2. TVP is complex and requires an internal control framework to manage and monitor progress towards strategic objectives. TVP has statutory obligations and therefore requires a system of internal control to identify, meet and monitor compliance with these obligations.
    3. TVP faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. A system of internal control is necessary to manage these risks. The system of internal control is established in order to provide achievement of:
* efficient and effective operations
* reliable financial information and reporting
* compliance with laws and regulations
* risk management

**Responsibilities of Chief Officers**

* + 1. To implement effective systems of internal control, in accordance with advice from the PCC CFO and Director of Finance. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.
    2. To ensure that effective key controls are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.
    3. To ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguard of assets, segregation of duties, authorisation and approval procedures and robust information systems.
    4. To produce Annual Governance Statements for consideration and approval by the PCC and Chief Constable.
    5. To consider and respond promptly to control weaknesses and issues in audit reports and ensure that all critical or significant agreed actions arising from the audit are carried out in accordance with the agreed action plan included in each report.

**3.3 AUDIT REQUIREMENTS**

**Joint Independent Audit Committee**

**Why is this important?**

* + 1. The purpose of an audit committee is to provide those charged with governance (i.e. the PCC and Chief Constable) independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place

**Responsibilities of the PCC and Chief Constable**

* + 1. To recruit and appoint 3-5 members of the Committee (total membership may exceed 5 on a temporary basis to facilitate smooth transition). These members should be independent of both the PCC and the Force
    2. To determine the Committee Terms of Reference (or Operating Principles)
    3. To prepare and sign annual letters of representation and submit to the external auditor
    4. To receive and act upon the annual assurance statement from the Committee

**Internal Audit**

**Why is this important?**

* + 1. Internal audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating the adequacy and effectiveness of internal controls that are in place to manage and mitigate financial and non-financial risk to support delivery of the organisation’s objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
    2. The requirement for an internal audit function for local authorities is either explicit or implied in the relevant local government legislation (section 151 of the Local Government Act 1972), which requires that authorities “make arrangements for the proper administration of their financial affairs”. In the Police Service, the PCC and Chief Constable are required to maintain an effective audit of their affairs by virtue of the Accounts and Audit Regulations 2015 (as amended) which state that a “relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control”. The guidance accompanying the legislation states that proper internal control practices for internal audit are those contained in the Public Sector Internal Audit Standards.
    3. In fulfilling this requirement, the PCC and Chief Constable should have regard to the Public Sector Internal Audit Standards.
    4. In addition to enabling the PCC and the Chief Constable to fulfil their requirements in relation to the relevant Accounts and Audit Regulations, internal Audit is needed to satisfy the PCC and the Chief Constable that effective internal control systems are in place.

**Responsibilities of the Joint Independent Audit Committee**

* + 1. In terms of internal audit, the Joint Independent Audit Committee’s operating principles will include the following key activities and responsibilities:
* Annually review the internal audit charter and resource
* Receive and consider the adequacy and effectiveness of the arrangements for the provision of the internal audit service
* Consider and comment on the Internal Audit Strategy and Plan.
* Receive and review internal audit reports and monitor progress of implementing agreed actions
* To consider the Head of Internal Audit’s statement on the level of conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that support the statement
* Consider and comment upon the annual report of the Head of Internal Audit
* Obtain assurance that an annual review of the effectiveness of the internal audit function takes place
  + 1. To note and endorse the Internal Audit Strategy and Joint Internal Audit Plan, which sets out the joint Internal Audit Team’s:
* objectives and outcomes;
* Planning methodology;
* Resources;
* Annual Plan; and
* Performance measurements.

**Responsibilities of the PCC, Chief Constable, PCC CFO and Director of Finance**

* + 1. To ensure the provision of an adequate and effective internal audit service.
    2. To ensure that internal auditors, having been security cleared, have the authority to:
* access TVP premises at reasonable times
* access all assets, records, documents, correspondence, control systems and appropriate personnel, subject to appropriate security clearance
* receive any information and explanation considered necessary concerning any matter under consideration
* require any employee to account for cash, stores or any other TVP asset under their control
* access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.
  + 1. Internal Audit shall have direct access to all Chief Officers and employees, where necessary, to discharge their responsibilities.

**Responsibilities of the PCC CFO and the Director of Finance**

* + 1. To approve the annual internal audit plan, having considered the views expressed by stakeholders, including the Joint Independent Audit Committee.
    2. To approve in-year variations to the annual internal audit plan.

**Responsibilities of the Chief Internal Auditor**

* + 1. To prepare - in consultation with the PCC, Chief Constable, PCC CFO and Director of Finance - an annual audit plan that conforms to the Public Sector Internal Audit Standards, for consideration by the Joint Independent Audit Committee.
    2. To attend meetings of the Joint Independent Audit Committee and to present to each Committee a report on the progress in delivering the annual plan, the matters arising from audits, and the extent to which agreed actions in response to issues raised in the audit reports have been delivered.
    3. To present an annual report to the Joint Independent Audit Committee, including an opinion on the effectiveness of the internal control environment in TVP.

**Responsibilities of Chief Officers**

* + 1. To consider and respond promptly to control weaknesses and issues in audit reports and ensure that all critical or significant agreed actions arising from the audit are carried out in accordance with the agreed action plan included in each report.

**Responsibilities of the Director of Finance**

* + 1. To ensure that new systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by the PCC CFO and internal audit prior to implementation.
    2. To notify the PCC CFO immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of TVP property or resources. Pending investigation and reporting, the Chief Constable should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration. Investigation of internal financial irregularities shall normally be carried out by the Professional Standards Department, who shall consult with the Chief Internal Auditor as appropriate and keep him informed of progress. At the conclusion of the investigation the Chief Internal Auditor shall be informed of the outcome and agree with the Head of Professional Standards and the Director of Finance whether any internal audit review of the internal controls would be beneficial. The operation of this Regulation shall be in accordance with the agreed protocol between the Head of Professional Standards, the Director of Finance and the Chief Internal Auditor.

**External Audit**

**Why is this important?**

* + 1. The PCC and the Chief Constable are responsible for selecting and appointing their own external auditor. They may choose to do this by using the Public Sector Audit Appointments (PSAA) Ltd.
    2. The external auditor has rights of access to all documents and information necessary for audit purposes.
    3. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, the Audit Commission Act 1998 and the Local Government Act 1999. In particular, section 4 of the 1998 Act requires the National Audit Office to prepare a code of audit practice, which external auditors follow when carrying out their duties. The code of audit practice sets out the auditor’s objectives to review and report upon:
* the audited body’s financial statements
* aspects of the audited body’s arrangements to secure Value for Money.
  + 1. In auditing the annual accounts, the external auditor must satisfy themselves, in accordance with Section 5 of the 1998 Act, that:
* the accounts are prepared in accordance with the relevant regulations;
* they comply with the requirements of all other statutory provisions applicable to the accounts;
* proper practices have been observed in the compilation of the accounts; and
* the body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.
  + 1. The 1998 Act sets out other specific responsibilities of the auditor, for example under the section on financial reporting.

**Responsibilities of the Joint Independent Audit Committee**

* + 1. To approve the annual work plan and fee
    2. To receive and respond to the ISA 260 Audit Results report on the financial statements and value for money
    3. To receive the annual audit report

**Responsibilities of the PCC CFO and Director of Finance**

* + 1. To liaise with the external auditor and advise the PCC and Chief Constable on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit.
    2. To ensure that for the purposes of their work the external auditors are given the access to which they are statutorily entitled in relation to TVP premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.
    3. To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner

**Responsibilities of the PCC and Chief Constable**

* + 1. To select and appoint the external auditor

**3.4 PREVENTING FRAUD AND CORRUPTION**

**Why is this important?**

* + 1. TVP will not tolerate fraud or corruption in the administration of its responsibilities, whether from inside or outside TVP.
    2. TVP expectation of propriety and accountability is that the PCC, Chief Constable and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
    3. TVP also expects that individuals and organisations (e.g. suppliers, contractors, and service providers) with whom it comes into contact will act with honesty and integrity.

**Responsibilities of the PCC and Chief Constable**

* + 1. To approve and adopt a policy on registering of interests and the receipt of hospitality and gifts
    2. To maintain an effective anti-fraud, bribery and corruption policy, including relevant provisions in the Bribery Act 2010.
    3. To ensure that adequate and effective internal control arrangements are in place
    4. To maintain a policy for the registering of interests and the receipt of hospitality and gifts covering the PCC, Chief Constable and all employees. A register of interests and a register of hospitality and gifts shall be maintained for the PCC and employees.
    5. To adopt and maintain a whistle blowing policy to provide a facility that enables employees, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity, that they are not malicious and that appropriate action is taken to address any concerns identified. The Chief Constable shall ensure that all employees are aware of any approved whistle blowing policy.
    6. To implement and maintain a clear internal financial control framework setting out the approved financial systems to be followed by the PCC, Chief Constable and all employees.
    7. To investigate, as appropriate, all allegations of bribery, fraud and corruption.

