

POLICE AND CRIME COMMISSIONER FOR NORTHUMBRIA

Key Decisions

Title and Reference

Governance Arrangements: Commissioner's Delegations to Officers. Financial and Contract Regulations. Consents. Governance Structures and Procedures (PCC/27/2103)

Report of Chief Executive

Summary

The Police Reform & Social Responsibility Act 20122 (PRSRA) seeks to localise and democratise primary responsibility to ensue the efficiency and effectiveness of Northumbria Police Force.

The PCC, the Chief Constable and those acting under their direction and control must have regard to guidance.

The document as mentioned is primarily to provide an integrated scheme of governance at "stage 1".

Recommendation/ Findings:

It is recommended that the Commissioner approves the Governance Arrangements document.

Northumbria Police and Crime Commissioner

I hereby approve the recommendation above.

Signature



Date 12.04.13



VERA BAIRD^{QC}
POLICE & CRIME COMMISSIONER

**Office of the
Police & Crime Commissioner
for Northumbria**

**Governance Arrangements:
Commissioner's Delegations to Officers
Financial & Contract Regulations
Consents
Governance Structures & Procedures**

Vera Baird QC Police and Crime Commissioner for Northumbria

Contents

- Section A Introduction Purpose Explanatory Notes
- Section B The Police and Crime Commission
- Section C The Chief Constable
- Section D Operation of the Arrangements
 - PART A Consents
 - PART B Delegations
 - PART C Financial & Contract Regulations
 - PART D Governance Structures Procedures, Protocols and Memoranda

Definitions

The following definitions shall be adopted in the interpretation of these Governance Arrangements:-

Act: means the Police Reform and Social Responsibility Act 2011.

Chief Constable: means the Chief Constable of Northumbria, a corporation sole established under section 2 of the Act.

Chief Constable's Director of Finance: under paragraph 4 of Schedule 2 the Chief Constable is required to appoint a person to be responsible for the proper administration of the Chief Constable's financial affairs, referred to in the Act as the Force's Chief Finance Officer. The Director of Finance's responsibilities are set out in paragraph 4 of Schedule 2 of the Act, section 151 of the Local Government Act 1972 and section 114 of the Local Government Finance Act 1988. The qualifications for the Chief Finance Officer are set out in section 113 of the Local Government Finance Act 1988. The Accounts and Audit (England) Regulations 2011 impose further responsibilities in England.

Chief Executive: this term is used to describe the officer appointed as the head of the Commissioner's staff with responsibility for its general administration. This appointment is made under paragraph. 6(1)(a) Schedule 1 to the Act. For the purposes of section 5(1) of the Local Government and Housing Act 1989 (as amended by the Act) the Chief Executive is designated as the body's monitoring officer with responsibility for ensuring the legality of the actions of the local policing body and its officers.

Commissioner: means the Police and Crime Commissioner for Northumbria.

Consent: "consent" includes:

- a) a decision of the Commissioner to grant consent to the Chief Constable to spend Police Funds in her own legal capacity as a corporation sole for such purposes and subject to such limitations and conditions as the Commissioner may specify in that decision
- b) a decision by the Commissioner to consent to the exercise by the Chief Constable of her powers contained in the Financial and Contract Regulations in her own legal capacity as a corporation sole;
- c) any expression of consent on the part of the Commissioner contained in these Governance Arrangements or any subsequent revision; or
- d) such consents as are or shall be set out in a formal Scheme of Consent when prepared and approved by her

Deputy Police and Crime Commissioner: means the person appointed by the Commissioner under section 18(1)(a) of the Act.

Financial and Contract Regulations: (referred to as the 'Financial and Contract Regulations' or the 'Regulations') this term is used to describe the regulations drawn up by the Commissioner (advised by the Chief Executive and Treasurer) and

developed in consultation with the Chief Constable and the Chief Constable's Director of Finance, to govern the respective responsibilities of the Commissioner and the Force on financial and contract matters and the relationship between them in such matters. These include regulations that govern the handling of contracts and the relative responsibilities of the Commissioner the Chief Constable and the Force

Financial Management Code of Practice: the Code is issued under section 17 of the Act and section 39A of the Police Act 1996, which permit the Secretary of State to issue codes of practice to all Police and Crime Commissioners ('PCCs') and Chief Constables. As set out in section 17(4) of the Act and section 39A(7) of the 1996 Act, PCCs and Chief Constables must have regard to this code in carrying out their functions.

Force: this term refers to all those working under the direction and control of the Chief Constable. It covers both police officers and civilian staff. This use goes beyond the legal definition of a police force (which applies only to those with the status of a constable) but is employed in this document for the sake of brevity and simplicity.

Force Area: means the Northumbria police area, listed in Schedule 1 to the Police Act 1996.

Gateshead Council: means the Borough Council of Gateshead.

Governance Arrangements: shall mean this document and any subsequent revisions approved by the decision of the Commissioner.

Initial Transfer Phase: means the initial transfer of property, rights, liabilities and staff from the Northumbria Police Authority to the Crime Commissioner under Part 2 of Schedule 15 to the Act, until any subsequent transfer under Part 3 of that Schedule.

Joint Independent Audit Committee: means the Committee referred to in Part D .

Monitoring Officer: the Chief Executive is designated as the Monitoring Officer for the purposes of section 5(1) of the Local Government and Housing Act 1989 with responsibility for ensuring the legality of the actions of the Commissioner and the Commissioner's staff (see paragraph 202 of Schedule 16 to the Act, which amends section 5 of the 1989 Act).

Panel: means the Police and Crime Panel for Northumbria, established in accordance with Schedule 6 to the Act.

Police and Crime Commissioner (PCC): in the context of these Governance Arrangements means the Police and Crime Commissioner for Northumbria, a corporation sole established under section 1 of the Act and elected in accordance with Chapter 6 of the Act (also referred to as "the Commissioner").

Police Fund: this term describes the single fund held by the Commissioner which is used to fund both the functions of the Commissioner and of the Chief Constable.

Policing Protocol: the Policing Protocol is a document issued by the Home Secretary by means of the Policing Protocol Order 2011 which sets out to all PCCs, Chief Constables, and Police and Crime Panels how their functions will be exercised in relation to each other.

Scheme of Consent: shall mean the scheme included at Part A and any subsequent revisions approved from time to time by the Commissioner.

Statutory Officers: means the Chief Executive, the Treasurer, the Chief Constable and the Chief Constable's Director of Finance.

Treasurer: means the person appointed by the Commissioner under paragraph 6(1) (b) of Schedule 1 of the Act as the Commissioner's Chief Finance Officer. The statutory responsibilities of the Commissioner's Chief Finance Officer are set out in paragraph 6 of Schedule 1 to the Act, section 151 of the Local Government Act 1972 and section 114 of the Local Government Finance Act 1988. The qualifications for the Chief Finance Officer are set out in section 113 of the Local Government Finance Act 1988. The Accounts and Audit (England) Regulations 2011 impose further responsibilities.

Section A: Introduction, purpose, explanatory notes

1. Introduction

- 1.1. The Police Reform & Social Responsibility Act 2011 ("PRSRA") seeks to localise and democratise primary responsibility to ensure the efficiency and effectiveness of a Police Force.¹
- 1.2. On 15th November 2012, Vera Baird was elected Police and Crime Commissioner for Northumbria ("PCC") and took office charged with a duty, *"to secure the maintenance of the Police Force on 22nd November for that area, and secure that the Police Force is efficient and effective"*.² The Northumbria Police Authority is abolished.³
- 1.3. The PCC is a corporation sole.⁴ The Chief Constable is a corporation sole.⁵ In order to effect the transition from Police Authorities to PCCs and to allow the eventual functioning as two separate corporations sole, PRSRA provides for transitional provisions in Schedule 15.
- 1.4. Part 2 of Schedule 15 PRSRA provides for an *"initial transfer from police authorities"*. This has colloquially become known as "stage 1" or the "initial Transfer Phase". It is a transfer from police authorities to PCCs. Part 3 of Schedule 15 PRSRA provides for a /some *"subsequent transfer"*(s) by the *"new policing body"*. This is a transfer from the PCC to the Chief Constable, and has become colloquially known as "stage 2". Transfer schemes at stage

¹ Home Office, Policing in the 21st Century: Reconnecting Police and the People (CM 7925.July 2010)

² S1(6) PRSRA

³ S1(9) PRSRA

⁴ S1(2) PRSRA

⁵ Schedule 2 Para 2 PRSRA

2 may provide for the transfer of staff⁶ or the transfer of property, rights and liabilities⁷ from the PCC to the Chief Constable. It is important to understand the difference between stages 1 and 2, as the governance arrangements between the PCC and the Chief Constable will be different at stage 1 to those agreed by the PCC after stage 2 takes effect.

- 1.5. During stage 1 the PCC will be directed by the Secretary of State to make a/some transfer schemes. The PCC's strategic decisions as to the organisation of Northumbria Police cannot be prejudiced.
- 1.6. At both stage 1 and stage 2, the Chief Constable has power to enter into contracts and other agreements as a Corporation Sole, with the consent of the PCC⁸. As at the date of commencement of the arrangements contained in this document, save for a consent given to the Chief Constable to settle civil claims as detailed at Schedule One of this document, and (subject to the conditions and limitations attached), no other such consents have been given.
- 1.7. Upon the initial appointment of the PCC therefore, no consents from the PCC will exist to enable the Chief Constable to enter into contracts in her own right and no transfer scheme will yet be in force. This document therefore sets out delegations from the PCC to the Chief Constable's civilian officers including her Chief Finance Officer (the Director of Finance) and Assistant Chief Officer (Corporate Services) ("ACO") to facilitate effective and efficient policing at stage 1.
- 1.8. Other Legislative/Common Law Provisions and/or Guidance re Carrying out of Functions
 - The PCC and the Chief Constable (and those acting under their direction and control) must comply with the law.

This includes primary and secondary legislation, determinations by the Secretary of State and common law.

- The PCC, the Chief Constable and those acting under their direction and control must **have regard to** guidance. This includes Statutory Guidance eg The Financial Management Code of Practice for the Police Service of England and Wales ("FMCP")⁹ and other guidance issued by professional bodies.

2. Purpose

- 2.1. The purpose of this document is primarily to provide an integrated scheme of governance at "stage 1".

⁶ Schedule 15 Para 13 PRSRA

⁷ Schedule 15 Para 17 PRSRA

⁸ Schedule 2 Para 7 PRSRA

⁹ FMCP is issued under S17 PRSRA and S39A Police Act 1996. By S17(4) PRSRA and S39(a)(7) Police Act 1996, PCC, the MOPC and the Chief Constable "*must have regard to*" the code in carrying out their functions

2.2. In this document reference is made to primary and secondary legislation. This document should be read alongside:-

- PRERA: www.legislation.gov.uk/ukpga/2011/13/contents/enacted
- The Policing Protocol:
www.homeoffice.gov.uk/publications/police/pcc/policing-protocol/

Note: *Under S79(2) PRERA:- there is a duty on every “relevant person” to have regard to the policing protocol in the exercise of their functions.*

“Relevant Person” – is defined as the Secretary of State, the PCC, the Chief Constable and the Police & Crime Panel (“PCP”).¹⁰

- The Financial Management Code of Practice:
www.homeoffice.gov.uk/.../about.../financial-manage-code-wms/
- The Strategic Policing Requirement:
www.homeoffice.gov.uk/.../police/pcc/strategic-policing-requirement

Should the words of this document conflict with that of the legislation, the words of the legislation must be followed.

3. Explanatory notes

3.1. **“Corporation Sole”**¹¹

A Corporation Sole is a single legal entity consisting of a “sole” incorporated office, occupied by a sole man or woman. It means that the office has its own legal personality, distinct from the office holder. It allows the “*corporation*” to pass vertically in time from one office holder to the next successor in office.

Schedule 2, paragraph 15(1) protects a PCC from personal liability for any act or omission done in the exercise of the PCC’s functions unless it has been shown to have been done otherwise than in good faith. Schedule 2 paragraph 15(2) similarly protects a member of staff of a PCC from personal liability for any act or omission done in carrying out the duties as a member of staff of the PCC unless the act or omission has been done otherwise than in good faith.

3.2. **“Delegation”**

This is not defined in statute. The definition adopted is from the Association of Chief Police Officers (“ACPO”)¹². **“Delegation** is the assignment of authority and responsibility to another person to carry out specific activities. However, the person who delegated the work remains accountable for the outcome of the delegated work. Delegation therefore empowers another person to make decisions”

¹⁰ S79C(6) PRERA

¹¹ The PCC is a Corporation Sole – Section1(2) PRERA. The Chief Constable is a Corporation Sole Schedule 2 para 2 PRERA

¹² ACPO futures Business Area 28.09.12 @ page 4

3.3. “Consent”

This is not defined in statute. The definition is from the ACPO¹³.

“**Consent**”, *refers to the provision of approval or agreement, particularly and especially after due and full consideration. Transactions entered into following “consent” by the PCC to the Chief Constable, will be in the Chief Constable’s own name as a **separate legal entity**, as opposed to the name of the PCC.*

3.4. Duty “to have regard to”

A theme of PRSRA is an obligation to “**have regard to**” an issue, policy etc. This has been interpreted by the courts in various cases¹⁴. Leading Counsel¹⁵ advised that the most often cited explanation is that of Woolf J in Gransden and Co. Ltd., v Secretary of State for the Environment (1987) 54 P & CR 86. The fact that a decision maker is obliged to “*have regard to*” – does not mean that the decision maker needs necessarily to follow it. (It is an obligation of limited extent). A decision maker may depart from it. Before doing so, he/she must do three things (The Gransden Duties):-

- i. In order to have regard to a policy etc, the decision maker must **have truly brought it into account** in his decision making.
- ii. In order to have regard to a policy, the decision maker **must have interpreted it properly**. If a decision maker fails properly to understand the policy, then the decision is as defective as if no regard had been paid to the policy.
- iii. If he/she is going to **depart from the policy**, he/she must give **clear reasons** for so doing in order that the recipient of the decision will know **why an exception** to the policy is being made.

3.5. “Operational Independence”

PRSRA does not define Operational Independence. It is a matter of common law.¹⁶

Police Officers are officers of the Crown and hold public office. They exercise an original jurisdiction in keeping the Queen’s Peace, which derives from the Office of Constable and the swearing of the Constable’s Oath.¹⁷ They are “*answerable to the law and to the law alone*”.¹⁸

¹³ ACPO futures Business Area 28.09.12 @ page 3

¹⁴ R (Bogelo) v Barnet LBC (2010) 13 CCLR 72, Brown v Secretary of State for Work & Pensions [2008] EWHC 3158 (Admin), R (Domb) v Hammersmith & Fulham London Borough Council (2009) EWCA Civ 941, R (Devine) & (Lavery) v Welsh Ministers (2011) EWHC 358 (Admin), R (D) v Manchester City Council (2012) EWHC 17 (Admin) (taken from a lecture by Jeremy Johnson QC, 5 Essex Court – 28.05.12

¹⁵ Jason Beer QC, 5 Essex Court in a Lecture “*The Topography of the New Landscape under PRSRA 2011*” on 28.05.12

¹⁶ Fisher v Oldham Corporation [1930] 2 KB 364, R v Chief Constable of Sussex ex parte International Trader’s Ferry Ltd., [1999] 2 AC 418

¹⁷ Schedule 4 Police Act 1996

The Policing Protocol¹⁹ does however, address operational independence on a number of occasions (paras 9, 12, 13, 18, 21, 22, 30, 31, 32, 33, 34, 35, 36, 37).

Eg *“...it is the will of Parliament and the Government that the office of Constable shall not be open to improper political interference....”* (para 12).

“...the PCC must not fetter the operational independence of the police force and the Chief Constable who leads it...” (para 18)

3.6. “Direction & Control”

The Police Force and the civilian staff of the force are under the Direction and Control of the Chief Constable.²⁰

Direction and Control is about how the police service is delivered including operational policing policies, organizational decisions and general policy standards.

Leading Counsel has advised that direction and control includes:-²¹

- “(a) The ability to issue a warrant to an attested officer with which that officer may exercise their police powers;*
- (b) Decisions in relation to the appointment and dismissal of officers and staff;*
- (c) Decisions concerning the configuration and organisation of policing resources (or) the decisions whether, or whether not, to deploy police officers and staff;*
- (d) Total discretion to investigate or require an investigation into crimes and individuals as she thinks fit;*
- (e) Decisions taken with the purpose of balancing competing operational needs within the framework of priorities and objectives set by the PCC;*
- (f) Operational decisions to re-allocate resource to meet immediate demand; and*
- (g) The allocation of officers' specific duties and responsibilities within the force area to meet the strategic objectives set by the PCC”.*

3.7. “Statutory Officers”

¹⁸ R v Metropolitan Police Commissioner Ex parte Blackburn (No. 4) 1979 The Times December 1 Lord Denning at p136

¹⁹ The Police Protocol Order 2011 (SI 2011 No. 2744)

²⁰ S2(3) PRSRA

²¹ Jason Beer QC in a lecture 28.03.11 “Chief Officers’ Powers & Duties under PRSRA”

These are the officers which the law states have to be appointed by the PCC and by the Chief Constable respectively.

- (a) The PCC must appoint a Chief Executive and Chief Finance Officer²²

A PCC must appoint (a) “a person to be the head of the Commissioner’s staff”. (Chief Executive) and (b) “a person to be responsible for the proper administration of the Commissioner’s financial affairs”. (Chief Finance Officer).

- (b) The Chief Constable must appoint a Chief Finance Officer.

“The Chief Constable must appoint a person to be responsible for the proper administration of the police force’s financial affairs”.²³

3.8. “Collaboration Agreements”²⁴

Whereas previously under S23 Police Act 1996, there was a discretion to enter into collaboration agreements, now there is a positive duty imposed on the PCC and the Chief Constable to collaborate, to keep collaboration agreements under review²⁵ and to consider whether the exercise of collaboration functions would be in the interests of the efficiency or effectiveness of one or more police forces. The Secretary of State may order or require a specific function to be exercised in accordance with Police Collaboration Provisions.²⁶

Section B: The Police and Crime Commissioner

1. Functions – Introduction

- 1.1. The functions of a PCC are summarised in S1(5) PRSRA. They are divided into 3 categories:-

- (a) the functions conferred by S1 PRSRA
- (b) the functions relating to Community Safety and Crime Prevention (which are set out in Chapter 3 PRSRA)
- (c) “other functions conferred by this act and other enactments”

The functions referred to at (a) and (b) are clearly identifiable. Paragraph (c) however is vague and may cause difficulty for the PCC and the Chief Constable in establishing what is a “function” of the PCC. This is particularly

²² Schedule 1 para 6(1)(a) & (b) PRSRA

²³ Schedule 2 para 4(1) PRSRA

²⁴ See in full S23 Police Act 1996 as amended by S89 & Schedule 12 PRSRA

²⁵ S22(b) Police Act 1996 as amended by S89 PRSRA imposes a DUTY upon the Chief Constable to keep collaboration agreements under review. S22(c) Police Act 1996 imposes the same positive duty upon the PCC

²⁶ S23FA Police Act 1996 as inserted by S89 PRSRA

because the PCC has certain restrictions on delegation of functions²⁷ and in particular cannot delegate his/her “functions” to a “constable”.

