



**west midlands**  
**police and crime**  
**commissioner**



**West Midlands Police and Crime  
Commissioner**

and

**West Midlands Police Chief Constable**

**CORPORATE GOVERNANCE FRAMEWORK**

**September 2019**

## INDEX

	<b>Page</b>
Definitions	3
Joint Statement of Corporate Governance	4
Joint Code of Corporate Governance	6
Core Principles of Effective Governance (Annex to Joint Code of Corporate Governance)	8
Joint Scheme of Corporate Governance	17
Annex A: PCC Contract Standing Orders	36
Annex B: Financial Regulations	54

## DEFINITIONS

In this document the following specific expressions will have the following meanings unless inconsistent with the context:

'The 2011 Act'	The Police Reform and Social Responsibility Act 2011.
'Commissioner' (PCC)	The person occupying the office of Police and Crime Commissioner for the West Midlands.
'Deputy Commissioner' (DPCC)	Any person appointed by the Commissioner under section 18(1)(a) of the 2011 Act.
'Chief Executive' (CE)	The person appointed under Paragraph 6(1)(a) of Schedule 1 to the 2011 Act.
'Commissioner's Chief Finance Officer' (CFO)	The officer having responsibility for the proper administration of the Commissioner's financial affairs under Paragraph 6(1)(b) of Schedule 1 to the 2011 Act.
'The Commissioner's Staff'	People employed by the Commissioner and not under the direction and control of the Chief Constable.
'The Force'	The police force maintained for the West Midlands police area.
'Chief Constable' (CC)	The person appointed under section 2 of the 2011 Act.
'Force Chief Finance Officer' (FCFO)	The Director of Commercial Services is the person responsible for the proper administration of the police force's financial affairs under Paragraph 4(2)(1) of Schedule 2 to the Act.
Director of Legal Services (CLO)	Chief Legal Officer
'Chief Constable's Staff'	People employed by and under the direction of control of the Chief Constable in accordance with Paragraph 7(10)(b) of Schedule 15 to the Act.
'Chief Officers'	The Chief Executive, Commissioner's Chief Finance Officer, Chief Constable, Force Chief Finance Officer and all other members of the CC's Management Team.
Joint Audit Committee	Audit Committee appointed jointly by the Chief Constable and the Commissioner
'Strategic Policing and Crime Board' (SPCB)	Supports and advises the Commissioner in the discharge of his responsibilities.
'Police and Crime Panel' (PCP)	Appointed in accordance with Part 2 of Schedule 6 to the Act, responsible for holding the Commissioner to account.
'Statutory Officers'	The CFO, CE and the FCFO.
'The Police Fund'	The fund kept by the Commissioner under section 21 of the 2011 Act.

# Joint Statement of Corporate Governance

## 1. Introduction

1.1 The purpose of this statement is to give clarity to the way the two corporations sole, the Police and Crime Commissioner and the Chief Constable, will govern both jointly and separately, to do business in the right way for the right reason at the right time.

## 2. Context

2.1 The principle statutory framework within which the corporations sole will operate includes:

- the Police Reform and Social Responsibility Act 2011
- the Policing Protocol Order 2011
- the Home Office's Financial Management Code of Practice, July 2018
- the Home Office's Strategic Policing Requirement, March 2015

2.2 This framework creates a public sector relationship, based upon the commissioner-provider arrangement but with unique elements such as the single elected Commissioner and the operational independence of the police service.

## 3. Principles

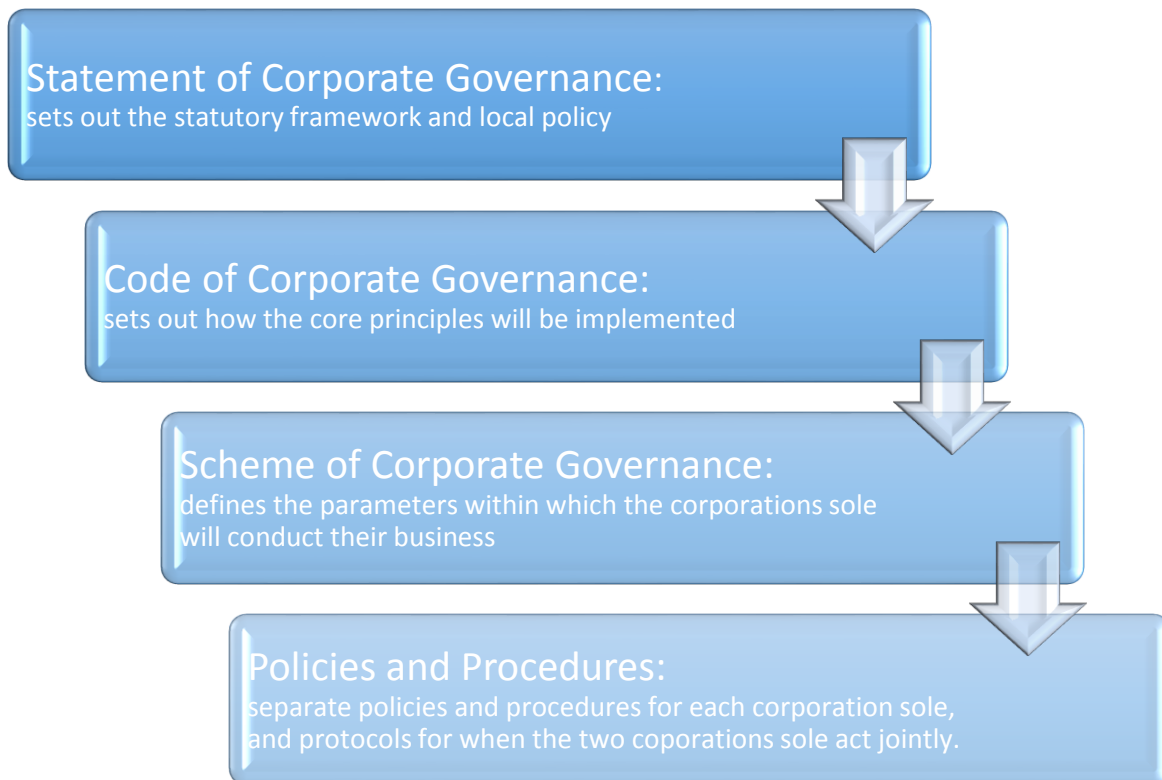
The core principles to be adopted by both corporations sole will be those highlighted by the CIPFA Delivering Good Governance in Local Government: Framework (April 2016):

- Behave with integrity, demonstrate strong commitment to ethical values and respect the rule of law
- Ensure openness and comprehensive stakeholder engagement
- Define outcomes in terms of sustainable economic, social and environmental benefits
- Develop the entity's capacity, including the capability of its leadership and the individuals within it
- Manage risks and performance through robust internal control and strong public financial management
- Determine the interventions necessary to optimize the achievement of the intended outcomes

- Implementing good practices in transparency, reporting and audit to deliver effective accountability

#### 4. Framework of Governance

4.1 The Corporate Governance Framework within which both corporations sole will govern operates as follows:



#### 5. Leadership

5.1 A corporate governance working group will review the framework on an annual basis and oversee its implementation. Membership will consist of senior staff representing both the Commissioner and the Chief Constable.

# Joint Code of Corporate Governance

## 1. Introduction

- 1.1 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, honest and accountable manner. It comprises the systems, processes, culture and values by which organisations are directed and controlled, and through which they account to, engage with, empower and, where appropriate, lead their communities.
- 1.2 This Code of Corporate Governance sets out how the Commissioner and the Chief Constable conduct their organisations both jointly and separately in accordance with policy contained within the Statement of Corporate Governance. It will do this by highlighting the key enablers for ensuring good governance.
- 1.3 The seven core principles set out in the 2016 CIPFA guidance 'Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales' ("the Good Governance Framework") form the basis on which effective governance should be built. The principles are set out in Annex A to this Joint Code of Corporate Governance, together with the expected behaviours to show how each principle will be implemented.

## 2. Monitoring and Reporting

- 2.1 The Commissioner and the Chief Constable will undertake regular, reviews of governance arrangements to ensure continuing compliance with best practice as set out in the CIPFA/SOLACE Delivering Good Governance in Local Government Framework so as to provide assurance that:
  - corporate governance arrangements are adequate and operating effectively in practice; or
  - where reviews of the corporate governance arrangements have revealed gaps, action is planned that will ensure effective governance in future.
- 2.2 The Commissioner and the Chief Constable will prepare Annual Governance Statements and in so doing will recognise that the work of the Corporate Governance Working Group in preparing that Statements should itself add value to corporate governance and internal control frameworks. The Annual Governance Statements will highlight areas of significant weakness in corporate governance and these will be monitored for progress over the subsequent year.
- 2.3 The Annual Governance Statements will include the following information:
  - an acknowledgement of responsibility for ensuring there is an effective system of governance, including in particular the system of internal control.

- an indication of the level of assurance that the systems and processes that comprise the Commissioner's and the Chief Constable's governance arrangements can provide.
- a brief description of:-
  - the key elements of the governance arrangements;
  - the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including comment on the role of the Commissioner, the Joint Audit Committee, Internal Audit, risk management and other explicit review/assurance mechanisms;
  - an outline of the actions taken, or proposed, to deal with significant governance and internal control issues.

2.4 The Commissioner and the Chief Constable recognise that the Annual Governance Statements should cover all significant corporate systems, processes and controls, across the whole range of the Commissioner's activities, including in particular those designed to ensure:

- policies are implemented;
- values are met;
- compliance with laws and regulations;
- adherence to required processes;
- financial statements and other published information are accurate and reliable;
- human, financial and other resources are managed efficiently and effectively;
- high quality services are delivered efficiently and effectively.

2.5 The production of the Annual Governance Statements is a corporate responsibility.

2.6 In reviewing and approving the Annual Governance Statements, the Commissioner and the Chief Constable will be provided with assurances on the effectiveness of the governance framework, and in particular the system of internal control, and how these address the key risks faced. Those assurances will be available from a wide range of sources, including internal and external audit, a range of external inspectorates and key officers and staff from across the Force.

## **Joint Code of Corporate Governance**

### **Annex: Core Principles of Effective Governance**

**Principle One: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

#### Behaving with Integrity

- Ensuring that the Commissioner, 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 among its stakeholders.
- Ensuring the Commissioner and Chief Officers lead in establishing specific standard operating principles or values for their organisations and staff and that they are communicated and understood. The values should build on the Nolan Principles and the College of Policing's Code of Ethics.
- Leading by example and using above standard operating principles or values as a framework for decision making and other actions.
- Demonstrating, communicating and embedding the standard operating principles or 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

- Seeking to understand, monitor and maintain the organisation's ethical performance.
- Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.
- Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.
- Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation.

#### Respecting the rule of law

- Ensuring the Commissioner, Chief Officers and staff demonstrate a strong commitment to the rule of law as well as adhering to relevant laws and regulations.



- Creating the conditions to ensure that Statutory Officers, other key post holders and (where appropriate) statutory committees are able to fulfil their responsibilities in accordance with best practice.
- Striving to use full powers for the benefit of citizens, communities and other stakeholders.
- Dealing with breaches of legal and regulatory provisions effectively.
- Ensuring corruption and misuse of power are dealt with effectively.

**Principle Two: Ensuring openness and comprehensive stakeholder engagement**

Openness

- Ensuring that the Commissioner, 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 among its stakeholders.
- Ensuring the Commissioner and Chief Officers lead in establishing specific standard operating principles or values for their organisations and staff and that they are communicated and understood. The values should build on the Nolan Principles and the Code of Ethics.
- Leading by example and using above standard operating principles or values as a framework for decision making and other actions.
- Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.

Engaging comprehensively with institutional stakeholders

- Effectively engaging 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.
- Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.
- Ensuring that partnerships, including collaborations, are based on trust, a shared commitment to change, and a culture which promotes and accepts challenge among partners and that the added value of partnership working is explicit.

