



**Lancashire
Constabulary**

police and communities together

REPORT TO: Joint Management Board

DATE: 2021

AGENDA ITEM:

SUBJECT: JOINT Corporate Governance Framework

1. Summary

1.1 The purpose of this report is to record the decision to approve the revised Joint Corporate Governance Framework which governs the working arrangements between the Police and Crime Commissioner and the Chief Constable of Lancashire. These have been prepared in accordance with the Home Office Code of Practice on Financial Management which is made by the Secretary of State under Section 17 of the Police Reform and Social Responsibility Act 2011 and Section 39A of the Police Act 1996.

2. Decision Required

2.1 That

- I. the revised Joint Corporate Governance Framework as presented at Appendix A be approved.
- II. The revised Financial Regulations as presented at Appendix B be approved
- III. the Director be asked to make arrangements for the publication of documents

Signature	Signature
Police and Crime Commissioner	Chief Constable
Date	Date

3. Information

3.1 The Police Reform and Social Responsibility Act 2011 (the Act) created both the Commissioner and Chief Constable as corporations sole with the ability to perform a number of functions, including the employment of staff.

3.2 The PCC is a corporation sole and the legal contracting body which owns all assets and liabilities. While the Commissioner has ownership of all of the estate it is intended that day to day management of estate and assets is undertaken by the Chief Constable to meet operational needs of both the Constabulary and the Office for the Police and Crime Commissioner for Lancashire. The PCC has responsibility for the financial administration of the PCC and Lancashire Constabulary including all borrowing decisions.

3.3 The Framework is intended to set out all significant decisions which are consented/delegated to senior police staff and which are of a statutory, financial or managerial nature. The Framework does not define how those decisions should be taken nor does it attempt to list all of the matters which are incidental to the exercise of those. The Corporate Governance Framework is intended to:

- Avoid unnecessary divisions within the workforce to ensure that the two corporations sole work together in an efficient and effective way.
- Minimise the additional bureaucracy, cost and disruption to staff required to implement the governance arrangements.
- Ensure appropriate safeguards to protect the corporate requirements and positions of the two corporations' sole.

3.4 In addition, the Framework has a number of constituent parts, one of which is the Financial Regulations.

3.5 The Framework and the Financial regulations were previously approved and adopted by the Commissioner and the Chief Constable in 2016. A review of these documents has now been undertaken by officers of both the OPCC and Constabulary in recent months and revised documents are now presented for approval. Whilst the majority of identified changes are cosmetic to provide greater clarity to officers, any significant changes of note from the previous versions are detailed at Appendix C.

4. Implications

Financial

4.1 The Joint Corporate Governance Framework and its supporting governance documentation is intended to ensure that the Commissioner and Chief Constable exercised their statutory roles and functions in accordance with statutory requirements and CIPFA guidance.

Legal

4.2 The Home Secretary has indicated that she expects Commissioners to operate with a governance framework. A Police and Crime Commissioner

may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of commissioner.

Equality

- 4.3 A full impact assessment is not required as the Joint Corporate Governance Framework will not adversely affect any member of the protected characteristic community as defined in the Equality Act 2011.

5. Links to Police & Crime Plan

- 5.1 The establishment and maintenance of the highest level of corporate governance will assist the Commissioner in achieving the priorities set out in the Police and Crime plan.

6. Reasons why restricted

n/a

7. Background Papers

n/a

8. **Report Author** - Ian Dickinson, OPCC

Significant changes to the Joint Corporate Governance Framework/Scheme of delegation/scheme of consent