2. Functions conferred by S1 PRSRA

2.1. Overriding Duty – the PCC must secure the maintenance of the police force and secure that the force is efficient and effective.²⁸

2.2. The PCC must hold the Chief Constable to account for the exercise of the Chief Constable’s functions and the functions of persons under her direction and control.²⁹

2.3. ***In particular***, the PCC must hold the Chief Constable to account for:-

- (a) Her duty to have regard to the Police & Crime Plan³⁰
- (b) Her duty to have regard to the Strategic Policing Requirement³¹
- (c) Her duty to have regard to Codes of Practice issued by the Secretary of State³²
- (d) The effectiveness and efficiency of the Chief Constable’s arrangements for cooperating with other persons in the exercise of her functions (whether under S22A of the Police Act or otherwise)³³
- (e) The effectiveness and efficiency of the Chief Constable’s arrangements for engaging with local people³⁴
- (f) The extent to which the Chief Constable has complied with her duty “to *secure that good value for money is obtained*”³⁵
- (g) The exercise of duties relating to equality and diversity that are imposed on the Chief Constable by any enactment³⁶
- (h) The exercise of the Chief Constable’s duties to safeguard children and the promotion of child welfare imposed by S10 &11 Children Act 2004³⁷

3. Functions relating to Community Safety & Crime Prevention conferred by Chapter 3

3.1. Chapter 3 of the Act is divided into 4 sections:-

- i. Community Safety & Crime Prevention
- ii. Information, Consultation etc.

²⁷ S1(5)(c) PRSRA

S18 PRSRA

S18(2),(3)(c), 6(a) PRSRA

²⁸ S1(6) PRSRA

²⁹ S1(7) PRSRA

³⁰ S1(8)(a) & S8(2) PRSRA

³¹ S1(8)(b) PRSRA & S37A(2) Police Act 1996

³² S1(8)(c) PRSRA & S39A(7) Police Act 1996

³³ S1(8)(d) PRSRA

³⁴ S1(8)(e) & S34 PRSRA

³⁵ S1(8)(f) & S5(1) PRSRA

³⁶ see The Equality Act 2010 & specific duties provided by The Equality Act 2010 (Specific Duties) Regulations 2011

³⁷ S1(8)(h) S10 & 11 of Children Act 2004, under S10 the Chief Constable is a ‘relevant partner’ with a duty to cooperate to improve the well being in the Local Authority Areas covered by her force. Under S11 in discharging her functions, the Chief Constable needs to have regard to the need to safeguard and promote the need of children eg R (on the application of) Castle, Castle & Eaton v Commissioner of Police for the Metropolis [2011] EWHC 2317

- iii. Other provisions about functions
- iv. Financial matters

Financial matters are dealt with in Part C of this document.

3.2. Community Safety & Crime Prevention

The PCC must issue a Police & Crime Plan within the financial year in which each ordinary election is held and must comply with this duty as soon as soon as practicable after the PCC takes office.³⁸ The PCC may at any time issue a Crime Plan and may vary a Crime Plan.³⁹ Before issuing or varying a Police & Crime Plan, the PCC must have regard to the Strategic Policing Requirement⁴⁰ and must comply with the procedural requirements and publication requirements⁴¹ in S1(6)(7)(8) & (9) PRSRA. This includes consultation with the Chief Constable⁴² in the preparation of any draft plan or variation and the duty to have regards to the recommendations made by the Police & Crime Panel.⁴³

3.3. Police & Crime Plan (“the plan”)

The Secretary of State may give guidance as to the matters to be dealt with in the plan.⁴⁴ The content of the plan is listed in Section 7 namely the PCC’s Police & Crime Objectives, the policing which the Chief Constable is to provide, the financial and other resources which the PCC will provide to the Chief Constable, the means by which the Chief Constable will report to the PCC, the means by which the Chief Constable’s performance will be measured and any Crime & Disorder Grants which the PCC is to make, together with any conditions attaching. The term “*Police & Crime Objectives*” is further defined as a) the policing of the PCC’s area, b) crime and disorder reduction in that area and c) the discharge by the relevant police force of its national or international functions.⁴⁵

3.4. The PCC must “**have regard to**” the plan in exercising her functions.

3.5. Crime & Disorder Reduction Grant

The PCC may make a Crime & Disorder Grant to any person, to secure or contribute to securing crime and disorder reduction.⁴⁶

3.6. Duty to Publish Information

³⁸ S5(1) & (2) PRSRA

³⁹ S5(3)(4) PRSRA

⁴⁰ S5(5) PRSRA & S37A Police Act 1996

⁴¹ S5(6)(f) PRSRA

⁴² S5(6)(b) PRSRA

⁴³ S5(6)(c)(d) PRSRA

⁴⁴ S7(4) PRSRA

⁴⁵ S7(2) PRSRA

⁴⁶ S9 PRSRA. It may be subject to conditions S9(3) PRSRA

The PCC must publish information specified by the Secretary of State⁴⁷ and must publish information necessary to allow the public in the area to assess the performance of the PCC and Chief Constable.⁴⁸

3.7. Duty of Consultation⁴⁹

The PCC has a duty to **“have regard to”** the relevant priorities of each *“responsible authority”*.⁵⁰

3.8. Duty of Cooperation

There are two duties of cooperation:-

- (a) Duty to act in cooperation with “responsible authorities” (ie those in S5 Crime & Disorder Act 1998, essentially the Community Safety Partnership members).
- (b) Duty to ensure an efficient and effective Criminal Justice System

The PCC and *“criminal justice bodies”*⁵¹ must make arrangements for the exercise of functions to provide an efficient and effective criminal justice system for the police area.

Note: the composition of *“criminal justice bodies”* is different to *“responsible authorities”*.⁵² There is some overlap but not completely.

A useful explanation of these duties and the practical challenge of implementing them has been given by Leading Counsel.⁵³

3.9. Duty of Collaboration⁵⁴

A key feature of PRSRA is to change the previous discretion under S23 Police Act 1996 to enter into collaboration agreements into a positive duty. This duty applies both to the Chief Constable and the PCC who must keep collaboration agreements under review.⁵⁵ The Secretary of State may also by order direct a

⁴⁷ Eg The Elected Local Policing Bodies (Specified Information) Order 2011

⁴⁸ S11 PRSRA. (There is a wide discretion to publish further information

⁴⁹ S10(1) PRSRA and see further S6 Crime & Disorder Act 1998 and the Civil Contingencies Act 2004

⁵⁰ “Responsible Authority” has the same meaning as in S5 Crime & Disorder Act 1998 namely the Community Safety Partnership.

⁵¹ S10(5) PRSRA defines these as:- The Chief Constable, the CPS, the Lord Chancellor, a minister of the Crown in exercising functions relating to prisons, Youth Offending Teams, a person who has a contact with the Secretary of State under S3(2) Offender Management Act 2007, the Secretary of State in making probation provisions under S3(2) ante

⁵² S5 Crime & Disorder Act 1998: The individual members retain their own legal identity.

⁵³ Fiona Barton QC *“Cooperative Working and Collaboration”* 28.05.12

⁵⁴ S89 PRSRA inserts a new S22A into the Police Act 1996

⁵⁵ The new S22B Police Act 1996 creates a duty upon the Chief Constable to keep collaboration agreements under review and S22C a positive duty upon the PCC to keep collaboration agreements under review.

“specified police function” to be exercised in accordance with Police Collaboration Provision.⁵⁶

3.10. Annual Reports⁵⁷

The PCC must publish an “annual report” on the exercise of her functions and the progress which has been made in the financial year in meeting the Police & Crime Objectives in the plan. The Police & Crime Panel have a role to play which is detailed in S12 PRSRA.

3.11. Duty to Provide Information to the Police & Crime Panel⁵⁸

The PCC *“must”* provide the panel with any information it *“may reasonably”* require in order to carry out its functions. However, this is subject to the views of the Chief Constable⁵⁹. Information need not be required if in the Chief Constable’s view, it would be against the interests of national security, may jeopardise the safety of any person or would prejudice the prevention or detection of crime, the apprehension or prosecution of offenders or the administration of justice.

3.12. Duty to Obtain Views on Policing from the Community & Victims of Crime

The PCC has a duty to make arrangements to obtain the views of people in the police area about policing of the area and their cooperation with the police in preventing crime in that area.⁶⁰ Under PRSRA, that duty now specifically includes the views of victims.⁶¹

3.13. Duty to Seek Public Views before the Police & Crime Plan is issued

Before a plan is issued, the PCC must seek the views of people and victims in the police area.⁶²

3.14. Duty to Consult on Expenditure

Before issuing the first precept of a financial year, the PCC must seek the views of the people in the police area *and “the relevant rate payers’ representatives”* on the PCC’s proposals for expenditure including capital expenditure in the financial year.⁶³

⁵⁶ S89 inserts a new S23FA into the Police Act 1996

⁵⁷ S12 PRSRA

⁵⁸ S13 PRSRA

⁵⁹ S13(2) PRSRA

⁶⁰ S96 Police Act 1996 (as amended by PRSRA)

⁶¹ S14 PRSRA amends S98(1)(b) Police Act 1996

⁶² S14(3) PRSRA inserts S79(1)(1A) into the Police Act 1996

⁶³ S14(3) PRSRA inserts S79(1)(1B) into the Police Act 1996

3.15. The PCC's arrangements at 3.12 – 3.14 must be made after consulting the Chief Constable.⁶⁴

4. Other Functions Conferred by this Act and Other Enactments

4.1. This provision is somewhat vague. However, it is clear that the PCC has other statutory duties, for example under The Equality Act 2010.

4.2. Schedule 16 PRSRA deals with "Police Reform: Minor & Consequential Amendments". This schedule amends a number of legislative provisions and thereby creates "functions" of the PCC, for example the PCC becomes the "compensation authority" for claims brought under the Riot (Damages) Act 1886.

5. Incidental Powers

5.1. "A PCC may do anything which is calculated to facilitate or is conducive or incidental to the exercise of the functions of Commissioner, this includes

- (a) entry into contracts and other agreements (whether legally binding or not)
- (b) acquiring and/or disposing of property (including land)
- (c) borrowing money"⁶⁵

This power is subject to the other provisions of the Act and any other enactment about the powers of PCC's.⁶⁶

Section C: The Chief Constable

1. Office

1.1. The Chief Constable is an officer of the Crown, holding a public office. Her policing powers are set out in statute and common law. In exercising her functions the Chief Constable must secure that good value for money is obtained.⁶⁷

2. Appointment/Removal

2.1. The current Chief Constable will remain in office.⁶⁸ The power to appoint, suspend or call upon the Chief Constable to resign or retire is vested in the PCC.⁶⁹ The Chief Constable must resign or retire if called upon to do so by

⁶⁴ S96(2) Police Act 1996 as amended by S14(4) PRSRA

⁶⁵ Schedule 1, para 14(1)

⁶⁶ Schedule 1, para 14(2)

⁶⁷ S35(1) PRSRA

⁶⁸ Schedule 15 para 1 PRSRA

⁶⁹ S38 PRSRA

the PCC.⁷⁰ There is however, a “scrutiny process” which must be followed.⁷¹ This power is subject to any regulations which may be issued by the Secretary of State under S50 Police Act 1996. These currently include the Police (Conduct) Regulations 2008, The Police (Performance & Conduct) (Amendment) Regulations 2012, The Police (Complaints & Misconduct) Regulations 2012 and the Police (Conduct) Regulations 2012. (“Conduct Regulations”). Legal authority provides that if there is a dispute as to the facts upon which a decision is to be made, the Chief Constable will be entitled to the protection of the Conduct Regulations.⁷²

3. Status

3.1. Under the PRSRA the Chief Constable is a Corporation Sole.⁷³

4. Functions

General

4.1. The Chief Constable is responsible for maintaining the Queen’s Peace. She is accountable for the exercise of policing powers and has direction and control over the force’s officers and staff.⁷⁴ She must exercise this power in such a way as is reasonable to assist the PCC discharge of her functions.⁷⁵

4.2. The functions are defined as “*other functions conferred by this Act and other enactments*”.⁷⁶ All of the functions of the Chief Constable cannot be set out in this document.

4.3. The Chief Constable must “*have regard to*” the Police & Crime Plan issued by the PCC.⁷⁷ The Secretary of State may “issue guidance”.⁷⁸ No guidance has yet been issued.

Engagement with Local People

4.4. The Chief Constable must make arrangements for obtaining the views within each neighbourhood in the Police Area about crime and disorder.⁷⁹ It is for the Chief Constable to determine what is a “neighbourhood”.⁸⁰ She must provide information about policing in the neighbourhood including how it aims to deal

⁷⁰ S38(4) PRSRA

⁷¹ This is set out in Schedule 8 PRSRA

⁷² Eg See R (Kay) v Chief Constable of Northumbria [2009] EWHC 1835

⁷³ Section1(2) PRSRA. The Chief Constable is a Corporation Sole Schedule 2 para 2 PRSRA

⁷⁴ S2(3) PRSRA

⁷⁵ S2(5) PRSRA

⁷⁶ S2(4) PRSRA

⁷⁷ S8(2) PRSRA

⁷⁸ S8(5) PRSRA

⁷⁹ S.34(1) PRSRA

⁸⁰ S.34 (4) PRSRA

with crime and disorder.⁸¹ She must arrange regular neighbourhood meetings.⁸²

Provision of Information

4.5. a) **To the PCC**

The Chief Constable must give such information to the PCC as she requires.⁸³ The PCC may arrange for that information to be published or require the Chief Constable to publish it.⁸⁴ The PCC determines the manner in which the information is published.⁸⁵

b) **To the Secretary of State**

The Secretary of State may require the Chief Constable to provide information in connection with the policing of the police area or the discharge of national or international functions of her force. This may include statistical data. The Secretary of State may require the Chief Constable to publish information in a manner in which the Secretary of State considers appropriate.⁸⁶

c) **To HMIC**

The Chief Constable must provide to an Inspector, information, documents and *“all such evidence and other things specified”* as appear to an Inspector to be required for the papers of an inspection, described in a notification given to her by an Inspector.⁸⁷

Access to Premises⁸⁸

4.6. The Chief Constable is also required to allow an Inspector access to premises and to documents on the premises for the purpose of an inspection.⁸⁹

Duty of Cooperation

4.7. The Chief Constable has the same duties of cooperation as the PCC. These are set out in full at para 3.8 of this document.

Duty of Collaboration

⁸¹ S.34(2) PRSRA

⁸² S34(4) PRSRA

⁸³ S36(1) PRSRA

⁸⁴ S36 (3) PRSRA

⁸⁵ S36(4) PRSRA

⁸⁶ S44 and s45 Police Act 1996 are substituted by the sections redrafted at S92 PRSRA

⁸⁷ S86 PRSRA inserts S6A into the Police Act 1996. Further details re timing and manner of the provision of information is detailed within the section.

⁸⁸ S86 PRSRA inserts a new S6B into the Police Act 1996

⁸⁹ Under S54 Police Act 1996

- 4.8. The Chief Constable has a positive duty to collaborate⁹⁰ and to keep collaboration agreements under review.⁹¹ (See explanation at para 3.8 page 11 and para 3.9 of this document and footnotes thereto).

Policing Protocol

- 4.9. The Chief Constable must “**have regard to**” the Policing Protocol in exercising her functions.⁹²

Strategic Policing Requirement⁹³

- 4.10. The Chief Constable in exercising her functions must “**have regard to**” the Strategic Policing Requirement which sets out the Secretary of State’s view of national threats and appropriate national policing and capabilities to counter those threats.

Other Functions

- 4.11. The functions of the Chief Constable are too numerous to mention in this document. Some important ones are set out below.

Children

- 4.12. The Chief Constable must discharge her functions having regard to the need to safeguard and promote the welfare of children.⁹⁴

Sexual & Violent Offenders

- 4.13. The Chief Constable must make arrangements for the purpose of assessing and managing the risks posed by relevant sexual and violent offenders and other persons who may cause serious harm to the public.⁹⁵

Firearms

- 4.14. The Chief Constable has the obligation to determine applications for Firearms & Shotgun Certificates.⁹⁶

Licensing

- 4.15. The Chief Constable is a “responsible authority” for licensing purposes.⁹⁷

⁹⁰ S89, Schedule 8 PRSRA

⁹¹ S89 PRSRA amends S22(b) Police Act 1996

⁹² S79(2) PRSRA – Note: S79(6) The Chief Constable, the PCC, the Secretary of State and the Police & Crime Panel are all “*relevant persons*”, they must all *have regard to* the Policing Protocol.

⁹³ S77 PRSRA inserts a new S37A into the Police Act 1996

⁹⁴ S11 Children Act 2004

⁹⁵ S325(2) Criminal Justice Act 2003

⁹⁶ S26A, S26B Firearms Act 1968

⁹⁷ S13(4) Licensing Act 2003

Equality

- 4.16. The Chief Constable is under a duty to comply with the general equality duty under the Equality Act 2010 and the specific duties provided by The Equality Act 2010 (Specific Duties) Regulations 2011.

New Duties

Pensions

- 4.17. The Chief Constable becomes the ***“Police Pensions Authority”***.⁹⁸

Safety of Children at Entertainments

- 4.18. The Chief Constable has a duty (in the absence of a premises licence – where the duty rests upon the relevant licensing authority) to institute proceedings for failing to provide for safety of children at entertainments.⁹⁹

Authorised Monitors – Serious Crime Prevention Orders

- 4.19. The Chief Constable replaces the Police Authority within the definition of *“Law Enforcement Agency”*.¹⁰⁰

Section D : Operation of the Arrangements

1. This Part of the document sets out the operative parts of the arrangements between the Police & Crime Commissioner for Northumbria (PCC) and the Chief Constable of Northumbria Police (Chief Constable), pending the development of a formal Scheme of Consent.¹⁰¹
2. This Section D comprises:-
 - PART A Consents and Requests
 - PART B Delegations
 - PART C Financial and Contract Regulations
 - PART D Governance Structures Procedures Protocols and Memoranda
 - .

⁹⁸ S11(2) Police Pensions Act 1976

⁹⁹ S12 Children & Young Persons Act 1933 as amended by Schedule 16 PRSRA

¹⁰⁰ S39(10) Serious Crime Act 2007 as amended by Schedule 16 PRSRA

¹⁰¹ There is no legal requirement to have a Scheme of Consent. However, the Financial Management Code of Practice (FMCP) at page 12, para. 5 suggests that a Scheme of Consent should be prepared at the start of each financial year.