Engaging with individual citizens and service users

- Establishing a clear policy about the type of issues on which the organisation will meaningfully consult with, or involve, individual communities, citizens, service users and other stakeholders to ensure that a service (or other) provision is contributing towards the achievement of intended outcomes.
- Ensuring that communication methods are effective and that the Commissioner and officers are clear about their roles with regard to community engagement.
- Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.
- Implementing effective feedback mechanisms for those consultees in order to demonstrate how their views have been taken into account.
- Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.
- Taking account of the interests of future generations of taxpayers and service users

**Principle Three: Defining outcomes in terms of sustainable economic, social and environmental benefits**

Defining outcomes

- Having a clear vision – an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators which provides the basis for the organisation’s overall strategy, planning and other decisions.
- Specifying the intended impact on, or changes for, stakeholders including individual citizens and service users. It could be immediately or over the course of a year or longer.
- Delivering defined outcomes on a sustainable basis within the resources that will be available, while recognising that changing and unforeseen demands will place additional pressure on financial resources.
- Identifying and managing risks to the achievement of outcomes as part of delivering goods and services.
- Managing expectations effectively with regard to determining priorities and making the best use of the resources available.

Sustainable economic, social and environmental benefits

- Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about services.
- Taking a longer term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the Commissioner and the chief officer's intended outcomes and short term factors such as the political cycle or financial constraints
- Ensuring fair access to services.

**Principle Four: Determining the interventions necessary to optimise the achievement of the intended outcomes**

Determining interventions

- 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.
- 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, and bearing in mind future impacts.

Planning interventions

- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.
- Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.
- Considering and monitoring risks facing each partner when working collaboratively, including shared risks.
- Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.
- 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.
- Ensuring capacity exists to generate the information required to review service quality regularly.

- Preparing budgets in accordance with government funding announcements, organisational objectives, strategies and the medium term financial plan.
- Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure, together with estimates of grant, precept, and other income streams, aimed at developing a sustainable funding strategy.

#### Optimising achievement of intended outcomes

- Ensuring the medium term financial strategy integrates and trades off service priorities, affordability, and other resource constraints.
- Ensuring that the budgeting process is all inclusive, taking into account the full cost of operations over the medium and longer term.
- 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.
- Ensuring the achievement of 'social value' through service planning and commissioning

#### **Principle Five: Developing the entity's capacity, including the capability of its leadership and the individuals within it**

##### Developing the entity's capacity

- Reviewing operations, performance and asset management on a regular basis to ensure their continuing effectiveness.
- 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 defined outcomes are achieved effectively and efficiently.
- Recognising and promoting the benefits of collaborative working where added value can be achieved through partnerships.
- 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

- Developing protocols to ensure that elected and appointed leaders negotiate their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.

- Publishing a statement that specifies the types of decisions delegated and those reserved for the collective decision making of the governing body.
- Ensuring the Commissioner 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 Commissioner and/or the CC, and each provides a check and balance for each other's responsibility.
- Developing the capabilities of the Commissioner 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.
- Ensuring the Commissioner, 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.
- Ensuring that the Commissioner, Chief Officers and staff have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis.
- Ensuring personal, organisation and system-wide development through shared learning, including lessons learnt from governance failures both internal and external.
- Ensuring the Commissioner is independent of management and free from relationships that would materially interfere with its role.
- The Office of the PCC, in conjunction with the Force, should ensure that appropriate information is available for potential Commissioner candidates.
- Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.
- Holding staff to account through regular performance reviews which take account of training or development needs.
- 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.

**Principle Six: Managing risks and performance through robust internal control and strong public financial management**

Managing risk

- Recognising that risk management is an integral part of all activities and must be regarded as a continuous process.
- Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.
- Ensuring that responsibilities for managing individual risks are clearly allocated.
- 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

- Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.
- Making decisions based on relevant, clear, objective analysis and advice, pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.
- 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.
- Providing the Commissioner and Chief Officers with regular reports on service delivery plans and on progress towards outcome achievement.
- Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).

Robust internal control

- Aligning the risk management strategy and policies on internal control with achieving the organisation's objectives.
- Evaluating and monitoring the organisation's risk management and internal control on a regular basis.
- Ensuring effective counter fraud and anti-corruption arrangements are in place.

- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.
- Ensuring an independent audit committee or equivalent group or function, which is independent of the executive and accountable to the Commissioner and the Chief Constable, provides a further source of effective assurance regarding arrangements for managing risks and maintaining an effective control environment and that its recommendations are listened to and acted upon.

#### Managing data

- Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.
- Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.
- Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.

#### Strong public financial management

- Ensuring financial management supports both long term achievement of outcomes and short term financial and operational performance.
- Ensuring well developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.

### **Principle Seven: Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

#### Implementing good practice in transparency

- 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.
- Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.

#### Implementing good practices in reporting

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

- Ensuring the Commissioner and Chief Officers own the results.
- Assessing the extent to which the organisation is applying the principles contained in the Framework and publishing the results of this assessment including an action plan for improvement and evidence to demonstrate good governance in action (the Annual Governance Statements).
- 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.
- Ensuring that the Framework is applied to jointly managed functions as appropriate.

#### Assurance and effective accountability

- Ensuring that recommendations for corrective action made by external audit are acted upon.
- Ensuring an effective internal audit service, with direct access to the Commissioner, the Chief Constable and audit committee, provides assurance with regard to the organisation's governance arrangements, and produces recommendations which are acted upon.
- Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations as appropriate. Gaining assurance on risks associated with delivering services through third party suppliers and that this is evidenced in the Annual Governance Statements.
- Ensuring that when working in partnerships, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.



# Joint Scheme of Corporate Governance

## Index

<b>1.</b>	<b>Introduction</b>	<b>18</b>
<b>2.</b>	<b>Roles</b>	<b>20</b>
<b>3.</b>	<b>Consents</b>	<b>23</b>
<b>4.</b>	<b>Delegations</b>	<b>25</b>
<b>5.</b>	<b>Delegations by the Commissioner</b>	<b>25</b>
	Delegations to the Deputy Commissioner	25
	Powers Delegated to the Chief Executive	25
	Powers Delegated to the CFO	28
<b>6.</b>	<b>Delegations by the CC</b>	<b>30</b>
	Power Delegated to the Deputy Chief Constable	30
	Powers Delegated the FCFO	30
	Powers Delegated to the Director of Legal Services	32
<b>7.</b>	<b>Urgency Powers</b>	<b>34</b>
	PCC	34
	Chief Constable	34
<b>8.</b>	<b>Key Principles</b>	<b>35</b>

## **1. Introduction**

- 1.1 This Scheme of Corporate Governance ('the Scheme') has been prepared in accordance with the requirements of the Home Office Code of Practice on Financial Management, which is made by the Secretary of State under section 17 of the Police Reform and Social Responsibility Act 2011 ('the Act') and section 39A of the Police Act 1996.
- 1.2 This Scheme of Corporate Governance has been drawn up in consultation with the Chief Executive ('CE'), the Chief Finance Officer ('CFO'), the Chief Constable ('CC') and the Chief Constable's Chief Finance Officer ('FCFO') and was approved and adopted by the Police and Crime Commissioner ('the Commissioner') and the Chief Constable in 2012, and updated in September 2019.
- 1.3 The 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 and should be read alongside the Joint Statement of Corporate Governance and the Code of Corporate Governance.
- 1.4 The primary purpose of this Scheme is to:-
  - Set out in detail the terms on which the respective functions of the Commissioner and CC will be exercised, in order to comply with the Act, the Policing Protocol Order 2011 and all other legislation and achieve the objectives set out in the Commissioner's Police and Crime Plan.
  - Set out all significant decisions which are consented/delegated and which are of a statutory, financial or managerial nature.
  - Set out the extent and any associated conditions attaching to the Commissioner's consent to the CC's exercise of the powers to enter into contracts and acquire or dispose of assets, excluding land and property.
  - Set out the extent and details attaching to the delegations to their staff and officers which the Commissioner and CC can exercise.
- 1.5 The Commissioner and CC have a number of statutory responsibilities which they will either discharge directly or via delegated/consented responsibilities, as outlined in this scheme.
- 1.6 The Scheme sets out those functions and decisions for which the Commissioner has given the Deputy Commissioner (if one is appointed) delegated responsibility.
- 1.7 The Scheme is without prejudice to, and does not in any way affect, the Commissioner's and CC's respective powers to make/withdraw specific delegations/consents from time to time on any powers delegated. It is a record of those formal delegations granted by

the Commissioner and CC which are in effect at the time of the publication of this scheme.

- 1.8 The Scheme forms part of the Commissioner's and CC's Operating Framework (including contract standing orders, financial regulations, working protocols and associated service-level agreements as from time to time in place) and should be read in conjunction with the other documents as these contain further detail including the approved process for making decisions and further detailed delegations.
- 1.9 The CE, the CFO and the FCFO have statutory powers and duties inherent to their positions, and do not rely on matters being delegated to them when exercising those functions.
- 1.10 Delegation under the Scheme provides a member of the Commissioner's or CC's staff with the legal power to exercise, respectively, the function of the Commissioner or CC. In exercising the function the member of staff must still comply with all other statutory and regulatory requirements and relevant professional guidance.
- 1.11 For the avoidance of doubt, this Scheme does not apply to the following functions which the Commissioner may not delegate under section 18 of the Act:
  - Issuing a Police and Crime Plan;
  - Determining police and crime objectives;
  - Attendance at a meeting of the Police and Crime Panel ('PCP');
  - Preparing an annual report to the PCP;
  - The appointment, suspension, or the calling upon to retire or resign, of the CC;
  - Calculating a budget requirement and setting the precept.
- 1.12 The Scheme allows any person to whom a power has been delegated to sub-delegate that power to an officer or member of staff of either the Commissioner or CC.
- 1.13 . The PCP scrutinises and supports the decisions of the Commissioner. The Commissioner holds the CC to account for the exercise of his functions.
- 1.14 None of the consents/delegations in this Scheme constrains the Commissioner's power to hold the CC to account under section 1 of the Act or the Commissioner's power to require the CC to provide the Commissioner with information on policing matters under section 36 of the Act.
- 1.15 For the avoidance of doubt nothing in this scheme is intended to fetter the CC's operational independence.

## 2. Roles

### Role of the Police and Crime Commissioner

2.1 The West Midlands Police and Crime Commissioner is the local governing body for policing in the West Midlands police area, covering metropolitan districts of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton

2.2 . The Commissioner has an over-arching duty to secure an effective and efficient police force. The Commissioner has three main roles, which are to:

- Set the priorities for policing;
- Decide the budget for West Midlands Police;
- Hold the Chief Constable of West Midlands Police to account.

2.3 In order to fulfil these roles, the Commissioner has a range of powers and responsibilities. The Commissioner:

- Must produce a Police and Crime Plan that sets out:
  - Their policing objectives
  - The policing that is to be provided
  - The financial resources that are to be available for policing
  - How policing performance will be measured
- Must set the policing "precept", which is the part of local council tax that goes to policing;
- Can appoint and, if necessary, dismiss the Chief Constable;
- Can make Crime and Disorder Reduction Grants;
- Has an oversight role in how complaints against the police are managed;
- Must keep under review opportunities for collaboration;
- Has duties relating to national criminal threats, safeguarding of children, and consulting the public;
- Has a role in ensuring the effectiveness of the wider criminal justice system.

2.4 The Commissioner 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 CC to decide in consultation with the Commissioner and in accordance with the priorities and objectives set out in the

Police and Crime Plan, the Strategic Policing Requirement or in accordance with any Government grant terms and conditions.

- 2.5 The Commissioner 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.

### **Role of the Chief Constable**

- 2.6 The role and primary responsibilities of the CC include:

- Maintaining the Queen's Peace;
- Delivery of efficient and effective policing;
- Efficient management of resources and expenditure which delivers VFM;
- Having regard in that delivery to the strategic direction and objectives outlined in the Police and Crime Plan, the Strategic Policing Requirement and codes of practice issued by the Secretary of State;
- Maintain effective and efficient arrangements in respect to:
  - Collaboration Agreements Section 22A of the Police Act 1996
  - Engaging with local people (Section 34)
  - Value for money (Section 35)
  - Safeguarding of Children and in the promotion of child welfare.
- Maintaining operational independence in the service of the public;
- Impartial direction and control of all constables and staff within the police force.