**3.5 ASSETS - Acquisition, Ownership and Disposal**

**Why is this important?**

* + 1. TVP holds assets in the form of land, property, vehicles, equipment, furniture and other items, together worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, that there are arrangements for the security of both assets and information required for service operations and that proper arrangements exist for the disposal of assets. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.
    2. It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the policies and regulations of the PCC and Chief Constable.

**Context**

* + 1. The PCC will own all estate assets i.e. land and buildings.
    2. The Chief Constable is responsible for the direction and control of the Force and therefore has day-to-day management of all assets used by the Force.
    3. The PCC has given consent to the Chief Constable to own, operate and dispose of all non-estate assets (i.e. vehicles, plant and equipment).
    4. The Chief Constable should formally consult the PCC in planning the draft budget and developing the medium term financial strategy. Both these processes should involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

**Responsibilities of the Chief Constable**

* + 1. To ensure that the medium term financial plan is reliable and robust and, in particular, to ensure that:

1. an estates asset management plan is produced and presented to the PCC for approval
2. the property portfolio is managed in accordance with the agreed estates asset management plan and within budgetary provisions, in consultation with the Chief of Staff and PCC CFO as appropriate
3. lessees and other prospective occupiers of TVP land are not allowed to take possession or enter the land until a lease or agreement has been established as appropriate
4. an overview of the ICT strategy is produced and presented to the PCC for consideration and endorsement each year

**Responsibilities of the PCC**

* + 1. To approve an estates asset management plan, including disposals.
    2. To approve the purchase of all land and buildings
    3. To ensure that the title deeds to TVP property are held securely

**Joint responsibilities of the Chief Constable and PCC**

* + 1. To ensure that:

1. an asset register is maintained to provide TVP with information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory and management requirements
2. assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place
3. all employees are aware of their responsibilities with regard to safeguarding TVP assets and information, including the requirements of the Data Protection Act and software copyright legislation
4. assets no longer required are disposed of in accordance with the law and the regulations of the TVP
5. all employees are aware of their responsibilities with regard to safeguarding the security of TVP ICT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies.

**Asset Disposal**

**Consent from the PCC**

* + 1. The PCC has given consent to the Chief Constable to dispose of all non-estate assets (e.g. vehicles, plant and equipment) in accordance with the Financial Strategy.

**Responsibilities of the Chief Constable**

* + 1. To arrange for the disposal of (without the specific approval of the PCC):

1. To ensure the secure and appropriate disposal of assets
2. Non-estate assets at the appropriate time and at the most advantageous price. Where this is not the highest offer, the Chief Constable shall consult with the PCC CFO.
3. Police houses and other surplus land and buildings with an estimated sale value of less than £200,000. Where this is not the highest offer, the Chief Constable shall consult with the PCC CFO.

**Responsibilities of the PCC**

* + 1. To approve the disposal of police houses and other surplus land and buildings with an estimated sale value of over £200,000.

**Responsibilities of the Director of Finance**

* + 1. To record all asset disposals in the asset register and/or appropriate inventory lists.

**Responsibilities of the PCC CFO and Director of Finance**

* + 1. To ensure that income received for the disposal of an asset is properly banked and accounted for.
    2. To ensure that appropriate accounting entries are made to remove the value of disposed assets from TVP records and to include the sale proceed if appropriate.

**Interests in Land**

**Responsibilities of the Chief Constable**

* + 1. The Chief Constable, shall:

1. Arrange to grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, without the specific approval of the PCC, up to an annual rental of £200,000;
2. take, grant, waive or revoke covenants, easements, wayleaves, licences or other rights of user in respect of the TVP property on terms

**Responsibilities of the PCC and Chief Finance Officer**

* + 1. The Chief Finance Officer shall grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, above an annual rental of £200,000 but below £1m.
    2. The PCC shall grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, above an annual rental of £1m.

**Valuation**

**Responsibilities of the Director of Finance**

* + 1. To maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the PCC CFO. Assets are to be recorded when they are acquired by TVP. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* and the requirements specified by the PCC CFO

*Land & Buildings All values*

*Vehicles All values*

*ICT hardware All values*

*Plant & Equipment £100,000*

**Stocks and Stores**

**Responsibilities of the Director of Finance**

* + 1. To make arrangements for the care, custody and control of the stocks and stores of TVP and to maintain detailed stores accounts.
    2. To undertake a complete stock check at least once per year either by means of continuous or annual stocktake. The stocktake shall be undertaken and certified by an authorised member of staff who is independent of the stock keeping function. This procedure shall be followed and a complete stock check undertaken whenever stock keeping duties change.
    3. To write-off any discrepancies between the actual level of stock and the book value of stock up to £50,000 in value. Any items over £50,000 require the approval of the PCC CFO.
    4. To write-off obsolete stock up to the value of £50,000. Any write-offs over £50,000 require the approval of the PCC CFO

**Intellectual Property**

**Why is this important?**

* + 1. Intellectual property is a generic term that includes inventions and writing e.g. computer software.
    2. It is TVP policy that if any Intellectual Policy is created by the employee during the course of employment then, as a general rule, this will belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property. Certain activities undertaken within TVP may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property.
    3. In the event that TVP decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with an intellectual property policy. Matters should only proceed after legal advice

**Responsibilities of the Chief Constable**

* + 1. To prepare guidance on intellectual property procedures and ensuring that employees are aware of these procedures.

**Responsibilities of the Chief Constable and PCC**

* + 1. To approve the intellectual property policy

**3.6 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS**

**Treasury Management**

**Why is this important?**

* + 1. TVP is a large organisation that handles hundreds of millions of pounds in each financial year. It is important that TVP money is managed properly, in a way that balances risk with return, but with the prime consideration being given to the security of the TVP capital sum.
    2. TVP will create and maintain, as the cornerstones for effective treasury management:
* A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
* Suitable Treasury Management Practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

**Responsibilities of the PCC**

* + 1. To adopt the key recommendations of CIPFA’s Treasury Management in the Public Services: Code of Practice (the Code).
    2. To approve the annual treasury management strategy statement, including the annual investment strategy
    3. To receive and approve quarterly treasury management performance monitoring reports

**Responsibilities of the PCC CFO**

* + 1. To implement and monitor treasury management policies and practices in line with the CIPFA Code and other professional guidance
    2. To prepare reports on the PCC’s treasury management policies, practices and activities, including, as a minimum, an annual strategy, quarterly performance monitoring reports and an annual report.
    3. To execute and administer treasury management in accordance with the CIPFA Code and the PCC’s policy.
    4. To arrange borrowing and investments, in compliance with the CIPFA Code

**Banking Arrangements**

**Why is this important?**

* + 1. Our banking activities are controlled by a single contract which aims to provide a wide range of complex and specialist banking services to TVP departments, establishments and staff. A consistent and secure approach to banking services is essential in order to achieve optimum performance from TVP bankers and the best possible value for money. To minimise administration and costs the PCC and Chief Constable will share bank accounts.

**Responsibilities of the PCC CFO**

* + 1. To have overall responsibility for the banking arrangements for TVP.
    2. To authorise the opening and closing of all TVP bank accounts. With the exception of 3.6.17 below no other employee shall open a TVP bank account unless they are performing a statutory function (e.g. treasurer of a charitable body) in their own right
    3. To undertake bank reconciliations on a timely and accurate basis.
    4. To determine signatories on all TVP bank accounts
    5. To authorise the opening and closing of the digital apprenticeship levy accounts

**Responsibilities of the Director of Finance**

* + 1. To authorise the opening and closing of TVP bank accounts, for specific purposes, as agreed with the PCC CFO.
    2. To undertake bank reconciliations on a timely and accurate basis for these specific bank accounts.
    3. To determine signatories on these specific TVP bank accounts
    4. To determine appropriate internal control arrangements for operating the digital apprenticeship levy accounts

**Imprest Accounts / Petty Cash**

**Why is this important?**

* + 1. Cash advances may be made to an individual in a department / establishment in order that relatively small incidental payments may be made quickly. A record of disbursements from the account should be maintained to control the account and so that the expenditure may be substantiated, accurately reflected in the TVP accounts and correctly reimbursed to the account holder.