PART A – CONSENTS

1. Consents

- 1.1. This is not defined in statute. The definition is from ACPO.¹⁰² **“Consent”**, *refers to the provision of approval or agreement, particularly and especially after due and full consideration. Transactions entered into following “consent” by the PCC to the Chief Constable will be in the Chief Constable’s own name as a separate legal entity, as opposed to the name of the PCC (as would be the case if the Chief Constable was given delegated authority).* Consents currently granted by the Commissioner shall be set out in Part A, which shall be kept up to date and consents added when they are given. Ultimately these consents will make up the Scheme of Consent when issued as such.
- 1.2. Consents shall be given by the Commissioner by any of the following means:
- a) a decision of the Commissioner to grant consent to the Chief Constable to spend Police Funds in her own legal capacity as a corporation sole for such purposes and subject to such limitations and conditions as the Commissioner may specify in that decision
 - b) a decision by the Commissioner to consent to the exercise by the Chief Constable of her powers contained in the Financial and Contract Regulations in her own legal capacity as a corporation sole;
 - c) any expression of consent on the part of the Commissioner contained in these Governance Arrangements or any subsequent revision. or
 - d) such consents as are or shall be set out in a formal Scheme of Consent when prepared and approved by her

Current Consents issued by the Commissioner

Reporting Criteria

The consents set out below are subject to an over-riding duty to report to, and consult with the PCC from the outset in categories 1 and 2 overleaf and in all other categories in an exceptional case such as:

- A case brought by a “high profile” Claimant (eg senior police officer, politician, premiership football player etc).
- A case which could incur serious criticism of the force or of an officer or member of staff.
- A case which may establish new law, which may impact on other forces/local authorities and/or employers.
- A case which could attract media attention and/or reputational risk.
- A case in which a Chief Officer is involved as a witness.

¹⁰² ACPO Futures Business Area 28.09.12 at page 3.

List of Current Consents

Consent Issued hereof: Settlement of Claims

1. Consents to Settle Claims

1.1. Payment from the Police Fund

All payments whether damages, costs, compensation or ex-gratia payment must be paid out of the Police Fund, which the PCC has an obligation to maintain.¹⁰³

1.2. Claims Against the Chief Constable

Claims may be brought against the Chief Constable either by officers/staff under her direction and control or by members of the public as the result of the exercise or purported exercise of police powers. The claims brought are therefore “*incidental to*” the exercise of the Chief Constable’s functions.

2. “Request” to Exercise the Powers and Duties under the Police (Property) Regulations 1997¹⁰⁴

2.1. In accordance with Regulation 6(5) of the Police (Property) Regulations 1997, the PCC requests the Chief Constable to exercise the powers and duties set out in Regulation 6.¹⁰⁵ (Power of Sale etc).

2.2. If, instead of the sale of the property, the Chief Constable is of the view that the property should be retained for policing purposes, the Chief Constable’s Director of Finance will submit a report to the PCC requesting the PCC to make a determination under Regulation 7(1).

2.3. The Chief Executive will publish any such determination in accordance with Regulation 7(2).

¹⁰³ S.21 PRSRA

¹⁰⁴ Note: The Chief Constable retains a power if satisfied that the nature of the property to which the regulations apply, is such that it is not in the public interest that it should be sold or retained, to authorise its destruction or disposal. (Regulation 8)

¹⁰⁵ Regulation 6 prescribes that after the expiration of the relevant period referred to in Regulation 4(2) or 5(2), property to which the regulations apply (other than money) may be sold. The proceeds may be used to defer expenses, the payment of reasonable compensation and payments made for charitable purposes. Monies received must be paid into a separate fund known as the Police Property Act Fund which is subject to audit. (Regulation 6(6)).

Schedule of Consents and Conditions Attaching to the Settlement of Legal Actions brought against the Chief Constable of Northumbria Police by Members of the Public and/or Officers or Staff under the Direction & Control of the Chief Constable

Type of Claim	Against	Who Deals	Decision Making Authorities	Conditions
1. Public Liability (Insured)	Chief Constable and PCC	Force Legal Department	To be determined jointly by Chief Constable and PCC	1. Exceptional claims to be determined in consultation with the PCC on case by case basis. 2. Director provides monthly report
2. Employers Liability (Insured)	Chief Constable or PCC	Force Legal Department	As above	As above
3. Road Traffic Collision (Insured)	Chief Constable and PCC	Force Legal Department	To be determined jointly by Chief Constable and PCC	As Above
4. Employment Tribunal Claims ¹⁰⁶ Employment Appeal Tribunal (not insured)	Chief Constable and/or PCC	Force Legal Department	Chief Constable up to £25,000 subject to conditions. PCC over £25,000	1. Exceptional claims notified to PCC and conducted in consultation with PCC (as requested) on case by case basis. 2. Director provides quarterly report
5. Breach of Contract (sometimes insured)	PCC ¹⁰⁷	If operational ¹⁰⁸ matter only – Force Legal Department Otherwise Chief Executive	Chief Executive Up to £20,000 PCC over £20,000	These cases are rare. Force Legal Department to liaise with Chief Executive throughout.
6. Non insured public liability Claims	Chief Constable	Force Legal Department	Chief Constable up to £10,000 ¹⁰⁹	Director provides quarterly return through Chief Constable/Chief Executive

¹⁰⁶ S42 Equality Act 2010 (as amended by PRSRA) treats holding the office of Constable as “employment” by the Chief Officer. S.43(1)(c) The Employment Rights Act 1996 treats an officer as an employee, employed by the “relevant officer” defined as the Chief Constable. S.41 Working Time Regulations 1998 – a contract of employment is treated as being with the “relevant officer” defined as the Chief Officer of Police.

¹⁰⁷ No consents to enter into commercial contracts are yet in place. At this stage all contracts are in the name of the PCC, even if the staff under the direction and control of the Chief Constable manage the day to day tendering/procurement and operation of any contract.

¹⁰⁸ An example of an operational breach of contract claim is an action brought by a CHIS.

¹⁰⁹ The Chief Constable may delegate to Area Commanders and the Director of Legal Services, provided this is in a published force procedure.

PART B – DELEGATIONS

1. Delegations

1.1. This is not defined in statute. The definition adopted is from ACPO¹¹⁰. *“Delegation” is the assignment of authority and responsibility to another person to carry out specific activities. However, the person who delegated the work remains accountable for the outcome of delegated work. Delegation therefore empowers another person to make decisions”.*

1.2. The Direction & Control of a Police Force by the Chief Constable and the Management of Human Resources

The Police Force and the civilian staff are under direction and control of the Chief Constable.¹¹¹ There is further legislative provision which establishes the legal powers and duties of the Chief Constable. The Chief Constable does not therefore need delegated authority to carry out her functions.

1.3. Delegations made by the PCC to the Chief Executive Role and Responsibilities

The Code of Corporate Governance identifies the role of the Chief Executive as the Head of the Commissioner’s staff, and the Monitoring Officer.

The Chief Executive’s main role is to support and advise the Commissioner in delivering her policy objectives, as expressed through the Police and Crime Plan. He/she is the designated Monitoring Officer. Specific delegations are set out in the paragraphs which follow.

1.3.1. to sign contracts on behalf of the Commissioner and to affix the Common Seal of the Commissioner in accordance with the Financial and Contract Regulations;

1.3.2. to issue or serve any notice, licence, order, consent or approval in respect of any matter delegated to an officer at the request of that officer;

1.3.3. to oversee all appeals made by police officers retired due to ill health, and to implement the subsequent awards made, in line with the provisions of the Police and Pensions Regulations, subject to second stage transfer;

to settle appeals against decisions of the Senior Administrator of the Local Government Pension Scheme, in line with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996;

¹¹⁰ ACPO Futures Business Area 28.09.12 at page 4.

¹¹¹ S.2 PRSRA

- 1.3.4. to be the person responsible for the management of the Property function;
- 1.3.5. to place orders (but not determine the need for orders) for goods, services and work within budgetary provision up to the value at which European Procurement Directives apply, subject to:-
 - I. compliance with Financial and Contract Regulations;
 - II. a report being submitted to the Commissioner for information.
- 1.3.6. to appoint Technical Consultants as and when required to progress the Capital Programme;
- 1.3.7. to add firms to or delete firms from the Commissioner's Approved list of Building Contracts and Architectural Services Consultants in accordance with approved criteria;
- 1.3.8. to negotiate a tender and appoint a consultant selected from the Approved list of Architectural Services Consultants in accordance with the criteria submitted where he/she considers it to be in the best interests of the Commissioner and where the fee (inclusive of expenses) is within budgetary provision and is estimated to be less than the value at which European Procurement Directives apply;
- 1.3.9. to authorise persons to enter and survey land pursuant to section 15 of the Local Government (Miscellaneous Provisions) Act 1976 and section 324 (6) of the Town and Country Planning Act 1990;
- 1.3.10 in consultation with the Commissioner to grant licences and fees for radio installations / masts and aerials which conform to approved standards and to report such approvals retrospectively to the Commissioner for information;
- 1.3.11. to let non-surplus empty properties to be managed in-house and let at market rents after being advertised on the open market, subject to retrospective reporting to the Commissioner;
- 1.3.12. to arrange for the service of notices to quit in order to obtain possession of land for a purpose already approved by the Commissioner or to enable a variation to be made in the terms upon which a tenancy of land is held;
- 1.3.13. to acquire and / or dispose of property at its open market value as certified by a qualified valuer, the capital value of which does not exceed £120,000 and which is included in the Strategy outlined for the year in the Police and Crime Plan, such transactions to be reported retrospectively to the Commissioner;
- 1.3.14. to make application to the Highway Authority for the grant of licences for apparatus over, in and under streets.
- 1.3.15. to be responsible for preparing for the Commissioner's approval and keeping under review the delegations in this part

1.3.16. The Chief Executive has responsibility for ensuring that all decisions taken by the Commissioner are duly made and recorded in accordance with the requirements and in a form to be prescribed by the Chief Executive, and to maintain and publish appropriate records and minutes of such decisions.

1.4. **General Delegation to the Chief Executive**

Such matters as are referred for decision by the Chief Executive in the Financial and Contract Regulations.

1.5. **Delegations made by the PCC to the Treasurer**

Role and Responsibilities

The Treasurer is the person responsible for proper financial administration under the Act. He is the Commissioner's professional adviser on financial matters and has a personal fiduciary responsibility to the local tax payer.

Responsibilities include:

- (a) ensuring that the financial affairs of the Commissioner are properly administered and that the Financial and Contract Regulations are observed and kept up to date;
- (b) ensuring regularity, propriety and Value for Money (VfM) in the use of public funds;
- (c) ensuring that the funding required to finance agreed programmes is available from Central Government funding, council tax precept, other contributions and recharges;
- (d) reporting to the Commissioner, the Police and Crime Panel and to the external auditor:
 - I. any unlawful, or potentially unlawful, expenditure by the Commissioner or officers of the Commissioner; or
 - II. when it appears that expenditure is likely to exceed the resources available to meet that expenditure;
- (e) advising the Commissioner on the robustness of the estimates and adequacy of financial reserves;
- (f) preparing the annual statement of accounts, in conjunction with the Chief Constable's Director of Finance;
- (g) ensuring the provision of an effective internal audit service, in conjunction with the Chief Constable's Director of Finance;
- (h) securing the treasury management function, including loans and investments;
- (i) advising, in consultation with the Chief Executive, on the safeguarding of assets, including risk management and insurance;
- (j) arranging for the determination and issue of the precept;
- (k) liaising with the external auditor;

- (l) advising the Commissioner on the application of Value for Money (VfM) principles by the Force to support the Commissioner in holding the Chief Constable to account for efficient and effective financial management.

The Treasurer has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the Commissioner on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the Commissioner's accounts, including group accounts. The Treasurer has the specific delegations are set out in the paragraphs which follow

- 1.5.1. to prepare and keep under review the Scheme of Consent, in consultation with the Chief Executive the Chief Constable and her Director of Finance;
- 1.5.2. approve the arrangements for the Treasury Management function, including the day to day management, production of a Treasury Management Strategy and supporting policies and procedures approved by the Commissioner;
- 1.5.3. provide information to the Police and Crime Panel, as reasonably required to enable the Panel to undertake its functions;
- 1.5.4. seek assurances there are appropriate arrangements in place within the Force for proper financial management;
- 1.5.5. undertake the day to day financial management of the Commissioner's budget;
- 1.5.6. to commit expenditure within the approved budget to meet the policies and objectives agreed with the Commissioner and reflected in the Police and Crime Plan;
- 1.5.7. in accordance with the Financial and Contract Regulations, advise the Commissioner of performance against the approved capital programme and revenue budget;
- 1.5.8. to manage the financial arrangements in relation to any grants awarded by the Commissioner or Deputy Commissioner ;
- 1.5.9. to authorise payments, without having to obtain approval and regardless of whether or not provision has been made in the revenue budget in relation to:
 - I. payments required by law;
 - II. payments ordered by the court;
 - III. payments due under any agreement entered into by the Commissioner;
- 1.5.10. to make necessary arrangements for preparing the Commissioner's accounts and group accounts and seek assurances that there are appropriate arrangements in place for the preparation of Northumbria Police's accounts;

- 1.5.11. to make all the necessary banking arrangements on behalf of the Commissioner, including approving the opening of all bank accounts and signing cheques on behalf of the Commissioner;
- 1.5.12. to authorise virement in accordance with the Financial and Contract Regulations;
- 1.5.13. to effect all necessary insurance cover against risks in accordance with the policy of the Office of the Police and Crime Commissioner, undertake the day to day management of the insurance function and to negotiate claims;
- 1.5.14. to arrange the funding of the acquisition costs relating to vehicles, plant and equipment;
- 1.5.15. to maintain an adequate and effective internal audit service;
- 1.5.16. to write off accounts in accordance with the Financial and Contract Regulations;
- 1.5.17. to advise, upon and negotiate, in consultation with the Chief Executive, variations to any bought in services having regard to the requirements of the Commissioner;
- 1.5.18. to act as 'Money Laundering Reporting Officer' under the Proceeds of Crime Act 2002 and Money Laundering Regulations 2003 for the Commissioner's Office, and seek assurances that the Chief Constable has appropriate arrangements in place;
- 1.5.19. to determine when goods are surplus to requirements or obsolete and arrange for disposal in line with Financial and Contract Regulations;
- 1.5.20. to report to the Commissioner and the Joint Independent Audit Committee and the external auditor any unlawful or potentially unlawful spending by her officers or those under the direction and control of the Chief Constable;
- 1.5.21. to provide information to the Joint Independent Audit Committee, as reasonably required to enable it to undertake its functions;
- 1.5.22. to prepare from time to time Draft Financial and Contract Regulations for approval by the Commissioner in consultation with the Chief Executive, the Chief Constable and the Chief Constable's Director of Finance.

1.6. **General Delegation to the Treasurer**

Such matters as are referred for decision by the Treasurer in the Financial and Contract Regulations.

1.7. **Delegations made by the PCC to the Assistant Chief Officer (Corporate Services)**

For the avoidance of doubt and without prejudice to any existing powers of the Chief Constable the PCC delegates to the Assistant Chief Officer (Corporate Services) the following powers:-

1.7.1. National Agreements on Salaries/Wages/Conditions of Service

To bring into effect national agreements on salaries, wages and conditions of service.

1.7.2. Bonus/Honoraria Payments

To approve bonus and/or honoraria payments for taking on significant additional responsibilities, undertaking work of a particularly demanding or unpleasant nature save that in any such case there shall be a limit of £500. Nothing in this paragraph shall permit the making of payments to chief officers or payments in connection with, or related to, performance or performance review.

1.7.3. Agreements with Trade Unions/Staff Associations

To negotiate and reach agreements (in consultation with the PCC) with recognised trade unions and staff associations on any matter that can be decided locally.

1.7.4. Car Allowances/Mileage¹¹²

To grant essential or casual car user allowances to police staff/police officers.

1.7.5. Provision of Policing Services to International Organisations

Subject to any approval necessary from the Secretary of State¹¹³ to approve non-exceptional cases of police advice and assistance to international agencies.¹¹⁴

1.7.6. Removal Expenses

To establish appropriate schemes covering the reimbursement of removal expenses and to apply the same towards expenses incurred by police officers in accordance with those schemes and with the law.¹¹⁵

1.8. **The PCC's Delegated Authorities to the Chief Constable's Director of Finance**

¹¹² Regulation 34 & 35 Police Regulations 2003 states it is for the Secretary of State to determine entitlement to allowances and expenses. The level of car allowance from time to time is set by the Secretary of State in consultation with the Police Negotiating Board.

¹¹⁵ see Reg 6 of the Financial and Contract Regulations

¹¹³ S.26(3) Police Act 1996

¹¹⁴ S.26 Police Act 1996 (as amended by paragraph 2.5, Schedule 16 PRSRA). Subject to the limitations set out in this section) a PCC may provide advice and assistance to an international organisation or any personal body engaged outside the United Kingdom in carrying out activities similar to the PCC or Chief Constable.

¹¹⁵ Regulation 35, Police Regulations 2003 Annex V.

Note – Although this list is headed “delegations”, some functions below (eg. Audit) do not legally require a delegation as they are part of the CFO’s statutory role¹¹⁶. They are included for the sake of completeness.

The Chief Constable’s Director of Finance has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the Force on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the Chief Constable’s accounts. The Chief Constable’s Director of Finance will need to observe the locally agreed timetable for the compilation of the group accounts by the Commissioner.

Budget Management

1.8.1. To undertake the day to day management of the budget allocated to Northumbria Police in accordance with Financial and Contract Regulations and to ensure that the financial affairs of Northumbria Police are properly administered having regard to probity, legality, and appropriate standards.

1.8.2. Expenditure

Commit expenditure within the approved budget to meet the policies and objectives agreed by the PCC as contained in the Police and Crime Plan.

1.8.3. Virement

To authorise virement for any purpose within the Force revenue budget up to a limit of £250,000 in any single case and subject to:-

- a) PCC approval if a virement could amount to a change in the PCC’s policy, have revenue implications in future years or any financial implications of a capital nature.
- b) Maintenance of a schedule of virement authorised which will be forwarded to the Treasurer quarterly.

1.8.4. Business Cases for Schemes with the Capital Programme

- i) To approve business cases for schemes within the approved capital programme where the estimated cost is below the amounts stated in European Procurement Directives.
- ii) To approve in consultation with the Treasurer business cases/schemes within the approved capital programme where the estimated costs is above the amounts stated in European Procurement Directives.

¹¹⁶ The Statutory responsibilities of the Chief Constable’s CFO are set out in para. 5 of Schedule 2 and para 1 of Schedule 4 PRSRA and S114 Local Government Finance Act 1988. See Also FMCP page 10-11.

1.8.5. Contracts

To place orders against, and sign contracts, including framework contracts, on behalf of the PCC for goods and services within budgetary provision, subject to:-

- a) Compliance with the Financial and Contract Regulations.¹¹⁷
- b) Prior authorisation by the PCC informed of how the approved capital programme is put into effect.

1.8.6. Audit

To maintain effective internal audit of the Chief Constable's affairs.

1.8.7. Unlawful Potentially/Unlawful Spending

To report to the Chief Constable, the PCC, the Treasurer, and the external auditor any unlawful or potentially unlawful spending by the Force's officers.

1.8.8. Provision of Information to the Joint Independent Audit Committee

Provide information to the Joint Independent Audit Committee, as reasonably required to enable it to undertake its functions.

1.8.9. Gifts, Loans & Sponsorship

To accept offers of gifts, loans of property or sponsorship within the limits and subject to the conditions in the Financial and Contract Regulations¹¹⁸ (approx 1% of revenue expenditure).