### **Role of the Strategic Policing and Crime Board ('SPCB')**

- 2.7 The role and primary responsibilities of the SPCB include:

- To maintain an overview of the implementation of the Commissioner's manifesto in order to ensure consistency in approach but having regards to the differing needs in the West Midlands
- To monitor the implementation and achievement of the Police and Crime Plan and support the Commissioner in any work required to vary the Plan during his term of office
- To scrutinise, support and challenge the overall performance of West Midlands Police including against the priorities agreed within the Plan

- To advise the Commissioner when exercising his functions in setting the budget and precept
- To advise and support the Commissioner in his decision making role and in holding the CC to account
- To support the Commissioner more generally in the fulfilment of his statutory duties, to include equalities and human rights obligations

### **Role of the Police and Crime Panel (PCP)**

2.8 The PCP's statutory functions are set out in section 28 of the Act as follows:

- Reviewing the draft Police and Crime Plan to ensure local priorities have been considered;
- Scrutinising the Commissioner's Annual Report;
- Scrutinising the decisions and actions of the Commissioner;
- Reviewing, and potentially vetoing, the Commissioner's proposed policing precept (the money collected from Council Tax for policing);
- Holding confirmation hearings for the proposed appointment of a Chief Constable, Deputy Police and Crime Commissioner and senior support staff;
- Consideration of non-criminal complaints against the Commissioner or the Deputy Commissioner.

### **3. Consents**

- 3.1 The Commissioner may give consent to the CC to enter into contracts and to acquire or dispose of assets, other than land and buildings, subject to the requirements of the Financial Regulations and the Contract Standing Orders. However, in order to simplify systems of internal control, contracts will continue to be issued in the name of the Commissioner.
- 3.2 The Commissioner also consents to the CC managing land and buildings in accordance with the approved Estates Strategy and Financial Regulations and Contract Standing Orders.
- 3.3 The Commissioner consents to the CC to enter into agreements under section 23 of the Police Act 1996 where agreed and to enter into Memorandums of Understanding and Memorandums of Agreement where necessary in the discharge of his duties and function as the CC.

### **4. Delegations**

- 4.1 Throughout this Scheme the Commissioner and the CC expect that any person carrying out functions or powers on the Commissioner's/CC's behalf, or making any related decision, will act within policies and strategies approved by the Commissioner and/or CC as appropriate and will take appropriate professional advice as necessary, particularly legal and financial advice and where appropriate, operational advice from the CC.
- 4.2 Before any financial liability affecting the Police Fund that is novel, contentious or repercussive is incurred, the appropriate Chief Officer should consult with the Commissioner, who may then decide that a formal written approval should be made.
- 4.3 The Scheme is intended to complement the remaining documents of the Commissioner's operating framework (namely the Contract Standing Orders and the Financial Regulations) and any other relevant arrangements adopted by the Commissioner and CC. In the event of a conflict, the provisions of this Scheme have precedence.
- 4.4 In the absence of the CE, the CFO, the CC or the FCFO respectively, officers designated as deputising may exercise delegated/consented powers.
- 4.5 The Commissioner and/or the CC may require that a specific matter be referred to them for a decision and not dealt with under powers of delegation.
- 4.6 Giving delegation to officers or staff under this scheme does not prevent an officer/member of staff from referring the matter to the Commissioner and/or CC for a decision if they think that this is appropriate (for example, because of sensitive community and stakeholder issues or any matter which may have a significant operational or financial implications).

4.7 All Commissioner decisions should be recorded and be available for inspection.

4.8 The Commissioner and/or CC may set out their reporting arrangements on actions undertaken by their own staff in respect of the use of powers delegated to them.



## **5. Delegations by the Commissioner**

### Delegations to the Deputy Commissioner

- 5.1 The Act provides for a PCC to appoint a Deputy Police and Crime Commissioner. Where a Deputy Commissioner has been appointed and in the absence of the Commissioner, the Deputy Commissioner may exercise any function of the Commissioner other than those functions listed in sections 18(7)(a) (issuing a police and crime plan), 18(7)(e) (appointing the chief constable, suspending the chief constable or calling upon the chief constable to retire or resign) and 18(7)(f) (calculating a budget requirement) of the Act.
- 5.2 The decision as to whether or not the Commissioner is absent in the first instance rests with the Commissioner, or if required rests with the CE.

### Delegations to the Chief Executive

- 5.3 The CE is the Head of the Commissioner's staff and the Monitoring Officer for the Commissioner. The delegations below are a record of those formal delegations granted by the Commissioner to the Chief Executive which are in effect at the time of publication of this Scheme.
- 5.4 General delegations:
- To prepare the PCP in consultation with the CC and his Management Team for submission to the Commissioner;
  - To produce an annual report;
  - To provide information to the PCP, as reasonably required to enable the PCP to undertake its functions;
  - Pursuant to any decision of the Commissioner or the Deputy Commissioner, to sign all contracts on behalf of the Commissioner which require the Commissioner's approval under this Scheme, and;
  - In addition to the powers set out in the Contract Standing Orders to sign, execute and issue all legal documents necessary to implement decisions made by the Commissioner or anyone exercising the Commissioner's functions.
- 5.5 Financial administration delegations:
- To manage the Commissioner's budget in consultation with the CFO and in particular to:

- place orders for goods and services and to incur expenditure for which provision has been made in the revenue budget, and
- invite and accept quotations and tenders for goods and services for which provision is included in the revenue budget.
- To agree any fees for copies of documents requested by the public under the provisions of the Local Government (Access to Information) Act 1985, the Freedom of Information Act 2000, or the Data Protection Act 2018.
- To approve exceptional cases in the provision of police advice and assistance to international agencies because:-
  - the full cost is £10,000 or more (including air flights, accommodation and salary costs of the police officer or member of staff), and/or
  - it is a sensitive case involving travel to politically sensitive countries.

#### 5.6 Management / Human Resources delegations:

- In consultation with the Commissioner and Deputy Commissioner, to approve restructurings of establishment in relation to the Office of the Commissioner in conjunction with the CFO subject to:
  - there being budget provision and account taken of equalities considerations for the proposals
  - consultation with the trades union, and
  - that the Chief Executive will consult with the CC and independent Chair of the Joint Audit Committee on any proposed changes to the personnel resource heading the internal audit function.
- To undertake all aspects of the management of staff, and in particular to ensure the implementation of the approved HR policies and the staff handbook. This includes all appointments, suspensions and dismissals, other than Statutory Officers, providing support to the Commissioner, including all traditional personnel and establishment control functions;
- To exercise all the powers of employer including determination of all issues relating to the conditions of service of those staff, provided that any such decisions are made in accordance with the law and with policies adopted by the Commissioner;
- To exercise all the powers of employer regarding pension matters;
- To sign on behalf of the Commissioner any indemnity required to enable the Commissioner to exercise any of his/her functions, provided that where the giving of

an indemnity could have financial implications, such indemnity shall only be signed with the approval of the CFO;

5.7 Delegations regarding Custody Visitors and other volunteers:

- To appoint custody visitors and other volunteers where appropriate;
- To remove custody visitors or other volunteers who fail to comply with the Commissioner's guidelines and procedures.

5.8 Delegations regarding Complaints:

5.9 In connection with complaints and conduct issues specifically against the CC:

- In relation to complaints, to determine (and respond to the complainant accordingly) wherever possible within 5 days of the complaint being received whether or not the Commissioner is the appropriate authority to consider such a complaint;
- To make decisions in dealing with complaints and conduct matters against the CC including:
  - Recording decisions (for conduct matters);
  - Initial assessments;
  - Suitability for local resolution;
  - Referral to the IOPC;
  - Referral to the Crown Prosecution Service;
  - Appointment and briefing of the investigator;
  - Appointment of misconduct hearing or meeting members (and related determinations);
  - Representation at proceedings, meetings, appeals, hearings and for other such related matters.

5.10 Other delegations:

- To act on behalf of the Commissioner to ensure compliance with all Health and Safety requirements and legislation;
- To affix the seal of the Commissioner to all contracts, agreements or transactions requiring execution as a deed unless otherwise agreed to the Director of Joint Legal Services;
- To authorise the institution, defence, withdrawal or settlement of any claims or participate in any legal proceedings on behalf of the Commissioner, having considered legal advice (and consulted with the CFO about the financial implications) where such action is necessary to give effect to the decisions of the Commissioner or in any case where the CE considers that such action is necessary to protect the Commissioner's interests. Any decision taken under this provision must be reported to the Commissioner;

- To authorise, pursuant to section 223 of the Local Government Act 1972 (as amended), any member of the Commissioner's Staff to prosecute or defend or to appear in proceedings before a court or tribunal or to conduct any such proceedings;
- To arrange for the provision of all legal or other expert advice and/or representation required for and on behalf of the Commissioner, including to seek Counsel's opinion or other expert advice and to retain Counsel whenever this is considered to be in the interest and benefit of the Commissioner;
- To exercise all the Commissioner's powers and duties in connection with equalities, human rights, health and safety, freedom of information and data protection legislation, with the exception of those powers and duties which relate to the oversight of the CC's arrangements for those matters;
- To consider and determine complaints against the Commissioner's Staff (except the Chief Executive and the Deputy Commissioner) and to consider grievances made by such staff against other such staff;
- To review complaints of maladministration against the Commissioner and to approve the provision of any remedy, financial or otherwise;
- To ensure appropriate arrangements are made to meet the consultation duties required of the Commissioner;
- To manage and administer the award of grants and awards by the Commissioner in accordance with agreed protocols and arrangements;
- To provide guidance and advice in relation to the operation of the Confidential Reporting Policy and to instigate appropriate action;
- To carry out the duties of Monitoring Officer under Section 5 of the Local Government and Housing Act 1989;
- The custody of all title deeds under secure arrangements and the maintenance of a register of all properties owned by the Commissioner, recording the purpose for which held, locations extent and plan reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies granted;
- With the Commissioner's consent, to represent the Commissioner in collaborative arrangements as governed by section 23(a) of the Police Act 1996.

#### Powers delegated to the CFO

5.11 The CFO is the financial adviser to the Commissioner and has a statutory responsibility to carry out the functions of the Chief Finance Officer under sections 112 and 114 of the Local Government Finance Act 1988, section 151 of the Local Government Act 1972

and the Accounts and Audit Regulations 2011, ensuring that the financial affairs of the Commissioner and the Force are properly administered having regard to their probity, legality and appropriate standards.

5.12 The delegations below are a record of those formal delegations granted by the Commissioner which are in effect at the time of the publication of this Scheme.

5.13 Financial administration delegations:

- To approve the arrangements for the Treasury management function, including the day to day management, production of Treasury management strategy and supporting policies and procedures.
- To approve the arrangements for securing and preparing the Commissioner's group accounts and seek assurances that there are appropriate arrangements in place for the preparation of the CC's accounts.
- To seek assurances there are appropriate arrangements in place within the Force for the proper financial management of the Force.
- To approve the opening of all bank accounts.
- To prepare, from time to time, draft Financial Regulations and Contract Standing Orders, in consultation with the CC, for approval by the Commissioner.
- To maintain an adequate and effective shared Internal Audit provision, in consultation with the FCFO.
- To maintain effective Risk Management and Insurance arrangements seeking assurances that appropriate arrangements are in place within the Force for the proper and effective risk management of the Force.

5.14 Other delegations:

- To develop and maintain an appropriate Assurance Framework for the Commissioner.
- To exercise all the powers of employer of staff regarding pension matters.
- To act as Money Laundering Officer under the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003.