**Responsibilities of the Chief Constable**

* + 1. To provide appropriate employees of TVP with cash, bank imprests or pre-paid cash cards to meet minor expenditure on behalf of TVP. The Chief Constable shall determine reasonable petty cash limits and maintain a record of all transactions and petty cash advances made, and periodically review the arrangements for the safe custody and control of these advances.
    2. To prepare detailed Financial Instructions for dealing with petty cash, to be agreed with the PCC CFO, and these shall be issued to all appropriate employees.

**Money Laundering**

**Why is this important?**

* + 1. TVP is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money.
    2. Suspicious cash deposits in any currency in excess of £15,000 (or equivalent) should be reported to the National Crime Agency (NCA)
    3. TVP will monitor its internal control procedures to ensure they are reliable and robust.

**Responsibilities of the PCC CFO**

* + 1. To be the nominated Money Laundering Reporting Officer (MLRO) for TVP.
    2. Upon receipt of a disclosure to consider, in the light of all information, whether it gives rise to such knowledge or suspicion.
    3. To disclose relevant information to the National Crime Agency (NCA)

**Responsibilities of Chief Officers**

* + 1. To undertake appropriate checks to ensure that all new suppliers and counterparties are bona fide

**Responsibilities of employees**

* + 1. To notify the PCC CFO as soon as they receive information which may result in them knowing or having reasonable grounds for knowing or suspecting money laundering, fraud or use of the proceeds of crime
    2. Cash bankings from a single source over £15,000 should be reported to the PCC CFO. This instruction does not apply to seizures and subsequent bankings under the Proceeds of Crime Act (see Financial Regulation 3.9).

**3.7 STAFFING**

**Why is this important?**

* + 1. Staffing costs form the largest element of the annual policing budget. An appropriate People strategy should exist, in which staffing requirements and budget allocations are matched. The Chief Constable is responsible for approving the overall People strategy.

**Responsibilities of the Chief Constable**

* + 1. To ensure that employees are appointed, employed and dismissed in accordance with relevant statutory regulations, national agreements and personnel policies, budgets and strategies.
    2. To advise the PCC on the budget necessary in any given year to cover estimated staffing levels
    3. To adjust the staffing numbers to meet the approved budget provision, and varying the provision as necessary within policy constraints in order to meet changing operational needs
    4. To have systems in place to record all matters affecting payments to staff, including appointments, resignations, dismissals, secondments, suspensions, transfers and all absences from work.
    5. To approve policy arrangements for premature retirements on grounds of ill-health or efficiency for all staff and redundancy arrangements for support staff.

**Responsibilities of the Chief of Staff**

* + 1. To have the same responsibilities as above for staff employed directly by the PCC.

**3.8 TRUST FUNDS**

**Why is this important?**

* + 1. Trust Funds have a formal legal status governed by a Deed of Trust. Employees and police officers acting as trustees must ensure that they are conversant with the requirements of the Trust Deed and the law and comply fully with them.
    2. The TVP financial procedures and financial regulations should be viewed as best practice, which ought to be followed whenever practicable.
    3. Examples include the TVP Benevolent Fund, TVP Civilian Staff Welfare Fund, TVP Welfare Fund, Thames Valley Special Constabulary Fund and the Sullhamstead Police College Trust Fund.
    4. No employee shall open a trust fund without the specific approval of the Chief Constable or the PCC.

**Responsibilities of Trustees**

* + 1. All employees acting as trustees by virtue of their official position shall ensure that accounts are audited as required by law and submitted annually to the appropriate body, and the PCC CFO and/or Director of Finance shall be entitled to verify that this has been done.

**3.9 ADMINISTRATION OF EVIDENTIAL & NON-EVIDENTIAL PROPERTY**

**Why is this important?**

* + 1. The Chief Constable is required to exercise a duty of care and safeguard evidential or non-evidential property pending decisions on its ownership, or private property of an individual, e.g. a suspect in custody.

**Responsibilities of the Chief Constable**

* + 1. To determine procedures for the safekeeping of the private property of a person, other than a member of staff, under his guardianship or supervision. These procedures shall be made available to all appropriate employees. For more detailed information, please refer to the Evidential and Non-Evidential Standard Operating Procedure (SOP).
    2. To determine procedures for the safekeeping of evidential or non-evidential property. These procedures shall be made available to all appropriate employees and shall make specific reference to the need for insurance of valuable items.
    3. To issue separate Financial Instructions for dealing with cash, including seized cash under the Proceeds of Crime Act

**Responsibilities of all employees**

* + 1. To notify the Chief Constable immediately in the case of loss or diminution in value of such private property.

**Police Property Act Fund**

**Why is this important?**

* + 1. The Police Property Act Fund consists of:

1. the proceeds of sale of property to which the Police (Property) Regulations 1997 apply (usually seized property where the owner has not been ascertained); and
2. money to which those Regulations apply
   * 1. The Fund may be used to:
3. Defray expenses connected with the custody and sale of the property
4. Pay reasonable compensation to persons by whom property has been delivered to the police
5. Make payments for charitable purposes
   * 1. The Regulations also make provision for property to vest in the PCC (where it can be used for police purposes) or to be destroyed or disposed of (where the nature of the property is such that it is not in the public interest for it to be sold or retained)

**Responsibilities of PCC and Chief Constable**

* + 1. The PCC and Chief Constable shall jointly determine the payments to be made in accordance with the Regulations, and the recipients thereof.
    2. The PCC shall determine, on a recommendation made by or on behalf of the Chief Constable, whether any property to which the Regulations apply can be used for police purposes and, if so, whether such property shall be retained by and vest in the PCC.
    3. The Chief Constable shall determine whether the nature of any property to which the Regulations apply is such that it is not in the public interest that it should be sold or retained and give directions as to the destruction or disposal of such property.

**3.10 GIFTS, LOANS AND SPONSORSHIP**

* + 1. This does not include the receipt of hospitality and gifts – please see Section 3.4 (‘Preventing Fraud and Corruption’)

**Why is this important?**

* + 1. In accordance with the Police Act 1996, the PCC may decide to accept gifts of money and gifts or loans of other property or services (e.g. car parking spaces) if they will enable the police either to enhance or extend the service which they would normally be expected to provide. The terms on which gifts or loans are accepted may allow commercial sponsorship of some police force activities.

**Context**

* + 1. Gifts, loans and sponsorship are particularly suitable for multi-agency work such as crime prevention, community relations work, and victim support schemes.
    2. Gifts, loans and sponsorship can be accepted from any source which has genuine and well intentioned reasons for wishing to support specific projects. In return, the provider may expect some publicity or other acknowledgement. It is acceptable to allow the provider to display the organisation’s name or logo on publicity material, provided this does not dominate or detract from the purpose of the supported project.

**Responsibilities of the PCC**

* + 1. To approve the policy on gifts, loans and sponsorship

**Responsibilities of the Chief Constable**

* + 1. To accept gifts, loans or sponsorship within agreed policy guidelines.
    2. To refer all gifts, loans and sponsorship above £50,000 to the PCC for approval before they are accepted.

**Responsibilities of the Director of Finance**

* + 1. To present an annual report to the PCC listing all gifts, loans and sponsorship.
    2. To maintain a central register, in a format agreed by the PCC CFO, of all sponsorship initiatives and agreements including their true market value, and to provide an annual certified statement of all such initiatives and agreements. The register will be made available to the PCC CFO, who shall satisfy himself that it provides a suitable account of the extent to which such additional resources have been received.
    3. To bank cash from sponsorship activity in accordance with normal income procedures.

**4.1 SYSTEMS & PROCESSES - INTRODUCTION**

**Why is this important?**

* + 1. There are many systems and procedures relating to the control of TVP assets, including purchasing, costing and management systems. TVP is reliant on computers for financial management information. This information must be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.
    2. The PCC CFO and Director of Finance both have a statutory responsibility to ensure that TVP financial systems are sound and should therefore be notified of any proposed new developments or changes.

**Responsibilities of the PCC CFO and Director of Finance**

* + 1. To make arrangements for the proper administration of TVP financial affairs, including to:
* issue advice, guidance and procedures for officers and others acting on behalf of TVP
* determine the accounting systems, form of accounts and supporting financial records
* establish arrangements for the audit of TVP financial affairs
* approve any new financial systems to be introduced
* approve any changes to existing financial systems.
  + 1. To ensure, in respect of systems and processes, that
* systems are secure, adequate internal control exist and accounting records (e.g. invoices, income documentation) are properly maintained and held securely. This is to include an appropriate segregation of duties to minimise the risk of error, fraud or other malpractice.
* appropriate controls exist to ensure that all systems input, processing and output is genuine, complete, accurate, timely and not processed previously
* a complete audit trail is maintained, allowing financial transactions to be traced from the accounting records to the original document and vice versa
* systems are documented and staff trained in operations
  + 1. To ensure that there is a documented and tested business continuity plan to allow key system processing to resume quickly in the event of an interruption. Effective contingency arrangements, including back up procedures, are to be in place in the event of a failure in computer systems
    2. To establish and maintain Financial Instructions identifying staff authorised to act on their behalf in respect of income collection, placing orders, making payments and employing staff.

