THE POLICE AND CRIME COMMISSIONER
FOR LINCOLNSHIRE
AND
THE CHIEF CONSTABLE OF LINCOLNSHIRE POLICE

Financial, Contract and Procurement Regulations

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LIST OF CONTENTS

SECTION ONE 7
INTRODUCTION 7
STATUTORY BACKGROUND 7
PURPOSE 7
KEY ROLES OF THE POLICE AND CRIME COMMISSIONER 7
SECTION TWO 9
DEFINITIONS 9
SECTION THREE 12
GENERAL PRINCIPLES 12
SECTION FOUR 13
PROPER OFFICERS 13
SECTION FIVE 14
FINANCIAL REGULATIONS 14
FR1 PURPOSE 14
FR2 STATUS 14
FR3 BREACHES 14
FR4 SUSPENSION OF REGULATIONS AND URGENT EXPENDITURE 15
FR5 VALUE ADDED TAX 15
FR6 REVIEW 15
FINANCIAL MANAGEMENT 16
FR7 THE COMMISSIONER 16
FR8 THE STATUTORY OFFICERS 16
FR9 OTHER OFFICERS 17
FINANCIAL PLANNING 17
FR10 MEDIUM TERM FINANCIAL STRATEGY 17
FR11 PREPARATION OF THE BUDGET AND CAPITAL PROGRAMME 18
FINANCIAL MANAGEMENT 18
FR12 BUDGETARY CONTROL 18
FR13 CAPITAL EXPENDITURE 19
FR14 FINANCIAL APPRAISALS (BUSINESS CASES) 19
FR15 VIREMENT 21
FR16 YEAR END CARRY FORWARD 21
FR17 USE OF BALANCES AND RESERVES 22

FR18 ANNUAL STATEMENTS OF ACCOUNT 22
FR19 ACCOUNTING POLICIES 23
FR20 ACCOUNTING RECORDS 23
FR21 RETENTION OF RECORDS 23
RISK MANAGEMENT AND CONTROL OF RESOURCES 24
FR22 RISK MANAGEMENT AND INSURANCE 24
INTERNAL CONTROLS & AUDIT 25
FR23 INTERNAL CONTROL 25
FR24 AUDIT REQUIREMENTS – INTERNAL AUDIT 25
FR25 AUDIT REQUIREMENTS – EXTERNAL AUDIT 26
FR26 PREVENTING FRAUD AND CORRUPTION 26
FR27 STOCKS AND STORES 26
FR28 INVENTORIES 26
TREASURY MANAGEMENT 27
FR29 BORROWING AND INVESTMENTS 27
FR30 BANKING ARRANGEMENTS 27
FR31 IMPRESTS 28
FR32 VOLUNTARY FUNDS 28
FR33 LEASES 29
FR34 PFI SCHEME 29
SYSTEMS AND PROCEDURES 29
FR35 GENERAL 29
FR36 INCOME 29
FR37 WRITE OFFS 30
FR38 PAYMENTS FOR GOODS, WORK AND SERVICES 31
FR39 SALARIES, WAGES AND PENSIONS (INCLUDING EXPENSES) 31
FR40 TAXATION 32
EXTERNAL ARRANGEMENTS 32
FR41 GIFTS, LOANS AND SPONSORSHIP 32
FR42 WORK FOR THIRD PARTIES 33
FR43 EXTERNAL FUNDING 34
DELEGATED LIMITS AND AUTHORITIES 34
FR44 DELEGATED LIMITS 34
FR45 POLICE AND CRIME COMMISSIONER / CHIEF CONSTABLE / G4S DELEGATION OF

AUTHORITIES 35
Treasury Management -Investments 35
Treasury Management - Borrowing 36
Treasury Management -Banking Arrangements 36
Treasury Management - Leasing Arrangements 38
Approval and Award process for Police and Crime Commissioner for Lincolnshire Contracts and Orders 38
Invoice Processing Retained, Managed & Held in Trust Activities 38
Creditor Payment Runs 39
Payroll 39
Virement 39
Debtor Invoices 39
Credit Notes 41
Debtor Write Off 41
Stock Write Off 41

SECTION ELEVEN 42
CONTRACT AND PROCUREMENT REGULATIONS 42
EXECUTIVE SUMMARY 42
CP1 THE NEED FOR THESE REGULATIONS 42
CP2 GENERAL REQUIREMENTS 42
PROCUREMENT FLOW CHART 45
CP3 BASIC PRINCIPLES 46
CP4 INTERPRETATION 47
CP5 APPLICATION 47
RESPONSIBILITIES 49
CP6 CHIEF CONSTABLE 49
CP7 HEADS OF DEPARTMENT 49
CP8 OFFICER RESPONSIBILITIES 50
EXCLUSIONS AND EXCEPTIONS 50
CP9 EXCLUSIONS 50
CP10 EXCEPTIONS 51
PROCUREMENT PROCEDURE 52
CP11 COMPETITIVE DIALOGUE 52
CP12 E-PROCUREMENT 52

CP13 PRE-PROCUREMENT PROCEDURE 52
CP14 ESTIMATING THE CONTRACT VALUE 53
CP15 BONDS AND PARENT COMPANY GUARANTEES 54
CP16 FRAMEWORK ARRANGEMENTS AND FORCE CONTRACTS (including National Mandated Contracts) 54
CP17 STANDARDS AND AWARD CRITERIA 54
PROCUREMENT PROCEDURE UP TO £100,000 55
CP18 ORDERS/CONTRACTSLESS THAN £5,000 55
CP19 ORDERS/CONTRACTSFROM £5,001 TO £25,000 55
CP20 ORDERS/CONTRACTSFROM £25,001 TO £100,000 56
PROCUREMENT PROCEDURE ABOVE £100,000 56
CP21 FORMAL TENDER PROCESS 56
FORM OF CONTRACT 57
CP22 CONTRACT DOCUMENTS 57
CP23 CONTRACT FORMALITIES 58
VARIATIONS AND EXTENSIONS 59
CP24 CONTRACT VARIATIONS 59
CP25 CONTRACT EXTENSIONS 59
CONDUCT 59
CP26 PREVENTION OF CORRUPTION 59
CP27 CONTRACT MANAGEMENT & PAYMENTS 60
CP28 CONTRACT TERMINATION 61
CP29 RISK ASSESSMENT & CONTINGENCY PLANNING 61
CP30 PECUNIARY INTERESTS 62
CP31 REPORTS TO THE POLICE AND CRIME COMMISSIONER 62
CP32 REVIEW AND AMENDMENT OF CONTRACT AND PROCUREMENT REGULATIONS . 62
APPENDIX 'A' 63
FORMAL TENDER PROCESS GUIDANCE 63
TEND1 PRE-TENDER 63
TEND2 DECIDING THE EVALUATION CRITERIA 63
TEND3 INVITATIONS TO TENDER/QUOTATIONS 63
TEND4 SHORTLISTING 64
TEND5 SUBMISSION, RECEIPT AND OPENING OF TENDERS 65
TEND6 ALTERATION OF OPENED TENDERS 68

TEND7 CLARIFICATION PROCEDURES AND POST-TENDER NEGOTIATIONS..... 69

TEND8 EVALUATION AND AWARD OF CONTRACT..... 70

APPENDIX B 71

DELEGATED AUTHORITIES IN RESPECT OF VARIATIONS TO THE STRATEGIC PARTNERSHIP CONTRACT WITH G4S CARE AND JUSTICE SERVICES..... 71

APPB1 Introduction 71

APPB2 Change request forms and process flowchart 71

APPB3 Scoped changes – delegation of authorities 71

APPB4 Un-scoped changes (Including any KPI/performance contract changes, any financial changes or changes which have cost implications) – delegation of authorities ... 71

APPB5 Contract amendments resulting from the change process 72

APPB6 Additional delegated authorities 72

APPB7 Flag Reports 72

APPB8 Invoices 72

APPB9 Original costed/convincing/conceptual projects, new projects, business development opportunities..... 72

APPB10 Novation of Third Party Contracts to G4S 72

APPB11 Flowchart 73

SECTION ONE

INTRODUCTION

STATUTORY BACKGROUND

1.1. The Police Reform and Social Responsibility Act 2011 ("the Act") makes provision for the governance and administration of police forces. The Act charges the Police and Crime Commissioner for Lincolnshire with securing the maintenance, efficiency and effectiveness of Lincolnshire Police.

1.2. The Financial Management Code of Practice (FMCP) is issued under section 17 of the Police Reform and Social Responsibility Act 2011 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 2011 Act and section 39A(7) of the 1996 Act, PCCs and Chief Constables must have regard to this code in carrying out their functions.

1.3. The FMCP applies to the discharge of functions by all PCCs in England and Wales and applies to every Chief Constable of a police force maintained by a PCC.