1.8.10. Writing Off of Accounts¹¹⁹

To authorise the writing off of accounts under £10,000 subject to submitting an annual statement of accounts written off to the PCC.

1.8.11. Provision of Policing Services to Other Organisations¹²⁰

¹¹⁷ See Section 5 of the Financial and Contract Regulations

¹¹⁸ Section C para 4.9.10 a) up to £20,000 or above that limit with PCC approval. 4.9.10 b) requires the submission of an annual report to the PCC.

¹²² See Reg 4.2.12 of the Financial and Contract Regulations

¹¹⁹

¹²⁰ This may induce the provision of "Special Police Services – S.25 Police Act 1996, but subject to agreement by the PCC as to the scale of charges levied. This delegation does not apply to the provision of mutual aid by the Chief Constable under S.24 Police Act 1996.

Subject to compliance with the Financial and Contract Regulations¹²¹ to approve agreements for the provision of services to other organisations within the force area.

1.8.12. Payroll & Pensions

To manage the payroll up to gross pay and administer the pension arrangements of active members.

1.8.13. Procurement

To undertake the day to day management of the procurement function (including the provision or obtaining of expert advice) subject to the limits and conditions in the Financial and Contract Regulations.¹²²

1.8.14. Property

To undertake the day to day management of the property function¹²³ subject to the provisions of the Financial and Contract Regulations¹²⁴.

1.8.15. Disposal of Force Surplus Property/Assets¹²⁵

To determine when stores, equipment, vehicles or materials are obsolete or in excess of requirements and to arrange for their disposal in accordance with Financial and Contract Regulations¹²⁶.

1.8.16. Retention of Property for Policing Purposes Police (Property) Regulations 1997

At the Direction of the Chief Constable to prepare Reports for the PCC in accordance with Regulation 7. (Retention of property for policing purposes). The Chief Constable's Director of Finance will ensure that the power prescribed by the regulations applies to the property and that the statutory time periods for retention have been complied with.¹²⁷

1.8.17. Police (Property) Act Fund

To undertake the administration and disposal of evidential and non evidential property in accordance with the Police (Property) Regulations 1997 and Financial and Contract Regulations.

¹²¹ see Reg 6 of the Financial and Contract Regulations

¹²² see Section 5 of the Financial and Contract Regulations

¹²³ Including the maintenance of buildings and assets.

¹²⁴ see Reg 3.5 of the Financial and Contract Regulations

¹²⁵ These are owned by the PCC but managed on her behalf by the Chief Constable's CFO.

¹²⁹ see Reg 3.5.14 et seq of the Financial and Contract Regulations

¹²⁶

¹²⁷ See Regulations 4(1) and 5(1) Police (Property) Regulations 1997

1.8.18. Payments Required by Law¹²⁸

To authorise payments, without having to obtain approval and regardless of whether or not provision has been made in the revenue budget in relation to:

- payments required by law
- payments ordered by a competent court or tribunal

1.8.19. Covert Accounts

To ensure that records for any covert accounts required for operational policing purposes, are maintained in accordance with clear procedures approved by the Treasurer.

1.9. **The PCC's Delegated Authorities to the Chief Constable's Director of Legal Services**

1.9.1. Proceedings brought by or against the Chief Constable

The Chief Constable is a Corporation Sole.¹²⁹ There is a variety of legislative provision which provide powers and in some cases a duty to institute legal proceedings. The Chief Constable can be a Defendant or a Respondent in a variety of legal proceedings. It is not considered necessary for there to be a delegation for the Chief Constable to bring or defend legal proceedings. For the avoidance of doubt, however, so far as any delegation may be required to institute defend or case manage legal proceedings, the PCC delegates that power to the Director of Legal Services subject to the limitations and exceptional reporting criteria set out in these Arrangements.

1.9.2. Legal Proceedings brought against the PCC by Staff under the Direction and Control of the Chief Constable¹³⁰

Provided that the legal proceedings/intimated proceedings are brought by a member of staff, under the direction and control of the Chief Constable, the PCC delegates authority to the Director of Legal Services to institute, defend and case manage proceedings, subject to the limitations and exceptional reporting criteria set out in these Arrangements.

¹²⁸ This can be wide ranging, including eg, deductions from salary under court orders, pensions, reversal of confiscation/forfeiture orders made by a competent court.

¹²⁹ Para 2, Schedule 2 PRSRA

¹³⁰ These are normally Employer's Liability claims or Employment Tribunal Claims/Appeals. Exceptionally a claim for Judicial Review may be brought. If such a claim is brought, the Director of Legal Services will notify the PCC/Chief Executive under the exceptional reporting criteria.

1.9.3. Instruction of Counsel/Agents

The Director of Legal Services shall have the power to instruct Counsel/other agents/experts, provided it is within the allocated delegated budget or otherwise approved by the Chief Constable, or where the costs are to be borne by the insurance company, by that company. Any exceptional case (ie a case which carries a high risk of costs) will be notified by the Director of Legal Services to the PCC in accordance with the exceptional reporting criteria set out in Part A.

1.10. **Functions of the Chief Constable in relation to Human Resources**

The Functions of the Chief Constable in exercising direction and control

1.10.1. **Appointment of Civilian Staff**

Schedule 2 para 4(2) PRSRA provides that a Chief Constable “*may appoint such other staff as the Chief Constable thinks appropriate – (a) to enable the Chief Constable to exercise the Chief Constable’s functions or (b) otherwise to assist the relevant police force*” .

1.10.2. **Appointment of Officers**

The Chief Constable may appoint officers and determine ranks. However, she must consult the PCC before appointing a person as an Assistant Chief Constable.¹³¹ She must consult the PCC before appointing a person to be a Deputy Chief Constable¹³² and she must consult the PCC before increasing the number of Deputy Chief Constables the force has.¹³³

1.10.3. **Dismissal/Suspension of Police Staff**

Staff are under the direction and control of the Chief Constable, who must comply with the law, including the Employment Rights Act 1996 and Contracts of Employment, which include the police staff conditions of service.

1.10.4. **Dismissal/Suspension of Officers**

The Chief Constable must comply with the law, which currently includes The Police (Conduct) Regulations 2008, The Police (Performance & Conduct) (Amendment) Regulations 2012, The Police Appeals Tribunal Rules 2012, The Police (Complaints & Misconduct) Regulations 2012, The Police (Conduct) Regulations 2012 and The Police Reform Act 2002. Additionally, she has the power to discharge a Probationer under Regulation 13 The Police Regulations 2003¹³⁴

¹³¹ S40(2) PRSRA

¹³² S39(3) PRSRA

¹³³ S38(2) PRSRA

¹³⁴ Eg See R(on the application of Khan) v Chief Constable of Lancashire [2009] EWHC 472 (Admin)

“Senior Police Officers”

Suspension and removal (by retirement or resignation) of Senior Police Officers is governed by S39(4), S39(5)¹³⁵, S40(4)(5)¹³⁶ Part 3 of Schedule 8 PRSRA. The power is vested in the Chief Constable who must comply with the procedure. The Chief Constable must NOTIFY the PCC of any suspension but CONSULT the PCC before calling for a retirement or resignation. As for Chief Constables, this is subject to regulations made by the Secretary of State under S50 Police Act 1996¹³⁷. If there is a dispute as to the facts upon which a decision is based, Senior Officers are entitled to the protection of the Conduct Regulations

1.10.5. **Determining remuneration, allowances and gratuities for staff,¹³⁸ paying pensions or making payments towards provision of pensions to members or former members of the force’s civilian staff.**¹³⁹

The Chief Constable may pay remuneration, allowances and gratuities to Force civilian staff, in accordance with local and national agreements.¹⁴⁰ The Chief Constable may also pay pensions to police staff members or former police staff members.¹⁴¹ Allowances are defined as “*expenses incurred by the member of staff in the course of employment*”.

1.10.6. **Retirement of police officers and police staff on grounds of ill health and the payment of ordinary and ill health pensions and other payments as appropriate.**

In relation to police officers, the Chief Constable becomes the Pensions Authority for pensions matters.¹⁴² Therefore the Chief Constable has the power to retire police officers on grounds of ill health and make payment of ordinary and ill health pensions and other payments as appropriate.

In relation to police staff, staff are under the direction and control of the Chief Constable and she must comply with the law, including the Employment Rights Act 1996 and the Equality Act 2010. The Chief Constable may dismiss a police staff member by reason of retirement or some other substantial reason.¹⁴³

¹³⁵ For Deputy Chief Constables

¹³⁶ For Assistant Chief Constables

¹³⁷ The Police (Conduct) Regulations 2008, The Police (Performance & Conduct)(Amendment) Regulations 2012, The Police Appeals Tribunals Rules 2012, The Police (Complaints & Misconduct) Regulations 2012, The Police (Conduct) Regulations 2012

¹³⁸ Schedule 2 para 6(1)

¹³⁹ Schedule 2 para 6(2) (a) & (b)

¹⁴⁰ Schedule 2 paragraph 6(1) PRSRA

¹⁴¹ Schedule 2, paragraph 6(2)(a) and (3)

¹⁴² S11(2) Police Pensions Act 1976

¹⁴³ Schedule 15 Part 2 para 7(10)(c) PRSRA

1.10.7. **Retirement in the interests of the efficiency of the service of employees under the direction and control of the Chief Constable.**

In relation to police officers, the Chief Constable becomes the Pensions Authority and therefore has the power to retire officers in the interests of the efficiency of the service.¹⁴⁴

The retirement of a police staff member by reason of efficiency of the service would fall within the Chief Constable's power of dismissal.¹⁴⁵ However, the Chief Constable must comply with the relevant law including the Employment Rights Act 1996 and the Equality Act 2010.

1.10.8. **Secondments of police officers and police staff**

The Chief Constable may second her staff as she sees fit.¹⁴⁶

1.10.9. **Redundancy of Police Staff**

A redundancy is a dismissal. The staff are under her direction and control. The Chief Constable may make staff redundant but she must comply with the law including the Employment Rights Act 1996 and the Equality Act 2010. However, if she intends to make an enhanced redundancy payment this must be done in consultation with the PCC, Chief Executive and the two Chief Finance Officers.

1.10.10. **Police Officer and Police Staff visits to countries outside the United Kingdom in duty time**

The Chief Constable may approve police officer and police staff visits to countries outside the United Kingdom in duty time.¹⁴⁷

1.10.11. **Subject to compliance with the Finance & Contract Regulations, to enter into collaboration agreements including collaboration agreements with other Chief Constables, other policing bodies and partners that improve the efficiency or effectiveness of policing and with the agreement of their respective policing bodies**

¹⁴⁴ S11(2) Police Pensions Act 1976

¹⁴⁵ Schedule 15, Part 2, para 7(10)(c) PRSRA

¹⁴⁶ S2(3) PRSRA

¹⁴⁷ S2(3) PRSRA

PART C – FINANCIAL & CONTRACT REGULATIONS

CONTENTS	PAGE
Introduction	
Content	39
Definitions within the Regulations	39
Section 1 - Financial management	
1.1 Financial management	41
1.2 Financial management standards	47
1.3 Accounting records and returns	48
1.4 The annual statement of accounts	49
Section 2 – Financial planning	
2.1 Financial planning	50
2.2 Budgetary control	53
2.3 Capital Programme	55
2.4 Maintenance of balances and reserves	58
Section 3 – Management of risk and resources	
3.1 Risk management, insurance & business continuity	59
3.2 Internal control system	60
3.3 Audit requirements	61
3.4 Preventing fraud and corruption	65
3.5 Assets	68
3.6 Treasury management and banking arrangements	69
3.7 Voluntary Unofficial Funds	71
3.8 Administration of evidential and non-evidential property	72

3.9	Gift, loans and sponsorship	72
-----	-----------------------------	----

Section 4 – Systems and procedures

4.1	Introduction	73
4.2	Income	74
4.3	Ordering and paying for work, goods and services	76
4.4	Payments to employees	77
4.5	Taxation	78
4.6	Purchasing cards	79
4.7	Ex-gratia payments	79

Section 5 – Contract Regulations

5.1	Key Controls	79
5.2	Tendering procedures and thresholds	81
5.3	Selection criteria	82
5.4	Invitations to tender	82
5.5	Opening of tenders	83
5.6	Alterations	83
5.7	Evaluation of tenders	84
5.8	Post Tender Negotiation	84
5.9	Acceptance of tenders	84
5.10	Contracts – form; custody and use of common seal	85
5.11	Contracts Register	85
5.12	Contract - Contents	85
5.13	Contracts – compliance with standards	86
5.14	Contracts - Cancellation	86
5.15	Exceptional circumstances	86

5.16	Contract monitoring	86
5.17	Consultants	86
Section 6 - External arrangements		
6.1	Joint working arrangements	86
6.2	External funding	90
6.3	Work for external bodies	91
Section 7 – Summary of Delegated Financial Limits		
7.1	Revenue Virement	92
7.2	Capital Programme	92
7.3	Valuation of Assets	92
7.4	Inventories	92
7.5	Asset Disposal	93
7.6	Property Acquisition	93
7.7	Money Laundering	93
7.8	Gifts, Loans and Sponsorship	93
7.9	Income	93
7.10	Ex Gratia Payments	94
7.11	Tendering Procedures and Thresholds	94
7.12	Invitation to Tender	94
7.13	Acceptance of Tenders	94
7.14	Contracts – Form, Custody and Use of the Common Seal	95
7.15	Contracts Register	95
7.16	Contracts – Contents	95
7.17	Contract Monitoring	95

Content

1. The Financial Regulations are divided into a number of sections, each with detailed requirements relating to the section heading. References are made throughout the individual sections to delegated limits of authority. These are also summarised in Section 7.
 - Section 1 - Financial management
 - Section 2 - Financial planning
 - Section 3 - Management of risk and resources
 - Section 4 - Systems and procedures
 - Section 5 - External arrangements
 - Section 6 - Contract regulations
 - Section 7 - Summary of delegated financial limits

Definitions within the Regulations

2. For the purposes of these Regulations Northumbria Police, when used as a generic term, shall refer to:
 - The PCC
 - The Office of the PCC (OPCC)
 - The Force
3. The PCC's chief finance officer is formally designated as the Treasurer.
4. The Chief Constable's chief finance officer is the Chief Constable's Director of Finance. Where the context requires, and a relevant delegation exists, the term "Chief Constable" includes either the Chief Constable's Director of Finance or Assistant Chief Officer (Corporate Services) as the case may require.
5. The Chief Executive also fulfils the monitoring officer role.
6. The 'Force' shall refer to the Chief Constable, police officers, police staff, police community support officers (PCSO), special constabulary, volunteers and other members of the wider police family under her direction.
7. Chief Officers when referred to as a generic term shall mean the Chief Constable, Chief Executive, Treasurer and Chief Constable's Director of Finance.
8. 'Employees' when referred to as a generic term shall refer to police officers, police staff and other members of the wider police family.
9. The expression 'authorised officer' refers to employees authorised by a chief officer.

10. The expression 'contract' refers to any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods, services or building works made on behalf of the Commissioner, the Force or their affiliated bodies.
11. The expression 'best value for money' shall mean the most cost effective means of meeting the need and takes account of whole life costs.
12. Within these Regulations, most of the references have been made to the responsibilities of the Chief Constable since most of the day to day financial management is vested with that post. However, where resources are under the control of the Chief Executive or Treasurer, the duties, rights and powers as detailed for the Chief Constable shall apply equally to the Chief Executive or Treasurer.
13. The terms Chief Constable, Chief Executive and Treasurer include any member of staff, contractors or agents to whom particular responsibilities may be delegated. However, the level of such delegated responsibility must be evidenced clearly, made to an appropriate level, and the member of staff given sufficient authority, training and resources to undertake the duty in hand.
14. The Police and Crime Commissioner for Northumbria is referred to in these Regulations either as the 'Commissioner' or the 'PCC'.

1.1 Financial Management

The Police and Crime Commissioner (PCC)

- 1.1.1 The PCC has a statutory duty and electoral mandate to ensure an efficient and effective police service and to hold the police to account on behalf of the public. The PCC is the recipient of funding relating to policing and crime reduction, including government grant, council tax precept and other sources of income. Details of the local arrangements relating to income, such as that collected under section 25 of the Police Act 1996, should be set out in local schemes of consent. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, or in accordance with any grant terms. The statutory officers of the Chief Constable and the PCC will provide professional advice and recommendations.
- 1.1.2 The PCC shall appoint a Chief Finance Officer (the Treasurer) to be responsible for the proper administration of the Commissioner's financial affairs. She shall also appoint a Chief Executive.
- 1.1.3 The PCC is responsible for approving the policy framework and budget, monitoring financial outcomes and the approval of medium term financial plans in consultation with the Chief Constable. She is responsible for approving the overall framework of accountability and control, and monitoring compliance. In relation to these Financial Regulations this includes:
- Police and Crime Plan
 - Annual Revenue Budget
 - Capital Programme
 - Medium Term Financial Strategy
 - Treasury Management Policy Statement and Strategy, including the annual investment strategy
 - Estates Strategy
 - Fleet Strategy
 - ICT Strategy
 - Risk Management Strategy
 - Governance policies
- 1.1.4 The PCC is responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.
- 1.1.5 The PCC is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.

- 1.1.6 The PCC shall provide her Treasurer with appropriate resources to allow him to secure such staff, accommodation and other resources as are in her opinion necessary to allow her duties under this Section to be performed.
- 1.1.7 The PCC may appoint a Deputy PCC (DPCC) for their area and arrange for the DPCC to exercise any function of the PCC, subject to any statutory exceptions.

The Deputy Police and Crime Commissioner (DPCC)

- 1.1.8 Subject to the 2011 Act the DPCC may exercise any function conferred on him/her by the PCC.

The Chief Constable

- 1.1.9 The Chief Constable is responsible for maintaining the Queen's Peace and has direction and control over the Force's officers and staff. The Chief Constable holds office under the Crown, but is appointed by the PCC.
- 1.1.10 The Chief Constable is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the Force. At all times the Chief Constable, her constables and staff, remain operationally independent in the service of the public.
- 1.1.11 To help ensure the effective delivery of policing services and to enable the Chief Constable to have impartial direction and control of all constables and staff within their Force, the Chief Constable shall have day to day responsibility for financial management of the Force within the framework of the agreed budget allocation and levels of authorisation issued by the PCC.
- 1.1.12 The Chief Constable shall appoint a Chief Finance Officer (Chief Constable's Director of Finance) to be responsible for the proper administration of the Chief Constable's financial affairs. General administrative responsibilities shall be undertaken on behalf of the Chief Constable by the Assistant Chief Officer (Corporate Services)
- 1.1.13 The Chief Constable must ensure that the financial management of their allocated budget remains consistent with the objectives and conditions set by the PCC. The Chief Constable will discharge this through the Chief Constable's Director of Finance who will lead for the Force on financial management.
- 1.1.14 When the Chief Constable intends to make significant change of policy or seeks to move significant sums of their budget then the approval of the PCC shall be sought.

1.1.15 The Chief Constable is responsible for the day to day financial management of the Force within the framework of the budget, rules of virement and reporting arrangements. In operating day to day financial management, the Chief Constable shall comply with the approved policies and framework of accountability.