**4.2 INCOME**

**Why is this important?**

* + 1. Income is vital to TVP and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly.

**Context**

* + 1. The PCC and Chief Constable should adopt the NPCC national charging policies and national guidance when applying charges for services and goods, including special services (section 25 Police Act), Mutual Aid (section 26 Police Act) and Goods & Services (section 18 Local Government Act). They should keep in mind that the purpose of charging is to ensure that, wherever appropriate, those using the services pay for them.
    2. When specifying resource requirements, the Chief Constable will identify the expected income from charging. The Chief Constable should adopt NPCC charging policies in respect of mutual aid.
    3. The PCC and Chief Constable should ensure that there are arrangements in place to ensure that expected charges are clearly identified in their budgets and that costs are accurately attributed and charged. When considering budget levels, the PCC and Chief Constable should ensure that ongoing resource requirements are not dependant on a significant number of uncertain or volatile income sources and should have due regard to sustainable and future year service delivery.

**Responsibilities of the Chief Constable and PCC**

* + 1. To adopt the NPCC national charging policies and national guidance

**Responsibilities of the Director of Finance and PCC CFO**

* + 1. To make arrangements for the collection of all income and approve the procedures, systems and documentation for its collection, including the correct charging of VAT
    2. To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT, and to review it regularly in line with corporate policies. All charges should be at full cost recovery except where regulations require otherwise or with the express approval of the PCC.
    3. To ensure that all income is paid fully and promptly into the TVP Income Bank Account. Appropriate details should be recorded on to paying-in slips to provide an audit trail.
    4. To ensure income is not used to cash personal cheques or make other payments.
    5. To order and supply to appropriate employees all receipt forms, books or tickets and similar items and be satisfied as to the arrangements for their control. Official receipts or other suitable documentation shall be issued for all income received.
    6. To operate effective debt collection and recovery procedures.
    7. To approve the write-off of bad debts up to the level shown below. Amounts for write-off above this value must be referred to the PCC for approval, supported by a written report explaining the reason(s) for the write-off.

*Up to £50,000 Director of Finance and/or PCC CFO*

*Over £50,000 PCC*

**Responsibilities of the Director of Finance**

* + 1. To prepare detailed Financial Instructions for dealing with income, to be agreed with the PCC CFO, and to issue them to all appropriate employees.

**4.3 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES**

**Why is this required?**

* + 1. TVP has a statutory duty to ensure financial probity and best value. The PCC and Chief Constable’s joint financial regulations and purchasing procedures help to ensure that the public can receive value for money. These procedures should be read in conjunction with the contract regulations in Section 5.

**Responsibilities of the Director of Finance**

* + 1. To maintain a procurement policy covering the principles to be followed for the purchase of goods and services.
    2. To issue official orders for all work, goods or services to be supplied to TVP, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the PCC CFO. Orders must be in a form approved by the PCC CFO.
    3. Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of TVP contracts.
    4. Goods and services ordered must be appropriate and there must be adequate budgetary provision. Quotations or tenders must be obtained where necessary, in accordance with these regulations.
    5. Payments are not to be made unless goods and services have been received by TVP at the correct price, quantity and quality in accordance with any official order.
    6. To ensure that payments are made to the correct person, for the correct amount, on time (i.e. within 28 days) and are recorded properly, regardless of the method of payment.
    7. To ensure that VAT is recovered where appropriate
    8. To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected
    9. To ensure that all purchases made through e-procurement follow the rules, regulations and procedures, as set out in the Contract Regulations – see section 5.
    10. To prepare, in consultation with the PCC CFO, detailed Financial Instructions for dealing with the ordering and payment of goods and services, and to issue these to all appropriate employees

**Responsibilities of the Chief Officers**

* + 1. To ensure that every employee is made aware of the need to declare any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions on behalf of TVP and that such persons take no part in the selection of a supplier or contract with which they are connected.

**4.4 PAYMENTS TO EMPLOYEES**

**Why is this required?**

* + 1. Employee costs are the largest item of expenditure for most police forces. It is therefore important that there are controls in place to ensure accurate, timely and valid payments are made in accordance with individuals’ conditions of employment.

**Responsibilities of the Director of Finance**

* + 1. To ensure, in consultation with the PCC CFO, the secure and reliable payment of salaries, overtime, pensions, compensation and other emoluments to existing and former employees.
    2. To ensure that tax, superannuation and other deductions are made correctly and paid over at the right time to the relevant body.
    3. To pay all valid travel and subsistence claims or financial loss allowance.
    4. To pay salaries, wages, pensions and reimbursements by the most economical means.
    5. To ensure that payroll transactions are processed only through the payroll system. Payments to individuals employed on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue & Customs (HMRC) requirements. The HMRC applies a tight definition of employee status, and in cases of doubt, advice should be sought from them.
    6. To ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC.
    7. To prepare detailed Financial Instructions for dealing with payments to employees, to be agreed with the PCC CFO, and these shall be issued to all appropriate employees.

**4.5 TAXATION**

**Why is this important?**

* + 1. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe.

**Responsibilities of the PCC CFO**

* + 1. To ensure the timely completion and submission of all HM Revenue & Customs (HMRC) returns regarding PAYE and that due payments are made in accordance with statutory requirements and deadlines
    2. To ensure the timely completion and submission of VAT claims, inputs and outputs to HMRC

**Responsibilities of the PCC CFO and Director of Finance**

* + 1. To ensure that the correct VAT liability is attached to all income due and that all VAT receivable on purchases complies with HMRC regulations
    2. To provide details to the HMRC regarding the construction industry tax deduction scheme.
    3. To ensure that appropriate technical staff have access to up to date guidance notes and professional advice.

**4.6 CORPORATE CREDIT CARDS AND PURCHASING CARDS**

**Why is this important?**

* + 1. Credit cards provide an effective method for payment for designated officers who, in the course of their official business, have an immediate requirement for expenditure which is relevant to the discharge of their duties.
    2. Purchase cards are an alternative method of buying and paying for relatively low value goods, which generate a high volume of invoices. This should generate an efficiency saving from lower transaction costs (i.e. fewer invoices processed and paid for through the integrated accounts payable system), as well as reducing the number of petty cash transactions
    3. Commercial, credit and purchasing cards [‘cards’] are only issued in TVP, where a clear business need is identified

**Responsibilities of the Director of Finance**

* + 1. In conjunction with the PCC CFO to provide Financial Instructions to all cardholders.
    2. To authorise and maintain control over the issue of cards.
    3. To reconcile the ‘card’ account to the ledger on a monthly basis.

**Responsibilities of credit card holders**

* + 1. To ensure that purchases are in accordance with approved TVP policies e.g. catering, hospitality
    2. To provide receipted details of all payments made by ‘card’ each month to ensure that all expenditure is correctly reflected in the accounts and that VAT is recovered.
    3. Card holders are responsible for ordering and paying for goods and services in accordance with the Force procurement policy, contract regulations and all procedures laid down by the Director of Finance.

**4.7 EX GRATIA PAYMENTS**

**Why is this important?**

* + 1. An ex gratia payment is a payment made by TVP where no legal obligation has been established. An example may be recompense to a police officer for damage to personal property in the execution of duty or to a member of the public for providing assistance to a police officer in the execution of duty.

**Responsibilities of the Chief Constable and PCC**

* + 1. To make ex gratia payments to members of the public up to the level shown below in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of TVP
    2. To make ex gratia payments up to the level shown below in any individual instance, for damage or loss of property or for personal injury to a police officer, police staff or any member of the extended police family, in the execution of duty.

*Up to £10,000 Head of Legal Services or Chief of Staff*

*Over £10,000 PCC*

* + 1. To maintain details of ex gratia payments in a register

**5.1 CONTRACT REGULATIONS**

**What is a contract?**

* + 1. A contract is an agreement between two parties for the supply of goods and/or services. Employees should avoid giving verbal commitments to suppliers as this can constitute a contract.
    2. The terms and conditions to be applied to the contract provide clarity and protection to the participants, and the specification of the requirement should be clearly understood by both parties. A contract’s length and complexity is likely to depend on the extent of cost and complexity of the goods or services to be supplied.