1.4. The FMCP provides clarity around the financial governance arrangements within the police service in England and Wales, and reflects the fact that the police service has a key statutory duty to secure value for money in the use of public funds. It provides high level guidance to help ensure effective and constructive relationships in all financial matters. The FMCP sets the tone while promoting flexibility and avoiding overt prescription so that the detail of arrangements can be worked out locally.

PURPOSE

1.5. These regulations provide a framework which makes sure the business is carried out efficiently, ensuring that decisions are not unnecessarily delayed.

1.6. These regulations should be read in conjunction with the Scheme of Consent and both the Police & Crime Commissioner's and Chief Constable's Schemes of Delegation.

KEY ROLES OF THE POLICE AND CRIME COMMISSIONER

1.7. In relation to financial management, contracts and procurement the key roles of the Commissioner are to:

- provide an efficient and effective police service for the area;
- set the budget, and the precept, and allocate funds and assets to the Chief Constable;
- make crime and disorder reduction grants.

1.8. The Police and Crime Commissioner will receive all funding, including the government grant and precept, and other sources of income, related to policing and crime reduction. All funding for the force must come via the Commissioner.

How this money is allocated is for the Commissioner to decide in consultation with the Chief Constable, or in accordance with any grant terms.

1.9. The Police and Crime Commissioner is the legal contracting body owning all the assets and liabilities, with the responsibility for the financial administration of his/her office and the force, including all borrowing limits.

SECTION TWO

DEFINITIONS

2.1 **"The Budget"** means the Annual Revenue Budget and capital programmes prepared and approved in accordance with Section FR11of this Scheme

2.2 "**Budget Head**" means the lowest level of the budget approved by the Commissioner in the annual budget report or any revisions subsequently made to the budget by the Commissioner.

2.3 "**Budget Holder**" means the person to whom budget management responsibility is delegated.

2.4 "**Capital Expenditure"** means the acquisition or improvement of Fixed Assets which will have a long term value to the Commissioner or Force. Fixed assets include land, new or existing buildings, ICT systems, furniture, equipment and vehicles.

2.5 **"CFO"** means Chief Finance Officer

2.6 "**Chief Constable**" means the person appointed under Section 2 of the Police Reform and Social Responsibility Act 2011 with responsibility for the direction and control of Lincolnshire Police Force

2.7 "**Chief Executive**" means the person appointed as head of the PCC's staff with responsibility for its general administration and as defined by the Police Reform and Social Responsibility Act 2011

2.8 "**Chief Officer**" means the Chief Constable, the Deputy Chief Constable, Assistant Chief Constable, Assistant Chief Officer or Force Chief Finance Officer.

2.9 **"Commissioner**" means the Police and Crime Commissioner for Lincolnshire.

2.10 **"Commissioner's Chief Finance Officer"** means the person responsible to the Commissioner for financial management within the Office of the Commissioner and who is charged with the duties of a chief finance officer as set out in Sections 111 to 116 of the Local Government Finance Act 1988 and paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011

2.11 **"Contract"** means an agreement entered into by two or more willing parties for the provision of goods, works or services in return for some form of consideration, normally money, which is intended to be legally enforceable. In principle, an oral agreement is as valid and effective as a written agreement; consequently great care should be taken when discussing requirements with contractors/suppliers.

2.12 **"Contract Manager"** means the police officer, police staff or employee of a strategic partner who is responsible for the day to day management of a Contract

2.13 **"Estimated value"** means the value of the Contract estimated under these Contract and Procurement Regulations.

2.14 **"EU"** means the European Union

2.15 "**Framework agreement**" means a negotiated enabling arrangement. A Framework Arrangement in itself is not a binding Contract on the Commissioner but each and every order placed by the Commissioner against the Framework Arrangement contractor(s)/suppliers(s) are deemed to form a binding Contract(s) between the two parties.

2.16 **The "Financial Management Code of Practice**"**or "FMCP"** means the Financial Management Code of Practice for the police service of England and Wales issued by the Secretary of State for the Home Department under s.17 of the Police Reform and Social Responsibility Act and s. 39a of the Police Act 1996. It applies to the discharge of functions by all police and crime commissioners and applies to every Chief Constable of a police force maintained by a police and crime commissioner.

2.17 "**Force Chief Finance Officer**" means the person responsible to the Chief Constable for financial management within the Force and who is charged with the duties of a chief finance officer as set out in Sections 111 to 116 of the Local Government Finance Act 1988 and paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform and Social Responsibility Act 2011

2.18 "**Force**" means those working under the direction and control of the Chief Constable as set out in Section 15 of the Police Act 1996. It includes Police Officers, Police Staff and Volunteers, which goes beyond the legal definition of a Force but is used for the sake of brevity and simplicity.

2.19 "**Monitoring Officer**" means the Chief Executive who is designated as Monitoring Officer by Schedule 16 of the Police Reform and Social Responsibility Act 2011 and in accordance with Section 5(1C) of the Local Government & Housing Act 1989.

2.20 "**Office of the Police and Crime Commissioner**" means the staff employed directly by the Commissioner to carry out managerial, administrative and support work on his/her behalf and managed by the Chief Executive.

2.21 "**Police and Crime Panel**" means the panel established by Section 28 of the Police Reform & Social Responsibility Act 2011 to support the effective exercise of the functions of the Police & Crime Commissioner.

2.22 "**Police Officers**" means all police officers appointed in accordance with the Police Regulations.

2.23 "**Police Staff**" means all civilian support staff appointed on the terms and conditions agreed by the Police Support Staff Council.

2.24 "**Policy Framework**" means

- The Police and Crime Plan;
- the Medium Term Financial Strategy and Financial Plan;
- the People Strategy;
- the Procurement Strategy
- the ICT Strategy

- The Estate Strategy
- The Fleet Strategy
- Any other plans and strategies which are expressed to form part of the Policy Framework.

2.25 "**Quotation**" means a quotation of price and any other relevant matter without the formal issue of a Tender.

2.26 "**Requisitioning Officer**" means the police officer or police staff responsible for a particular procurement.

2.27 "**SPU**" means Strategic Procurement Unit

2.28 "**Strategic Partner**" means third party organisation that provide services to the Commissioner and/or the Chief Constable under a long term partnership contract

2.29 "**Tender**" means a suite of formal documents sent to contractors/suppliers from among either: those responding to advertisement of the Contract inviting proposals; or those included on a select or approved list in respect of the type of purchase which is the subject of the Tender

2.30 "**Virement"** means the transfer of amounts from one Budget Head to another.

SECTION THREE

GENERAL PRINCIPLES

GPD1 The Chief Constable shall be responsible for ensuring that the provisions and obligations of these regulations are properly drawn to the attention of members of staff under his/her employ. The Chief Executive, Commissioner's Chief Finance Officer and Force Chief Finance Officer are responsible for making sure that members of staff they supervise know about the provisions and obligations of these regulations.

GPD2 The Schemes of Delegation provide an officer with the legal power to carry out duties of the Commissioner or Chief Constable. In carrying out these duties the officer must comply with all other statutory and regulatory requirements and relevant professional guidance including:

- The Police and Social Responsibility Act 2011 and other relevant legislation issued under this Act.
- Financial Regulations
- Home Office Financial Management Code of Practice
- CIPFA statement on the role of the CFO of the Police and Crime Commissioner and the CFO of the Chief Constable
- Contract Regulations
- The Commissioner's governance framework
- The Commissioner's and Lincolnshire Police's employment policies and procedures.
- The Data Protection Act 1998 and the Freedom of Information Act 2000

GPD3 The Commissioner has a wider responsibility regarding financial, contract and procurement management, wider than those solely relating to the police force, namely:

- the ability to make crime and disorder reduction grants for their force area;
- the commissioning of services for victims and witnesses.

SECTION FOUR

PROPER OFFICERS

PO1 APPOINTMENT

PO1.1 In accordance with the Local Government Act 1972 and other legislative requirements the following officers are appointed as the Proper Officers to discharge the functions stated.

PO2 CHIEF EXECUTIVE

PO2.1 The Chief Executive is designated as the Proper Officer for the following: -

- Section 96 (1) - Receipt of notices of pecuniary interest.
- Section 96 (2) - Keeping records of disclosures of pecuniary interest under section 94 and of notices under Section 96 (1).
- Section 100B - Determination of which reports or parts of reports should not be disclosed on the grounds that they include exempt information which is likely to be considered in private.
- Section 100C – Minuting of meetings and preparing where necessary written summary of such parts of meetings at which the public are not present.
- Section 100F - Determination of which documents should not be disclosed to members on the grounds that they include confidential or exempt information.
- Section 229 (5) - Certification of photographic copies of documents.
- Section 231 (1) & (2) – Authentication of documents.
- Section 41 (1) & (3) of the Local Government Miscellaneous Provisions Act 1976 – Certification of resolutions and minutes, etc., for evidential purposes.

