

Decision No 2012/01



REPORT TO: POLICE AND CRIME COMMISSIONER FOR LANCASHIRE

REPORT BY: DEPUTY CHIEF EXECUTIVE

DATE: 22 NOVEMBER 2012

JOINT INTERIM SCHEME OF GOVERNANCE, FINANCIAL REGULATIONS AND STANDING ORDERS RELATING TO CONTRACTS

EXECUTIVE SUMMARY

This report provides a brief overview of, and seeks the Commissioner's approval to, the adoption of a new interim Scheme of Governance, financial regulations and standing orders relating to contracts.

RECOMMENDATION

That the Commissioner agrees to adopt an interim governance framework on the basis of the attached documents:

Interim Scheme of Governance
Financial Regulations
Contractual Standing Orders.

Decision taken by the Police and Crime Commissioner for Lancashire:

Original decision, as set out in the attached report, approved without amendment (please delete as appropriate)	YES	NO
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Original decision required to be amended and decision as detailed below:

N/A

The reasons for the amended decision are as detailed below:

N/A

Police and Crime Commissioner: Comments

DECLARATIONS OF INTEREST

The PCC is asked to consider any personal / prejudicial interests he may have to disclose in relation to the matter under consideration in accordance with the law, the Nolan Principles and the Code of Conduct.

STATEMENT OF COMPLIANCE

The recommendations are made further to legal advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation.

Signed: Police and Crime Commissioner Date:	Signed: Chief Officer: Date:
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Signed: Chief Constable: Date:	Signed: Chief Finance Officer: Date:
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Background and Advice

Context

On 22 November 2012, all governing documents, strategies, policies and procedures will transfer to the Police and Crime Commissioner for Lancashire from the Lancashire Police Authority, as part of the Stage 1 statutory transfer.

The Police Reform and Social Responsibility Act 2011 (the Act) provides for the establishment of a new constitutional framework with the Commissioner and the Chief Constable each being established as corporations sole.

In order that the day-to-day running of the business of the Commissioner may operate and the business of the Constabulary may continue from 22 November 2012, it is necessary to have clarity on roles and responsibilities and the delegation of powers and functions.

Review of the Governing Framework

In the light of the significant legislative changes arising from these reforms, a small group of Authority and Constabulary officers and advisers has carried out an in-depth review of the Police Authority's contractual standing orders, constitutional and procedural standing orders, financial regulations and scheme delegation.

The Group has considered what would be appropriate under the new constitutional arrangements and has developed a governance framework and a set of governance documents that meet the new statutory requirements. As part of this work, the group has taken the opportunity to streamline and modernise the framework documents.

In carrying out its work, the group has had regard to the Act and other recent legislation, new regulations, the policing protocol, the new financial management code of practice for the police service, and national guidance and advice from the Home Office, Association of Police Authority Chief Executives and the Chartered Institute of Public Finance and Accountancy.

Joint Interim Scheme of Governance and Supporting Documents

The revised framework includes:

1. An interim Scheme of Governance
2. Financial Regulations
3. Contractual Standing Orders.

A new Interim Scheme of Governance

The interim Scheme of Governance, and its appendices, is the joint Scheme of the Police and Crime Commissioner for Lancashire and the Chief Constable of the Lancashire Constabulary.

The Scheme sets out the broad legislative context and local regulatory framework within which the Commissioner and the Chief Constable will fulfil the statutory function to secure an efficient and effective police force and how the two will ensure that there is robust and effective governance to support the exercise of their functions. It includes information about roles and responsibilities, and rules and procedures for decision making and carrying out delegated activities.

The Authority's Scheme of Delegation gave delegations to the Chief Constable, Chief Executive and the Treasurer. Under the new arrangements, the Commissioner will only be able to delegate to staff members and there may be no delegation to any constable of any rank. The Authority's Scheme of Delegation has been remodelled and incorporated within this new Scheme of Governance.

Financial Regulations

The Financial Regulations govern the relationship between the Commissioner and the Chief Constable in financial matters. They should be viewed as a mechanism to ensure that the financial dealings of the Commissioner and of the Chief Constable are conducted properly and in a way which incorporates recognised best practice and which focuses on bringing operational and financial management together with accurate, complete and timely financial information.

They also include sufficient safeguards for both the Commissioner's and the Chief Constable's Chief Finance Officers, who are responsible for ensuring that the financial affairs of the Commissioner and of the police force are properly administered to discharge properly their statutory obligations.

Contractual Standing Orders

These standing orders set out the rules for contracts relating to purchases, sales and the provision of services, including tendering procedures.

Financial limits

The financial limits have been reviewed. Most are in line with the limits approved by the Police Authority in July 2012.

There has been one significant change. The Police Authority's 2012 Scheme of Delegation gave delegated powers to the Chief Constable, Chief Executive and Treasurer to enter into contracts between £680,000 and £3.4 million, in consultation with the Chairman of the Authority. The new interim scheme provides for the financial limit for the award contracts up to £680,000, and over £680,000¹ in consultation with the Commissioner.

Review

It is proposed that these framework documents be reviewed in March 2013 and annually thereafter.

Consultations

There has been extensive consultation involving Authority and Constabulary Officers and their legal and financial advisers. This has included the Chief Executive, Chief Constable, both Chief Finance Officers, Authority and Constabulary legal advisers, internal audit and one of the Authority's Independent Standards Members, Mr Keith Williams.

The Authority and Constabulary Transition Governance Board saw the draft reports on 6 November and there were no changes arising.

¹ The Police Authority's 2012 Scheme of Delegation gave delegated powers to the Chief Constable, Chief Executive and Treasurer to enter into contracts between £680,000 and £3.4 million, in consultation with the Chairman of the Authority.

The Chief Constable has been consulted and agrees to adopt the attached framework.

Implications:

Risk management

The governance framework is established to ensure that risk for the Commissioner and the Constabulary is managed appropriately.

There are safeguards to ensure that the financial affairs of the Commissioner and the Constabulary are properly administered to discharge properly their statutory obligations.

Failure to establish and adhere to an appropriate scheme of governance could render decisions unlawful.

Other Implications

Officers have given consideration to a range of other implications, including financial, legal, equality and diversity, human rights, personnel, property asset management and procurement as part of the consultation and these have been taken into account when drafting the documents.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
None		