**Why are these important?**

* + 1. All employees engaged in the following activities, shall make every effort to ensure that the best value for money is achieved for the acquisition and delivery of:
    2. goods or materials;
    3. services and consultancy;
    4. building works;
    5. the supply of goods or services to third parties which provide the TVP with an income.
    6. Such efforts shall also continue throughout the lifetime of any contract to ensure that best value for money is maintained in the quality and standard of all goods, services and works supplied and in the review of proposals to change or vary any feature of any contract during its lifetime.

**Key controls**

* + 1. These Regulations shall be read in conjunction with the Force Procurement Policy.
    2. No contract or project shall be deliberately or artificially divided into a number of separate contracts in order to avoid the obligations set out in these Contract Regulations, or any statute or regulations.
    3. Competition should be invited from potential providers to supply TVP with goods, services, building works, etc.
    4. Every contract concluded on behalf of TVP shall comply with:

1. the Public Contract Regulations;
2. relevant UK regulations and
3. the Code of Practice for Local Authorities on Data Transparency
   * 1. Subject to compliance with 5.1.8, exemption from any of the following provisions of these Contract Regulations may only be made:
   1. by the written direction of the PCC; or
   2. by a chief officer in an operational emergency.
      1. The PCC shall be informed of the circumstances of every exemption made under 5.1.9(b) at the earliest opportunity.
      2. In addition to adhering to the above, any employee who is engaged in any activities or processes leading to the award of a contract or in its subsequent delivery, shall:
      3. show no undue favour to or discriminate against any contractor or potential contractor or the goods, materials or services they produce;
      4. carry out their work in accordance with the highest standards of propriety and proper practice (including respecting the confidentiality of commercial information).
      5. not breach the requirements of the TVP Policy for Gifts and Gratuities, Hospitality, Discounts, Travel and other Potential Conflicts of Interest.
      6. The contents of a contract shall be in accordance with the agreed Procurement Policy
      7. The Commercial Governance Board includes representatives from the PCC and Force and provides oversight of the Force’s compliance with these Contract Regulations.

**Responsibilities**

**POWER TO DELEGATE**

* + 1. A chief officer may delegate his powers under these Contract Regulations to an authorised officer.

**PURCHASING PROCEDURES AND THRESHOLDS**

* + 1. The procedure to be followed shall be in accordance with the Procurement Policy as well as the estimated value of the purchase as set out below (except for contracts for building construction contracts selected from the Approved List of Contractors for Small Construction Contracts - details are available from the Director of Finance and the Head of Property Services).

|  |  |  |
| --- | --- | --- |
| **Value** | **Contract established by TVP** | **Framework Agreement managed by another body** |
| *Less than*  *£10,000* | *Any contract/Order may be placed with the supplier identified as providing the best value for money.*  *.* | |
| *£10,000 - £50,000* | *At least three written quotations shall be invited and responses recorded.*  *A written**specification/statement of requirements is necessary.* | *A written specification/statement of requirements is* necessary  *Written quotations shall be invited from all contractors holding a place on the framework agreement.* |
| *Over £50,000* | *Legal requirement to advertise via website*  *Contact must be made with the Procurement Department.*  *Public notice of tender shall be placed in one or more appropriate publications or other suitable media e.g. internet.* | *Contact must be made with the Procurement Department.*  *Written quotations shall be invited from all contractors holding a place on the framework agreement.* |

* + 1. Unless specified otherwise the value of the contract is the estimated whole life cost for the duration of the contract including all extensions. Where a contract is collaborative its value shall be the cumulative estimated whole life cost of all the organisations eligible to use it.

**ACQUISITIONS UNDER A FRAMEWORK CONTRACT**

* + 1. There are a number of buying consortia that provide framework contracts. Framework contracts provide an efficient and effective manner through which to purchase goods and/or services, including building works. In some cases, the use of a framework is mandated by government. Where there is an appropriate Framework covering the goods, services or building works concerned, the framework(s) shall be considered prior to any new procurement exercise being initiated, provided it offers best value and meets our operational requirements.

**SELECTION CRITER~~IA~~**

* + 1. The selection of an organisation to be invited to quote or tender under these Contract Regulations shall be in accordance with the principles of any UK regulations.

**INVITATIONS TO TENDER**

* + 1. The preferred method for obtaining quotations and tenders shall be the electronic system used by the Head of Procurement. Paper quotations and tenders shall be the exception.
    2. All tenders issued by TVP shall consist of instructions to tend**e**rers regarding submission information, terms, conditions and specification with a pricing schedule to be returned to TVP
    3. Completed tenders shall be submitted through electronic tendering facilities by the date and time and in the manner stated in the instruction for invitation to tender.

**OPENING OF TENDERS**

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* + 1. Tenders submitted via the electronic system may be opened by a member of staff authorised by the Head of Procurement.

**EVALUATION OF TENDERS**

* + 1. Those members of staff involved in the evaluation process should be mindful of the policy on gifts, loans and hospitality – see 3.4.8
    2. Assessment criteria may be made on appropriate technical, qualitative and financial grounds which are appropriate to the contract concerned.
    3. Evaluations of the tender submissions are to be carried out by an appropriate group associated with the contract. The Group shall have appropriate skills and be provided with relevant guidance.

**ACCEPTANCE OF TENDERS / AWARD OF CONTRACT**

* + 1. Regardless of the route followed, the following procedures shall be applied when recommending the acceptance of a quotation or tender and prior to the award of a contract:
    2. Where a framework contract is utilised the Terms and Conditions of that framework will apply.
    3. Where applicable industry standard terms and conditions apply such as Joint Contracts Tribunal (JCT) and New Engineering Contracts (NEC) etc. will apply
    4. In all other instances the TVP’s terms and conditions shall apply unless otherwise agreed by the Chief of Staff (e.g. for a contract awarded under a framework agreement).
    5. If, after a competitive tendering process, only one tender is received, unless there are exceptional circumstances which are documented by the business and agreed by the PCC, the contract will be reviewed and put back out to tender.
    6. The approval of contract awards shall be based on the lowest or most economically advantageous quotation or tender subject to approval by:
    7. Up to £1m - in accordance with the Force Financial Instructions.
    8. Above £1m – by the PCC

Termination of Contracts

* + 1. In extreme circumstances it may be appropriate to terminate a contract before its expiration date. The authority to enact such a termination is the same as the original award of the contract.

Framework contracts – vs – non-framework contracts.

* + 1. Where the contract under consideration is a framework contract which provides for a large number of forces but does not, in any way, place any obligation or commitment on any force, but merely provides a less resource intensive procurement option should forces wish to utilise it, then the value to be considered is the TVP total value, over the life of the framework. For all other contracts, including call-off contracts, the value is the maximum total value of the contract, including all extension periods for all forces named on the contract.
    2. The successful tenderer shall be advised as soon as possible after the decision has been made on the award of a contract. At the same time unsuccessful tenderers shall be advised of the decision.

**SIGNING OF CONTRACTS**

* + 1. The previous section explains who can approve the award of a contract. Appendix 1 sets out who can physically sign a contract after approval for award of the contract has been given.

**CONTRACT MONITORING**

* + 1. All contracts shall be monitored and measured by the way of performance indicators and regular review meetings involving the Contractor and Practitioner representation, as appropriate to the contract.
    2. The Business Owner shall manage the contract in consultation with the Procurement Department.
    3. Where the contract terms provide for credits to be offset against payments due or otherwise enable payments to be reduced on account of failure by the contractor to deliver the contract to the specified standards, any decision to waive entitlement to the credit or reduced payment shall only be authorised by the Chief Officer in consultation with the Head of Procurement where the amount involved is less than £50,000. Above this amount the PCC shall approve all such waivers.
    4. Where a contract provides for any sort of credit/fund which can be drawn upon in certain circumstances (for example a Tech Fund which can be used to purchase specific items) full details will be included in the procurement documentation approved by the Commercial Governance Board.  “Expenditure” against the credit/fund will be subject to approval levels as specified in Financial Instructions.
    5. Where a Contractor is failing to provide the agreed service evidence shall be required and considered during contract review meetings and escalated with the Contractor and the force prior to any early termination of the agreement.
    6. Escalation processes include reporting any defaults during the Contract Review Meetings, which should include Procurement representation.
    7. Consideration shall be given to notice periods and consequences of early termination where applied.

**VARIATIONS TO CONTRACT**

* + 1. Where a contract has been awarded it is permissible under UK regulations to vary the terms of that contract providing it does not materially affect the conditions or scope of the contract. Where the variation increases the financial commitment then approval is required as per following:
    2. Up to £1m - in accordance with the Force Financial Instructions.
    3. Above £1m – by the PCC
    4. If the Contract Change Notice (CCN) causes the total contract value to now mean that the contract should have been authorised at a higher level than the contract had originally been authorised to, the CCN should be authorised at the level appropriate to the new overall total contract value.