PO3 COMMISSIONER'S & CHIEF CONSTABLE'S CHIEF FINANCE OFFICERS

PO3.1 Both the Commissioner's and Chief Constable's Chief Finance Officers have statutory responsibilities that are set out in paragraph 4 of schedule 2 and paragraph 1 of schedule 4 to the Police Reform and Social Responsibility Act 2011 and section 114 of the Local Government Finance Act 1988.

PO3.2 Both the Commissioner's Chief Finance Officer and the Chief Constable's Chief Finance Officer are designated as the Proper Officer for the following: -

- Section 115 (2) – Receipt of monies due from officers.
- Section 228 (3) – Inspection of accounts.

PO3.3 In the event of the absence of either CFO for an extended period of time their respective statutory roles will be assumed by the Deputy Chief Finance Officer.

SECTIONFIVE

FINANCIAL REGULATIONS

FR1 PURPOSE

FR1.1 To conduct business efficiently, the Commissioner and the Chief Constable need to ensure that there are sound financial management arrangements in place within their respective organisations and that these are strictly adhered to. These Financial Regulations set out such arrangements in a single document to ensure consistency. They also incorporate the Contract and Procurement Regulations.

FR1.2 These Financial Regulations provide clarity about the financial accountabilities of individuals, particularly the Chief Executive, the Chief Constable, and their respective Chief Finance Officers. They apply to every member of the Commissioner's staff and the Force and anyone acting on their behalf.

FR1.3 FR44 sets out the delegated limits attributable to these Financial Regulations.

FR2 STATUS

FR2.1 These Financial Regulations are embedded within and must be read in conjunction with the other constituent parts of the scheme of arrangements.

FR2.2 All members of staff, police officers and police staff including special constabulary and volunteers must take reasonable action to provide for the security of any assets under their control, and ensure that the use of these resources is legal, is properly authorised, and provides value for money.

FR2.3 Each of the Financial Regulations sets out the overarching financial responsibilities. The Chief Finance Officers shall from time to time issue supplementary guidance which sets out in greater detail the procedures for carrying out particular financial transactions. Such guidance shall emphasise the need for effective systems of internal control to be in place and complied with.

FR2.4 The Chief Constable shall ensure that all police officers, police staff and the Strategic Partner's staff are aware of the content of the Financial Regulations and guidance and other internal regulatory documents and ensure that they comply with them.

FR3 BREACHES

FR3.1 The Chief Executive shall inform the Commissioner's CFO of any breach of the Financial Regulations by a member of the Office of the Commissioner or by a commissioned body within 5 working days of the breach being identified. For minor breaches the Commissioner's CFO shall take appropriate action to prevent further occurrences. For more significant breaches the Commissioner's CFO shall discuss the breach with the Commissioner with a view to identifying appropriate action.

FR3.2 The Chief Constable or other Chief Officer shall inform the Force CFO of any breach of the Financial Regulations by a member of the Force or Strategic

Partner within 5 working days of the breach being identified. For minor breaches the Force CFO shall take appropriate action to prevent further occurrences. For more significant breaches the Force CFO shall discuss the breach with the Commissioner's CFO with a view to identifying appropriate action.

FR4 SUSPENSION OF REGULATIONS AND URGENT EXPENDITURE

FR4.1 In exceptional cases, the Commissioner may suspend the application of these Regulations where it is in the best interests of the Commissioner or Force to do so. Any decision to suspend the Regulations shall be recorded in writing along with the reason(s) for making the decision.

FR4.2 In cases of urgency:

FR4.2.1 the Chief Constable jointly with the Chief Executive and the CFOs, and in consultation with the Commissioner, may authorise the Force to incur any lawful expenditure which would otherwise be contrary to these Regulations; or

FR4.2.2 the Commissioner jointly with the Chief Executive and the Commissioner's CFO may authorise the Commissioner to incur any lawful expenditure which would otherwise be contrary to these Regulations.

FR4.3 If, in respect of Regulation FR4.2.1, the Chief Constable, Chief Executive and CFOs fail to agree on the need for or extent of any such expenditure the Commissioner will decide on the appropriate course of action.

FR4.4 The exercise of regulation FR4.2 shall in every case be recorded in writing along with the reason(s) for making the decision.

FR5 VALUE ADDED TAX

FR5.1 All limits specified within these Financial Regulations exclude any Value Added Tax (VAT) which may be payable.

FR6 REVIEW

FR6.1 Each CFO shall monitor the operation of the Financial Regulations. Minor changes (such as job titles or as a result of other decisions formally made by the Chief Constable) are delegated to the Chief Constable's CFO. All other changes must be approved by the Commissioner.

FR6.2 The CFOs will review FR44 on an annual basis and will submit any recommendations for changes as a result of their review to the Commissioner as an annex to the Budget report.

FR6.3 At least once every three years, the CFOs shall undertake a comprehensive review of the Financial Regulations in consultation with the Chief Executive and the Chief Constable, including the re-assessment of FR44 and will submit any recommendations for change to the Commissioner for approval.

FINANCIAL MANAGEMENT

FR7 THE COMMISSIONER

FR7.1 In accordance with the statutory requirements and deadlines, and having consulted with the Police and Crime Panel and other stakeholders, the Commissioner shall approve the Budget and Capital Strategy and Programme and shall determine the precept for the forthcoming financial year.

FR8 THE STATUTORY OFFICERS

FR8.1 The Chief Constable shall have responsibility for discharging all executive functions vested in the Force in accordance with the Policy Framework and Budget and in particular shall be responsible for:

- corporate and overall strategic management;
- reporting to and providing financial and performance information to the Commissioner;
- establishing a framework for management direction, style, standards and delegation for monitoring the performance of the organisation;
- ensuring that the financial implications of all proposals have been agreed by the Force Chief Finance Officer;
- signing contracts or making other financial commitments within the limits of the delegated budget and subject to the Scheme of Consent;
- consulting with the Force Chief Finance Officer and seeking approval on any matter specified within these Financial and Contract and Procurement Regulations; and
- exercising the powers and duties of the Force under the Police (Property) Regulations 1997.

FR8.2 The Chief Constable, in consultation with the Commissioner, Chief Executive and Commissioner's CFO shall appoint the Force Chief Finance Officer.

FR8.3 The Force Chief Finance Officer shall:

FR8.3.1 be responsible to the Chief Constable for financial activities undertaken in the Force or by the Strategic Partner on behalf of the force.;

FR8.3.2 be responsible for the proper financial administration of the Force including the preparation of statutory statements of account;

FR8.3.3 have a place on the Chief Constable's Senior Command team;

FR8.3.4 be a member of one of the bodies listed in Section 113 of the Local Government Finance Act 1988.

FR8.3.5 be responsible for ensuring efficient and effective use of financial resources available to the Force to support the achievement of high standards of operational performance.

FR8.3.6 provide the Commissioner and the Commissioner's CFO with all such financial information and support as they may require to facilitate the proper discharge of their respective statutory duties and functions.

FR9 OTHER OFFICERS

FR9.1 The Chief Constable shall ensure that a proper scheme of delegation has been established and is operating effectively. The scheme of delegation should identify police officers and police staff authorised to act on the Chief Constable's behalf in respect of payments, income collection and placing orders, together with the limits of their authority.

FR9.2 Budget Holders shall be responsible for the management and control of budgets and cost centres allocated to them. A Budget Holder may be an employee of the Police and Crime Commissioner, the Chief Constable, an employee of the Strategic Partner or of a commissioned body.

FR9.3 Budget holders shall ensure that all expenditure and income is properly recorded and accounted for. They are responsible for monitoring expenditure and income and shall take appropriate action in the event of any variation occurring, or being anticipated to occur, in the expenditure and/or income relating to activities and cost centres within their purview.

FR9.4 In respect of major projects such as business changes as well as all capital programme projects the Chief Constable will designate a person to act as the Senior Responsible Owner (SRO) of the project. The SRO will be advised by the project manager and will have the same responsibilities as Budget Holders in respect of managing expenditure and income, in so far as these relate to the project under their control.

FINANCIAL PLANNING

FR10 MEDIUM TERM FINANCIAL STRATEGY

FR10.1 The Commissioner's CFO will, in conjunction with the Force Chief Finance Officer, prepare for the Commissioner on an annual basis a Medium Term Financial Strategy. The strategy shall set out the key components of the budget for at least the ensuing three years, having regard to all known circumstances and where necessary assumptions as to:

- Government Grants
- Council Tax and precept levels
- Other income
- Pay awards
- Inflation (for utilities, fuel, ICT, contracts, general goods and services, etc)
- Investment returns and borrowing costs

- Specific Budget pressures
- Any other relevant factors

FR10.2 In preparing the Medium Term Financial Strategy the Commissioner's CFO shall consult with the Commissioner, the Chief Constable and the Force CFO and shall take into account the views of relevant third parties.