1.1.16 The Chief Constable shall prepare Financial Instructions to supplement the Financial Regulations and provide detailed instructions on the operation of the specific financial processes delegated to the employees of the PCC under the direction and control of the Chief Constable. The Chief Constable shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with.

The Joint Independent Audit Committee

1.1.17 The Home Office Financial Management Code of Practice states that the PCC and Chief Constable should establish an independent audit committee. This should be a combined body which will consider the internal and external audit reports of both the PCC and the Chief Constable. This committee will advise the PCC and the Chief Constable according to good governance principles and will adopt appropriate risk management arrangements in accordance with proper practices. In establishing the Joint Independent Audit Committee the PCC and Chief Constable shall have regard to CIPFA Guidance on Audit Committees.

1.1.18 The Joint Independent Audit Committee shall comprise between three to five members who are independent of the PCC and the Force.

1.1.19 The Joint Independent Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis.

1.1.20 The PCC and Chief Constable shall be represented at all meetings of the Joint Independent Audit Committee.

The Treasurer

1.1.21 The Treasurer is the PCC's Chief Finance Officer with responsibility for proper financial administration and a personal responsibility for the stewardship and safeguarding of public money and for demonstrating that high standards of probity exist.

1.1.22 The Treasurer's statutory responsibilities are set out in:

- paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011

- section 151 of the Local Government Finance Act 1972 (officer nominated to take responsibility for the proper administration of the financial affairs)
- section 114 of the Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
- the Accounts and Audit Regulations 2011

1.1.23 The Treasurer is the PCC's professional adviser on financial matters and shall be responsible for:

- (a) ensuring that the financial affairs of the PCC are properly administered and that financial regulations are observed and kept up to date;
- (b) ensuring regularity, propriety and Value for Money (VfM) in the use of public funds;
- (c) ensuring that the funding required to finance agreed programmes is available from Central Government, council tax precept, other contributions and recharges;
- (d) reporting to the PCC, the Police and Crime Panel and to the external auditor:
 - i. any unlawful, or potentially unlawful, expenditure by the PCC or officers of the PCC;
 - ii. when it appears that any expenditure is likely to exceed the resources available to it to meet that expenditure;
- (e) advising the PCC on the robustness of the estimates and the adequacy of financial reserves;
- (f) preparing the annual statement of accounts, in conjunction with the Chief Constable's Director of Finance
- (g) ensuring the provision of an effective internal audit service, in conjunction with the Chief Constable's Director of Finance;
- (h) securing the treasury management function, including loans and investments;
- (i) advising, in consultation with the Chief Executive on the safeguarding of assets, including risk management and insurance
- (j) planning the overall annual revenue and capital budgets, which will include a separate Force budget, and prudential indicators
- (k) arranging for the determination and issue of the precept
- (l) liaising with the external auditor; and
- (m) advising the PCC on the application of value for money principles by the Force to support the PCC in holding the Chief Constable to account for efficient and effective financial management.

1.1.24 The Treasurer, in consultation with the Chief Executive, Chief Constable's Director of Finance and/or Chief Constable as appropriate, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of Northumbria Police.

1.1.25 The Treasurer has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the PCC on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the PCC's accounts, including group accounts.

1.1.26 The Treasurer is the PCCs professional adviser on financial matters. To enable them to fulfil these duties and to ensure the PCC is provided with adequate financial advice the Treasurer:

- (a) must be a key member of the PCC's Leadership Team, working closely with the Chief Executive, helping the team to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest;
- (b) must be actively involved in, and able to bring influence to bear on, all strategic business decisions of the PCC, to ensure that the financial aspects of immediate and longer term implications, opportunities and risks are fully considered, and alignment with the PCC's financial strategy;
- (c) must lead the promotion and delivery by the PCC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
- (d) must ensure that the finance function is resourced to be fit for purpose.

The Chief Constable's Director of Finance

1.1.27 The Chief Constable's Director of Finance is the Chief Constable's Chief Finance Officer with responsibility for proper financial administration and a personal responsibility for the stewardship and safeguarding of public money and for demonstrating that high standards of probity exist.

1.1.28 The Chief Constable's Director of Finance is responsible to the Chief Constable for all financial activities within the Force or contracted out under the supervision of the Force.

1.1.29 The Chief Constable's Director of Finance's responsibilities are set out in:

- (a) Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform and Social Responsibility Act 2011

- (b) Section 151 of the Local Government Finance Act 1972 (officer nominated to take responsibility for the proper administration of the financial affairs)
- (c) Section 114 of the Local Government Finance Act 1988 (formal powers to safeguard lawfulness and propriety in expenditure)
- (d) The Accounts and Audit Regulations 2011

1.1.30 The Chief Constable's Director of Finance is the Chief Constable's professional adviser on financial matters and shall be responsible for:

- (a) ensuring that the financial affairs of the Force are properly administered and that these financial regulations are observed and kept up to date;
- (b) Reporting to the Chief Constable, the PCC, the Treasurer and the external auditor:
 - i. any unlawful, or potentially unlawful, expenditure by the Chief Constable or officers of the Chief Constable;
 - ii. when it appears that any expenditure of the Chief Constable is likely to exceed the resources available to meet that expenditure
- (c) advising the Chief Constable on value for money in relation to all aspects of the Force's expenditure;
- (d) advising the Chief Constable and the PCC on the soundness of the budget in relation to the Force;
- (e) liaising with the external auditor;
- (f) working with the Treasurer's staff to produce the statement of accounts for the Chief Constable and to assist in the production of group accounts.

1.1.31 The Chief Constable's Director of Finance has certain statutory duties which cannot be delegated, namely, reporting any potentially unlawful decisions by the Force on expenditure and preparing each year, in accordance with proper practices in relation to accounts, a statement of the Chief Constable's accounts. The Chief Constable's Director of Finance will need to observe the locally agreed timetable for the compilation of the group accounts by the Treasurer.

1.1.32 The Chief Constable's Director of Finance is the Chief Constable's professional adviser on financial matters. To enable him/her to fulfil these duties the Chief Constable's Director of Finance:

- (a) must be a key member of the Chief Constable's Management Team, helping it to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest;
- (b) must be actively involved in, and able to bring influence to bear on, all strategic business decisions of the Chief Constable to ensure immediate and longer term implications, opportunities and risks are fully considered;

- (c) must lead the promotion and delivery by the Chief Constable of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and
- (d) must ensure that the finance function is resourced to be fit for purpose.

1.1.33 It must be recognised that Financial Regulations cannot foresee every eventuality. The Chief Constable's Director of Finance, in consultation with the Treasurer, shall be responsible for interpreting these regulations so as to ensure the efficient and effective operation of services.

The Chief Executive

1.1.34 The Chief Executive is responsible for the leadership and general administration of the PCC's office

1.1.35 The Chief Executive is also the PCC's designated monitoring officer, appointed under section 5(1) of the Local Government and Housing Act 1989.

1.1.36 The monitoring officer is responsible for:

- (a) ensuring the legality of the actions of the PCC and her officers;
- (b) ensuring that procedures for recording and reporting key decisions are operating effectively;
- (c) advising the PCC and officers about who has authority to take a particular decision;
- (d) advising the PCC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework; and
- (e) advising the PCC on matters relating to standards of conduct.

1.2 Financial Management Standards

Responsibilities of the Treasurer and Chief Constable's Director of Finance

1.2.1 To ensure the proper administration of the financial affairs of the OPCC and the Force.

1.2.2 To ensure that proper practices are adhered to.

1.2.3 To advise on the key strategic controls necessary to secure sound financial management.

- 1.2.4 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.
- 1.2.5 To ensure that all staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
- 1.2.6 To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.

1.3 Accounting Records and Returns

Responsibilities of the Treasurer and Chief Constable's Director of Finance

- 1.3.1 To determine the accounting procedures and records in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures employed by the PCC and the Chief Constable. All employees shall operate within the required accounting policies and published timetables.
- 1.3.2 To make proper arrangements for the audit of the PCC's and the Force's accounts in accordance with the Accounts and Audit Regulations 2011.
- 1.3.3 To prepare and publish the audited accounts in accordance with the statutory timetable.
- 1.3.4 To ensure that all claims for funds including grants are made by the due date.
- 1.3.5 To ensure that bank reconciliations and other key control accounts are reconciled on a timely and accurate basis.
- 1.3.6 To ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.
- 1.3.7 To maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements.
- 1.3.8 To ensure that prime documents are retained in accordance with legislative and internal requirements. The format of such documents shall satisfy the requirements of internal and external audit. A detailed schedule of requirements shall be provided and made available to all appropriate officers.

Responsibilities of the Chief Constable's Director of Finance

- 1.3.9 To obtain the approval of the Treasurer before making any fundamental changes to accounting records and procedures or accounting systems

1.4 The Annual Statement of Accounts

Responsibilities of the Treasurer

- 1.4.1 To draw up the timetable for final accounts preparation, in consultation with the Chief Constable's Director of Finance and external auditor.
- 1.4.2 To select suitable accounting policies and apply them consistently.
- 1.4.3 To make judgements and estimates that are reasonable and prudent.
- 1.4.4 To comply with the Code of Practice on Local Authority Accounting.
- 1.4.5 To prepare, sign and date the statement of accounts of the OPCC, and the Group Accounts stating that it presents a true and fair view of the financial position at the accounting date and its income and expenditure for the financial year just ended.
- 1.4.6 To publish the approved and audited accounts each year, in accordance with the statutory timetable.
- 1.4.7 To produce summary accounts for publication on the website.

Responsibilities of the Chief Constable's Director of Finance

- 1.4.8 To comply with accounting guidance provided by the Treasurer and supply him / her with appropriate information upon request within the agreed timescale.
- 1.4.9 To make judgements and estimates that are reasonable and prudent.
- 1.4.10 To comply with the Code of Practice on Local Authority Accounting.
- 1.4.11 To prepare, sign and date the statement of accounts of the Force, stating that it presents a true and fair view of the financial position at the accounting date and its income and expenditure for the financial year just ended.

Responsibilities of the PCC

- 1.4.12 To consider and approve the annual accounts in accordance with the statutory timetable.

2.1 Financial Planning

Medium Term Financial Planning

- 2.1.1 The PCC and Chief Constable share a responsibility to provide effective financial and budget planning. They achieve this by preparing a medium term (3 years) financial strategy (MTFS), taking into account the revenue forecast and capital programme.

Responsibilities of the PCC

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

Responsibilities of the Treasurer

- 2.1.3 To determine the format and timing of the medium term financial plans to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.
- 2.1.4 To prepare a medium term forecast of proposed income and expenditure for submission to the PCC. When preparing the forecast, the Treasurer shall have regard to:
- (a) the Police and Crime Plan;
 - (b) policy requirements approved by the PCC as part of the policy framework;
 - (c) the Strategic Policing Requirement;
 - (d) unavoidable future commitments, including legislative requirements;
 - (e) initiatives already underway;
 - (f) revenue implications of the draft capital programme;
 - (g) propose service developments and plans which reflect public consultation;
 - (h) the need to deliver efficiency and/or productivity savings;
 - (i) government grant allocations; and
 - (j) potential implications for local taxpayers.

- 2.1.5 The Treasurer shall prepare a medium term forecast of potential resources, including options for the use of general balances, reserves and provisions, and an assumption about future levels of government funding.
- 2.1.6 A gap may be identified between available resources and required resources. Requirements shall be prioritised by the Chief Constable and will enable the PCC to make informed judgements as to future funding levels and planning the use of resources.

Joint Responsibilities of the Chief Constable and Chief Constable's Director of Finance

- 2.1.7 To prepare a Medium Term Financial Forecast for submission to the Treasurer in accordance with the agreed timetable for producing the Medium Term Financial Strategy for submission to the Commissioner. When preparing the forecast, the Chief Constable shall have regard to:
- (a) The Police and Crime Plan;
 - (b) Policy requirements approved by the Commissioner as part of the policy framework;
 - (c) The Strategic Policing Requirement;
 - (d) Unavoidable future commitments including legislative requirements;
 - (e) Initiatives already underway;
 - (f) Revenue implications of the draft capital programme;
 - (g) Proposed service developments and plans which reflect public consultation; and
 - (h) The need to deliver efficiency and / or productivity savings.
- 2.1.8 The Forecast should include prioritisation of spending requirements to enable the Commissioner to make informed judgements as to future funding levels and planning the use of resources.

Annual Revenue Budget

- 2.1.9 The revenue budget provides an estimate of the annual income and expenditure requirements and sets out the financial implications of the PCC's strategic policies. It provides Chief Officers with authority to incur expenditure and a basis on which to monitor the financial performance of both the OPCC and the Force.

- 2.1.10 The PCC shall consult with the Chief Constable and other relevant partners and stakeholders in planning the overall annual budget which will include a separate Force budget. This will take into consideration funding from government and from other sources, and balance the expenditure needs of the policing service against the level of local taxation. This shall meet the statutory requirements to achieve a balanced budget and be completed in accordance with the statutory timeframe.
- 2.1.11 The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Plan and the medium term financial strategy shall be clearly identified.

Responsibilities of the PCC

- 2.1.12 To agree the planning timetable with the Chief Constable.
- 2.1.13 To obtain the views of the local community on the proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates.
- 2.1.14 To present the proposed budget and council tax recommendations to the Police and Crime Panel for approval in accordance with the statutory timetable.
- 2.1.15 To approve and publish the budget and council tax precept.

Responsibilities of the Treasurer

- 2.1.16 To determine the format of the revenue budget to be presented to the PCC. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.
- 2.1.17 To obtain timely and accurate information from billing authorities on the council tax base and the latest surplus/deficit position on collection funds to inform budget deliberations.
- 2.1.18 To prepare detailed budget estimates in relation to the OPCC for the forthcoming financial year.
- 2.1.19 To advise the PCC on the appropriate level of general balances, earmarked reserves or provisions to be held.
- 2.1.20 To calculate a draft council tax precept for approval by the Commissioner.
- 2.1.21 To submit a report to the PCC on:
 - (a) the robustness of the estimates and the adequacy of reserves and

(b) the suite of prudential indicators for the next three years, arising from the Prudential Code for Capital Finance in Local Authorities.

These indicators shall be consistent with the annual revenue budget and capital programme approved by the PCC.

2.1.22 Upon approval of the annual budget, to submit the council tax requirement return to central government and precept requests to appropriate bodies in accordance with the legal requirement.

2.1.23 To produce and issue to the billing authorities, in accordance with statutory requirements, the council tax information leaflet.

Joint Responsibilities of the Chief Constable and Chief Constable's Director of Finance

2.1.24 To prepare detailed budget estimates for the Force for the forthcoming financial year in accordance with the timetable agreed with the Treasurer.

2.1.25 To submit estimates in the agreed format to the Treasurer for approval by the PCC.

2.2 Budgetary Control

Joint Responsibilities of the Chief Constable and Chief Constable's Director of Finance

2.2.1 To provide appropriate financial information to enable budgets to be monitored effectively.

2.2.2 To ensure that each element of income or expenditure in the Force budget has a nominated budget manager to take responsibility for that part of the budget. Budget responsibility shall be aligned as closely as possible to the decision making process that commits expenditure.

2.2.3 To ensure that total spending for operational policing remains within the overall allocation of resources and takes corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the Chief Constable, both the Treasurer and PCC shall be alerted immediately and proposals for remedy shall be put forward as part of the regular reporting process to the PCC.

2.2.4 To submit a budget monitoring report to the PCC on a regular basis throughout the year, containing the most recently available financial information. The reports shall be in a format and of a frequency agreed with the PCC and Treasurer.

Responsibilities of the Chief Executive and Treasurer

- 2.2.5 To provide appropriate financial information to enable budgets to be monitored effectively.
- 2.2.6 To ensure that each element of income or expenditure in the OPCC budget has a nominated budget manager to take responsibility for that part of the budget. Budget responsibility shall be aligned as closely as possible to the decision making process that commits expenditure.
- 2.2.7 To ensure that total spending for the OPCC remains within the overall allocation of resources and takes corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the Chief Executive, both the Treasurer and PCC shall be alerted immediately and proposals for remedy shall be put forward as part of the regular reporting process to the PCC.
- 2.2.8 To submit a budget monitoring report to the PCC on a regular basis throughout the year, containing the most recently available financial information. The reports shall be in a format and of a frequency agreed with the PCC and Treasurer.

Responsibilities of the Chief Constable and Treasurer

- 2.2.9 To submit a budget monitoring report, containing the most recently available financial information to the PCC showing spending to date and comparisons of projected outturn with the latest approved budget

Responsibility of the Treasurer

- 2.2.10 To co-ordinate a joint budget monitoring report for presentation to the Police and Crime Panel, as necessary, containing the most recently available financial information.

Revenue Virement

Responsibilities of the Treasurer and Chief Constable's Director of Finance

- 2.2.11 To have powers to exercise virement under the main budget heads up the limit set out in Section 7 of the Regulations in any one case provided that:
 - (a) there are no revenue implications in future years or any financial implications of a capital nature; and
 - (b) there has been no direction to the contrary given by the PCC.
 - (c) a record of all virements is maintained

- 2.2.12 To have the power to approve any virement where the additional costs are fully reimbursed by other bodies.

Treatment of Devolved Budget Year End Balances

Responsibilities of the Chief Constable's Director of Finance

- 2.2.13 To ensure that Devolved Budget Managers report any overspend on their budgets in any financial year.
- 2.2.14 To consider reducing devolved budgets for the following financial year where overspending has occurred or is expected to occur.
- 2.2.15 To consider requests from Devolved Budget Managers who identify planned underspends in any financial year for budget provision to be carried forward to the following financial year, in accordance with the approved scheme for that purpose.

Responsibilities of the PCC

- 2.2.16 To take account of the arrangements for carrying forward underspends when considering the level of reserves and balances as part of the development of the financial strategy.

2.3 Capital Programme

Responsibilities of the Chief Executive

- 2.3.1 To develop and implement the approved Estates Strategy.

Responsibilities of the Chief Constable

- 2.3.2 To develop and implement the approved ICT and Fleet Management strategies.

Responsibilities of the Treasurer and Chief Constable

- 2.3.3 To prepare a financial strategy for consideration and approval by the PCC.

Responsibilities of the Treasurer

- 2.3.4 To prepare a Medium Term Financial Strategy for consideration and approval by the Commissioner including all financial implications of the Estates Strategy and other strategies involving proposals for significant investment in capital assets.
- 2.3.5 To prepare a three-year capital programme for consideration and approval by the Commissioner.