**CONTRACT EXTENSION**

* + 1. Where a contract includes options to extend its period these may be taken up through the Procurement Department, with contract extensions in excess of £1m being reported through the Commercial Governance Board and approved by the Director of Finance and the PCC CFO.
    2. Where a contract does not include options to extend its period or the options have been used up, a replacement contract should be made if the goods or services continue to be required. Should exceptional requirements bring about a case for contract extension in these circumstances, the Exceptional Circumstances (set out below) should be followed.

**EXCEPTIONAL CIRCUMSTANCES**

* + 1. The requirements within these Contract Regulations that competition is required for tenders and quotations may be set aside when exceptional circumstances are incurred. By definition, the circumstances leading to this action must be exceptional to those normally experienced and the business owner must provide a written case supporting their conclusion to the Head of Procurement, prior to taking action. In these circumstances, a single tender may be awarded.

**SINGLE SOURCE AGREEMENT (SSA) / CONCESSION**

* + 1. This is a contract awarded on the basis of a direct [agreement](http://www.businessdictionary.com/definition/agreement.html) with a [contractor](http://www.businessdictionary.com/definition/contractor.html), without going through the [competitive bidding](http://www.businessdictionary.com/definition/competitive-bidding.html) [process](http://www.businessdictionary.com/definition/process.html).
    2. Contracts identified under this route are to be carried out in accordance with the Procurement Policy and supported by a written justification using the SSA process and form by the Business Owner in consultation with the Procurement Department.
    3. A contract may be awarded having:

1. only invited a single quotation or tender,
2. received or sought an offer from a current contractor to vary the goods, services or works supplied (e.g. variation to an existing contract); providing this is compliant with Financial Instructions and the Procurement Regulations.
   * 1. Where it can be demonstrated that it is in the interests of TVP not to seek competitive tenders due to:
3. Operational urgency
4. The item or service is a proprietary item
5. Unique factors are present in the market
6. The costs to change are disproportionately high
7. When the goods and/or services are mandated nationally
8. Security.
   * 1. Where a contract exceeds £50,000 in value the chief officer shall present a subsequent report to the PCC.

**CONTRACTS REGISTER**

* + 1. A record of all contracts let with a value in excess of £50,000 shall be maintained by the Head of Procurement.

**6.1 JOINT WORKING ARRANGEMENTS**

**Why is this important?**

* + 1. Public bodies are increasingly encouraged to provide seamless service delivery through working closely with other public bodies, local authorities, agencies and private service providers.
    2. Joint working arrangements can take a number of different forms, each with its own governance arrangements. In TVP these are grouped under the following headings:
* Partnerships
* Consortia
* Collaboration
  + 1. Partners engaged in joint working arrangements have common responsibilities:
* to act in good faith at all times and in the best interests of the partnership’s aims and objectives
* to be willing to take on a role in the broader programme, appropriate to the skills and resources of the contributing organisation
* to be open about any conflicts that might arise
* to encourage joint working and promote the sharing of information, resources and skills
* to keep secure any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature
* to promote the project
  + 1. In all joint working arrangements the following key principles must apply:
* before entering into the agreement, a risk assessment has been prepared
* such agreements do not impact adversely upon the services provided by TVP
* project appraisal is in place to assess the viability of the project in terms of resources, staffing and expertise
* all arrangements are properly documented
* regular communication is held with other partners throughout the project in order to achieve the most successful outcome
* audit and control requirements are satisfied
* accounting and taxation requirements, particularly VAT, are understood fully and complied with
* an appropriate exit strategy has been produced
  + 1. The TVP element of all joint working arrangements must comply with these Financial Regulations

**PARTNERSHIPS**

* + 1. The term partnership refers to groups where members work together as equal partners with a shared vision for a geographic or themed policy area, and agree a strategy in which each partner contributes towards its delivery. A useful working definition of such a partnership is where the partners:
* are otherwise independent bodies;
* agree to co-operate to achieve a common goal; and
* achieve it to create an organisational structure or process and agreed programme, and share information, risks and rewards
  + 1. The number of partnerships, both locally and nationally, is expanding in response to central government requirements and local initiatives. This is in recognition of the fact that partnership working has the potential to:
* deliver strategic objectives;
* improve service quality and cost effectiveness;
* ensure the best use of scarce resources; and
* deal with issues which cut across agency and geographic boundaries, and where mainstream programmes alone cannot address the need.
  + 1. Partnerships typically fall into three main categories i.e. statutory based, strategic, and ad-hoc.

Statutory based

* + 1. These are partnerships that are governed by statute. They include, for example, Community Safety Partnerships (CSPs) and Local Strategic Partnerships (LSPs)

Strategic

* + 1. These are partnerships set up to deliver core policing objectives. They can either be force-wide or local.

Ad-hoc

* + 1. These are typically locally based informal arrangements agreed by the local police commander.

**Context**

* + 1. As set out in section 10 of the Police Reform and Social Responsibility Act 2011, the PCC, in exercising his functions, must have regard to the relevant priorities of each responsible authority. Subject to the constraints that may be placed on individual funding streams, PCCs are free to pool funding as they and their local partners see fit. PCCs can enter into any local contract for services, individually or collectively with other local partners, including non-police bodies.
    2. When the PCC acts as a commissioner of services, he will need to agree the shared priorities and outcomes expected to be delivered through the contract or grant agreement with each provider. The PCC is able to make crime and disorder grants in support of local priorities. The inclusion of detailed grant conditions directing local authorities how to spend funding need not be the default option. The power to make crime and disorder grants with conditions is contained in section 9 of the Police Reform and Social Responsibility Act 2011. The power to contract for services is set out in paragraph 14 of Schedule 1 and paragraph 7 of Schedule 3 to the Police Reform and Social Responsibility Act 2011.

**Responsibilities of the PCC**

* + 1. To have regard to relevant priorities of local partners when considering, reviewing and updating the Police and Criminal Justice Plan.
    2. To make appropriate arrangements to commission services from either the force or external providers

**Responsibilities of Chief Officers**

* + 1. To have regard to the strategic Plan with regard to the Partnership aims and objectives.
    2. To consult, as early as possible, the Director of Finance and the PCC CFO to ensure the correct treatment of taxation and other accounting arrangements

**CONSORTIA ARRANGEMENTS**

* + 1. A consortium is a long-term joint working arrangement with other bodies, operating with a formal legal structure approved by the PCC.

**Responsibilities of the PCC**

* + 1. To approve TVP participation in the consortium arrangement.

**Responsibilities of Chief Officers**

* + 1. To contact the Chief of Staff and the Head of Legal Services before entering into a formal consortium agreement, to establish the correct legal framework.
    2. To consult, as early as possible, the Director of Finance and the PCC CFO to ensure the correct treatment of taxation and other accounting arrangements
    3. To produce a business case to show the full economic benefits to be obtained from participation in the consortium.
    4. To produce a Memorandum of Understanding (MOU) setting out the appropriate governance arrangements for the project. This document should be signed by the Chief of Staff.

**COLLABORATION**

* + 1. Under sections 22A to 22C of the Police Act 1996, as amended by section 89 of the Police Reform and Social Responsibility Act 2011, chief constables and PCCs have a duty to keep collaboration agreements and opportunities under review and to collaborate where it is in the interests of the efficiency and effectiveness of one or more police forces or policing bodies. Where collaboration is judged to be the best option, they must collaborate even if they do not expect their own force or policing body to benefit directly. Any collaboration which relates to the functions of a police force (a “force collaboration provision”) must first be agreed with the chief constables of the forces concerned and approved by each PCC responsible for maintaining each of the police forces to which the force collaboration provision relates.  Any collaboration which relates to the provision of support by one PCC for another PCC (a “policing body collaboration provision”) must be agreed by each PCC to which the policing body collaboration provision relates.
    2. PCCs responsible for maintaining each of the police forces to which a force collaboration provision relates shall make arrangements for jointly holding their chief constables to account for the way functions are discharged under a force collaboration agreement.
    3. To contact the Chief of Staff and the Head of Legal Services before entering into a formal collaboration agreement, to establish the correct legal framework.
    4. To consult, as early as possible, the Director of Finance and the PCC CFO to ensure the correct treatment of taxation and other accounting arrangements

**6.2 EXTERNAL FUNDING**

**Why is this important?**

* + 1. External funding can be a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of TVP.
    2. The main source of such funding for TVP will tend to be specific government grants, additional contributions from local authorities (e.g. for ANPR, CCTV and PCSOs) and donations from third parties (e.g. towards capital expenditure)

**Responsibilities of Chief Officers**

* + 1. To pursue actively any opportunities for additional funding where this is considered to be in the best interests of TVP.