FR11 PREPARATION OF THE BUDGET AND CAPITAL PROGRAMME

FR11.1 The Commissioner shall approve the annual revenue Budget and Capital Programme and set the precept having consulted with the local community.

FR11.2 The Commissioner's annual Budget and Capital Programme shall be prepared having regard to the Policy Framework and in particular to the three year Police and Crime Plan approved by the Commissioner.

FR11.3 In respect of the annual budget and capital programme for the Force, the Commissioner's CFO shall agree with the Force CFO the detailed timetable for the preparation of the annual Capital and Revenue budgets and the format of those budgets. Furthermore, the Chief Constable shall:

FR11.3.1 ensure that budget estimates reflect agreed service plans and that these estimates are prepared in line with any guidance issued by the Commissioner or the Commissioner's CFO

FR11.3.2 ensure that a draft revenue budget is prepared alongside the Police and Crime Plan each year for consideration and comment by the Commissioner;

FR11.3.3 submit a revised budget at a time to be agreed each year for approval by the Commissioner;

FR11.3.4 issue guidance to their staff on the general content of the budget in consultation with the Force Chief Finance Officer as soon as possible following approval by the Commissioner

FR11.3.5 implement the approved budget in accordance with the Financial Regulations and Contract and Procurement Regulations.

FINANCIAL MANAGEMENT

FR12 BUDGETARY CONTROL

FR12.1 The Chief Constable shall ensure that allocated resources are used for their intended purposes and are properly accounted for.

FR12.2 The Chief Constable may authorise lawful expenditure included in that part of the approved Budget and Capital Programme that is under his/her direct control.

FR12.3 Control of expenditure and income shall be against the appropriate Budget Head.

FR12.4 After the annual budget has been approved the Chief Constable shall provide to the Commissioner's CFO ahead of the new financial year (i.e. by 31 March)

the allocations of the budget to their Budget Holders. These allocations will then be utilised for budget monitoring and financial accountability.

FR12.5 The Chief Constable will monitor the budgeted income and expenditure, and provide the Commissioner's CFO with monthly reports comparing revenue expenditure in the year to date together with a forecast of spend to the year end compared to the approved budget. A budget monitoring report, in a format approved by the Commissioner's CFO, shall be presented to the Commissioner.

FR12.6 Where Shared Services are provided to both the Office of the Police & Crime Commissioner and the Chief Constable, (currently Corporate Communications, the Commercial Partnership Team and the Corporate Finance Team) the budget will be designated to either the Chief Executive or the Chief Constable, as appropriate, and they will agree a Business Plan for the delivery of the Shared Services.

FR12.7 For the purposes of these Financial Regulations, expected or actual shortfalls or losses of income shall be treated as if they are increases in expenditure.

FR12.8 The Chief Constable shall ensure, as far as practicable, that expenditure in excess of the approved budget is not incurred. Where an estimated or actual overspend is identified, which cannot be dealt with by virement (see FR 15), the details shall be included within the next budget monitoring report to the Commissioner. The report shall include an explanation for the overspend and details of the action taken or proposals made to deal with it.

FR13 CAPITAL EXPENDITURE

FR13.1 At the same time as the Budget is prepared each year, capital expenditure estimates and capital programmes shall be prepared by the Chief Constable in consultation with the Commissioner's CFO and Chief Executive and approved by the Commissioner (see FR 11).

FR13.2 A capital programme implementation report which sets out the progress made with individual schemes and a comparison of expenditure to date against the total scheme cost shall be submitted on a monthly basis to the Commissioner's CFO.

FR13.3 Any in-year changes to the Capital Programme must be approved by the Commissioner, having consulted with the Commissioner's CFO.

FR14 FINANCIAL APPRAISALS (BUSINESS CASES)

FR14.1 A Business Case must be prepared by the Chief Constable for all capital and revenue schemes with a financial implication, in accordance with FR44. Every Business Case shall be in a format agreed with the Force CFO which will include:

- the scope of the proposal;
- the need or justification for the proposal;
- an evaluation of the financial costs (capital and revenue) and benefits of the proposal over its whole life (as reasonably estimated);

- an assessment of non-financial costs and benefits if relevant and reasonably quantifiable;
- how the proposal is to be funded;
- the risks associated with the delivery of the proposal; and
- other options available.

FR14.2 All Business Cases will be submitted to the Force CFO (or Commissioner's CFO for Business Cases to be funded from the budget of the OPCC) for comment prior to submission to the designated decision maker. The relevant CFO will consider and make recommendations on the financial case.

FR14.3 For proposals estimated to cost less than the delegated limit (see FR44) the Chief Constable may approve the proposal provided that the Force CFO has approved the financial case and there is sufficient funding within the approved Budget or Capital Programme.

FR14.4 Business Cases on proposals estimated to cost above the delegated limit, any proposals for which there is no funding within the approved Budget or Capital Programme and any proposals with ongoing revenue or capital budget consequences beyond the current financial year shall be submitted by the Chief Constable and the Commissioner's CFO to the Commissioner for consideration.

FR14.5 In the case of emergency work it may be necessary for proposals above the delegated limit to commence prior to the Commissioner's approval. In these cases, the Chief Constable and Force CFO shall consult with the Chief Executive and the Commissioner's CFO who may jointly approve the expenditure on the basis that a full Business Case will be presented retrospectively to the Commissioner accompanied by an explanation of the emergency.

FR14.6 In circumstances where a proposal is initially estimated to cost less than the delegated limit (see FR44) but subsequently it becomes clear that the proposal will cost more than this delegated limit the Business Case must be submitted jointly by the Chief Constable and Commissioner's CFO at the earliest opportunity to the Commissioner.

FR14.7 All proposals which have been appraised under these Regulations will be subject to a reappraisal by the Chief Constable if:

- The cost of the originally approved scheme is estimated to be exceeded by more than 10% or the delegated limit (see FR44) (whichever is the lower).
- In the professional opinion of the Chief Constable, the nature of the proposal or its benefits have changed materially since the original approval.

FR14.8 All re-appraisals of proposals exceeding the delegated limit shall be referred to the Commissioner's CFO for Commissioner's approval.

FR14.9 Where the Force CFO declines to approve any Business Case submitted to him or her under paragraph FR14.2, the Chief Constable may refer the Business Case to the Commissioner for determination.

FR14.10 Decisions by the Commissioner or the Chief Constable to approve Business Cases will be published on their respective websites within 5 working days of the decision having been made.

FR15 VIREMENT

FR15.1 Virement is the planned reallocation of resources between approved budget heads. The Chief Finance Officers and Budget Holders use this budget management tool to give flexibility in making the best use of the budget during the year to achieve the objectives agreed by the Commissioner. The Commissioner's approval is required for any virement which:

FR15.1.1 is likely to result in a failure to achieve objectives and targets set out in the Police and Crime Plan; or

FR15.1.2 is intended to initiate new non-operational policing policies other than those that have been approved by the Commissioner; or

FR15.1.3 increases committed expenditure in future years by more than the delegated limit in FR44 (excluding annual pay awards and inflation).

FR15.2 The following are authorised to undertake virement within their delegated limits (see FR44 and FR45):

FR15.2.1 The Chief Constable

FR15.2.2 Other Chief Officers, including the Force Chief Finance Officer

FR15.2.3 Budget Holders, provided they are responsible for both relevant budget heads

FR15.3 Virement from the Capital Programme to the revenue budget, or vice versa, is not permitted.

FR16 YEAR END CARRY FORWARD

FR16.1 No automatic carry forward shall apply from one financial year to the next of any underspends or overspends, either in the Capital Programme or the revenue budget.

FR16.2 In respect of the capital programme, where an individual project has commenced and it is anticipated that it will not be completed by the end of the financial year the unspent amount in the current financial year may be carried forward to the following financial year but only for the purpose of completing the said capital project.

FR16.3 Effective budgetary control will lead to the identification of potential underspending well in advance of the financial year end. The Chief Constable is encouraged to make proposals for the carry forward of underspending up to 1% of the approved revenue budget as set out in the Delegation of Budgets letter.

FR16.4 Requests for the carry-forward of any other budget under-spend should be made to the Commissioner, including the reasons that resulted in the under-

spend and proposals for what the budget would be used for in the following financial year.

FR17 USE OF BALANCES AND RESERVES

FR17.1 The Commissioner must maintain a policy on the levels of balances and reserves to be maintained and purposes for which the balances may be used.