Capital Programme

Responsibilities of the Chief Constable and Chief Executive

- 2.3.6 To prepare a rolling programme of proposed capital expenditure for consideration by the PCC. Each scheme shall identify the total capital cost of the project and any additional revenue commitments.
- 2.3.7 To prepare project appraisals for schemes in the draft medium term year capital programme which shall be submitted to the Treasurer and PCC for consideration and scheme approval. This will include all additional revenue and capital costs.
- 2.3.8 Each capital scheme shall have a named officer responsible for sponsoring the scheme, monitoring progress, incurring expenditure and ensuring completion of the scheme.
- 2.3.9 To identify, in consultation with the Treasurer, available sources of funding for the capital programme, including the identification of potential capital receipts from disposal of property.
- 2.3.10 A gap may be identified between available resources and required capital investment. Requirements shall be prioritised by the Chief Constable to enable the PCC to make informed judgements as to which schemes shall be included in the capital programme and on advice from the Treasurer, the minimum level of funding required for each scheme and the potential phasing of capital expenditure.
- 2.3.11 All schemes within the capital programme shall incorporate an estimate of future price inflation.
- 2.3.12 Approval of the annual capital programme by the PCC in February each year authorises the Chief Executive and Chief Constable to seek planning permissions, incur professional fees and preliminary expenses as appropriate, to incur expenditure on schemes providing the project appraisal has been approved and expenditure on the scheme does not exceed the sum contained in the approved programme in accordance with limits set out in Section 7 of the Regulations.
- 2.3.13 To prepare a business case for all new capital schemes not included in the agreed programme for submission to the PCC for consultation and approval. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.

Responsibilities of the Treasurer

2.3.14 To prepare and report the proposed capital programme to the Commissioner and make recommendations to him / her on the most appropriate levels of revenue support, self financing and borrowing, under the Prudential Code, to support the capital programme.

Responsibilities of the PCC

2.3.15 To agree the Annual Capital Programme, and how it is to be financed.

Monitoring of Capital Expenditure

Responsibilities of the Chief Constable and Chief Executive

2.3.16 To ensure that adequate records are maintained for all capital contracts.

2.3.17 To monitor expenditure throughout the year against the approved programme.

2.3.18 To ensure the total spending remains within the overall agreed capital allocation and take corrective action where significant variations from the approved budget are forecast. Where total projected expenditure exceeds the total agreed allocation of resources, proposals for remedy shall be put forward as part of the regular reporting process to the PCC.

2.3.19 To submit capital monitoring reports to the Treasurer on a regular basis throughout the year. These reports are to be based on the most recently available financial information. The monitoring reports will show spending to date and compare projected income and expenditure with the approved programme.

Responsibilities of the Treasurer

2.3.20 To submit a capital monitoring report quarterly to the PCC, following consultation with the Chief Constable's Director of Finance and Chief Executive, recommending revised estimates where appropriate.

2.3.21 To submit a report to the PCC on the outturn of capital expenditure as part of the annual report on the statutory accounts.

2.3.22 To co-ordinate a joint budget monitoring report for presentation to the Police and Crime Panel, as directed by the Commissioner, containing the most recently available financial information.

2.4 Maintenance of Balances and Reserves

Responsibilities of the Treasurer

- 2.4.1 To advise the PCC on reasonable levels of balances and reserves following consultation with the Chief Constable's Director of Finance.
- 2.4.2 To draft a Reserves Policy for consideration by the PCC including lower and upper parameters for the level of general balances.
- 2.4.3 To provide a statement to the PCC on the adequacy of reserves and balances before he / she approves the annual budget and council tax precept.
- 2.4.4 To approve appropriations to and from each earmarked reserve consistent with the agreed Reserves Policy. These will be separately identified in the Annual Statement of Accounts.

Responsibilities of the Chief Constable

- 2.4.5 To ensure that the annual revenue budget is sufficient to finance foreseeable operational needs without having to request additional approval.
- 2.4.6 To manage the Devolved Budget Reserve consistent with the agreed Reserves Policy.
- 2.4.7 To present a business case to the Treasurer and PCC for one-off expenditure items to be funded from earmarked and/or general reserves.

Responsibilities of the Chief Constable's Director of Finance

- 2.4.8 To advise the Treasurer on reasonable levels of Devolved balances and reserves following consultation with the Chief Constable.
- 2.4.9 To draft a Delegated Reserves Policy for consideration by the Treasurer including lower and upper parameters for the level of balances.
- 2.4.10 To approve appropriations to and from the Devolved Budget Reserve consistent with the agreed Reserves Policy. These will be separately identified in the Annual Statement of Accounts.

Responsibilities of the PCC

- 2.4.11 To approve a policy on reserves and balances, including lower and upper parameters for the level of general balances.

2.4.12 To approve the creation of each earmarked reserve. The purpose, usage and basis of transactions shall be clearly identified for each reserve established.

2.4.13 To approve the allocation of monies to and from general and earmarked reserves, as part of the annual budget setting process.

3.1 Risk Management, Insurance and Business Continuity

Joint Responsibilities of the PCC and Chief Constable

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

Responsibilities of Chief Officers

3.1.2 To prepare the risk management policy statement and for promoting a culture of risk management awareness throughout the OPCC and the Force and reviewing risk as an ongoing process.

3.1.3 To implement procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process shall be formalised and conducted on a continuing basis.

3.1.4 To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis.

Responsibilities of the Treasurer

3.1.5 The Treasurer, in consultation with the Chief Executive will be responsible for advising the PCC on insurance and risk management and will effect all insurance cover on terms to be agreed by the PCC and negotiate all claims in consultation with the Chief Constable's Director of Finance and technical officers as required.

3.1.6 All employees of the PCC will be included in a suitable fidelity guarantee insurance.

Responsibilities of the Chief Constable's Director of Finance

3.1.7 The Chief Constable's Director of Finance must notify the Treasurer of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing risks or insurances.

- 3.1.8 The Chief Constable's Director of Finance must immediately notify the Treasurer in writing of any loss, liability or damage or of any event likely to lead to a claim. All monies due and received from insurers must be paid to the Treasurer.
- 3.1.9 The Chief Constable's Director of Finance must consult the Treasurer and Chief Executive on the terms of any indemnity which the PCC is requested to give.
- 3.1.10 To make all appropriate employees aware of their responsibilities for managing relevant risks.
- 3.1.11 To ensure that employees, or anyone covered by the PCC's insurance, is instructed not to admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.
- 3.1.12 To ensure that a comprehensive risk register for the Force is produced and updated regularly, and that corrective action is taken at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk.

Responsibilities of the Chief Executive

- 3.1.13 To evaluate and authorise any terms of indemnity that is requested by external parties.

3.2 Internal Control System

Responsibilities of Chief Officers

- 3.2.1 To implement effective systems of internal control, in accordance with advice from the Chief Executive and Chief Constable's Director of Finance. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.
- 3.2.2 To ensure that effective key controls are operating in managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance information and taking appropriate anticipatory and remedial action where necessary. The key objective of these control systems is to define roles and responsibilities.
- 3.2.3 To ensure that effective key controls are operating in financial and operational systems and procedures. This includes physical safeguard of assets, segregation of duties, authorisation and approval procedures and robust information systems.

Responsibilities of the Chief Executive and Chief Constable

3.2.4 To arrange for the production of Annual Governance Statements for consideration and approval by the Independent Audit Committee. Following approval;

- The Chief Constable's Annual Governance Statement will be signed by the Chief Constable and Chief Constable's Director of Finance; and
- The PCC's by the Commissioner and the Chief Executive.

3.2.5 The PCC will place reliance on the governance processes within the Force, as reflected in the Chief Constable's Annual Governance Statement which is published alongside the accounts of the Chief Constable.

3.2.6 The Police and Crime Commissioner's Annual Governance Statement is published alongside the Group Accounts.

3.3 Audit Requirements

Internal Audit

Responsibilities of the Joint Independent Audit Committee

3.3.1 To approve the terms of reference within which internal audit operates. In terms of internal audit the terms will include the following key activities and responsibilities:

- (a) advising the PCC and Chief Constable on the appropriate arrangements for internal audit and approving the Internal Audit Strategy.
- (b) approving (but not directing) the internal audit annual programme.
- (c) approving the Annual Governance Statements for the PCC and the Chief Constable.
- (d) overseeing and giving assurance to the PCC and Chief Constable on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk.
- (e) considering Internal Audit's Annual Report and annual opinion on the internal control environment for the OPCC and the Force; seeking assurance that appropriate action is taken to address any areas for improvement.
- (f) reviewing and monitoring the effectiveness of policies on fraud, irregularity and corruption.

3.3.2 To approve the Internal Audit Plan and Charter, which sets out:

- (a) internal audit objectives and outcomes;
- (b) how the work of Internal Audit will form and evidence an opinion on the control environment to support the Annual Governance Statement;
- (c) how Internal Audit's work will identify and address significant local and national issues and risks;
- (d) how the service will be provided, i.e. internally, externally, or a mix of the two; and what resources and skills are required for the delivery of the strategy; and
- (e) the resources and skills required to deliver the plan.

Responsibilities of the PCC and Chief Constable

3.3.3 To ensure the provision of an independent impartial adequate and effective internal audit service.

Responsibilities of the PCC, Chief Constable, Treasurer and Chief Constable's Director of Finance

3.3.4 To ensure that internal auditors, having been security cleared, have the authority to:

- (a) access OPCC and the Force premises at reasonable times;
- (b) access all assets, records, documents, correspondence, control systems and appropriate personnel, subject to appropriate security clearance;
- (c) receive any information and explanation considered necessary concerning any matter under consideration;
- (d) require any employee to account for cash, stores or any other OPCC or the Force asset under their control; and
- (e) access records belonging to contractors, when required. This shall be achieved by including an appropriate clause in all contracts.

3.3.5 Internal audit shall have direct access to all Chief Officers and employees, where necessary.

Responsibilities of the Treasurer

3.3.6 To ensure the delivery of an effective internal audit service, operating in compliance with UK Public Sector Internal Audit Standards and specifically providing:

- a) The preparation of an internal audit plan developed in consultation with the PCC, Chief Constable and Chief Constable's Director of Finance;
- b) Quarterly progress reports against the plan, matters arising from internal audits and the extent to which agreed actions in response to issues raised in the audit reports have been implemented; and
- c) An independent annual report and opinion on the effectiveness of the internal control environment within the OPCC and the Force.

3.3.7 To notify the Chief Executive immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of police property or resources. Pending investigation and reporting, all necessary steps shall be taken to prevent further loss and to secure records and documentation against removal or alteration. Investigation of internal financial irregularities shall be carried out by Internal Audit. At the conclusion of the investigation Internal Audit shall review the case to identify any internal control weaknesses that allowed the financial irregularity to happen and shall make recommendations to ensure that the risk of recurrence is minimised.

Responsibilities of Chief Officers

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

Responsibilities of the Chief Constable's Director of Finance

3.3.9 To ensure that new systems for maintaining financial records or records of assets, or significant changes to existing systems, are discussed with and agreed by the Treasurer and Internal Audit prior to implementation.

3.3.10 To notify the Treasurer immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources. Pending investigation and reporting, all necessary steps shall be taken to prevent further loss and to secure records and documentation against removal or alteration. Investigation of internal financial irregularities shall be carried out by the relevant Force staff, who shall consult with the Treasurer as appropriate and keep him informed of progress. At the conclusion of the investigation the Treasurer shall review the case to identify any internal control weaknesses that allowed the financial irregularity to happen and shall make recommendations to ensure that the risk of recurrence is minimised. The operation of this Regulation shall be in accordance with the agreed protocol between the Head of Professional Standards (or equivalent officer), the Chief Constable's Director of Finance and the Treasurer.

External Audit

Responsibilities of the Joint Independent Audit Committee

- 3.3.11 To approve the annual work plan and fee.
- 3.3.12 To receive and respond to the External Audit Annual Governance Reports.
- 3.3.13 To receive the annual audit letter.
- 3.3.14 To receive scheduled External Audit updates and progress reports.

Responsibilities of the Treasurer and Chief Constable's Director of Finance

- 3.3.15 To liaise with the external auditor and advise the PCC and Chief Constable on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit.
- 3.3.16 To provide the Home Office with a copy of the annual audit letter

Responsibilities of the Chief Constable, Chief Executive, Treasurer and Chief Constable's Director of Finance

- 3.3.17 To ensure that for the purposes of their work the external auditors are given the access to which they are statutorily entitled in relation to premises, assets, records, documents, correspondence, control systems and personnel, subject to appropriate security clearance.
- 3.3.18 To respond to draft action plans and to ensure that agreed recommendations are implemented in a timely manner.

3.4 Preventing Fraud and Corruption

Joint Responsibilities of the PCC and Chief Constable

- 3.4.1 To maintain an effective anti-fraud and anti-corruption policy.
- 3.4.2 To ensure that adequate and effective internal control arrangements are in place.
- 3.4.3 To maintain a policy for the registering of interests and the receipt of hospitality and gifts covering both the PCC, Chief Constable and all employees. A register of interests and a register of hospitality and gifts received by or given in a form to be agreed by the Commissioner shall be maintained for the PCC, the Chief Constable, Chief Officers and all employees.
- 3.4.4 To adopt and adhere to a whistle blowing policy to provide a facility that enables employees, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. Procedures shall ensure that allegations are investigated robustly as to their validity, that they are not malicious and that appropriate action is taken to address any concerns identified. The PCC and Chief Constable shall ensure that all employees are aware of any approved whistle blowing policy.
- 3.4.5 To implement and maintain a clear internal financial control framework setting out the approved financial systems to be followed by all members and employees.

Joint Responsibilities of the Chief Executive, Treasurer and Chief Constable's Director of Finance

- 3.4.6 To prepare an effective anti-fraud and anti-corruption policy for approval by the Commissioner and Chief Constable.
- 3.4.7 To arrange for any suspected incidents of fraud or corruption to be reported in line with the protocol agreed between the Chief Constable's Head of Professional Standards (or equivalent officer), the Treasurer and the Chief Constable's Director of Finance and for these to be unrestricted in lines with the agreed anti-fraud and anti-corruption policy.

3.5 Assets

Security

Responsibilities of the Chief Constable

3.5.1 To be responsible for the day to day management of the property function and to ensure that:

- (a) records of assets are maintained to provide information about fixed assets so that they are safeguarded, used efficiently and effectively and adequately maintained in accordance with statutory and management requirements.
- (b) assets and records of assets are properly maintained and securely held and that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.
- (c) lessees and other prospective occupiers of the PCC's land are not allowed to take possession or enter the land until the Chief Executive has confirmed that a lease or agreement has been established as appropriate.
- (d) no asset is subject to personal use by an employee without proper authority.
- (e) valuable and portable items such as computers, cameras and video recorders are identified with security markings as belonging to the OPCC or the Force.
- (f) all employees are aware of their responsibilities with regard to safeguarding assets and information, including the requirements of the Data Protection Act and software copyright legislation.
- (g) assets no longer required are disposed of in accordance with the law and these Financial Regulations.
- (h) all employees are aware of their responsibilities with regard to safeguarding the security of the OPCC and the Force ICT systems, including maintaining restricted access to the information held on them and compliance with the information and security policies.

Responsibilities of the Chief Executive

3.5.2 To be responsible for the overall management of the property function and to ensure that:

- (a) records of all property held are maintained to provide information about their condition and so that they are valued in accordance with statutory requirements.
- (b) title deeds to the Commissioner's property are held securely.
- (c) draw up leases and licences for Commissioner's property are prepared.
- (d) no asset is subject to personal use by an employee without proper authority.

- (e) all employees are aware of their responsibilities with regard to safeguarding assets and information, including the requirements of the Data Protection Act and the Freedom of Information Act.
- (f) property no longer required is disposed of in accordance with the law and these Financial Regulations.

Valuation

Responsibilities of the Treasurer

- 3.5.3 To maintain an asset register for all fixed assets with a value in excess of the limits shown in Section 7 of the Regulations. Assets are to be recorded when they are acquired. Assets shall remain on the asset register until disposal.

Responsibilities of the Chief Executive

- 3.5.4 Assets are to be valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and the requirements specified by the Treasurer.

Inventories

Responsibilities of the Chief Constable

- 3.5.5 To ensure that inventories are maintained for the Force in a format approved by the Treasurer and Chief Constable's Director of Finance that record an adequate description of items with a value in accordance with limits set out in Section 7 of the Regulations. Other items of equipment shall also be recorded if they are deemed to be both valuable, desirable and portable (e.g. laptops).

Responsibilities of the PCC

- 3.5.6 To ensure that inventories are maintained for the PCCs office in a format approved by the Treasurer that record an adequate description of items with a value in excess of the amount shown in Section 7. Other items of equipment should also be recorded if they are deemed to be both desirable and portable.

Stocks and Stores

Responsibilities of the Chief Constable

- 3.5.7 To make arrangements for the care, custody and control of the stocks and stores of the Force and to maintain detailed stores accounts in a form approved by the Treasurer.

Responsibilities of the Chief Constable's Director of Finance

- 3.5.8 To arrange for periodical test checks of stocks by persons other than the storekeepers and must ensure that all stacks are checked at least once a year.
- 3.5.9 To certify any discrepancies at stock taking and retain a record for inspection by the Treasurer.
- 3.5.10 Stores, equipment, vehicles or materials found to be obsolete or in excess of requirements must be disposed of by competitive tender except when, in the opinion of the Chief Constable's Director of Finance, the financial interest of the PCC is served by disposal by other means. The disposal must be authorised in writing by the Chief Constable's Director of Finance and records of all disposals and proceeds of sales must be retained for inspection by the Treasurer.

Intellectual Property

Responsibilities of the Chief Constable

- 3.5.11 To ensure that employees are aware of these procedures.

Responsibilities of the Chief Executive

- 3.5.12 To prepare guidance on intellectual property procedures and ensuring that employees are aware of these procedures.

Joint Responsibilities of the Chief Constable and Commissioner

- 3.5.13 To approve the intellectual property policy.

Asset Disposal

Responsibilities of the Chief Constable's Director of Finance

- 3.5.14 To dispose of vehicles and items of equipment up to the estimated value shown in Section 7 at the appropriate time and at the most advantageous price. Where this is not the most economically advantageous offer, the Chief Constable's Director of Finance shall consult with the Treasurer.
- 3.5.15 To dispose of items above the value in Section 7 by public auction or sealed bids after advertisement except when in the reasonable opinion of the Chief Constable's Director of Finance the financial interests of the PCC in obtaining best value require disposal by alternative means. Where this is not the most economically advantageous offer, the Chief Constable's Director of Finance shall consult with the Treasurer.

- 3.5.16 To record all asset disposals in the asset register or inventory as appropriate, including details of approvals of all disposals.
- 3.5.17 To ensure that income received for the disposal of an asset is properly banked and accounted for.

Responsibilities of the Chief Executive

- 3.5.18 To dispose of surplus land and buildings up to the estimated value shown in Section 7 at the appropriate time and at the most advantageous price by public auction or sealed bids after advertisement, to be reported retrospectively to the PCC. Where this is not the most economically advantageous offer, the Treasurer shall be consulted.
- 3.5.19 To ensure that income received for the disposal of an asset is properly banked and accounted for.

Responsibilities of the Treasurer

- 3.5.20 To ensure that appropriate accounting entries are made to remove the value of disposed assets from records and to include the sale proceeds if appropriate.

Acquisitions

Responsibilities of the Chief Executive

- 3.5.21 To acquire freeholds and leaseholds below the limit set in Section 7, which are included in the Strategy outlined for the year and for which budgetary provision exists, to be reported retrospectively to the PCC.