**Responsibilities of the Chief Constable and the PCC**

* + 1. To ensure that the match-funding requirements and exit strategies are considered prior to entering into the agreements and that future medium term financial forecasts reflect these requirements.

**Responsibilities of the PCC CFO and Director of Finance**

* + 1. To ensure that all funding notified by external bodies is received and properly accounted for, and that all claims for funds are made by the due date and that any audit requirements specified in the funding agreement are met; and to authorise grants in accordance with Financial Instructions. The PCC will be required to approve any new grants over £1m.

**Responsibilities of the Chief Constable**

* + 1. To ensure that funds are acquired only to meet policing needs and objectives
    2. To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood
    3. To ensure that any conditions placed on TVP in relation to external funding are in accordance with the approved policies of the PCC. If there is a conflict, this needs to be taken to the PCC for resolution.

**6.3 WORK FOR EXTERNAL BODIES**

**Why is this required?**

* + 1. TVP provides services to other bodies outside of its normal obligations, for which charges are made, e.g. training, special services. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is not ultra vires.

**Responsibilities of the Chief Constable**

* + 1. To ensure that proposals for assistance are costed, that no contract is subsidised by TVP and that, where possible, payment is received in advance of the delivery of the service so that TVP is not put at risk from any liabilities such as bad debts.
    2. To ensure that appropriate insurance arrangements are in place.
    3. To ensure that all contracts are properly documented
    4. To ensure that such contracts do not impact adversely on the services provided by TVP

**Responsibilities of the Director of Finance**

* + 1. The submission of tenders for the supply of goods and/or services should be approved as follows:

1. For tenders up to £500,000 - by the Director of Finance
2. Between £500,000 and £1,000,000 - by the Director of Finance in consultation with the PCC CFO
3. Over £1,000,000 - with the prior approval of the PCC is required.

# **7 SUMMARY OF FINANCIAL LIMITS**

This section summarises, in one place, all those financial regulations that have a specific financial limit

**Virement**

2.2.11 The Chief Constable may use revenue provision to purchase capital items or carry out capital works subject to obtaining PCC CFO approval where the proposed transfer exceeds £200,000, and PCC approval where the proposed transfer exceeds £1m.

2.2.12 The Director of Finance can approve any virement where the additional costs are fully reimbursed by other bodies

2.2.13 For all other budgets each chief officer shall ensure that virement is undertaken as necessary to maintain the accuracy of budget monitoring, subject to the following approval levels

***Force Budget***

*Up to £1,000,000 Director of Finance*

*Over £1,000,000 PCC or PCC CFO*

***PCC’s own budget***

*Up to £200,000 PCC CFO*

*Over £200,000 PCC*

**Annual Capital Budget**

**Responsibilities of the Chief Constable**

2.3.20 To manage expenditure on individual capital schemes within the approved scheme budget. Where schemes are expected to exceed budget by more than 10% or £200,000 (whichever is the lower amount) approval should be sought from the PCC CFO. Increases of more than £1m must be approved by the PCC.

**Asset Disposal**

**Responsibilities of the Chief Constable**

* + 1. To arrange for the disposal of (without the specific approval of the PCC):

1. Non-estate assets at the appropriate time and at the most advantageous price. Where this is not the highest offer, the Chief Constable shall consult with the PCC CFO.
2. Police houses and other surplus land and buildings with an estimated sale value of less than £200,000.

**Responsibilities of the PCC**

* + 1. To approve the disposal of police houses and other surplus land and buildings with an estimated sale value of over £1m

**Interests in Land**

**Responsibilities of the Chief Constable**

3..5.17 The Chief Constable, shall:

1. Arrange to grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, without the specific approval of the PCC, up to an annual rental of £200,000;
2. take, grant, waive or revoke covenants, easements, wayleaves, licences or other rights of user in respect of the TVP property on terms

**Responsibilities of the PCC and Chief Finance Officer**

3.5.19 The Chief Finance Officer shall grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, above an annual rental of £200,000 but below £1m.

3.5.20 The PCC shall grant or take or terminate leases or tenancies in land, and approve any assignment or sub-letting thereof, above an annual rental of £1m.

**Asset valuation**

3.5.20 To maintain an asset register for all fixed assets with a value in excess of the limits shown below, in a form approved by the PCC CFO. Assets are to be recorded when they are acquired by TVP. Assets shall remain on the asset register until disposal. Assets are to be valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* and the requirements specified by the PCC CFO

*Land & Buildings All values*

*Vehicles All values*

*ICT hardware All values*

*Plant & Equipment £100,000*

**Stocks and Stores**

**Responsibilities of the Director of Finance**

3.5.23 To write-off any discrepancies between the actual level of stock and the book value of stock up to £50,000 in value. Any items over £50,000 require the approval of the PCC CFO.

3.5.24 To write-off obsolete stock up to the value of £50,000. Any write-offs over £50,000 require the approval of the PCC CFO.

**Money Laundering**

3.6.25 Suspicious cash deposits in any currency in excess of €15,000 (or equivalent) should be reported to the National Crime Agency (NCA)

3.6.32 Large cash bankings from a single source over €15,000 should be reported to the PCC CFO. This instruction does not apply to seizures and subsequent bankings under the Proceeds of Crime Act (see Financial Regulation 3.9, ‘Administration of Evidential & Non-Evidential Property’).

**Gifts, Loans and Sponsorship**

3.10.7 To refer all gifts, loans and sponsorship above £50,000 to the PCC for approval before they are accepted.

**Income**

4.2.12 To approve the write-off of bad debts up to the level shown below. Amounts for write-off above this value must be referred to the PCC for approval, supported by a written report explaining the reason(s) for the write-off.

*Up to £50,000 Director of Finance and/or PCC CFO*

*Over £50,000 PCC*

**Ex-gratia Payments**

4.7.2 To make ex gratia payments to members of the public up to the level shown below in any individual instance, for damage or loss to property or for personal injury or costs incurred as a result of police action where such a payment is likely to facilitate or is conducive or incidental to the discharge of any of the functions of TVP

*Up to £10,000 Head of Legal Services or Chief of Staff*

*Over £10,000 PCC*

4.7.3 To make ex gratia payments up to the level shown below in any individual instance, for damage or loss of property or for personal injury to a police officer, police staff or any member of the extended police family, in the execution of duty.

*Up to £10,000 Head of Legal Services or Chief of Staff*

*Over £10,000 PCC*

**Contract Regulations**

5.1.15 The procedure to be followed shall be in accordance with the Procurement Policy as well as, the estimated value of the purchase as set out below (except for contracts for building construction contracts selected from the Approved List of Contractors for Small Construction Contracts - details are available from the Director of Finance and the Head of Property Services).

|  |  |  |
| --- | --- | --- |
| **Value** | **Contract established by TVP** | **Framework Agreement managed by another body** |
| *Less than*  *£10,000* | *Any contract/Order may be placed with the supplier identified as providing the best value for money.* | |
| *£10,000- £50,000* | *At least three written quotations shall be invited and responses recorded.*  *A written specification/statement of requirements is necessary* | *A written specification/statement of requirements is* necessary  *Written quotations shall be invited from all contractors holding a place on the framework agreement.* |
| *Over £50,000* | *Legal requirement to advertise via website*  *Contact must be made with the Procurement Department.*  *Public notice of tender shall be placed in one or more appropriate publications or other suitable media e.g. internet.* | *Contact must be made with the Procurement Department.*  *Written quotations shall be invited from all contractors holding a place on the framework agreement.* |
| *\*\* This is to comply with the Transparency Agenda requirements.* | | |

5.1.15 Unless specified otherwise the value of the contract is the estimated whole life cost. Where a contract is collaborative its value shall be the cumulative estimated whole life cost of all the organisations eligible to use it.

**ACCCEPTANCE OF TENDERS / AWARD OF CONTRACT**

5.1.28 The approval of contract awards shall be based on the lowest or most economically advantageous quotation or tender subject to approval by:

1. Up to £1m - in accordance with the Force Financial Instructions.
2. Above £1m – by the PCC

**CONTRACT MONITORING**

5.1.34 Where the contract terms provide for credits to be offset against payments due or otherwise enable payments to be reduced on account of failure by the contractor to deliver the contract to the specified standards, any decision to waive entitlement to the credit or reduced payment shall only be authorised by the Chief Officer in consultation with the Head of Procurement where the amount involved is less than £50,000. Above this amount the PCC shall approve all such waivers.