## **6. Delegations by the Chief Constable**

### Delegations to the Deputy Chief Constable

- 6.1 To approve the financial settlement of all claims or requests for compensation or damages against the Chief Constable as set out in the Financial Regulations (to include multiple or linked claims/claimants) in consultation with the CE where the matter is novel contentious or repercussive

### Delegations to the CC's Chief Finance Officer ('FCFO')

- 6.2 The Director of Commercial Services is the Force Chief Finance Officer ('FCFO') and financial adviser to the CC and has a statutory responsibility to carry out the functions of the Chief Finance Officer as set out in the Act and sections 112 and 114 of the Local Government Finance Act 1988, section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations 2011, ensuring that the financial affairs of the Force are properly administered having regard to probity, legality and appropriate standards.
- 6.3 Before any financial liability affecting the Police Fund that is novel, contentious or repercussive is incurred, the Commissioner should be consulted, who may then decide that his written approval must be obtained.
- 6.4 The delegations below are a record of those formal delegations granted by the CC to the FCFO which are in effect at the time of publication of this scheme.
- 6.5 Financial administration delegations:
- To exercise responsibility for Force expenditure (in other words that part of the Police Fund which is provided to the CC) provided that such responsibility shall be exercised in accordance with the law and as set out within the Commissioner's/CC's Financial Regulations and Contract Standing Orders and any relevant statutory guidance and codes of practice;
  - Where the approval of the Commissioner is not required by Financial Regulations or this Scheme and within the limitations prescribed by Financial Regulations and in pursuit of the policies and objectives agreed with the Commissioner and reflected in the West Midlands Police and Crime Plan:
    - to approve business cases for revenue and capital expenditure to commit expenditure within the approved budget for the CC;
    - in accordance with the requirements of Financial Regulations to vire or move money or budgets between budget headings;
  - To accept income, grants, offers of sponsorship and gifts for police purposes on behalf of the Commissioner provided that decisions taken in this regard are in accordance

with the law and with any guidance or policy which the Commissioner may from time to time determine;

- To determine the rates of charges for policing services to external bodies and give approval to charge for or not to charge for such services in accordance with the law and with any guidance or policy which the Commissioner may from time to time determine;
- To sign on behalf of the CC any indemnity required to enable the CC or to exercise any of the CC's functions, provided that where the giving of an indemnity could have significant financial implications not covered by the CC's insurance policies, such indemnity shall be signed only with the approval of the Commissioner's CFO;
- To approve non exceptional cases in the provision of police advice and assistance to international agencies because:
  - the full cost less than £10,000 or more (including air flights, accommodation and salary costs of the police officer or member of staff);
  - it is a non-sensitive case involving travel to non-politically sensitive country
- The FCFO may write off debts considered to be irrecoverable up to the amount set out in Financial Regulations subject to periodical reports to the Commissioner. Any individual write-off above the amount set out in Financial Regulations must be referred by the FCFO to the Joint Audit Committee, on behalf of the Commissioner, for approval;
- To exercise the CC's powers under the following provisions of the Police Act 1996:
  - section 24 agreeing payments for assistance between forces;
  - section 25 determination of charges for special services;
  - section 26 provision of advice and assistance to international organisations etc.

#### 6.6 Procurement delegations:

- The day to day management and control of contracts is delegated, subject to the provision of the Financial Regulations and Contract Standing Orders and provided that the Commissioner is satisfied that the CC has in place adequate systems, procedures and expertise to discharge these responsibilities;
- To sign all contracts irrespective of value, once they have been properly approved, except for those which are required to be executed under the Common Seal of the Commissioner. In these cases, the Director and Assistant Director of Joint Legal Services is authorised to affix the Seal;

- Where required by Contract Regulations or this Scheme and within the limitations prescribed by Financial Regulations, and in pursuit of the policies and objectives agreed with the Commissioner and reflected in the West Midlands Police and Crime Plan:
  - to approve contract exemptions;
  - to approve all requests to go out to tender;
  - to approve the award of contracts and to sign contracts;
  - to approve all variations, extensions or terminations of contracts.

#### 6.7 Property delegations:

- In accordance with the Consent of the Commissioner to the CC as set out in section 3 of this Scheme the FCFO shall undertake the day to day management of the property function subject to the provision of Financial Regulations.
- Undertake the management of the Commissioner's Estate in accordance with the Estate Strategy including the maintenance of his property. All purchases and sales of property shall be in accordance with the Commissioner's Standing Orders and the approval of the Commissioner obtained.

#### Delegations to the Director of Joint Legal Services

6.8 The Director of Joint Legal Services is the CC's Chief Legal Officer (CLO) and also provides legal advice and support where appropriate to the Commissioner. The delegations below are a record of those formal delegations granted by the CC to the Director of Legal Services which are in effect at the time of publication of this Scheme.

- To institute, defend or participate in any legal proceedings in any case where such action is necessary to protect the interest of the CC subject to prior consultation with the CE and CFO, in cases of a novel, contentious or repercussive nature.
- To arrange for the provision of all legal or other expert advice and/or representation required for and on behalf of the CC.
- To approve the financial settlement of all claims or requests for compensation or damages against the CC as set out in the Financial Regulations ( to include multiple or linked claims/claimants) in consultation with the CE where the matter is novel contentious or repercussive.
- To approve the financial settlement of all legal costs at the most economic level possible reporting any settlements that may be novel contentious or repercussive to the CE.



- To sign all contracts and agreements irrespective of value once they have been properly approved including those requiring execution by affixing the common seal.
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#### 6.9 Delegations to the Director of People and Organisational development

- To exercise all the powers of employer of Police Staff, including determination of all issues relating to the conditions of service of those staff, provided that any such decisions are made in accordance with the law and with policies adopted by the West Midlands Police and that the Chief Constable will consult the Commissioner on any proposed changes to the personnel resource to support the work of the recognised trade unions or the role of Crime Registrar.
- To exercise all the powers of employer of police officers and Police Staff regarding pension matters.
- To determine ex gratia payments in respect of loss or damage to the personal property of anyone under the direction and control of the CC.

## **7. Urgency Powers**

### Commissioner

- 7.1 The CE, in consultation with the Commissioner's CFO, where appropriate, to determine any matter falling to be determined by the Commissioner (other than those matters described in section 18(7) of the Act) where it is necessary to do so in urgent circumstances or where the Commissioner is absent or where the Commissioner has given specific authority for the CE so to act.
- 7.2 Any matter so determined will be reported to the Commissioner as soon as is practicable.

### Chief Constable

- 7.3 If any matter which would normally be referred to the CC (or DCC) for a decision arises and cannot be delayed, the matter may be decided by the appropriate Chief Officer (i.e. any member of the CC's Management Team).
- 7.4 Urgent decisions taken must be reported to the CC as soon as practicably possible

## **8. Key Principles**

- 8.1 Officers and Staff of the CC may be used to assist the Commissioner to exercise his functions: indeed the CC is under a statutory duty to exercise direction and control in such a way as is reasonable to give that assistance (section 2(5) of the Act). This scheme set out some of the ways in which that assistance will be given. For the avoidance of doubt, these are not delegations from the Commissioner.
- 8.2 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.
- 8.3 The Commissioner must not restrict the operational independence of the police force and/or the CC.
- 8.4 To enable the Commissioner 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 CC. This access must not be unreasonably withheld or obstructed by the CC.

## **Annex A: PCC Contract Standing Orders**

### **Table of Contents**

**Part I: Standing Orders applicable to all contracts for the supply or disposal of goods and materials, the provision of services and the execution of works.**

1. Introduction
2. Application
3. Definitions
4. Compliance with standing orders
5. Terms and conditions of contracts
6. Nominated and named sub-contractors
7. Restrictions on contracts with certain persons
8. Cancellation of contracts in case of corruption etc.
9. Central contracts
10. Negotiations
11. Value for money in respect of all contracts
12. Alternative contractors
13. Liquidated and ascertained damages
14. Security for due performance of contracts
15. Specifications
16. Circumstances where three quotations or tenders need not be obtained
17. Sealing/signing of contracts
18. Commencement of contracts

**Part II: Standing Orders applicable to contracts for the supply or disposal of goods or materials for the provision of services and the execution of works up to £100,000 in value.**

19. Application
20. Contract values not exceeding £10,000
21. Contract values greater than £10,000 and not exceeding £25,000
22. Contract values greater than £25,000 and not exceeding £100,000

**Part III: Standing Orders applicable to contracts over £100,000 for the supply or disposal of goods or materials, the provision of services and the execution of works.**

21. Application
22. Procurement procedure
23. Advertising of contracts
24. Open tender
25. Negotiation
26. Electronic tendering
27. Submission of tenders
28. Opening and registration of tenders
29. Checking and acceptance of tenders
30. Capital schemes reporting arrangements

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**Part I: Standing Orders applicable to all contracts for the supply or disposal of goods and materials, the provision of services and the execution of works**

**1. Introduction**

- 1.1 These Contract Standing Orders have been prepared in accordance with the requirements of Section 135 of the Local Government Act 1972.
- 1.2 They were drawn up jointly by the Chief Executive, the CFO, the Director of Joint Legal Services, the CC's CFO and by the CC, and approved by the Commissioner on xxxxxx
- 1.3 The main aims of these Contract Standing Orders are to:-
- (i) Outline the manner in which contracts are handled and managed to ensure compliance with all relevant legislation including directives and regulations of the European Union; and
  - (ii) Outline the relative responsibilities of the Commissioner, its Chief Officers, the Chief Constable and his Chief Officers in this process.
- 1.4 Although the Commissioner is responsible for all contracts, it is the aim of these Contract Standing Orders to consent responsibility for the day to day management and control of contracts to the CC, subject to the provisions of these Contract Standing Orders and provided always that the CC is satisfied that the CC has adequate systems, procedures, personnel and expertise to discharge these responsibilities.
- 1.5 The CC shall manage the tendering and contracting process in accordance with these Contract Standing Orders.
- 1.6 The Commissioner shall be the contracting party for the purposes of entering into contracts.
- 1.7 These Contract Standing Orders are part of the CC's Operating Framework, including The Scheme of Consents and Delegations, Financial Regulations, Force Financial Instructions and a Code of Practice on Contract management, and should be read in conjunction with these documents.
- 1.8 In all its procurements the Commissioner must comply with the EU Treaty based principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality and these rules are designed to ensure compliance with the same, as outlined in The Public Contracts Regulations 2015 (as may be amended and/or as may be succeeded by any subsequent legislation).
- 1.9 These Contract Standing Orders will be kept under review by the CE, the CFO, the CLO, the FCFO and the CC to ensure that the working arrangements for both the Commissioner and the CC are conducted in accordance with the relevant legislation and latest best practice. They can only be varied with the approval of the Commissioner.

1.10 The financial values identified within these Contract Standing Orders will also be kept under review and updated as appropriate.

## **2. Application**

2.1 The provisions in this part of these Contract Standing Orders apply to all Contracts.

2.2 The provisions of these Contract Standing Orders shall not apply to procurement undertaken in accordance with regulations under sections 53 and 57 of the Police Act 1996 (mandated supply arrangements and common services).

## **3. Definitions**

3.1 "Approved Budget" means the budget for any scheme as contained in the approved Capital Programme or approved Revenue Budget which shall include the budget for fees, furniture and equipment and other incidental costs.

3.2 "Central Contract" means an agreement for the supply of goods or services arranged by the appropriate officer which is based on expenditure by more than one department of the Force / office of the PCC.

3.3 "Appropriate Officer" means any officer who is duly authorised in writing by the Chief Executive or CC.

3.4 "Other Close Relative" shall mean a person cohabiting on a similar basis to a spouse, civil partner, a parent, grandparent, uncle, aunt, son, daughter, grandson, grand-daughter, brother, sister, niece or nephew or other close relative.

3.5 "Contract" means any agreement which is intended to be enforceable by law between the Commissioner and any other party for the supply or disposal of goods and materials, the provision of services, or the execution of works and shall where the context so admits include sub-contracts and/or any other commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods or services.

3.6 "Contractor" means any individual or organisation which enters into a Contract with the Commissioner to supply or purchase goods and/or materials and/or services or which executes work for the Commissioner under a Contract.

3.7 "the Commissioner" means the Police and Crime Commissioner and where the context allows is deemed to include reference to a person acting with delegated authority on behalf of the Commissioner.

3.8 "Estimate" and "Estimated Contract Value" means a pre-determined figure representing the probable cost of works, goods, services or materials calculated for tender

comparison purposes by a suitably qualified employee, agent or officer of or consultant to the Commissioner and which is recorded in writing.

- 3.9 "Negotiation" means any formative discussion on the terms of a Contract including prices (other than competitors' prices) with either an existing or potential contractor with a view to obtaining the most economically advantageous offer from that existing or potential contractor.
- 3.10 "Quotation" means an offer in writing made by a prospective contractor to the Commissioner including any such offer made to a direct service organisation of the Commissioner.
- 3.11 "Tender" means an offer made by a prospective contractor to the Commissioner on the Commissioner's form of Tender and which is submitted and accepted in accordance with the procedure set out in Contract Standing Order 29, 30 and 31.
- 3.12 "Framework" means agreement with one or more contractors, the purpose of which is to establish the terms governing a contract or contracts to be awarded during the period for which the framework agreement applies, in particular with regard to price and, where appropriate, quality and quantity of goods or services envisaged.
- 3.13 "Regulations" means the Public Contracts Regulation 2015, as amended or any successor legislation currently in force.
- 3.14 "Head of Contracts and Procurement" means the CC's Head of Contracts and Procurement from time to time.
- 3.15 For the avoidance of doubt, nothing in these Contract Standing Orders shall be read or construed as permitting an Appropriate Officer to accept a Tender which is not within approved available resources without the approval of the Commissioner.
- 3.16 All values referred to in these Contract Standing Orders are exclusive of VAT.