FR17.2 The cost of major incidents shall be financed from the Major Incidents Reserve in accordance with the latest policy approved by the Commissioner.

FR17.3 The net cost of insurance claims shall be financed from the Insurance Reserve in accordance with the latest policy approved by the Commissioner.

FR17.4 Proposals for unbudgeted expenditure to be financed from the Commissioner's General and Earmarked (other than Major Incidents, Insurance and that included at FR16.3) Reserves may only be approved by the Commissioner, unless the matter is so urgent that such approval cannot be obtained in time and the action is necessary for the proper discharge of the Chief Constable's functions or for the preservation of the Commissioner's property or finances. In such circumstances, the Chief Executive may approve a request for additional expenditure to be financed from the General Reserve or the Commissioner's Earmarked Reserves, in consultation with the Commissioner's CFO. The Commissioner's CFO shall provide a written report on the subject to the Commissioner as soon as practicable after the event.

FR18 ANNUAL STATEMENTS OF ACCOUNT

FR18.1 The CFOs shall ensure that annual statements of account are prepared for both the Commissioner and the Chief Constable by 30th June each year immediately following the year end. The Commissioner's CFO shall also ensure that group accounts are prepared by 30th June each year.

FR18.2 The CFOs shall ensure that all information needed for the Group Accounts is provided.

FR18.3 The statements of account must be prepared in accordance with proper practices and the Accounts and Audit Regulations 2011 and all applicable guidance and codes of practice. The Commissioner's CFO shall certify that the relevant statements of accounts present a true a fair view of the financial position and the income and expenditure of the Commissioner. The Force CFO shall certify that the relevant statements of account present a true and fair view of the financial position and the income and expenditure of the Chief Constable. The Accounts will be submitted to the Commissioner for noting prior to the external audit being carried out.

FR18.4 Following the completion of external audit the statements of account are to be recertified by the Force CFO and the Chief Constable (for the Chief Constable's statement of accounts) and by the Commissioner's CFO and the Commissioner (for the Commissioner's statement of accounts and the group statement of accounts).

FR18.5 Before 30th September each year the Audit Committee shall review the Chief Constable's, Commissioner's and Group statements of account and any

reports on them made by the external auditor. The Audit Committee shall report any concerns it may have to the Commissioner and Chief Constable.

FR18.6 The Group, PCC's and CC's Accounts will be open to Public Inspection each year in accordance with the statutory requirements and to a timetable agreed in conjunction with the external auditors.

FR18.7 The accounts must be published by 30th September each year, including publication on the Chief Constable's website, together with any certificate, opinion, or report issued, given or made by the external auditor.

FR19 ACCOUNTING POLICIES

FR19.1 The Commissioner's, Chief Constable's and Group statement of accounts will be prepared in accordance with proper practices, standards and guidance issued by the Home Office, CIPFA or other relevant body. The CFOs shall determine and consistently apply accounting policies, which comply in all respects with the latest accounting guidance and standards. If there is any dispute between the Force Chief Finance Officer and the Commissioner's CFO as to the policies to be adopted the matter will be referred to the external auditor for guidance and a recommendation.

FR19.2 Revenue and capital budgets shall be prepared on the basis of the same accounting policies as the preparation of statements of account. Any changes to accounting policies which may have a financial impact on the Precept/Council Tax of more than the delegated limit (see FR44) must be reported to the Commissioner by the Commissioner's CFO.

FR20 ACCOUNTING RECORDS

FR20.1 The Commissioner's CFO shall determine the accounting records to be maintained by the Chief Constable.

FR20.2 All accounts and records relating to the finances of the Chief Constable shall be open to inspection by the Commissioner's CFO, or any person authorised by the Commissioner's CFO. The Commissioner shall have authority to apply any test or check to those accounts and records and to require such explanations as he/she considers necessary to satisfy himself/herself as to the correctness of any matters under consideration.

FR20.3 This will also apply to all accounts held on a Shared Service Provision basis.

FR21 RETENTION OF RECORDS

FR21.1 The Force CFO will produce a document retention policy and agree this with the Commissioner's CFO. All statutory requirements must be met as a minimum and requirements for the Freedom of Information Act must be incorporated within the document retention policy.

FR22 RISK MANAGEMENT AND INSURANCE

FR22.1 The Chief Constable, with the advice of the Force CFO, shall approve the strategic arrangements for risk management and insurance, and shall periodically review the effectiveness of these arrangements.

FR22.2 Within the overall strategy agreed with the Commissioner, the Chief Constable shall effect and administer risk management policies, ensuring that:

- procedures (including risk registers) are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the Force;
- a monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis to all service areas and applies to all projects and capital schemes;
- managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives; and
- acceptable levels of risk are determined and insured against where appropriate.

FR22.3 The Chief Constable, in conjunction with the Force CFO, shall implement and manage insurance arrangements where required to have such insurance by law and also to mitigate other risks where appropriate.

FR22.4 Officers and staff shall promptly notify the Force's CFO of:

FR22.4.1 All new risks, of whatever nature, which require to be insured, indicating the scope and amount of cover required, together with variations in existing risks; and

FR22.4.2 any loss, liability or damage, or of any event likely to lead to a claim, either against the Force or in favour of it.

FR22.5 No officer or staff shall admit liability to a claimant, or make any statement which could be construed as such, concerning any matter which is to be dealt with by insurers.

FR22.6 The Chief Constable may approve settlements of claims within the terms of the insurance policies up to a value of the delegated limit (see FR 44). For insurance settlements in excess of this delegated limit, the Chief Constable must consult with the Commissioner's CFO.

FR22.7 The Chief Constable may approve payments arising from Employment Tribunal settlements and ex-gratia payments outside of the Force's insurance arrangements (i.e. damage caused by police officers entering property and minor claims from police officers and police staff), up to a value of the delegated limit (see FR 44). For payments and settlements in excess of the

delegated limit, the Chief Constable must consult with the Commissioner's CFO.

FR22.8 The Force CFO shall report annually to the Chief Constable on the claims experience. They will also report on any insurance settlements and ex-gratia payments in excess of the delegated limit, together with the current position in respect of claims estimated over the delegated limit (see FR44).

FR22.9 The Chief Constable shall submit an annual report on insurance arrangements, including claims experience, to the Commissioner.

INTERNAL CONTROLS & AUDIT

FR23 INTERNAL CONTROL

FR23.1 The Force Chief Finance Officer, in conjunction with the Commissioner's CFO, shall advise managers about effective systems of internal control.

FR23.2 Managers are responsible for implementing effective internal controls sufficient to ensure compliance with all applicable statutes, regulations and other relevant statements of best practice and to safeguard all public funds and other assets. Managers are also responsible for ensuring that public funds and assets are used economically, efficiently and effectively.

FR24 AUDIT REQUIREMENTS – INTERNAL AUDIT

FR24.1 The Chief Constable and Commissioner must maintain adequate and effective internal audit of their accounting records and systems of internal control in accordance with proper practices in relation to internal control and the Accounts and Audit Regulations 2011.

FR24.2 The Commissioner and Chief Constable shall jointly commission an internal audit provider. The commissioning process may be carried out in collaboration with other police commissioners and chief constables.

FR24.3 The internal audit provider will prepare an annual internal audit plan in consultation with the CFOs, and submit it the Commissioner and Chief Constable for approval.

FR24.4 The Chief Constable, by agreement with the Commissioner's CFO, shall be able to request directly from Internal Audit, systems audits and value for money audits.

FR24.5 All reports produced by the internal audit provider shall be available to both CFOs. Regular summaries of audit reports shall be submitted by the internal audit provider to the Commissioner and the Chief Constable.

FR24.6 The internal audit provider shall:

FR24.6.1 have access at all reasonable times to premises, personnel, documents, and assets that are considered necessary for the purposes of their work; and

FR24.6.2 be provided with any information and explanations that they seek in the course of their work.

FR24.7 All recommendations concerning the Force will be notified to the Chief Constable who will consider and respond promptly and ensure that any agreed actions arising are carried out within agreed timescales.

FR24.8 The Audit Committee will track the implementation of all audit recommendations.

FR25 AUDIT REQUIREMENTS – EXTERNAL AUDIT

FR25.1 The Audit Commission is responsible for appointing external auditors to the Commissioner and the Chief Constable. External auditors shall work closely with the CFOs and have full access to internal audit reports.

FR25.2 The Audit Committee should use the reports from external auditors to assist it in monitoring performance, including the operation of these Financial Regulations.

FR26 PREVENTING FRAUD AND CORRUPTION

FR26.1 The Chief Constable shall develop and maintain an anti-fraud and anti-corruption policy. All police officers and police staff are required to observe the policy and to bring to the attention of senior management any breaches which they observe.