Page No	Proposed Change
4	The framework will be reviewed annually by the Joint Audit and Ethics Committee who will be invited to make any appropriate recommendations to ensure they reflect any changes in legislation and current best practice.
17	The Police and Crime Commissioner and the Chief Constable are asked to consider whether they would wish to refer to CC designating the Pension Authority to the CFO and MO
21	The Police and Crime Commissioner and the Chief Constable are asked to agree the definition of a key decision which is one which will have a significant or ongoing impact to communities in Lancashire. It may also be financially significant, in terms of spending or savings for the service or function concerned.
	Delegation to the Director
25	6.5.2 and 6.5.3 – Chief Constable Complaints – delegation to Director amended in relation to complaints against the Chief Constable following changes in complaints legislation.
25	6.5.11 – Delegations to the Director to include being the 'Appropriate Authority' for all decisions made in relation to police complaints reviews.
	Delegation to the Chief Finance Officer of the Police and Crime Commissioner
	New delegations to the PCC CFO <ul style="list-style-type: none"> 6.1. To determine when goods are surplus to requirements or obsolete and arrange for disposal in line with Financial Regulations. 6.2. To report to the PCC and the external auditor any unlawful spending by his staff or the Constabulary's staff and officers. 6.3. To administer grants awarded by the PCC. 6.4. Sign cheques on behalf of the PCC or Deputy PCC (if appointed). 6.5. Write off stock and debts in accordance with the limits set out in the Financial Regulations.
	Consent to the Chief Constable
	enter into short term building rental or room hire of less than one month or for covert operational reasons.
	Amend the threshold to enable the Chief Constable to settle any claim for damages or costs or other compensation (plus costs incurred or predicted to date) up to £50,000

Proposed changes to the Financial Regulations

	paragraph	comments		Limits	Responsibility
Virements	2.7.6	CC's CFO up to £100,000		Up to £250,000	CC's CFO
		PCC above £100,000		£250,000 - £500,000	CC's CFO & PCC's CFO PCC's CFO & Director
				Above £500,000	PCC
Land & Buildings	3.5.20 and 3.5.22	This provides a new consent in relation to entering into a short-term hire and formalises the existing consent in relation to covert buildings	Enter into short term hires of less than one month or Use for covert operational purposes		Chief Constable
	3.5.21	No change	All others		PCC
Asset Acquisition	3.5.7	No change	Vehicles	In accordance with the agreed capital programme and budgets	Chief Constable
	3.5.7	No change	ICT	In accordance with the agreed capital programme and budgets	Chief Constable Director
	3.5.7	No change	Plant & Equipment	In accordance with the agreed capital programme and budgets	Chief Constable Director
Asset Register	3.5.22		Land & Buildings	£100,000	CC's CFO
	3.5.22		Vehicles	£5,000	CC's CFO
	3.5.22		ICT	£15,000	CC's CFO PCC's CFO

	3.5.22		Plant & Equipment	£15,000	CC's CFO PCC's CFO
Asset Disposal	3.5.13	No change	Vehicles	At the most advantageous price in accordance with the agreed disposal policy	Chief Constable
	3.5.13	No change	ICT	At the most advantageous price in accordance with the agreed disposal policy	Chief Constable
	3.5.13	No change	Plant & Equipment	At the most advantageous price in accordance with the agreed disposal policy	Chief Constable
Public Works, Services and Supplies	3.5.8	CC could enter into contracts and to acquire or dispose of property, other than land, buildings and assets		All Contracts meeting the criteria of a key decision	PCC
	3.5.7			All other contracts	Director Chief Constable
Public Gifts, Loans & Hospitality	3.11.6	Currently governed by governed by the relevant policy		Up to £50,000	CC
	3.11.7			Above £50,000	PCC
Write-off bad debt	4.2.12	Currently £11,000		Up to £30,000 in accordance with the agreed Bad Debt Policy	CC's CFO PCC's CFO
	4.2.12			Above £30,000 in accordance with the Bad Debt Policy	PCC
Write-Off	4.4.8	Currently		Up to £10,000	CC's CFO

pension and payroll overpayments	4.4.8	£11,000		Above £10,000	PCC
Write-off of stocks and stores	3.5.26 & 3.5.27			Up to £10,000	CC CFO
	3.5.26 & 3.5.27			Above £10,000	PCC CFO
Compensation Claims	3.3 of the scheme of consent	Currently £30,000	General accident	Below £50,000	Chief Constable
				Above £50,000	PCC/PCC's Director
Employee Related Compensation Payments	3.3 of the scheme of consent	Currently £30,000		Below £50,000	Chief Constable
			Above £50,000	PCC/PCC's Director	
Ex-gratia	4.7.4			Up to £30,000	CC's CFO or PCC's Director
	4.7.4			Above £30,000	PCC
Fees and Charges	4.2	Considered annually			PCC