**VARIATIONS TO CONTRACT**

5.1.39 Where a contract has been awarded it is permissible under EU regulations to vary the terms of that contract providing it does not materially affect the conditions or scope of the contract. Where the variation increases the financial commitment then approval is required as per following:

* + 1. Up to £1m - in accordance with the Force Financial Instructions.
    2. Above £1m - by the PCC

**SINGLE SOURCE AGREEMENT (SSA) / CONCESSION**

5.1.48 Where a contract exceeds £50,000 in value the chief officer shall present a subsequent report to the PCC.

**CONTRACTS REGISTER**

5.1.50 A record of all contracts let with a value in excess of £50,000 shall be maintained by the Head of Procurement.

**6.3 WORK FOR EXTERNAL BODIES**

6.3.6 The submission of tenders for the supply of goods and/or services should be approved as follows:

1. For tenders up to £500,000 - by the Chief Constable
2. Between £500,000 and £1,000,000 - by the Chief Constable in consultation with the PCC CFO
3. Over £1,000,000 - with the prior approval of the PCC is required.

**Appendix 1**

**TVP Contract Signatures**

**Introduction**

This explanatory note details the individual who can physically sign a contract after approval for award of the contract has been given. Financial Regulations and Financial Instructions provide the authorisation levels as to who can authorise the award of a contract. This note provides details after that approval has been received and documented.

**Statutory Guidance**

Schedule 2, section 7 of the Police Reform and Social Responsibility Act 2011 states:

1. A chief constable may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the chief constable
2. That includes:
3. entering into contracts and other agreements (whether legally binding or not), but only with the consent of the relevant police and crime commissioner (PCC);
4. acquiring and disposing of property, apart from land, but only with the consent of the relevant PCC

**TVP Framework for Corporate Governance**

At the PCC’s ‘level 1’ Policy, Planning and Performance meeting on 1st April 2014 the PCC gave formal consent to the Chief Constable to enter into contracts and to acquire or dispose of property, other than land, subject to the requirements of Financial Regulations

**Acquisition and disposal of land**

As stated above the Chief Constable cannot acquire or dispose of land. As such, all contracts in connection with the acquisition and disposal of land must be approved and signed by the PCC, Chief of Staff or Chief Finance Officer as necessary and appropriate.

Notwithstanding the above requirement, it is recognised that most of the detailed preparatory work in connection with land transactions will be undertaken by Property Services staff and in most cases in order to deliver the TVP Asset Management Plan once approved by the PCC. Accordingly, Financial Regulations enable the Chief Constable and his staff:

* To arrange for the disposal of (without the prior approval of the PCC) police houses and other surplus land and buildings with an estimated sale value of less than £1m - Fin Reg 3.5.12(b)
* to grant or take or terminate leases or tenancies in land, or approve any assignment or sub-letting thereof, without the specific approval of the PCC up to an annual rental of £200,000 - Fin Reg 3.5.17(a)

All land transactions, including title deeds, must be in the name of the PCC and signed by the PCC or his Chief of Staff or Chief Finance Officer.

Appendix 2 sets out who can accept tenders in connection with the acquisition and disposal of land, and who should sign the relevant contracts. This is high level. Further information is provided in Force Financial Instructions

**Other property contracts**

As stated above the PCC has given consent to the Chief Constable to enter into contracts and to acquire or dispose of property, other than land, subject to the requirements of Financial Regulations. This is because the PCC considers and approves:

* the annual financial strategy
* the capital strategy
* the asset management plan
* the annual revenue budget and capital programme
* the medium term financial plans
* the corporate governance arrangements

Furthermore, Financial Regulations enable the Chief Constable and his staff to take, grant, waive or revoke covenants, easements, wayleaves, licences or other rights of user in respect of the TVP property on terms – Financial Regulation 3.5.17(b).

In practical terms the key decision is the acceptance of the tender and the subsequent award of the contract. These acceptance and award rules and procedures are clearly set out in section 5.1 of both Financial Regulations and Financial Instructions.

After the tender has been accepted and approval given for the award of a contract the actual contract document will need to be reviewed and agreed by the relevant lead specialist within Property Services. Once the details of the contract have been agreed with the supplier to the satisfaction of TVP, then the actual contract document needs to be signed.

To minimise the number of contracts that need to be signed by the OPCC a risk based approach will be used. The risk to the organisation largely, but not wholly, increases with the contract value: larger contracts generally are for more complex projects and if there is a dispute the size of the contract would make the formal legal approach to contract resolution more attractive than alternative means.

This risk-based approach is already implicit within the tender approval limits within Financial Regulations, and these will also determine who should sign the contract documents.

To assist the signatory a covering note should be produced which outlines the contract and the main parts along with any relevant details on changes. Each contract would have the points where initialling or a signature is required highlighted to ease the physical process.

The lead officer within Property Services will therefore provide a short statement to confirm they have reviewed the terms of the contract and are content that they are accurate, correct and in the best interests of TVP. For straightforward contracts this can be in the form of a one-line email whereas for the more detailed contracts which may include numerous appendices, technical specifications and amendments, the report will need to confirm that the contract has been checked and is deemed to be correct, including all the detailed appendices, amendments, and additional details.

The person authorised to sign the physical contract is set out in Appendix 2, with further information provided in Force Financial Instructions

**Other (non-property) contracts**

The PCC has given consent for the Chief Constable to enter contracts. As such, all general contracts are legally in the name of the Chief Constable of TVP although for practical purposes the contract itself will normally refer to Thames Valley Police.

In practical terms the key decision is the acceptance of the tender and the subsequent award of the contract. These acceptance and award rules and procedures are clearly set out in section 5.1 in both Financial Regulations and Financial Instructions. Having accepted the tender and awarded the contract the person authorised to sign the physical contract is set out in Appendix 2, with further information provided in Force Financial Instructions.

After approval has been given for the award of a contract the actual contract document will need to be reviewed and agreed by the relevant lead specialist department(s) involved. This might be ICT, Corporate Finance or Procurement. Once the details of the contract have been agreed with the supplier to the satisfaction of TVP, then the actual contract document needs to be signed.

As with property contracts a risk-based approach will be used. The risk to the organisation largely - but not wholly - increases with the contract value: larger contracts are for more complex projects and if there is a dispute the size of the contract would make the formal legal approach to contract resolution more attractive than alternative means.

This risk-based approach is already implicit within the tender approval limits within Financial Regulations, and these will also determine who should sign the contract documents.

Suppliers will be managed throughout the life of a contract in a manner appropriate to the importance of the supplier to the force.

To assist the signatory a covering note should be produced which outlines the contract and the main parts along with any relevant details on changes. Each contract would have the points where initialling or a signature is required highlighted to ease the physical process.

The lead department will therefore provide a short statement to confirm they have reviewed the terms of the contract and are content that they are accurate, correct and in the best interests of TVP. For straightforward contracts this can be in the form of a one-line email whereas for more complex ICT contracts which may include numerous appendices, technical specifications and amendments, the report will need to confirm that the report has been checked and is deemed to be correct, including all the detailed appendices, amendments, and additional details.

Storage of contracts

All original contracts currently stored by the OPCC in the Farmhouse will continue to be stored in the Farmhouse.

The PCC will, in future, store all contracts for the acquisition and disposal of land, as well as all other contracts signed by the PCC, Chief of Staff or Chief Finance Officer.

The Chief Constable shall store all contracts over £50,000 on the (national) BlueLight database and all contracts below £50,000 will be stored locally.

Contracts under Seal

Only contracts that need to be a deed should be sealed. In practical terms this only relates to those land and building contracts that are processed through the Office of the PCC

**APPENDIX 2**

**CONTRACT SIGNING**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Contract Type** | **Contract Value** | **Tender Approval – Most Economic Advantage** | **Tender Approval – Not Most Economic Advantage /Single Quote** | **Contract Signatory** |
| Acquisition & Disposal of Land | <£1 million | As per Financial Instructions | As per Financial Instructions | Chief of Staff or Chief Finance Officer |
| Acquisition & Disposal of Land | £1m and over | Police and Crime Commissioner | Police and Crime Commissioner | Chief of Staff or Chief Finance Officer |
| Building Works and Other Services | <£1 million | As per Financial Instructions | As per Financial Instructions | As per Financial Instructions |
| Building Works and Other Services | £1 million and over | Police and Crime Commissioner | Police and Crime Commissioner | As per Financial Instructions |
| Non-Property Contracts | <£1 million | As per Financial Instructions | As per Financial Instructions | As per Financial Instructions |
| Non-Property Contracts | £1 million and over | Police and Crime Commissioner | Police and Crime Commissioner | As per Financial Instructions |

1. The Independent Commission on Good Governance in Public Services 2005 [↑](#footnote-ref-2)
2. *CIPFA: Delivering good governance. Guidance Notes for Policing Bodies in England and Wales: 2016 Edition*  [↑](#footnote-ref-3)
3. Land includes the buildings thereon [↑](#footnote-ref-4)