3.6 Treasury Management and Banking Arrangements

Treasury Management

Responsibilities of the PCC

- 3.6.1 To approve the annual Treasury Management Strategy Policy including the annual investment strategy and Minimum Revenue Provision Policy ("MRP Policy).
- 3.6.2 To receive and approve an annual report on Treasury Management and as a minimum a mid year report on borrowing and investment activity.

Responsibilities of the Treasurer

- 3.6.3 To adopt the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code).
- 3.6.4 To advise the PCC on all matters related to Treasury Management.
- 3.6.5 To produce each year a Treasury Management Strategy Policy including the annual investment strategy and MRP Policy setting out a strategy and relevant principles for approval by the Commissioner.
- 3.6.6 To undertake all Treasury Management activities including investment and borrowing in compliance with the CIPFA Code and the PCC's policy.
- 3.6.7 To report to the PCC at the end of the financial year and no later than 30 September each year on the performance of the treasury function, the effect of the decisions taken and the transactions executed during the year and any non-compliance with the agreed Treasury Policy Statement and Treasury Management practices.

Banking Arrangements

Responsibilities of the Treasurer

- 3.6.8 To have overall responsibility for the banking arrangements for the PCC.
- 3.6.9 To produce a policy on the establishment and maintenance of bank accounts, in consultation with the Chief Constable's Director of Finance.
- 3.6.10 To authorise the opening and closing of all Northumbria Police bank accounts. No other employee shall open a bank account.
- 3.6.11 To undertake bank reconciliations on a timely and accurate basis.
- 3.6.12 To determine signatories on all PCC bank accounts.

Imprest Accounts / Petty Cash

Responsibilities of the Chief Constable's Director of Finance

- 3.6.13 To provide, with the agreement of the Treasurer, appropriate employees with such imprest accounts to meet minor expenditure on behalf of the Force. The Chief Constable's Director of Finance shall determine reasonable petty cash limits and maintain a record of all transactions and petty cash advances made, and periodically review the arrangements for the safe custody and control of these advances.

- 3.6.14 To prepare detailed Financial Instructions for dealing with petty cash, to be agreed with the Treasurer, and these shall be issued to all appropriate employees.

Money Laundering

Responsibilities of the Treasurer

- 3.6.15 To be the nominated Money Laundering Reporting Officer (MLRO) for the OPCC and to seek assurances that appropriate arrangements are in place for the Force.
- 3.6.16 Upon receipt of a disclosure to consider, in the light of all information, whether it gives rise to such knowledge or suspicion.
- 3.6.17 To disclose relevant information to the Serious Organised Crime Agency (SOCA).

Responsibilities of the Chief Constable's Director of Finance

- 3.6.18 To ensure adequate arrangements are in place to deal with disclosure in relation to knowledge or suspicion of money laundering.

Responsibilities of Chief Officers

- 3.6.19 To undertake appropriate checks to ensure that all new suppliers and counterparties are bona fide.

Responsibilities of employees

- 3.6.20 To notify the Treasurer as soon as they receive information which may result in them knowing or having reasonable grounds for knowing or suspecting money laundering, fraud or use of the proceeds of crime.
- 3.6.21 Cash bankings from a single source over limits set out in Section 7 of these Regulations shall be reported to the Treasurer. This instruction does not apply to seizures and subsequent bankings under the Proceeds of Crime Act (see Financial Regulation 3.9).

3.7 Voluntary Unofficial Funds

Responsibilities of Chief Constable's Director of Finance

- 3.7.1 Funds outside of the statutory funds, for example The Police Benevolent Fund, will only be established with the approval of an appropriate senior officer, designated by the Chief Constable.

- 3.7.2 The Chief Constable's Director of Finance will maintain a record of all voluntary unofficial funds in existence and of the senior officers responsible.
- 3.7.3 Voluntary unofficial funds must be subject to an annual inspection by Internal Audit, and copies of the audited account sent to the Chief Constable and relevant responsible officer.
- 3.7.4 The Chief Constable's Director of Finance's record of voluntary unofficial funds and copies of audited accounts will be available for inspection by the Treasurer.

3.8 Administration of Evidential and Non-Evidential Property

Responsibilities of the Chief Constable's Director of Finance

- 3.8.1 To determine procedures for the safekeeping of the private property of a person, other than a member of staff, under her guardianship or supervision. These procedures shall be made available to all appropriate employees.
- 3.8.2 To determine procedures for the safekeeping of evidential or non-evidential property. These procedures shall be made available to all appropriate employees and shall make specific reference to the need for insurance of valuable items.
- 3.8.3 To issue separate Financial Instructions for dealing with cash, including seized cash under the Proceeds of Crime Act.
- 3.8.4 To determine those items of crime property which may be retained for police purposes subject to consulting with the Commissioner in respect of any single item estimated to be in the value of £5,000.

Responsibilities of all employees

- 3.8.5 To notify the Chief Constable's Director of Finance immediately in the case of loss or diminution in value of such private property.

3.9 Gifts, Loans and Sponsorship

- 3.9.1 This section covers gifts, loans and sponsorship which it is felt acceptance of would enable an enhanced or extended police service. It does not include the receipt of hospitality and gifts by individuals.

Context

- 3.9.2 Gifts, loans and sponsorship are particularly suitable for multi-agency work such as crime prevention, community relations work, and victim support schemes.

- 3.9.3 Gifts, loans and sponsorship can be accepted from any source which has genuine and well intentioned reasons for wishing to support specific projects. In return, the provider may expect some publicity or other acknowledgement. It is acceptable to allow the provider to display the organisation's name or logo on publicity material, provided this does not dominate or detract from the purpose of the supported project.
- 3.9.4 The total value of gifts, loans and sponsorship accepted, shall not exceed 1% of the Northumbria Police gross expenditure budget annually.

Responsibilities of the PCC

- 3.9.5 To approve the policy on gifts, loans and sponsorship.

Responsibilities of the Chief Constable

- 3.9.6 To accept gifts, loans or sponsorship within agreed policy guidelines.
- 3.9.7 To refer all gifts, loans and sponsorship above the limit set out in Section 7 of these Regulations to the PCC for approval before they are accepted.

Responsibilities of the Chief Constable's Director of Finance

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

4.1 Systems and Processes - Introduction

Responsibilities of the Treasurer and Chief Constable's Director of Finance

- 4.1.1 To make arrangements for the proper administration of financial affairs, including to:

- (a) issue advice, guidance and procedures for officers and others acting on behalf of the OPCC and the Force;
- (b) determine the accounting systems, form of accounts and supporting financial records;
- (c) establish arrangements for the audit of the financial affairs of the OPCC and the Force;
- (d) approve any new financial systems to be introduced; and
- (e) approve any changes to existing financial systems.

4.1.2 To ensure, in respect of systems and processes, that

- (a) systems are secure, adequate internal control exist and accounting records (e.g. invoices, income documentation) are properly maintained and held securely. This is to include an appropriate segregation of duties to minimise the risk of error, fraud or other malpractice;
- (b) appropriate controls exist to ensure that all systems input, processing and output is genuine, complete, accurate, timely and not processed previously;
- (c) a complete audit trail is maintained, allowing financial transactions to be traced from the accounting records to the original document and vice versa; and
- (d) systems are documented and staff trained in operations.

4.1.3 To ensure that there is a documented and tested business continuity plan to allow key system processing to resume quickly in the event of an interruption. Effective contingency arrangements, including back up procedures, are to be in place in the event of a failure in computer systems

4.1.4 To establish a scheme of delegation, identifying staff authorised to act upon the PCC's behalf in respect of income collection, placing orders and making payments.

4.2 Income

Responsibilities of the Chief Constable and PCC

- 4.2.1 To adopt the ACPO national charging policies and national guidance when applying charges under section 25 of the Police Act 1996 and to keep scales of fees and charges under review with such reviews being carried out at least annually.
- 4.2.2 To ensure that wherever appropriate, those using special police services should pay for them.

- 4.2.3 Individual sums exceeding the limit set in Section 7 of these Regulations will not be written off except with the approval of the Commissioner.
- 4.2.4 Sums raised by the Force of less than the limit set in Section 7 of these Regulations may be written off by the Chief Constable's Director of Finance if he is satisfied the debt is irrecoverable or it is uneconomic to recover in view of the costs involved.
- 4.2.5 Sums raised by the OPCC of less than the limit set in Section 7 of these Regulations may be written off by the Treasurer if he is satisfied the debt is irrecoverable or it is uneconomic to recover in view of the costs involved.
- 4.2.6 A summary statement of accounts written off will be submitted to the PCC annually.

Responsibilities of the Chief Constable's Director of Finance and Treasurer

- 4.2.7 To make arrangements for the collection of all income due and approve the procedures, systems and documentation for its collection, recovery, custody, control and deposit including the correct charging of VAT.
- 4.2.8 To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT, and to review it regularly in line with corporate policies. All charges shall be at full cost recovery except where regulations require otherwise or with the express approval of the PCC.
- 4.2.9 To ensure that all income is paid fully and promptly into the designated PCC Income Bank Account. Appropriate details shall be recorded on to paying-in slips to provide an audit trail and money collected and deposited reconciled on a monthly basis.
- 4.2.10 To ensure income is not used to cash personal cheques or make other payments.

Responsibilities of the Treasurer

- 4.2.11 To operate effective debt collection procedures.
- 4.2.12 To initiate, in consultation with the Chief Executive, appropriate debt recovery procedures, including legal action where necessary.
- 4.2.13 To approve the write off of bad debts in accordance with the limits set out in Section 7 of these Regulations.

- 4.2.14 A summary statement of amounts written off will be submitted to the PCC annually.

Responsibilities of the Chief Constable's Director of Finance

- 4.2.15 To approve the write off of bad debts, in consultation with the PCC, up to the level shown in Section 7 in these Regulations.
- 4.2.16 A summary statement of amounts written off will be submitted to the PCC annually.
- 4.2.17 To prepare detailed Financial Instructions for dealing with income, to be agreed with the Treasurer, and issue them to all appropriate employees.

4.3 Ordering and Paying for Work, Goods and Services

Responsibilities of the Chief Constable's Director of Finance and Chief Executive

- 4.3.1 To maintain a procurement policy covering the principles to be followed for the purchase of goods and services and that all purchases are made in accordance with this policy.
- 4.3.2 To issue official orders for all work, goods or services to be supplied to the OPCC and the Force, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the Treasurer. Orders must be in a form approved by the Treasurer, and authorised by staff nominated either by the Chief Executive or Chief Constable's Director of Finance as appropriate.
- 4.3.3 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of OPCC or the Force contracts.
- 4.3.4 Goods and services ordered must be appropriate and there must be adequate budgetary provision. Quotations or tenders must be obtained where necessary, in accordance with these Regulations.
- 4.3.5 Verbal orders may only be given in cases of extreme urgency and where possible after an official order has been raised and authorised.
- 4.3.6 Unless agreed otherwise as part of the contract, payments are not to be made unless goods and services have been received at the correct price, quantity and quality in accordance with any official order.

- 4.3.7 To ensure that payments are made to the correct person, for the correct amount, on time (i.e. within 28 days) and are recorded properly, regardless of the method of payment.
- 4.3.8 To ensure that VAT is recovered where appropriate.
- 4.3.9 To ensure that all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
- 4.3.10 To ensure that all purchases made through e-procurement follow the rules, regulations and procedures, as set out in Section 5 of these Regulations.
- 4.3.11 To prepare, in consultation with the Treasurer, detailed Financial Instructions for dealing with the ordering and payment of goods and services, and to issue these to all appropriate employees.

Responsibilities of the Chief Officers

- 4.3.12 The responsibility of the Chief Officers (the Chief Executive, the Treasurer, the Chief Constable and the Chief Constable's Director of Finance) to ensure that every officer and employee declares any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions on behalf of the PCC or Chief Constable and that such persons take no part in the selection of a supplier or contract with which they are connected.

4.4 Payments to Employees

Responsibilities of the Chief Executive

- 4.4.1 To ensure in consultation with the Treasurer, the secure and reliable payment of salaries, overtime, pensions, compensation and other emoluments to existing and former employees of the PCC and the Chief Constable by the most economical means.
- 4.4.2 To ensure that tax, superannuation and other deductions are made correctly and paid over at the right time to the relevant body.
- 4.4.3 To ensure arrangements are in place to pay all valid travel and subsistence claims or financial loss allowance.

Responsibilities of the Chief Constable

- 4.4.4 To ensure that payroll transactions are processed only through the payroll system. Payments to individuals employed on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue & Customs (HMRC) requirements. The HMRC applies a tight definition of employee status, and in cases of doubt, advice shall be sought from them.
- 4.4.5 To ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC.
- 4.4.6 To prepare detailed Financial Instructions for dealing with payments to employees, to be agreed with the Treasurer, and these shall be issued to all appropriate employees.
- 4.4.7 To ensure the submission of the relevant records within an approved timetable to enable payments by the due dates.

4.5 Taxation

Responsibilities of the Treasurer

- 4.5.1 To ensure the timely completion and submission of all HM Revenue & Customs (HMRC) returns regarding PAYE and that due payments are made in accordance with statutory requirements.
- 4.5.2 To ensure the timely completion and submission of VAT claims, inputs and outputs to HMRC.
- 4.5.3 To provide details to the HMRC regarding the construction industry tax deduction scheme.

Responsibilities of the Treasurer and Chief Constable's Director of Finance

- 4.5.4 To ensure that the correct VAT liability is attached to all income due and that all VAT receivable on purchases complies with HMRC regulations.
- 4.5.5 To ensure that appropriate technical staff have access to up to date guidance notes and professional advice.
- 4.5.6 To ensure that any Corporation Tax liability in relation to qualifying trading activities is identified and paid in accordance with statutory requirements.

4.6 Purchasing Cards

Responsibilities of the Treasurer

4.6.1 To provide detailed financial instructions to card holders.

Responsibilities of the Chief Constable's Director of Finance

4.6.2 To authorise and maintain control over the issue of cards.

4.6.3 To reconcile the purchase card account to the ledger on a monthly basis.

4.6.4 To ensure all ordering and payment for goods and services is in accordance with the Force procurement policy, these Regulations and all procedures laid down by the Chief Constable's Director of Finance.

4.7 Ex Gratia Payments

Responsibilities of the Chief Constable's Director of Finance

4.7.1 The Chief Constable's Director of Finance, will have the power to make payments to settle claims for personal injury, damage or loss of property incurred as a result of police action provided they are not otherwise insured, up to the limits set out in Section 7 of these Regulations or the terms of any consent issued by the Commissioner..

4.7.2 Prior to making any ex-gratia payment, to take account of, in consultation with the Treasurer, the budgetary implications, insurable risks and cover available.

4.7.3 To seek approval from the PCC for any payment above the individual limit or in cases involving particular sensitivity.

5.1 Contract Regulations

Key controls

5.1.1 No contract or project shall be deliberately or artificially divided into a number of separate contracts in order to avoid the obligations set out in these Contract Regulations, or any statute or EU Directive.

5.1.2 Competition shall be encouraged from potential providers to supply Northumbria Police with goods, services, building works, etc.

5.1.3 Every contract concluded on behalf of Northumbria Police shall comply with:

- (a) the EU Treaties;
- (b) any relevant Directives of the EU for the time being in force in the United Kingdom including any requirement for aggregation;
- (c) any laws of the United Kingdom including any Act of Parliament requiring the letting of contracts by competitive tendering or relating to Best Value; and
- (d) the requirement of the Code of Practice for Local Authorities on Data Transparency to publish copies of contracts and tenders to businesses and to the voluntary community and social enterprise sector on the website.

5.1.4 Subject to compliance with 5.1.3, exemption from any of the following provisions of these Contract Regulations may only be made:

- (a) by direction of the PCC; or
- (b) by a chief officer in an emergency.

5.1.5 The PCC shall be informed of the circumstances of every exemption made under 5.1.4(b) at the earliest opportunity.

5.1.6 In addition to adhering to the above, any employee who is engaged in any activities or processes leading to the award of a contract or in its subsequent delivery, shall:

- (a) show no undue favour to or discriminate against any contractor or potential contractor;
- (b) carry out their work in accordance with the highest standards of propriety and proper practice (including respecting the confidentiality of commercial information).
- (c) not breach the requirements of the Northumbria Police Policy for Gifts and Gratuities, Hospitality, Discounts, Travel and other potential conflicts of interest.

5.1.7 These Contract Regulations shall apply, irrespective of whether the contract is financed with monies provided by the PCC or any other person or body e.g. grants from local councils and other partnership monies.

Responsibilities

Power to Delegate

5.1.8 A chief officer may delegate his/her powers under these Contract Regulations to an authorised officer. The Procurement Manager or equivalent officer will maintain a record of all employees to whom delegated powers have been assigned.

5.1.9 The Chief Constable's Director of Finance shall have power to approve requests to go out to tender for contracts below the limit which may be set by the PCC.

5.2 Tendering Procedures and Thresholds

5.2.1 Every contract made by or on behalf of the PCC shall comply with these regulations, unless:

- (a) The PCC authorises an exception be made; or
- (b) The matter is so urgent or there is a risk to security that it is not feasible to comply in which case the officer concerned shall consult the PCC

5.2.2 Every such exception and the reasons for it shall be recorded according to the approved reporting framework.

5.2.3 The PCC's consent is required before tenders can be obtained for any works, supplies or services contracts estimated annually to cost more than the limits set out in European Procurement Directives. For the purposes of these Regulations "tender" means a new tender for works goods and services and does not include or require approval in relation to any existing contract extended or renewed annually or otherwise on its own terms; the PCC's consent is hereby deemed to be given for tenders that relate to a project or programme previously approved by the PCC, with the exception of an existing contract where the PCC has since directed otherwise.

5.2.4 Subject to exceptions set out in 5.2.4(b) and to any European Directive, no contract above £5,000 in value may be made unless:

- (a) The PCC has decided that the works, supplies or services in question shall be procured through a partnership arrangement, provided that the Chief Executive and the Treasurer are satisfied with the procedures for procurement and the terms of the contract; or
- (b) Tenders have been invited or negotiated in accordance with Para 5.4.1 This requirement does not apply to a contract:
 - i. For goods purchased in a public market or auction;
 - ii. For goods or services which can be obtained from only one contractor;
 - iii. Which has been entered into on behalf of the PCC by or via any consortium to which the PCC belongs, or by or through a joint arrangement or framework;

- iv. Between £5,000 and £50,000 in value provided that competitive quotations are obtained from at least three contractors or, if this is not possible, from all capable contractors;
- v. A contract which does not exceed £50,000 in value for building or maintenance work, or both.

5.2.5 A tender for a contract other than the most economically advantageous adopting whole life costs and benefits may not be accepted without first consulting the Chief Executive and the Treasurer.

Save where authorised under delegations in Part B of the Governance Arrangements no employee of the PCC will enter either orally or in writing into any contract on the PCC's behalf.