#### **4. Compliance with Contract Standing Orders**

- 4.1 No exception from any of the provisions of these Contract Standing Orders shall be made otherwise than with the prior written approval of the Commissioner.
- 4.2 A record of any exception to any of the provisions of these Contract Standing Orders shall be maintained by the Commissioner, which shall specify the circumstances by which the exception shall have been justified.
- 4.3 Any failure to comply with any of the requirements of these Contract Standing Orders shall be reported to the Chief Executive as soon as such failure is discovered. The Chief Executive shall consult with the CFO, the Director of Joint Legal Services, and the CC before agreeing with the Commissioner such actions as he may deem necessary in the circumstances.



- 4.4 The Appropriate Officer shall ensure that action taken at all stages of the tendering procurement or disposal process shall be with a view to the Commissioner obtaining the most economically advantageous Contract.
- 4.5 Where the Regulations, or any other applicable domestic or EU statutory provision, requires specific procedures to be followed in the letting of contracts which are inconsistent with the procedures set out in these Contract Standing Orders then the requirements of the Regulations, or any relevant statutory provisions, shall prevail (insofar as they are inconsistent) and shall be fully complied with.
- 4.6 Where external consultants or agents are appointed to act on behalf of the Commissioner to prepare and invite quotations/ tenders, they shall be provided with a copy of these Contract Standing Orders and of the Commissioner's Financial Regulations by the Appropriate Officer and it shall be a condition of the engagement of any such external consultants or agents that these Contract Standing Orders and the Financial Regulations are strictly observed.
- 4.7 The Head of Contracts and Procurement shall ensure that a manual of standard operating procedures is maintained at all times and all Appropriate Officers shall comply with these standard operating procedures in the letting of all Contracts.
- 4.8 Contracts shall not be packaged in such a way that results in the Estimated Contract Value falling into a lower value band.
- 4.9 Where the Regulations, or any other applicable domestic or EU statutory provision, requires specific procedures to be followed in the letting of contracts then, in addition to complying fully with the obligations outlined under these Contract Standing Orders, the Appropriate Officer shall:
- (i) Seek the advice of the Head of Contracts and Procurement at the outset and all subsequent stages of the procurement process.
  - (ii) Ensure that tenders are invited in accordance with the requirements of the Regulations and any other applicable domestic or EU statutory provision; and
  - (iii) Recognize and acknowledge that the Regulations and any other applicable domestic or EU statutory provision will take precedence over the Contracts Standing Orders.
- 4.10 Advice and guidance on whether a particular procurement is subject to the Regulations (and/or any other applicable domestic or EU statutory provision) can be obtained from the Head of Contracts and Procurement

## **5. Terms and Conditions of Contracts**

- 5.1 All Contracts shall be in writing and shall contain appropriate terms and conditions.
- 5.2 Where applicable an appropriate standard form of contract such as those published by the Joint Contracts Tribunal or the Institution of Electrical Engineers shall be used. Any amendments to a standard form of contract which have not been approved by the appropriate body, shall be approved in writing, in advance, by the Head of Contracts and Procurement in the first instance. The Head of Contracts and Procurement may elect to refer the matter to the CLO, where he or she considers it appropriate.

## **6. Nominated and named sub-contractors**

- 6.1 Where a sub-contractor is to be nominated to a main contractor the procedures contained in these Contract Standing Orders for the letting of Contracts shall apply.
- 6.2 When sub-contractors are "Named" the selection and/or letting of the sub-contract shall be in accordance with the Contract Standing Orders applicable to the letting of main Contracts.

## **7. Restrictions on contracts with certain persons**

- 7.1 No member of the Commissioner's Office or officer, agent, consultant or employee of the Commissioner, nor any company, partnership, or firm in which any member of the Commissioner's Office (or officer, agent, consultant or employee of the Commissioner) is interested nor any employer, nominee, spouse or Other Close Relative of a member of the Commissioner's Office or officer, shall undertake the execution of works on behalf of the Commissioner or shall accept an order for the supply or disposal of goods or materials from the Commissioner or shall provide services for the Commissioner unless such works or order for goods or materials or services have been offered or secured or provided by competitive Tender or Quotation.

## **8. Cancellation of contracts in case of corruption etc.**

- 8.1 All Contracts shall include a provision entitling the Commissioner to cancel the Contract and be entitled to recover from the Contractor the amount of any loss resulting from such cancellation if the Contractor (or his/her employees or persons acting on his/her behalf) shall have committed an offence under the Prevention of Corruption Acts 1906 and 1916, or the Bribery Act 2010, or under Sections 117(2) and 117(3) of the Local Government Act, 1972 or any re-enactment thereof.

## **9. Central contracts**

- 9.1 Before inviting Quotations or Tenders or entering into Negotiations in respect of any Contract, it must be established whether a Central Contract exists covering the proposals. If one does exist then the Central Contract must be used unless the Head of

Contracts and Procurement is satisfied that there are special factors justifying a different course of action. Such special factors shall be recorded in writing and copied to and agreed by the Head of Contracts and Procurement.

## **10. Negotiation**

10.1 The following procedures shall be adopted in all Negotiations:-

10.2 Officers and staff conducting Negotiations shall be designated in writing in respect of individual Contracts by their departmental appropriate officer and the process must be overseen and managed by the Head of Contracts and Procurement.

10.3 In respect of contracts with a value over £100,000 there must be at least two officers present: (i) the Head of Contracts and Procurement (or nominated deputy) and (ii) one officer on at least Management Band 1 Grade. In respect of contracts with a value of £100,000 or less, either of the Head of Contracts and Procurement (or nominated deputy) or one officer on at least Management Band 1 Grade must be present

10.4 All officers and staff involved in Negotiations under these Contract Standing Orders shall make a declaration, in accordance with Section 117 of the Local Government Act 1972, as to pecuniary interest, in writing, prior to commencement of Negotiations, to their appropriate line manager and no officer with any pecuniary interest in any prospective contractor involved in the Negotiations under this part shall be involved, at any stage, in the Negotiations.

10.5 No information concerning a prospective contractor's offer shall be disclosed to other Tenderers or third parties.

10.6 A written record of the Negotiations held with prospective contractors and terms agreed shall be kept and shall be signed by all officers present at the Negotiations.

10.7 Before any Contract is entered into the Appropriate Officer must satisfy himself that the result of Negotiations represents good value for money.

## **11. Best value in respect of all contracts**

11.1 The Appropriate Officer shall in respect of all Contracts be obliged to demonstrate if so requested that best value in respect of overall price and quality was obtained. Notwithstanding the procedures set out in these Contract Standing Orders in respect of Contracts where the Estimated Contract Value is less than £100,000 the Appropriate Officer may let such Contracts in accordance with the procedures contained in Part III of these Contract Standing Orders.

11.2 The Appropriate Officer shall ensure that before any Quotations are sought or Tenders invited an Estimated Contract Value shall be determined which shall not be disclosed to third parties save that an indicative range may be disclosed to prospective contractors

who request an indication of the prospective scale of the Contract. The Estimated Contract Value shall be recorded in writing and such record shall include the name of the estimator and shall be duly signed by him and retained on the scheme file or on the tender evaluation record.

- 11.3 Where appropriate a Tender evaluation shall be carried out and duly recorded in writing. Such Tender evaluation shall include the procedure contained in Contract Standing Order 25.5 and shall include a comparison with the Estimated Contract Value and a recommendation as to which Tender is considered the most economically advantageous.
- 11.4 In the case where the Estimated Contract Value is over £25,000 three written Quotations or Tenders (or less if there are insufficient prospective contractors available to quote or tender) supported by suitable evaluation of the offers received shall be deemed to be sufficient evidence of value for money. Where the Appropriate Officer does not deem it reasonable to obtain three Quotations or Tenders he shall record in writing the reasons for his decision and shall provide a copy of his reasons to the Head of Contracts and Procurement.

## **12. Alternative contractors**

- 12.1 Where Contracts are being let for the supply of goods or materials the provision of services or the execution of work which are essential to maintain services it shall be the duty of the Head of Contracts and Procurement to consider whether it would be in the best interests of the Commissioner to award the Contract to two or more contractors in order to ensure continuity of supply or to maintain competition.
- 12.2 Where an Order is placed with an additional Contractor the reasons for placing that work with that Contractor shall be recorded in writing.

## **13. Liquidated and ascertained damages**

- 13.1 Where considered appropriate for contracts over £100,000 a clause should be included specifying that liquidated and ascertained damages will be payable by the Contractor if the Contract is not completed by the completion date or as amended by any duly authorised extensions.
- 13.2 Any sum assessed for the purpose of paragraph 13.1 shall be calculated by the Appropriate Officer in a reasonable and justifiable manner to represent a reasonable pre-estimate of all pecuniary losses that shall be incurred by the Commissioner if the Contract is not completed by the Contract completion date and must be verified by the CFO or the FCFO.
- 13.3 The recovery of liquidated and ascertained damages may only be waived with the approval of the CFO, or the FCFO.

## **14. Security for due performance of contracts**

14.1 Where a Contract sum exceeds £500,000 consideration shall be given to requiring sufficient security for the due performance of any Contract unless otherwise required by statute and the following shall determine general practice:

- (i) The following shall be sufficient security:
  - a A surety approved by the CC's CFO in a sum equal to 10% of the Contract price.
  - b A deposit of cash or negotiable bonds to the value of 10% of the Contract price.
  - c A deposit by way of charge on the property where the value in the equity after any prior charges is equal to at least 10% of the Contract price ; or
  - d Such other security as shall otherwise be approved by the C CFO, or the FCFO.
  
- (ii) The security shall be held until the date of issue of the certificate of practical completion or such other date as may be agreed in writing by the Appropriate Officer and the Head of Contracts and Procurement .

14.2 The provisions of Paragraph 14.1 shall apply to any Contract where so determined by the FCFO.

## **15. Specifications**

15.1 To accord with the requirements of the Regulations, or any other applicable domestic or EU statutory provision, and the desire to obtain the best value for the Commissioner, when specifications are given in Negotiations, invitations for Quotations or Tenders, they are to be performance specifications unless, in the view of the appropriate officer, it is impractical, in which case a proprietary name or description may be used provided it is made clear that equivalents may be permitted.

## **16. Circumstances where quotations or tenders need not be obtained**

16.1 The invitation of a single Tender/Quotation may only be considered when one or more of the following circumstances apply:

- (i) The sale or purchase is to be effected at an auction, and any such sales or purchases should be approved in advance and in writing by the FCFO or the Head of Contracts and Procurement.
  
- (ii) The execution of works or the purchase of goods or materials required for urgent major incidents or necessary for urgent repairs to buildings or plant, to prevent danger to authorised users or the general public, or to prevent rapid and progressive deterioration, or to maintain essential services. Such purchases

should require the prior approval of the FCFO or the Head of Contracts and Procurement.

- (iii) Work undertaken by Solicitors or Barristers, provided that the hourly or global fee or rate for payment has been agreed before it begins, and the process is benchmarked and assessed annually.
- (iv) The items are or relate to proprietary articles or those sold only at fixed prices or the work to be executed consists of repairs to existing proprietary articles and there is no reasonable satisfactorily alternative available from any other source. Such purchases should require the prior approval of the FCFO or the Head of Contracts and Procurement.
- (v) Where goods, services or works are obtained through framework or other contractual arrangements established by other police and crime commissioners, local authorities, specified public bodies or persons where it represents best value to the Commissioner, subject to the advice, guidance and approval of the Head of Contracts and Procurement . Where Tenders have been invited on behalf of any consortium, association, or similar body of which the Commissioner is a member provided that the Tenders are invited in accordance with the method prescribed by such body and the Regulations, where appropriate.
- (vi) Contracts in respect of which genuine security considerations make the use of a particular firm, business or organisation essential and/or where the nature or purpose or content of the Contract/Framework is classified as secret or where the performance of the Contract must be accompanied by specific security measures in accordance with the laws, regulations or administrative provisions of any part of the UK or when the protection of the essential interests of the security of the UK require it. Such purchases shall require the prior written approval of the CC's CFO or the Head of Contracts and Procurement.
- (vii) There is a genuinely justifiable case to use an existing Contractor/supplier to maintain continuity of supply or site experience, where a change of contractor/supplier would cause:
  - a. incompatibility with existing goods/installation, or disproportionate technical difficulties in the operation and maintenance of the existing goods/installation;
  - b. diseconomies, or;
  - c. significant disruption to operational requirements brought about by unforeseeable events.