FR26.2 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Commissioner or the Chief Constable, the relevant CFO shall be notified forthwith and the appropriate action, by way of investigation and report, shall be taken. Whichever CFO is notified about the irregularity shall inform the other CFO as soon as practicable.

FR26.3 Any issues relevant to section FR26.2 will be raised at the quarterly Anti-Fraud and Corruption meeting or directly to the Commissioner's CFO if significant.

FR27 STOCKS AND STORES

FR27.1 The Force CFO, in conjunction with the Strategic Partner, shall prepare guidance relating to the manner in which stocks and stores are to be administered.

FR27.2 Stocks shall not be held in excess of normal operational requirements except in special circumstances with the approval of the Force CFO.

FR27.3 The identification of any material surplus or deficiency shall be reported to the Chief Constable and may only be written off with their approval, up to the delegated limit (see FR 44). Writing off amounts of stock in excess of the delegated limit shall require the approval of the Commissioner's CFO.

FR28 INVENTORIES

FR28.1 The Chief Constable is responsible for maintaining adequate records for inventory items belonging to the force. The objective of the inventory is to assist in maintaining effective control over items which are portable, desirable and/or valuable. Items that have been donated to the Commissioner or Chief

Constable and items purchased from private funds must be included in the inventory. Rented equipment should also be included in the inventory.

FR28.2 A physical check of all inventory items must be made at least every two years and certified as correct by the officer in charge. The checks may be carried out on a rolling programme.

FR28.3 A list of discrepancies and unserviceable equipment shall be submitted to the Force Chief Finance Officer who may authorise that the inventory be adjusted up to the delegated limit (see FR44) provided that any deficiencies are due to fair wear and tear. Other discrepancies will be subject to normal internal audit scrutiny.

FR28.4 Surplus and obsolete vehicles and equipment with a value greater than the delegated limit (see FR44) should be disposed of via the most appropriate route in accordance with good practice (e.g. tender, auction, etc). Items with a value under the delegated limit may be disposed of with the approval of the Force Chief Finance Officer (all proceeds from disposal will be credited to the Commissioner's accounts as provided for in the Scheme of Consent).

TREASURY MANAGEMENT

FR29 BORROWING AND INVESTMENTS

FR29.1 The Commissioner has adopted CIPFA's 'Treasury Management in the Public Services: Code of Practice' ("the Code").

FR29.2 The Commissioner's CFO may make arrangements for the Force Chief Finance Officer, other officers or a strategic partner to undertake or procure, in a manner acceptable to the Commissioner's CFO, the daily management of cash, loans and investment work. The delegations in place for investments is set out in the appendix to these regulations "Police and Crime Commissioner/G4S Delegation of Authorities" at FR45.

FR29.3 No person shall borrow money on behalf of the Commissioner without the prior written approval of the Commissioner's CFO.

FR30 BANKING ARRANGEMENTS

FR30.1 All arrangements concerning the opening and closing of bank accounts, the issue of cheques, and bank transfer instructions shall be approved by the Commissioner's CFO. The delegations in place for banking arrangements is set out in the appendix to these regulations "Police and Crime Commissioner/G4S Delegation of Authorities" at FR45. All Commissioner bank accounts, including imprest accounts, must include The Police and Crime Commissioner for Lincolnshire" in the title and not the name of any officer or staff member by name or designation, or establishment, except for specific covert accounts and Voluntary Funds that have been expressly approved by the Commissioner's CFO.

FR30.2 The Chief Constable shall make arrangements for the proper administration of electronic payments made through the Bankers Automated Clearing System (BACS) or other electronic transfers.

FR30.3 The Commissioner's CFO and, subject to his/her supervision, every person operating a bank account on behalf of the Commissioner shall make safe and efficient arrangements for the control of access to bank cheques, the preparation, signing and dispatch of cheques, the prompt examination of paid cheques and an independent reconciliation of cash books with bank statements.

FR30.4 Every Officer who receives money on behalf of the Commissioner shall promptly pay over such monies, without deduction, to the Commissioner's bankers or a representative of the Force CFO, in accordance with such arrangements as the Commissioner's CFO shall prescribe.

FR30.5 Credit, debit and/or purchasing cards will only be issued to individuals after specific agreement by the Force CFO in accordance with terms and conditions approved by the Commissioner's CFO. Any expenditure incurred must be properly recorded and accounted for and receipts retained for VAT purposes. The delegation of authorities in place for the approval of new credit cards is set out in the annex to these regulations "Police and Crime Commissioner/G4S Delegation of Authorities" at FR45.

FR30.6 The delegation of authorities in relation to the authorisation of payroll payments and creditor payment runs is set out in the annex to these regulations "Police and Crime Commissioner/G4S Delegation of Authorities" at FR45.

FR31 IMPRESTS

FR31.1 New imprest accounts for the purpose of defraying petty cash and other expenses shall be authorised in line with the delegation of authorities set out in the annex to these regulations "Police and Crime Commissioner/G4S Delegation of Authorities" at FR45.

FR31.2 Payments from the imprest accounts shall be limited to minor items of expenditure, not exceeding the delegated limit per item (see FR44), and to such other items as may be agreed from time to time by the Chief Constable and Commissioner's CFO. Imprest accounts should not be used to make payments normally processed through the payroll system, other than advances of expenses, nor should personal cheques be cashed or loans made from the accounts. Any breaches for operational reasons must be reported to the Force CFO explaining why this has occurred.

FR31.3 Informants' fees and Identification Parade fees may be paid out of imprest accounts subject to compliance with written procedures issued by the Force CFO.

FR31.4 Officers responsible for imprest accounts shall produce a certificate as to the state of the imprest advanced as provided for on the reimbursement form and at other times if requested by the Chief Constable and/or one of the CFOs.

FR32 VOLUNTARY FUNDS

FR32.1 The Chief Constable should be notified of the existence of all voluntary funds (i.e. funds for charitable, sporting or social purposes which, although not legally the property of the Commissioner or the Chief Constable, are

controlled or administered by police officers or police staff by reason of their employment by the Commissioner or the Chief Constable), and of the arrangements for their reporting and audit.

FR32.2 The Chief Constable shall consult with the Commissioner's CFO on the type and extent of audit required for each particular fund, after taking into account the nature of activities covered, and the degree of risk. Under no circumstances must unofficial monies be mixed with official money of the Commissioner. Where the same officer or staff member keeps several unofficial funds, the funds should each be separate and readily identifiable.

FR32.3 Where bank accounts are set up, account names must be approved by the Commissioner's CFO. Bank accounts should not include the name of any officer or staff member by name or designation or establishment in the title.

FR33 LEASES

FR33.1 No police officer or member of police staff shall enter into a finance lease, an operating lease or an agreement which may be a lease, in respect of furniture, vehicles or equipment, without the prior approval of the Commissioner's CFO. The delegation of authorities in place for the approval of new arrangements is set out in the annex to these regulations "Police and Crime Commissioner/G4S Delegation of Authorities" at FR45.

FR34 PFI SCHEME

FR34.1 No private finance initiative (PFI) schemes will be entered into without the express permission of the Commissioner. Any proposed PFI schemes should follow the Financial Regulation relating to Business Cases.

SYSTEMS AND PROCEDURES

FR35 GENERAL

FR35.1 The Strategic Partner shall operate the Commissioner's and Chief Constable's accounting systems, the supporting financial records and the preparation of the accounts in the form agreed by the Commissioner's CFO and Force Chief Finance Officer.

FR35.2 Any changes made to the existing financial systems or the establishment of new systems must be approved by both CFOs.

FR35.3 The Chief Constable should ensure that all police officers and police staff receive relevant financial training that has been approved by the Force CFO.

FR35.4 The Chief Constable must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation.

FR35.5 The Chief Constable must produce business continuity plans covering all the material aspects of service for implementation in the event of a disaster which may result in significant loss or damage to the Force's resources. Where appropriate business continuity plans should be prepared by partners and suppliers, including the strategic partner.

FR36 INCOME

FR36.1 All official receipt forms or books or other documentation representing receipts for money due to the Commissioner shall be in a form agreed by the Commissioner's CFO.

FR36.2 Each officer or staff member who receives money on behalf of the Commissioner shall give such acknowledgement thereof and keep such records as may from time to time be approved by the Commissioner's CFO, including an accurate and chronological account of all receipts and deposits.

FR36.3 The Force CFO or his authorised representative shall be notified as early as possible of all money due under contracts, leases, tenancy agreements, agreements for the sale of property and any other arrangements involving the receipt of money by the Commissioner. Where the sum is to be paid directly into the Commissioner's bank account by the third party the Force CFO or his authorised representative should be notified in advance of receipt.