5.3 *(deleted)*

5.4 Invitations to Tender

5.4.1 The PCC, or an officer acting under delegated powers, will adopt one of the following procedures:

- (a) Tenders may be invited by advertisement in at least one local newspaper giving at least 7 days notice: A similar advertisement may also be published in a specialist trade or professional journal if the value of the proposed contract is estimated to be less than £100,000. If the contract value is over £100,000 a specialist trade or professional journal may be used instead of a local newspaper. If the proposed contract is below £100,000, tenders may be invited (without advertisement) from a reasonable number of capable contractors.
- (b) Tenders may be invited from all contractors or such of them as may be selected by a method approved by the PCC from a list of persons approved by the PCC. The PCC will revise the list at least once every five years after an advertisement inviting inclusion in the list has been published in one or more local newspapers and one or more specialist trade or professional journals. The appropriate officer may make additions to or deletions from the list based on the process above.
- (c) The contract may be advertised in one or more local newspapers and in one or more specialist trade or professional journals giving at least seven days notice. At the end of that period, tenders for the contract will be invited from some or all of the applicants who comply with the selection criteria laid down by the PCC.

- (d) Where a proposed contract for the execution of work forms part of a serial programme, the rates, prices and terms of which are contained in an initial contract awarded competitively following an invitation to tender in accordance with the procedure mentioned in either sub-paragraphs a), b) or c), a tender may be invited from that contractor in accordance with the provisions of the initial contract; or
- (e) A tender for a works contract may (subject to compliance in paragraph 5.1.3) be invited from a contractor already engaged by the PCC if that is in the PCC's interests.

5.4.2 All invitations to submit tenders will specify:

- (a) That all tenders must be submitted in a plain sealed envelope addressed to the officer identified as responsible for inviting tenders marked "tender" followed by the subject to which the content related and without any distinguishing mark indicating the bidder's identity or
- (b) That the tender may be submitted electronically through a procedure agreed between the Chief Executive and the Chief Constable's Director of Finance

5.5 Opening of Tenders

- 5.5.1 All envelopes containing tenders and all electronic tenders will either be held or details compiled and retained by the Chief Executive.
- 5.5.2 All envelopes containing tenders for the same Contract and all electronic tenders will be opened at the same time by an officer responsible for inviting the tenders.
- 5.5.3 Any tender received after the deadline for the receipt of tenders cannot be considered unless the other tenders have not been opened and the officer referred to above at para 5.5.2 is satisfied that the tender was posted in sufficient time for it to have been received by the deadline in the ordinary course of the post or, in the case of electronic tender, the tender could not have been submitted by the deadline for reasons outside the bidder's control.

5.6 Alterations

- 5.6.1 Where an examination of competitive tenders reveals an error or discrepancy which would affect the sum payable by or to the PCC in a tender which might otherwise be accepted the bidder must be given the opportunity of confirming or withdrawing the tender. Where the appropriate officer is satisfied that the error or discrepancy is an arithmetical error, the bidder will be given the opportunity to correct it.

5.7 Evaluation of Tenders

- 5.7.1 Assessment criteria may be made on appropriate technical, qualitative and financial grounds which are appropriate to the contract concerned. These shall be agreed before the Tender is issued in consultation with the Procurement Manager or equivalent officer.
- 5.7.2 Evaluations of the Tender submissions are to be carried out based on the agreed criteria which shall be applied to all bidders fairly, transparently and consistently.
- 5.7.3 Additional interviews, presentations and site visits for larger contracts may be included in the evaluation process. Such decisions shall be made prior to the invitation of tenders, not when evaluating received offers.
- 5.7.4 Those members of staff involved in the evaluation process shall be mindful of the policy on gifts, loans and hospitality.

5.8 Post Tender Negotiation

- 5.8.1 Where an officer who has received tenders or quotations considers that the most economically advantageous tender or quotation cannot reasonably be recommended for acceptance in view of market price or budgetary provision, he/she may give the most economically advantageous bidder or the two most economically advantageous bidders the opportunity of revising their tenders or quotations. Any negotiations carried out must comply with procedures agreed with the Treasurer, and a record retained.

5.9 Acceptance of Tenders

- 5.9.1 The following procedures shall be applied for the acceptance of a quotation or tender:
 - (a) The PCC's terms and conditions shall apply unless otherwise agreed by the Chief Executive.
 - (b) Acceptance shall be made in writing.
 - (c) Where the lowest or the most economically advantageous quotation or tender, which meets the specification and the quality and technical standards required, is acceptable, then formal acceptance shall be by:
 - i. Up to the EU Threshold for Goods and Services - the appropriate chief officer.
 - ii. Where the annual value of the contract exceeds the EU Threshold for Goods and Services, or the total value over the contract term exceeds £500,000 – the PCC.

- (d) The successful tenderer shall be advised as soon as possible after the decision has been made on the award of a contract. At the same time unsuccessful tenderers shall be advised of the decision.

5.10 Contracts – Form; Custody and Use of the Common Seal

- 5.10.1 Every contract above £50,000 in value and any other contract where the Chief Executive so decides shall be in writing and in a form approved by the Chief Executive. The Common Seal of the Office of the PCC shall be kept by the Chief Executive and the affixing of the Common Seal shall be attested by the Chief Executive or a person nominated by him/her. A decision of the PCC (or a decision properly made by an officer in accordance with delegated powers) shall be sufficient authority for the sealing of any document to give effect to that decision. A record of every such sealing shall be made and kept in a Sealing Register and shall be signed by the person who has attested the Common Seal.

5.11 Contracts Register

- 5.11.1 A record of all contracts let with a value in excess of £10,000 shall be maintained by the Head of Procurement or equivalent officer.

5.12 Contracts - Contents

- 5.12.1 Every contract will:
 - (a) specify the work to be carried out, or the supplies to be provided, the price to be paid (including any discounts) and the timetable for performing the contract.
 - (b) prohibit the contractor from transferring, assigning or sub-letting directly or indirectly, the whole or any part of the contract without written permission.
 - (c) include provision to cancel the contract in the event of a) the Contractor failing to provide the agreed service or b) the Contractor or its employees being found to be involved in any collusion or corrupt practice.
- 5.12.2 Where a contract is above £100,000 in value and the officer concerned considers that the PCC should receive security for the performance of the contract he/she will, after consultation with the appropriate officers, specify in the condition of the tender, the nature and amount of security to be given to the PCC (whether by way of a Bond or otherwise).

5.13 Contracts – Compliance with Standards

5.13.1 Where an appropriate European Standard Specification or British Standard implementing a European Standard or an appropriate and recognised International Standard is current at the date of the tender, every contract in writing shall require that, as the case may be, all goods and materials used or supplied and all services shall be in accordance with that standard.

5.14 Contracts - Cancellation

5.14.1 Where a Contractor is failing to provide the agreed service evidence shall be required in order to terminate the agreement.

5.14.2 Should a contract no longer be required for the reason given in paragraph 5.14.1, written notification shall be given to the Procurement Manager or equivalent officer who shall in turn notify the PCC, the Treasurer and Chief Constable's Director of Finance.

5.15 Exceptional Circumstances

5.15.1 The requirements within these Contract Regulations that competition is required for tenders and quotations may be set aside when exceptional circumstances occur. By definition the circumstances leading to this action must be exceptional to those normally experienced and an individual who believes that they have a case must provide evidence supporting their conclusion to the Head of Procurement or equivalent officer in the first instance.

5.16 Contract Monitoring

5.16.1 Where appropriate, contracts shall be monitored and measured by way of performance indicators and regular review meetings.

5.16.2 Where the contract terms provide for credits to be offset against payments due or otherwise enable payments to be reduced on account of failure by the contractor to deliver the contract to the specified standards, any decision to waive entitlement to the credit or reduced payment shall only be authorised by the Chief Officer in consultation with the Head of Procurement or equivalent officer where the amount involved is less than £5,000. Above this amount the PCC shall approve all such waivers.

5.17 Consultants

5.17.1 These regulations will apply to the engagement of any consultant.

6.1 Joint Working Arrangements

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

- 6.1.5 The OPCC or the Force element of all joint working arrangements must comply with these Financial Regulations. A register of all joint arrangements shall be maintained by the PCC and the Chief Constable, including a risk register containing an evaluation of any significant risks.

Partnerships

- 6.1.6 The term partnership refers to groups where members work together as equal partners with a shared vision for a geographic or themed policy area, and agree a strategy in which each partner contributes towards its delivery. A useful working definition of such a partnership is where the partners:

- (a) are otherwise independent bodies;
- (b) agree to co-operate to achieve a common goal; and
- (c) achieve it to create an organisational structure or process and agreed programme, and share information , risks and rewards.

- 6.1.7 The number of partnerships, both locally and nationally, is expanding in response to central government requirements and local initiatives. This is in recognition of the fact that partnership working has the potential to:

- (a) deliver strategic objectives;
- (b) improve service quality and cost effectiveness;
- (c) ensure the best use of scarce resources; and
- (d) deal with issues which cut across agency and geographic boundaries, and where mainstream programmes alone cannot address the need.

- 6.1.8 Partnerships typically fall into three main categories i.e. statutory based, strategic, and ad-hoc.

Statutory Based

- 6.1.9 These are partnerships that are governed by statute. They include, for example, Crime and Disorder Reduction Partnerships (CDRPs) and Local Strategic Partnerships (LSPs).

Strategic

- 6.1.10 These are partnerships set up to deliver core policing objectives. They can either be Force area wide or local.

Ad-Hoc

- 6.1.11 These are typically locally based informal arrangements agreed by the local police commander.

Context

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

Responsibilities of the PCC

- 6.1.14 To have regard to relevant priorities of local partners when considering and setting the Police and Crime Plan and the annual delivery plan.
- 6.1.15 To make appropriate arrangements to commission services from either the Force or external providers.

Responsibilities of Chief Officers

- 6.1.16 To follow the guidance manual for local partnerships, as published on the local policing intranet site.
- 6.1.17 To consult, as early as possible, the Chief Constable's Director of Finance and the Treasurer to ensure the correct treatment of taxation and other accounting arrangements.
- 6.1.18 To produce a Memorandum of Understanding (MOU) setting out the appropriate governance arrangements for the project. This document shall be signed by the Chief Executive.

Consortium Arrangements

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

Responsibilities of Chief Officers

- 6.1.20 To contact the Chief Executive before entering into a formal consortium agreement, to establish the correct legal framework.
- 6.1.21 To consult, as early as possible, the Chief Constable's Director of Finance and the Treasurer to ensure the correct treatment of taxation and other accounting arrangements.
- 6.1.22 To produce a business case to show the full economic benefits to be obtained from participation in the consortium.
- 6.1.23 To produce a Memorandum of Understanding (MOU) setting out the appropriate governance arrangements for the project. This document shall be signed by the Chief Executive.

Responsibilities of the PCC

- 6.1.24 To approve OPCC and the Force participation in the consortium arrangement.

Collaboration

- 6.1.25 Under sections 22A to 22C of the Police Act 1996 as inserted by section 89 of the Police Reform and Social Responsibility Act 2011, Chief Constables and PCCs have the legal power and duty to enter into collaboration agreements to improve the efficiency or effectiveness of one or more police force or PCCs. Any collaboration which relates to the functions of a police force must first be agreed with the Chief Constable of the Force concerned.
- 6.1.26 The PCCs shall jointly hold their Chief Constables to account for any collaboration in which their Force is involved.
- 6.1.27 Any such proposal must be discussed with and approved by the Treasurer and Chief Constable's Director of Finance in the first instance.

6.2 External Funding

Responsibilities of Chief Officers

- 6.2.1 To pursue actively any opportunities for additional funding where this is considered to be in the interests of the OPCC and the Force.

Responsibilities of the PCC and Chief Constable

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

Responsibilities of the Treasurer and Chief Constable's Director of Finance

- 6.2.3 To ensure that all funding notified by external bodies is received and properly accounted for, and that all claims for funds are made by the due date and that any audit requirements specified in the funding agreement are met.

Responsibilities of the Chief Constable

- 6.2.4 To ensure that funds are acquired only to meet policing needs and objectives.
- 6.2.5 To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
- 6.2.6 To ensure that any conditions placed on the OPCC or the Force in relation to external funding are in accordance with the approved policies of the PCC. If there is a conflict, this needs to be taken to the PCC for resolution.

6.3 Work for External Bodies

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

Responsibilities of the Chief Constable

- 6.3.2 To ensure that proposals for assistance are costed, that no contract is subsidised by the Force or the OPCC and that, where possible, payment is received in advance of the delivery of the service so that the Force or the OPCC is not put at risk from any liabilities such as bad debts.
- 6.3.3 To ensure that appropriate insurance arrangements are in place.
- 6.3.4 To ensure that all contracts are properly documented.

- 6.3.5 To ensure that such contracts do not impact adversely on the services provided by the Force or OPCC.
- 6.3.6 The submission of tenders for the supply of goods and/or services shall be approved in accordance with the limits set out in Section 7 of the Regulations.
- 6.3.7 To approve all agreements for the provision of police services to other organisations within the Force Area within the limit set by the PCC.
- 6.3.8 To approve the provision of policing services to external bodies within the limit set by the PCC.

7 Summary of Delegated Financial Limits

7.1 Revenue Virement

(paragraph 2.2.11)

- Threshold: £250,000 in any one case

7.2 Capital Programme

(paragraph 2.3.12)

- Threshold: not exceeding the sum contained in the approved programme by more than 1% or £100,000 which ever is the lower amount.

7.3 Valuation of Assets

(paragraph 3.5.3)

- Thresholds:

Land & Buildings	£40,000
Vehicles	£10,000
ICT hardware	£10,000
Plant & Equipment	£10,000

7.4 Inventories

(paragraph 3.5.5)

- Threshold: £1,000.

(paragraph 3.5.6):

- Threshold: £1,000.

7.5 Asset Disposal

(paragraph 3.5.14)

- Threshold: estimated value of £1,000.

(paragraph 3.5.15)

- Threshold: estimated value of £1,000.

(paragraph 3.5.18)

- Threshold: estimated value of £100,000.

Where this is not the most economically advantageous offer, the Treasurer shall be consulted.

7.6 Property Acquisitions

(paragraph 3.5.21)

- Threshold: £100,000.

Details are to be reported retrospectively to the PCC

7.7 Money Laundering

(paragraph 3.6.21)

- Threshold: £15,000.(or equivalent)

7.8 Gifts, Loans and Sponsorship

(paragraph 3.9.4):

- Threshold: 1% of the Commissioner's annual gross revenue budget for the Force and OPCC.

(paragraph 3.9.7)

- £20,000.

7.9 Income

(paragraph 4.2.3)

- Threshold: Limit for both Treasurer and Chief Constable's Director of Finance: £10,000.

(paragraph 4.2.4)

- Threshold: Limit for Chief Constable's Director of Finance: £10,000

(paragraph 4.2.5)

- Threshold: Limit for Treasurer: £10,000

(paragraph 4.2.13)

- Threshold: Limit for Treasurer: £10,000

(paragraph 4.2.15)

- Threshold: Limit for Chief Constable's Director of Finance: £10,000

7.10 Ex Gratia Payments

(paragraph 4.7.1)

- Threshold: as per the consent issued by the Commissioner.

7.11 Tendering Procedures and Thresholds

(paragraph 5.1.9)

- Threshold: the relevant EU contract threshold.

(paragraph 5.2.4)

- Threshold: Between £5,000 and £50,000.

Tenders should be invited or negotiated in accordance with Invitations to Tender for contracts with values above the limit shown below:

- Threshold: £50,000.

7.12 Invitation to Tender

(paragraph 5.4.1)

- Threshold: £100,000.

7.13 Acceptance of Tenders

(paragraph 5.9.1):

- (a) Up to the EU Threshold for Goods and Services - the appropriate chief officer.
- (b) Over the EU Threshold for Goods and Services or the total value over the contract term exceeds £500,000 – the PCC.

7.14 Contracts – Form, Custody and Use of the Common Seal

(paragraph 5.10.1)

- Threshold: £50,000.

7.15 Contracts Register

(paragraph 5.11.1)

- Threshold: £20,000.

7.16 Contracts – Contents

(paragraph 5.12.2)

- Threshold: £100,000 in value.

7.17 Contract Monitoring

(paragraph 5.16.2)

- Threshold: £5,000.

PART D Governance Structures Procedures Protocols and Memoranda

Section 1: Joint Independent Audit Committee

The Commissioner approves the terms set out below for the scope remit composition and functions of the Joint Independent Audit Committee:

Scope

The Joint Independent Audit Committee shall consider the internal and external audit reports of both the Commissioner and the Chief Constable. The Committee will advise the Commissioner and the Chief Constable according to good governance principles and will adopt appropriate risk management arrangements in accordance with proper practices.

The Joint Independent Audit Committee shall establish formal terms of reference, covering its core functions, which shall be formally adopted and reviewed on an annual basis.

1.1 Remit

The Joint Independent Audit Committee shall approve the terms of reference within which internal audit operates. In terms of internal audit the terms of reference will include the following key activities and responsibilities:

- (a) Advising the Commissioner and Chief Constable on the appropriate arrangements for internal audit and approving the Internal Audit Strategy;
- (b) Approving (but not directing) the internal audit annual programme;
- (c) Approving the Annual Governance Statements for the Commissioner and the Chief Constable;
- (d) Overseeing and giving assurance to the Commissioner and Chief Constable on the provision of an adequate and effective internal audit service; receiving progress reports on the internal audit work plan and ensuring appropriate action is taken in response to audit findings, particularly in areas of high risk;
- (e) Considering the Chief Internal Auditor's Annual Report and annual opinion on the internal control environment for the Commissioner and the Force; ensuring appropriate action is taken to address any areas for improvement.
- (f) Reviewing and monitoring the effectiveness of Northumbria Police policies on fraud, irregularity and corruption.

The Joint Independent Audit Committee shall approve (but not direct) the internal audit plan and chapter, which sets out:

- (g) Internal Audit objectives and outcomes;
- (h) How the Chief Internal Auditor or equivalent officer will form and evidence his/her opinion on the control environment to support the Annual Governance Statement;
- (i) How Internal Audit's work will identify and address significant local and national issues and risks;
- (j) How the service will be provided, i.e. internally, externally, or a mix of the two; and what resources and skills are required for the delivery of the strategy; and
- (k) The resources and skills required to deliver the strategy.

1.2. **Composition**

The Joint Independent Audit Committee shall comprise five members who are independent of the Commissioner and the Force.

The Commissioner and Chief Constable shall be represented at all meetings of the Audit Committee.

1.3. **Functions**

The functions of the Joint Independent Audit Committee shall be:-

- (a) To approve the annual work plan and fee;
- (b) To receive and respond to the Annual Governance Reports;
- (c) To receive the annual audit letter;
- (d) To receive scheduled External Audit updates and progress reports.

Section 2: Rules of Procedure Protocols and Memoranda

The Commissioner approves the Procedures, Protocols and Memoranda set out below for the functioning of her Office:-

Northumbria Governance and Policy Framework

	Code of Corporate Governance
	PCC Code of Conduct & Register of Interests and Hospitality
	Decision Making and Recording Procedure
	Scrutiny and Monitoring Procedure
	Complaints Handling Procedure
	Relationship Protocols PCC and CC
	FOI Publication Scheme
	Counter Fraud and Corruption Whistleblowing Bribery Act

Arrangements for Review

The Procedures Protocols and Memoranda listed above shall be reviewed annually by the Commissioner at the end of the financial year on advice of the Chief Executive acting in consultation with the Treasurer, the Chief Constable and her Chief Constable's Director of Finance.