16.2 It is strongly recommended that the advice and approval of the Head of Contracts and Procurement or the CC's CFO is sought before exercising any of the options above, in particular with regard to the provisions of (ii), (iv), (vi) and (vii).

## **17. Sealing/ signing of contracts**

17.1 All contracts above £100,000 shall, unless sealed, be signed by the FCFO or the Head of Contracts and Procurement or the CLO on behalf of the Commissioner, or any other officer or member of staff designated and authorised in writing by the FCFO or the CLO.

17.2 All contracts greater than £10,000 but not exceeding £100,000 shall, unless sealed, be signed on behalf of the Commissioner by the Appropriate Officer as designated by the Director of Commercial Services.

## **18. Commencement of contracts**

18.1 No work included within a Contract shall be commenced unless and until the FCFO or the Head of Contracts and Procurement has duly notified the Appropriate Officer that the Contract has been entered into and that work under the Contract can commence.

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**PART II Standing Orders applicable to contracts up to £100,000 in value for the supply or disposal of goods or materials, the provision of services and the execution of works**

**19. Application**

19.1 This Part II of these Contract Standing Orders applies to Contracts where the Estimated Contract Value does not exceed £100,000.

**20. Contract values not exceeding £10,000**

Contract values below £2,000

20.1 Preparatory arrangements for the provision of goods, services and the execution of works with an Estimated Contract Value of below £2000 in value do not ordinarily need a formal written Quotation but officers and/or staff must keep a written record to demonstrate that they have taken the appropriate steps to obtain best value for money and must be prepared to justify the method of Contractor selection (e.g. appropriate market testing has been completed prior to purchase).

20.2 Where the supply of goods or materials or the provision of services can be obtained from a Central Contract, Paragraph 9.1 shall apply.

Contract values between £2,000 and £10,000

20.3 The provision of goods, services and the execution of works with an Estimated Contract Value greater than £2000 but not exceeding £10,000 must either be ordered under a Central Contract or, where there is no existing and approved Central Contract, a minimum of two written Quotations must be obtained and evidenced unless otherwise agreed in writing by the Head of Contracts and Procurement. Officers and staff must also keep a written record to demonstrate that they have taken appropriate steps to obtain best value for money and must be prepared to justify the method of Contractor selection.

20.4 Where the supply of goods or materials or the provision of services can be obtained from a Central Contract, Paragraph 9.1 shall apply.

**21. Contract values between £10,000 and £25,000**

21.1 The provision of goods, services and the execution of works with an Estimated Contract Value greater than £10,000 but not exceeding £25,000 must either be ordered under a Central Contract or, where there is no existing and approved Central Contract, at least three written Quotations must be invited unless otherwise agreed in writing by the Head of Contracts and Procurement.



21.2 Where this is not possible, for whatever reason, officers and staff must keep records as to why three Quotations were not invited. Copies of Quotations (and all and any reasons for not inviting three Quotations) must be forwarded to the Head of Contracts and Procurement for approval.

21.3 Where a Quotation other than the lowest is recommended for acceptance, the officer or member of staff should make a written record of the reasons and justification for this decision and these written reasons should also be forwarded to the Head of Contracts and Procurement for approval. Where the supply of goods or materials or the provision of services can be obtained from a Central Contract, Paragraph 9.1 shall apply.

## **22. Contract values between £25,000 and £100,000**

22.1 The provision of goods, services and the execution of works with an Estimated Contract Value greater than £25,000 but not exceeding £100,000 must either be ordered under a Central Contract or the Appropriate Officer shall invite at least three written Quotations, unless otherwise agreed in writing with the Head of Contracts and Procurement. Such offers for written Quotations to be submitted shall be undertaken via the Contracts and Procurement Department, under the management and oversight of the Head of Contracts and Procurement.

22.2 Officers and staff inviting Quotations must do so via the Chief Constable's electronic tendering system, which can be accessed via the Contracts and Procurement Department.

22.3 The Head of Contracts and Procurement, or his nominated deputy will open all the Quotations at one time via the Chief Constable's electronic tendering system. No Quotation shall be considered if received after the closing time and date unless approved in writing by the Head of Contracts and Procurement. The Contracts and Procurement Department shall retain written records of all Quotations invited and received.

22.4 Subject to Standing Order 22.4 below, following analysis where appropriate of Quotations by the Head of Contracts and Procurement, or his nominated deputy, in conjunction with the relevant officer or staff member a written record must be made detailing in full the reasons for acceptance of the preferred Quotation.

22.5 All Contracts are required to be in writing and shall contain standard terms and conditions agreed by the Head of Contracts and Procurement, or his nominated deputy, and such amendments as shall have been approved in writing in advance by the Contracts and Procurement Department after consultation with the appropriate officer.

**PART III Standing Orders applicable to contracts over £100,000 for the supply or disposal of goods or materials the provision of services and the execution of works**

**23. Application**

23.1 This Part III of these Contract Standing Orders applies to Contracts for the provision or disposal of goods or materials, the provision of services and the execution of works where the Estimated Contract Value is greater than £100,000.

23.2 Where the Estimated Contract Value not only exceeds £100,000 but also exceeds the relevant thresholds under the Regulations (as applicable at the time), the letting of these Contracts will be conducted in full accordance with the requirements of the Regulations and any other applicable domestic or EU statutory provision.

**24. Procurement procedure**

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24.1 Before any Contract is let a detailed project appraisal shall have been undertaken by the Appropriate Officer in accordance with Contract Standing Orders 24.2 and 24.3.

24.2 The project appraisal process shall establish justification for the preferred option and determine priorities. It shall also aim to ensure that all Contracts are consistent with the objectives, policies and strategies agreed by the Commissioner.

24.3 The scale of the appraisal will depend on the size of the project and the current cost implications but it should be sufficiently detailed to establish the definition of objectives, the explicit consideration of options and the identification, evaluation and timing of the costs (including future revenue costs) and benefits of each option. Any other considerations including uncertainties should be taken into account.

24.4 Contracts shall be let by way of :-

- (i) A restricted List following Public Advertisement;
- (ii) A register of prequalified contractors maintained by central government on behalf of all public sector organisations;
- (iii) Open Tender;
- (iv) Negotiation; or
- (v) Electronic Tendering.

At the option of the Appropriate Officer.

**25. Advertising of contracts**

25.1 This Contract Standing Order 25 shall effect where :-

25.2 Officers and staff shall ensure that, where prospective contracts, irrespective of their value, might be of interest to potential candidates, a sufficiently accessible advertisement is published. Generally, the greater the potential interest of a prospective contract to potential bidders, the wider the coverage of the advertisement should be. Examples of where such advertisements may be placed include:

- (i) portal websites specifically created for prospective public contract advertisements,
- (ii) National official journals, or
- (iii) The Official Journal of the European Union (“OJEU”) / Tenders Electronic Daily (“TED”).

25.3 Officers and staff must ensure that when a prospective contract’s total Estimated Contract Value is above the relevant EU threshold, that prospective contract is, at a minimum, advertised in the OJEU and the TED.

25.4. An advertisement is not necessary when awarding a contract through an existing Framework agreement as the contract will have already been awarded via a competitive process.

25.5 Officers and staff are responsible for ensuring that all candidates responding to an advertisement for a relevant Contract are suitably assessed. The assessment process shall establish that the potential candidates have sound:

- (i) economic and financial standing;
- (ii) technical ability and capacity;
- (iii) ability to fulfil the requirements of the Commissioner.

## **26. Open Tender**

26.1 This Contract Standing Order 26 shall have effect where:

- (i) A Contract is to be let by way of open tender; and
- (ii) The Estimated Contract Value is within available resources.

26.2 In such cases advertising will be conducted by the Appropriate Officers of the Commissioner strictly in accordance with Contract Standing Order 25.

## **27. Negotiation**

27.1 This Contract Standing Order 27 shall have effect where:

- (i) By virtue of a decision of the Commissioner a Contract is to be let by way of Negotiation and
- (ii) The Estimated Contract Value is within available resources.

27.1 In such cases Negotiations shall be conducted by the Appropriate Officers of the Commissioner strictly in accordance with Standing Order 10.

## **28. Electronic Tendering**

28.1 Responses to Requests for Quotations ("RFQ"s) and Invitations to Tender ("ITT"s) may be submitted by electronic means provided that:

- (i) Evidence that the transmission was successfully completed is obtained and recorded;
- (ii) Paper copies of any documents that cannot be sent electronically are sent by post and paper copies of all documents are sent to suppliers who do not specify an e-mail address for receipt of Quotations/ Tenders;
- (iii) Forms of Quotation/ Tender not provided electronically, must be submitted on paper, signed in manuscript by an authorised representative of the supplier. Accompanying proposals, including pricing documents, may be submitted on cd-rom with the paper form of Quotation / Tender;
- (iv) The procedure will also include arrangements for auctions; and
- (v) Electronic Quotations and Tenders are kept in a secure electronic tendering system under the control of the Head of Contracts and Procurement, and any such electronic Quotations and Tenders are not opened until the deadline has passed for the receipt of Quotations and/or Tenders.

## **29. Submission of tenders**

29.1 Where in pursuance of these Contract Standing Orders invitation to tender is required, every notice of such invitation shall be received via the Chief Constable's electronic tendering system

## **30. Opening and registration of tenders**

30.1 Subject to Contract Standing Order 31 below, Tenders submitted in accordance with Contract Standing Order 29 shall be administered by a member of the Contracts and Procurement Department via the Chief Constable's electronic tendering system,

whereby the portal shall not allow responses to be opened until the Tender closing date and time have passed. The Chief Constable's electronic tendering system shall keep an audit record of all activities, including tendering openings.

### **31. Checking and acceptance of tenders**

#### Recommendations and acceptances of tenders

- 31.1 Unless a Contract is awarded under 'the most economically advantageous' criterion (see clause 31.1.5) a Tender which is other than the lowest or highest respectively if payment is to be made by/ to the Commissioner can be recommended for acceptance by the appropriate officer. Such a recommendation for acceptance must be endorsed and approved in writing by the Head of Contracts and Procurement . The Appropriate Officer must then submit a written report on it to the Commissioner, specifying the action taken, and the reasons for such action, in awarding the Contract to other than the lowest tenderer.
- 31.2 In all cases of Contracts with a value in excess of £1,000,000, following the formal tendering process the Appropriate Officer will submit a report to the Commissioner seeking his approval to award the Contract to the specified Contractor.
- 31.3 Where examination of a Tender reveals any error or omission the tenderer submitting the Tender shall be informed and given an opportunity either of confirming or withdrawing the Tender, provided that in these instances of an arithmetical error, the tenderer shall be given the opportunity to correct the said arithmetical error.
- 31.4 If the basis of the evaluation is 'most economically advantageous', the criteria for evaluation must be set out in the Invitation to Tender, in descending order of priority, with the weightings to be given to each criterion as stipulated in the Regulations.