FR36.4 Where required, VAT must be charged by the Commissioner. Officers must charge and account for VAT in accordance with group VAT registration, HMRC regulations and any guidance issued by the CFOs.

FR36.5 Personal or third party cheques shall not be cashed out of money held on behalf of the Commissioner.

FR36.6 No debt in respect of an amount due to the Commissioner once established shall be discharged otherwise than by payment, by the issue of an official credit note or by write off.

FR36.7 The delegation of authorities in relation to the debtor invoices is set out in the annex to these regulations "Police and Crime Commissioner/G4S Delegation of Authorities" at FR45.

FR37 WRITE OFFS

FR37.1 Sums due to the Commissioner or Chief Constable shall not be written off without the direct approval of the Commissioner except as outlined at FR45. FR45 also sets out the delegation of authorities in place for stock write off.

FR37.2 A brief summary of all sums due to the Commissioner that have been written off where the individual amount involved is more than the lower delegated limit shall be reported annually to the Commissioner, together with the total of all write-offs below the lower delegated limit (see FR44).

FR37.3 The Force CFO may prescribe that, generally or particularly, specified goods or services shall not be supplied on credit terms or shall be supplied only on prepayment or concurrent terms.

FR37.4 The Chief Constable shall determine the appropriate level of fees for services and the use of premises for which fees have not otherwise been fixed.

FR37.5 The Chief Constable shall ensure that charges for special police services, made under Section 25 of the Police Act 1996, are calculated in accordance with the detailed guidance issued by ACPO and approved by the Commissioner.

FR37.6 The Force CFO shall ensure that all discretionary charges are reviewed annually in consultation with the Commissioner's CFO.

FR38 PAYMENTS FOR GOODS, WORK AND SERVICES

FR38.1 All staff who place orders for goods or services should seek to ensure that the Commissioner and/or Chief Constable obtains best value for money from any purchase by testing the market, where appropriate, before the Commissioner or Chief Constable is committed to any expenditure.

FR38.2 All staff who place orders for goods or services should procure goods, work and services in accordance with the Contract and Procurement Regulations which are set out in a separate section of this document

FR38.3 Orders must be issued in advance for all goods, work and services required. Such orders must be made in writing and in a form approved by the Commissioner's CFO. This does not include supplies of public utility services, rent, rates and petty cash disbursements.

FR38.4 The originator shall indicate on the order, by use of codes approved by the Commissioner's CFO, the expenditure headings to which the expenditure shall be charged.

FR38.5 The Force CFO should agree with the Commissioner's CFO the policies and procedures for the use of corporate credit cards and purchasing cards.

FR38.6 The Force CFO should agree with the Commissioner's CFO the policies and procedures for purchasing goods or materials at auction or from any consortium or association of which the Commissioner is a member.

FR38.7 The delegation of authorities in relation to the authorisation of creditor payment runs, credit note requests and the processing of invoices is set out in the annex to these regulations "Police and Crime Commissioner/G4S Delegation of Authorities" at FR45.

FR39 SALARIES, WAGES AND PENSIONS (INCLUDING EXPENSES)

FR39.1 The payment of salaries, wages or other emoluments and pensions shall be made only on the authority of the Chief Constable or Commissioner's CFO. The delegation of authorities in relation to the authorisation of payroll payments is set out in the annex to these regulations "Police and Crime Commissioner/G4S Delegation of Authorities" at FR45.

FR39.2 The Human Resources department, following notification from the Budget Holder, shall notify the appropriate Payroll officer (who may be an employee of the Strategic Partner) of all appointments, terminations, absences or any other changes which may affect the pay or pension of an office-holder, employee or ex-employee.

FR39.3 Payments of expenses and allowances will be made monthly in arrears via a claim form approved by the Chief Constable and duly authorised by the claimant and their authorised manager, or by other electronic means as they become available with the appropriate authorisations.

FR39.4 Any private phone calls (including from mobile phones) made by employees or office-holders must be paid for at the rates advised by the Force Chief

Finance Officer. For calls of an emergency nature payment will not be required.

FR40 TAXATION

FR40.1 The Force Chief Finance Officer should advise the Chief Constable on all taxation issues that affect their organisations, in the light of guidance issued by appropriate bodies and relevant legislation.

FR40.2 The Strategic Partner shall maintain the Commissioner's and Chief Constable's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

EXTERNAL ARRANGEMENTS

FR41 GIFTS, LOANS AND SPONSORSHIP

FR41.1 The Commissioner is responsible under the Police Act 1996 for setting the terms under which the Force may, in connection with the discharge of its functions, accept gifts of money, and gifts or loans of other property.

FR41.2 Gifts, loans and sponsorship can be defined as the voluntary provision to the Force of non-public funds, services, equipment or other resources. They may 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 acknowledgement.

FR41.3 For the avoidance of doubt this financial regulation does not apply to any funding received pursuant to any service delivery partnership entered into with another public body or voluntary organisation.

FR41.4 Gifts, loans and sponsorship must not be accepted where there is a risk of offending the integrity or propriety of the Commissioner, the Chief Constable or the Force, for example:

- by accepting offers from sources which come under the direct scrutiny of the police;
- where the provider seeks endorsement of a product or service in order to gain preferential treatment in supplying or contracting goods and services to the police; or
- to influence the direction of a particular policy or operation.

FR41.5 Such arrangements should only be used to support police activities which can readily be discontinued, since the donations can be withdrawn at any time on the initiative of the donor.

FR41.6 Where gifts, loans, or sponsorship are made from more than one organisation in a competing market, care must be taken to demonstrate an even handed approach in accepting or rejecting any offer.

FR41.7 Priority must be given to meeting the needs of the Force rather than those of the donor/lender/sponsor, and should avoid:

- potentially sensitive associations with inappropriate

donors/lenders/sponsors;

- potentially sensitive associations with organisations already in a contractual arrangement to supply goods or services to the Force, which could be construed by competitors as preferential treatment;
- projects which could distract effort from tackling agreed priorities;
- projects of dubious or limited benefit in policing terms;
- offers of gifts, loans, or sponsorship with conditions attached;
- offers of gifts, loans, or sponsorship which could involve the Force in additional net costs;
- offers of equipment which is incompatible with existing equipment;
- inadequate contractual arrangements; and
- the risk of becoming unduly dependent on a facility liable to be withdrawn.

FR41.8 Where publicity is sought by the donor/lender/sponsor, a commercial agreement should be signed.

FR41.9 The Chief Constable has discretion to accept individual gifts, loans, or sponsorship in accordance with the above guidelines up to a value the delegated limit (see FR44). Above this delegated limit, the Chief Constable must obtain the prior approval of the Commissioner.

FR41.10 The Chief Constable must maintain a complete record of all gifts, loans, and sponsorship received, including the market value, and provide details to the Commissioner's CFO in an annual report.

FR41.11 The Chief Constable should maintain a written policy in respect of gifts, loans, or sponsorship, and make it available to all police officers and police staff.

FR42 WORK FOR THIRD PARTIES

FR42.1 Where the Chief Constable undertakes to carry out any work for third parties;

FR42.1.1 arrangements should be in place to ensure that any risks associated with third party work is minimised and that such work is within the powers of the Chief Constable.

FR42.1.2 The Chief Constable should approve the contractual arrangements for any work for third parties or external bodies, including the identification of all risks related to that work.

FR42.1.3 If the value of such work is in excess of the delegated limit (see FR44), the Commissioner must be advised through the Chief Executive

FR42.1.4 All contracts will be in the name of the Police & Crime Commissioner for Lincolnshire to whom all income will accrue.

FR42.2 For the avoidance of doubt this Regulation shall not apply to any work carried out by the Chief Constable pursuant to any collaboration agreement approved under section 23 of the Police Act 1996.

FR43 EXTERNAL FUNDING

FR43.1 All receipts of external funding that exceed the delegated limit (see FR44) and which do not fall under the capital or revenue budget for the year, shall be specifically reported to the Commissioner by the Chief Constable as soon as reasonably practical.

DELEGATED LIMITS AND AUTHORITIES

FR44 DELEGATED LIMITS

FR44.1 The following table sets out the delegated limits relevant to the Financial Regulations.