## **Annex B: PCC/CC Financial Regulations**

### **Table of Contents**

- 1. Introduction**
- 2. Roles and responsibilities**
- 3. The Force Chief Financial Officer ('FCFO')**
- 4. Financial plans and budgets**
  - Financial/policing plans
  - Budgets
  - Financial implications in decision making reports
  - Budgetary control
- 5. Accounting procedures**
- 6. Financial systems and procedures**
  - Introduction
  - Risk management and insurances
  - Treasury management
  - Banking arrangements, cheques & credit cards
  - Imprest accounts
  - Income
  - Sponsorship
  - Grants to voluntary organisations/ outside bodies
  - Unofficial funds
- 7. Audit**
  - Internal audit
  - External audit
  - Joint audit committee
- 8. Internal control of assets**
  - Control of assets
  - Theft and burglary

## **1. Introduction**

- 1.1 These Financial Regulations have been prepared in accordance with the requirements of the Home Office Code of Practice on Financial Management, which is made, by the Secretary of State under section 17 of the Police Reform and Social Responsibility Act 2011('the Act') and section 39A of the Police Act 1996.
- 1.2 These Financial Regulations have been drawn up, in consultation with the Chief Executive (CE), the Chief Finance Officer (CFO), the Chief Constable (CC) and the Chief Constable's Chief Finance Officer (FCFO) and were approved and adopted by the Police and Crime Commissioner (the Commissioner) on 16 October 2019.
- 1.3 The main aims of these Financial Regulations are to:
- (i) Ensure the financial dealings of the Commissioner and the CC are conducted properly and in accordance with best practice.
  - (ii) Provide sufficient safeguards for the CFO and the FCFO to formally discharge their statutory obligations and responsibilities.
  - (iii) Encourage delegation of financial matters to the lowest possible level, both between the Commissioner and the CC and by the CC within the Force, and at the same time maintain adequate control.
- 1.4 It is an overriding requirement of these Financial Regulations that the Commissioner, being advised by the CFO, will be satisfied that the CC has adequate systems, procedures, personnel and expertise in his Force to handle the delegated responsibilities.
- 1.5 These Financial Regulations are complementary to Force working practices and should also be read in conjunction with the Contract Standing Orders.
- 1.6 These Financial Regulations will be kept under review by the CE, the CFO, the FCFO and the CC, to ensure that the working arrangements for both the Commissioner and the CC are conducted in accordance with latest best practice generally and local prevailing conditions. They can only be varied with the approval of the Commissioner.
- 1.7 The financial values identified within these Financial Regulations will also be kept under review by the CFO and the FCFO, and updated as appropriate.

## **2. Roles and Responsibilities**

- 2.1 The CFO, for the purposes of Section 151 of the Local Government Act 1972, Section 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulation, is the financial adviser to the Commissioner and has a statutory responsibility to carry out the functions of the CFO, ensuring that the financial affairs of the Commissioner and the CC are properly administered having regard to their probity, legality and appropriate standards.

2.2 The CFO has a statutory responsibility for ensuring that adequate systems and procedures exist to account for all income due and expenditure disbursements made on behalf of the Commissioner and the CC, and that controls operate to protect the Commissioner's assets from loss, waste, fraud or other impropriety. The CFO also has a statutory responsibility to report to the Commissioner and the External Auditor if:-

- (i) It appears that the Commissioner's expenditure is likely to exceed the resources available to meet this expenditure.
- (ii) Decisions or actions have been made or taken, or are about to be made or taken, which involve unlawful expenditure, or are likely to cause a loss or deficiency or an unlawful entry in the accounts.

2.3 The CFO is also the Commissioner 's professional adviser on all financial matters and will be responsible for :-

- (i) Providing financial advice to the Commissioner on all aspects of activity, including the strategic planning and policy making process;
- (ii) advising the Commissioner on the content and implications of the budget and medium term financial plans;
- (iii) assisting the Commissioner in seeking to obtain value for money;
- (iv) ensuring that accurate, complete and timely financial management information is provided to the Commissioner and the CC;
- (v) advising the Commissioner on financial propriety;
- (vi) securing the preparation of statutory and other accounts;
- (vii) maintaining an adequate and effective shared Internal Audit provision;
- (viii) securing appropriate banking arrangements and treasury management including loans and investments;
- (ix) advising on risk management and insurance;
- (x) arranging for the determination, issue and transfer of the precept;
- (xi) advising on budgetary matters including any consequent long term implications;
- (xii) working with the Chief Executive to ensure effective corporate management of the Commissioner's resources.



- 2.4 The CC shall have as much day to day responsibility for the financial management and administration of the Force as possible and will be responsible for the day to day operational control of all financial systems and procedures.
- 2.5 The CC, in consultation with the CFO, shall appoint a suitably qualified senior financial officer (the Force Chief Finance Officer / 'FCFO') who will be responsible to the CC for managing the finance function in the Force.
- 2.6 The Commissioner and the CC operate and encourage a system of devolved financial management to Neighbourhood Policing Units ('NPU's) and Departments. These Financial Regulations reflect and complement these arrangements. All NPU/Departmental Heads are individually responsible for the proper financial management and administration of resources allocated to their NPU/Departments through the budget-making process, and for the identification of all income arising from activities within their operational areas. This responsibility includes the accountability for and control of staff, and the security, custody and management of assets including plant, equipment, buildings, materials, cash and stores relating to these NPUs/Departments.
- 2.7 Guidance and Accounting Manuals to supplement these Regulations and Force Financial Instructions may be issued by the FCFO, in consultation with the CFO for financial management and administration. These shall comply with best practice as set out in the relevant provisions of authoritative statements issued by recognised professional bodies from time to time.
- 2.8 No major changes will be made to any financial systems or procedures without the prior consultation and agreement of the CFO.
- 2.9 In terms of the actual application of these Financial Regulations, the CE, the CFO, the FCFO, and the CC, although identified herein, will in certain instances delegate their individual responsibilities to nominated officers who will undertake these duties on their behalf, as outlined in the Scheme of Consents and Delegations.

### **3. The Chief Constable's Chief Finance Officer ('FCFO')**

- 3.1 The CC, in consultation with the CFO, shall appoint a suitably qualified officer, to be his Chief Finance Officer who, for the purposes of Section 151 of the Local Government Act 1972, Section 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulation, is the financial advisor to the CC. and will act on behalf of the CC and be responsible for managing the finance function in the Force, providing advice to the CC. This officer shall specifically:
- (i) Ensure that the financial affairs of the Force are properly administered and that Financial Regulations are observed and kept up to date;
  - (ii) Report to the CC, the Commissioner, the CFO and the external auditor, any unlawful, or potentially unlawful, expenditure by the CC or officers of the CC;

- (iii) Report to the CC, the Commissioner, the CFO and the external auditor when it appears that expenditure of the CC is likely to exceed the resources available to meet that expenditure;
- (iv) Advise the CC on Value for Money in relation to all aspects of the Force's expenditure;
- (v) Advise the CC and the Commissioner on the soundness of the budget in relation to the CC's force;
- (vi) Liaise with the external auditor;
- (vii) Produce the statement of accounts for the CC in consultation with the CFO;
- (viii) Provide information to the CFO as required to enable the production of group accounts.

3.2 To enable the FCFO to fulfil the duties of being the CC's professional adviser on finance, he/she must:

- (i) Be a key member of the CC's Executive Team, helping it to develop and implement strategy and to resource and deliver the Commissioner's strategic objectives sustainably and in the public interest
- (ii) Be actively involved in, and able to bring influence to bear on, all strategic business decisions of the CC to ensure immediate and longer term implications, opportunities and risks are fully considered
- (iii) Lead the promotion and delivery by the CC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively
- (iv) Ensure that the finance function is resourced to be fit for purpose

#### **4. Financial Plan and Budgets**

##### Police and Crime Plan

- 4.1 The Commissioner will in consultation with the CC produce a Police and Crime Plan ('PCP'), setting out the priorities, the financial resources available and the allocation of these resources.
- 4.2 The FCFO will provide financial input to the preparation of the PCP.

##### Medium Term Financial Plan

The CFO and the FCFO will produce a Medium Term Financial Plan reflecting assumptions about expenditure and funding over the medium term. The plan will include

both revenue and capital estimates and will be reported to the Commissioner and Chief Constable. The plan will be reviewed and amended on annual basis where appropriate.

#### Revenue and Capital Annual Budget

- 4.3 The CFO shall in consultation with the FCFO determine the timetable for, and agree the detailed form of the annual revenue and capital budget.
- 4.4 The FCFO on behalf of the CC, with other appropriate designated officers shall be responsible for preparing and providing detailed information for the production of the revenue and capital budgets. For this purpose, the definition of revenue and capital will be as set out in relevant accounting standards.
- 4.5 The CC, in conjunction with the CFO, will be responsible for the submission of revenue and capital budgets to the Commissioner, in a format such that, once approved, the responsibility for the day to day management and control of the budgets can be consented to the CC.
- 4.6 Once approved, and subject to the provisions of the Contract Standing Orders and the Financial Regulations, the budgets will give authority to the CC to incur expenditure without the need for further approval from the Commissioner, except where:
- (i) the CC proposes a major change in policing policy; and/or
  - (ii) overall revenue or capital expenditure is expected to exceed the approved budget by 1% respectively. In this instance the CFO and FCFO will be required to produce a plan to mitigate the overspend. The plan will require the approval of the Commissioner:
  - (iii) any significant underspends to a similar level (1%) are required to be reported to the Commissioner for their review.
- 4.7 The CC via the FCFO will produce on a quarterly basis expenditure information against the approved budget at a subjective level. This will include any variances and mitigating actions. This will be reviewed by the Commissioner.
- 4.8 Where the CC proposes a major change in policing policy, the CC, in conjunction with the CFO, will seek the prior approval of the Commissioner to the changes, so that any additional income or expenditure requirements can be reviewed and approved accordingly.
- 4.9 The CC will prepare a report to the Commissioner for all new capital/revenue proposals for expenditure over and above the approved budget that are in excess of £1,000,000 which provides a financial appraisal of the nature and content of the proposal and the financial implications for the Commissioner.

### Financial Implications in Decision Making Reports

- 4.10 All decision making reports to the Commissioner will include a section where appropriate, setting out the financial implications of the proposals being made, along with any comments and/or advice of the CFO/ the FCFO/ the CC.

### Budgetary Control and Virement

- 4.11 The CC, and those officers and staff to whom he delegates the responsibility will manage and control budgets approved by the Commissioner, in accordance with these Financial Regulations and other guidance issued from time to time.
- 4.12 The CC in consultation with the CFO, shall maintain working practices to facilitate the effective management of the Force Budgets to NPU Commanders and Heads of Department.
- 4.13 The working practices will include provision for :-
- (i) Redirecting resources between budget heads.
  - (ii) Any carry forward arrangements between financial years.

## **5. Accounting Procedures**

- 5.1 All accounting procedures and records of the Commissioner and its officers and staff shall be determined by the FCFO and approved by the CFO. Where such procedures and records are maintained in the West Midlands Police Force, these shall have regard to the provision of Section 151 of the Local Government Act 1972, the Accounts and Audit Regulations, and such other statutory provision which affect the financial affairs of the Commissioner.
- 5.2 The following principles shall be observed in the allocation of accounting duties:-
- (i) The duties of providing information regarding sums due to or from the Commissioner/CC and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them.
  - (ii) Officers and staff charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

## **6. Financial Systems and Procedures**

### Introduction

- 6.1 The FCFO, on behalf of the CC will be responsible for the day to day operation and control of the system and procedures required to:
- (i) order goods and services;
  - (ii) pay salaries wages and pensions;
  - (iii) pay creditors, allowances and expenses;
  - (iv) collect and bank all income due to the Commissioner;
  - (v) provide, safeguard and subsequently dispose of Commissioner assets.
- 6.2 The FCFO on behalf of the Chief Constable will not change or amend any significant financial systems or procedures without consulting with the CFO.
- 6.3 The CC, in consultation with the FCFO, will issue and keep under review Force Financial Instructions covering the financial systems and procedures outlined above. These instructions contain the detailed procedures to be followed and should be read in conjunction with these regulations, especially where specific reference is made herein.

### Risk Management and Insurances

- 6.4 The CFO shall be responsible for advising the Commissioner on insurance matters, and in conjunction with the CC's FCFO preparing and monitoring a risk management programme and advising on appropriate and/or available options with regard to premiums and/or levels of risk.
- 6.5 The FCFO shall be responsible for the day to day operational control and management of all Insurance Funds established, including identifying the level of associated claims, authorising expenditure from the Fund, and the arrangements with the Commissioner's insurers and brokers subject to the policy direction of the Commissioner.
- 6.6 The settlement of Civil claims including Employment Tribunal matters, other than those determined by the Commissioner's Insurers, shall be made by the CC up to an individual limit of £250,000. The FCFO will monitor small value settlements and report annually to the Commissioner on the total liability to the Fund.
- 6.7 The FCFO will, on behalf of the CFO, review at least annually, the arrangements for insurances and risk management, to ensure that they remain effective.
- 6.8 The CC shall have the power to settle ex-gratia claims for loss of or damage to personal effects (so far as they are not otherwise insured) up to an individual value of £3,000, and

within the approved budget. The FCFO will monitor all ex-gratia payments in relation to the budget, insurable risks and cover available.

- 6.9 The Chief Constable shall seek Commissioner approval above the individual limit or in cases involving particular sensitivity.

#### Treasury Management

- 6.10 The Commissioner's CFO will be responsible for advising the Commissioner on all matters related to Treasury Management, Investments and Borrowing.

- 6.11 The Commissioner shall adopt CIPFA's 'Treasury Management in the Public Services' Code of Practice.

- 6.12 Each year the Commissioner's CFO will produce a Treasury Management Policy Statement setting out a strategy and relevant principles for approval by the Commissioner.

- 6.13 All executive decisions on borrowing, investments or financing shall be delegated to the Commissioner's CFO who shall be required to act in accordance with the CIPFA Code for Treasury Management.

- 6.14 The CFO will delegate day to day responsibility for the Treasury Management function and borrowing, investment or financial decisions to the FCFO, in accordance with arrangements determined by the CFO.

- 6.15 The CFO will report to the Commissioner not less than twice in each financial year on the activities of the Treasury Management operation, and on the exercise of Treasury Management powers so delegated. One of these reports will include the treasury management strategy for the subsequent financial year.

#### Banking Arrangements, Cheques and Credit Cards

- 6.16 The CFO will be responsible for advising the Commissioner on all banking and related arrangements. All arrangements with the Commissioner's bankers shall be made by or in accordance with principles approved by the CFO, who shall authorise the FCFO to operate such banking accounts as the Force, through the FCFO, consider necessary.

- 6.17 Cheques on the Commissioner's main banking accounts shall bear the facsimile signature of an appropriate officer.

- 6.18 The FCFO shall be responsible for the ordering, control and dispatch of the cheques drawn on the Commissioner's main banking accounts and imprest accounts relating to the defraying of Commissioner's expenditure.

- 6.19 The CFO will undertake regular reconciliations of all authorised (bank) accounts in accordance with arrangements determined by the CFO.

### Imprest Accounts

- 6.20 The FCFO shall provide such advance accounts as he considers appropriate for such officers of the Commissioner/Chief Constable as may need them for the purposes of defraying petty cash and other expenses. Such accounts shall be maintained in the imprest system.
- 6.21 Where he considers it appropriate, the FCFO, subject to the agreement of the CFO, shall open an account with the Commissioner's bankers or such other bank as may be authorised in specific cases for use by the imprest holder, who shall not cause such account to be overdrawn. It shall be a standing instruction to the Commissioner's bankers that the amount of any overdrawn balance of an imprest holder's banking account shall forthwith be reported to the CC's CFO.
- 6.22 Those procedures relating to Imprest Accounts as outlined in the relevant Force Financial Instruction shall be complied with unless otherwise agreed.
- 6.23 The FCFO will ensure there are appropriate controls for issuing and administering credit card.

### Income: Collection and Banking

- 6.24 The collection of all monies due to the Commissioner, including the raising of accounts, shall be made under arrangements determined by the FCFO and agreed by the CFO. All monies received on behalf of the Commissioner shall without delay, be banked in the Commissioner's name. In no case shall lodgement of cash be less frequent than weekly except by agreement with the CFO.
- 6.25 The FCFO shall be authorised to write off debts considered to be irrecoverable up to an individual maximum amount of £2000, subject to periodical report to the Commissioner. Commissioner approval is required for all debts written off with a value higher than the maximum identified.
- 6.26 The Chief Constable shall have all necessary powers of debt recovery including the taking of appropriate legal action.
- 6.27 The Chief Constable shall notify Internal Audit as soon as possible of the impending resignation or retirement of any officer under his control who has cash handling responsibilities.
- 6.28 Those procedures relating to Income as outlined in the relevant Force Financial Instruction shall be complied with unless otherwise agreed.

### Income: Fees and charges

- 6.29 The Chief Constable shall, at least annually, report to, and seek approval from the Commissioner on a review of all rents, fees and charges for services provided.

Commissioner approval should be sought where significant changes in policy or income are proposed.

### Sponsorship

6.30 The FCFO shall be informed of all offers of gifts, loans of Property and sponsorship which must comply with the conditions approved by the Commissioner. The Commissioner has agreed an individual figure of £50,000 above which Commissioner approval is required prior to acceptance. All other gifts, loans or sponsorship must be arranged in accordance with the appropriate Financial Instruction.

6.31 The Chief Constable shall maintain a record of the market value of all gifts, Loans and Sponsorship received. A report to the Commissioner will be produced at the end of each financial year. The total value of gifts, Loans and Sponsorship shall not exceed a maximum equivalent value of 1% of Force Annual Budget.

### Grants to Voluntary Organisations/Outside Bodies

6.32 Grants to voluntary organisations made shall comply with the conditions of grant aid approved by the Commissioner.

6.33 The CFO shall maintain a record of these grants which shall not exceed the agreed budget total.

### Unofficial Funds

6.34 A private fund shall only be established with the approval of an appropriate senior officer as set out in the appropriate Financial Instruction.

6.35 The FCFO shall be made aware of the existence of all voluntary unofficial funds.

6.36 Private funds must be audited every year by Independent Auditors. Copies of the audited accounts must be sent to the appropriate officer, and the FCFO.

## **7. Internal Control**

### Internal Audit

7.1 An internal audit service, under the shared control and direction of the CFO/the FCFO, operating in accordance with the Public Sector Internal Audit Standards and other statutory obligations and regulations, shall be arranged. The internal audit service shall provide an independent and objective opinion to the organisation on the risk, governance and internal control environment operating, by evaluating the adequacy and effectiveness of internal controls that are in place to manage and mitigate financial and non-financial risk. In respect of the financial arrangements of the organisation, internal audit will periodically carry out an examination of accounting, financial and other operations of the Commissioner/CC, thereby reviewing and reporting upon:



- (i) The soundness and adequacy of financial management and other internal control systems and their implementation.
- (ii) The extent of compliance with established policies, plans and procedures.
- (iii) To what extent assets and interests are accounted for and safeguarded from losses due to:
  - Fraud and other offences.
  - Waste, extravagance and inefficiency.
- (iv) The suitability and reliability of financial and other management data developed within the Commissioner's Office and the Chief Constable's Force.

7.2 The CFO/ the FCFO or their authorised representatives shall ensure that internal auditors have authority to:

- (i) Enter at all reasonable times on any Commissioner's premises or land.
- (ii) Have access to all records, documents and correspondence, control systems and appropriate personnel of the Commissioner/CC.
- (iii) Require and receive such explanations as are necessary concerning any matter under examination.
- (iv) Require any employee of the Commissioner/CC to produce cash, stores or any other asset under this control.
- (v) Attend meetings to give advice or report on matters affecting his/her responsibility.

7.3 The CFO via Internal Audit shall be informed immediately by the CC, irrespective of whether the matter is the subject of criminal investigation, of any loss or financial irregularity or suspected irregularity, or of any circumstances which may suggest the possibility of losses or irregularities, including those affecting cash, stores, and other property of the Commissioner/CC.

7.4 The CFO/FCFO shall report serious losses and irregularities to the Joint Audit Committee.

7.5 The CC, who has a direct interest in secure, efficient and effective arrangements for Internal Audit, shall receive regular reports on internal audit activity, via the FCFO. The CC will also commission audit reviews on systems and VFM studies as an essential tool of good management. Such reports will be sent to FCFO and copied to the CFO.

7.6 The CFO shall consult with the Commissioner and CC prior to agreeing which aspects of the financial activity of the Force will be included in the Internal Audit Plan, prior to its submission to the Joint Audit Committee for approval.

### External Audit

- 7.7 The External Auditor shall have full access to Internal Audit reports and plans. This will ensure that no duplication of activity will take place.
- 7.8 The External Auditor shall work closely with the Commissioner and CC, via the CFO/FCFO and will discuss and agree their plans with both.
- 7.9 The Commissioner/CC via their Joint Audit Committee shall use the External Auditors Report to aid them in their monitoring role to ensure that these Regulations are being followed.
- 7.10 All audit plans and reports including Management Letters shall be submitted to the Commissioner/CC Joint Audit Committee for consideration and action where appropriate.

### Joint Audit Committees

- 7.11 A Joint Audit Committee shall be established by the Commissioner /CC, chaired by an Independent Member, to review the overall governance and internal control arrangements in respect of the Office of the PCC and the Force. In this regard the Audit Committee will meet at least quarterly to:

(i) Oversee the provision of External Audit:

- To receive and consider the plans and subsequent reports of the External Auditor (Management letter);
- To review their work, discuss their concerns and resolve any issues arising;
- To review, on behalf of the Commissioner/CC, the effectiveness of the External Audit provision and recommend changes/improvements where necessary.

(ii) Oversee the Internal Control arrangements within the Office of the PCC and the Chief Constable's Force:

- To assure the Commissioner/CC that a sufficient and effective review of internal control arrangements takes place; and that any identified weaknesses are corrected.
- To consider any major findings identified periodically by Internal Audit.

(iii) Oversee the process of Internal Audit:

- To consider and approve the Internal Audit Charter, as required by statutory guidance.
- To approve the Internal Audit Strategy and review the planned programme of work of Internal Audit thereby assessing its appropriateness.
- To review and consider whether the Internal Audit is sufficiently resourced.

- To receive and consider Internal Audit activity reports.
- To consider the Head of Internal statement on the level of conformance with the Public Sector Internal Audit Standards.

## **8. Control of Assets**

### Asset Registers

- 8.1 The FCFO shall maintain a register of information in relation to all Property and equipment, in accordance with the CIPFA Capital Accounting Guidelines on behalf of the Commissioner/CC. Information relating to new acquisitions of such property and equipment and disposals must be notified to the FCFO within one month of the acquisition or disposal.

### Inventories

- 8.2 Inventories of all equipment owned and which is insured by the Commissioner under the All Risks Insurance Policy shall be kept by the FCFO in a form agreed with the CFO. The FCFO shall be advised of all additions, deletions and revaluations of equipment affecting these Inventories.
- 8.3 The CFO/the FCFO or their representatives shall have access to all property of the Commissioner/CC to check inventories.
- 8.4 The Chief Constable shall be responsible for maintaining an annual check of all items on the inventory, for taking action in relation to surplus or deficiencies and noting the inventory accordingly.

### Security

- 8.5 The Chief Constable shall be responsible for the accountability and control of staff and for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, etc., under his control.
- 8.6 Departmental/NPU Commanders shall be responsible for the security of confidential information held in their respective Departments /NPU's. This shall include responsibility for the security of all computer software and the control of access to all records held on micro / mini computers, in accordance with the requirements of the Data Protection Act 2018. Departmental Heads shall be responsible for authorising access to information held in their Department's computer systems, in accordance with approved Information and I.T. Strategies and Procedures.
- 8.7 The FCFO, on behalf of the CC, should notify Internal Audit of all new computerised systems.

### Property

- 8.8 The CC will be responsible for the management of the Commissioner's Estate, including the maintenance of this property. All purchases and sale of property should be in accordance with the Commissioner's Contract Standing Orders, and the approval of the Commissioner obtained if required. For all purchases and disposals of land and buildings the Commissioner's approval is required. The Commissioner's approval is required for all property leases.
- 8.9 The CC shall have the custody of all title deeds under secure arrangements.
- 8.10 The CC will maintain a register of all properties owned by the Commissioner, recording the purpose for which held, locations extent and plan reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies granted. Information relating to the assets and their value shall be provided for the Commissioner's asset register in accordance with requirements set out by the FCFO.

### Stocks and Shares

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- 8.11 The CC shall be responsible for the care and custody of stocks and stores including regular stocktaking on a continuous basis where possible, and for ensuring that stores are not held in excess of minimum requirements. All stocks should be monitored in accordance with the appropriate Force Financial Instruction.
- 8.12 Stores, equipment and other property (excluding land and buildings) deemed to be surplus to requirement, and saleable old materials shall not be disposed of except on written authority of the Chief Constable. Sales of such items shall be made by advertising the invitation of tenders except where disposal by other means would better serve the PCC's interest. The FCFO shall be informed of all such disposals.

### Theft and Burglary

- 8.13 The CC shall notify Internal Audit of all cases of theft of Commissioner's property, or burglary of Commissioner's premises, arising in his NPUs/Departments, including those where criminal investigations are being undertaken.