Regulation	Brief Description	Level	Delegated Limit
FR14.3	Business Cases – proposals estimated costs	Up to	£75,000
FR14.7	Business Cases – reappraisal level	Schemes over upper limit	10% or £10,000
FR15.1.3	Virement – increases committed expenditure in future years.	Exceeds	£25,000
FR15.2.1	Virement – individual item or aggregated values	Up to	£100,000
FR15.2.2	Virement – individual item or aggregated values	Up to	£100,000
FR15.2.3	Virement – individual item or aggregated values	Up to	£50,000
FR19.2	Accounting Policies – policy change causes financial impact	Exceeds	£50,000
FR22.6	Insurance – settlement of claims	Up to	£25,000
FR22.7	Ex-gratia payments	Up to	£10,000
FR22.8	Insurance – claims reporting Ex-gratia payments reporting Estimated claims	Exceeds Exceeds Exceeds	£25,000 £10,000 £25,000
FR28.2	Stocks & Stores – write off	Up to	£5,000
FR28.4	Surplus & Obsolete stock – disposal	Exceeds	£25,000
FR31.2	Imprests – minor items	Up to	£250 per item
FR37.2	Write Offs	Up to – lower	£5,000
FR37.2	Write Offs	Up to – upper	£25,000
FR41.9	Gifts, Loans and Sponsorship	Up to	£50,000
FR42.1.3	Work for Third Parties	Exceeds	£25,000
FR43.1	External Funding	Exceeds	£25,000

FR45 POLICE AND CRIME COMMISSIONER / CHIEF CONSTABLE / G4S DELEGATION OF AUTHORITIES

FR45.1 The following sets out the authority limits for G4S and Police and Crime Commissioner /Chief Constable staff for the provision of Financial Services. Retained functions do not require authorisations by the Commercial Partnership Team. Where “no limit” is indicated below, this means “no limit in accordance with Financial Regulations”.

Treasury Management - Investments

Investment Counter Parties		
G4S staff	Provision of Proposals	No limit
Force Chief Finance Officer (FCFO)	Consideration of Proposal	No delegation
Commissioner’s Chief Finance Officer (CFO)	Consideration of Proposal	No delegation
Commissioner’s Chief Finance Officer (CFO)	Authorisation of option	No limit

Investment Options		
G4S staff	Provision of options	No limit
G4S staff	Processing of option following Authorisation	In accordance with Authorisation

Investment Authorisation		
Commissioner’s Chief Finance Officer (CFO)	Authorisation of option	Within limits specified in the counter party list
Force Chief Finance Officer (FCFO)	Authorisation of option	Within limits specified in the counter party list
Force Accountant	Authorisation of option	Within limits specified in the counter party list
Chief Executive	Authorisation of option	Within limits specified in the counter party list
Deputy Chief Executive	Authorisation of option	Within limits specified in the counter party list

Information Required
Schedule of Approved Counterparties showing limits and amounts already placed. Period of Investment and Rate

Return of Investments		
G4S staff	Provision of options	No limit
G4S staff	Processing of option following Authorisation	In accordance with Authorisation

Return of Investment Authorisation		
Commissioner's Chief Finance Officer (CFO)	Authorisation of option	
Force Chief Finance Officer (FCFO)	Authorisation of option	
Force Accountant	Authorisation of option	
Chief Executive	Authorisation of option	
Deputy Chief Executive	Authorisation of option	

Treasury Management - Borrowing

Borrowing		
G4S staff	Provision of Proposals	No limit
Force Chief Finance Officer (FCFO)	Consideration of Proposal	No delegation
Force Accountant	Consideration of Proposal	No delegation
Commissioner's Chief Finance Officer (CFO)	Authorisation of option	Within approved Borrowing Policy
Information Required		
Schedule of Approved Capital Programme and anticipated spend. Available other sources of finance being utilised i.e. capital grants, contributions and receipts Period of Loan and Rate. Budgeted figures for loans anticipated as part of budget setting.		

Treasury Management -Banking Arrangements

Approval of New Accounts		
G4S staff	Provision of Proposals	No limit
Force Chief Finance Officer (FCFO)	Consideration of Proposal	No delegation
Force Accountant	Consideration of Proposal	No delegation
Commissioner's Chief Finance Officer (CFO)	Authorisation of option	No Limit
Information Required		
Details of Account type and justification Potential Turnover		

Approval of New Credit Cards		
G4S staff	Provision of Proposals	No limit
Force Chief Finance Officer (FCFO)	Authorisation of option	No limit
Commissioner's Chief Finance Officer (CFO)	Authorisation of option	No limit
Information Required		
Details of justification Required credit limit		

Approval of New Imprest Accounts		
G4S staff	Provision of Proposals	No limit
Force Chief Finance Officer (FCFO)	Authorisation of option	No limit
Force Accountant	Authorisation of option	No limit
Information Required		
Details of Account type and justification Potential Turnover		

Approval of Bank Transfers		
G4S staff	Provision of Proposals	No limit
G4S staff	Processing of proposal following Authorisation	In accordance with Authorisation
Force Chief Finance Officer (FCFO)	Authorisation of option	No limit
Commissioner's Chief Finance Officer (CFO)	Authorisation of option	No limit
Force Accountant	Authorisation of option	No limit
Chief Executive	Authorisation of option	No limit
Deputy Chief Executive	Authorisation of option	No limit
Information Required		
Recipient Details of reason for transfer Amount		

Approval of Manual Cheques		
G4S staff	Provision of Proposals	No limit
G4S staff	Processing of proposal following Authorisation	In accordance with Authorisation
Force Chief Finance Officer (FCFO)	Authorisation of option	No limit
Commissioner's Chief Finance Officer (CFO)	Authorisation of option	No limit
Force Accountant	Authorisation of option	No limit
Chief Executive	Authorisation of option	No limit
Deputy Chief Executive	Authorisation of option	No limit
Information Required		
Recipient Details of reason for cheque Amount		

Treasury Management - Leasing Arrangements

Approval of New Arrangements		
G4S staff	Provision of Proposals	No limit
Force Chief Finance Officer (FCFO)	Consideration of Proposal	No delegation
Force Accountant	Consideration of Proposal	No delegation
Commissioner's Chief Finance Officer (CFO)	Authorisation of option	No Limit
Information Required		
Details of Amount and justification		

Approval and Award process for Police and Crime Commissioner for Lincolnshire Contracts and Orders

Contract Value	**Contract / Order Approval**	**Contract / Order Award**
Note: Once the required quotations have been obtained, segregation of duties requires that more than one person is involved in the T-police process in addition to the Finance function. Separate roles have been identified within t-Police for Requisitioner; Requisition Approver; receipt of goods. At least two staff should complete the different roles in respect of requisition and receipting.		
Up to £10k	As specified in t-Police (G4S)	Head of Department or Delegated Representative or staff **Note**: The approval and signature cannot be undertaken by the same officer.
Up to £100k	IS Contract Manager, ICT Contract Manager, Operational Contract Manager, Retained Head of Department, Deputy Chief Executive	Force Chief Finance Officer (FCFO), Force Accountant, Commissioner's Chief Finance Officer
Above £100k	In respect of the Strategic partnership Contract: Commercial Partnership Manager, In respect of retained functions - Chief Officer, Deputy Chief Executive	DCC, Assistant Chief Officer, Chief Executive

Invoice Processing Retained, Managed & Held in Trust Activities

G4S staff	Preparation of Invoice	No limit
G4S staff	Authorisation of Invoice	Up to £10k
Assets and Facilities Relationship Manager, ICT Contract Liaison Officer, Operational Contract Liaison Officer, Head of Retained Service	Authorisation of Invoice	Up to £100k
Commercial Partnership Mgr, Retained Head of Department	Authorisation of Invoice	Above £100k

Commissioner's Chief Finance Officer (CFO), Chief Executive, Deputy Chief Executive	Authorisation of Invoice for G4S contract milestones and periodic payment	No limit
Information Required		
Payments Voucher		

Creditor Payment Runs

G4S staff	Preparation of creditor payment list	No limit
G4S staff	Processing of payment following Authorisation	In accordance with Authorisation
Commissioner's Chief Finance Officer (CFO)	Authorisation of payment	No limit
Force Chief Finance Officer (FCFO)	Authorisation of payment	No limit
Force Accountant	Authorisation of payment	No limit
Chief Executive	Authorisation of payment	No limit
Deputy Chief Executive	Authorisation of payment	No limit
Information Required		
Payments Schedule and Control Documentation		

Payroll

G4S staff	Preparation of payroll	No limit
G4S staff	Authorisation of payment	In accordance with Authorisation
Commissioner's Chief Finance Officer (CFO)	Authorisation of payment	No limit
Force Chief Finance Officer (FCFO)	Authorisation of payment	No limit
Force Accountant	Authorisation of payment	No limit
Chief Executive	Authorisation of payment	No limit
Deputy Chief Executive	Authorisation of payment	No limit
Information Required		
Payments Schedule and Control Documentation		

Virement

G4S staff	Preparation of proposals	No limit
G4S staff	Undertaking virement following Authorisation	In accordance with Authorisation
Budget holder	Authorisation of Virement	Up to £50k
Force Chief Finance Officer (FCFO)	Authorisation of Virement	Between £50k to £100k
The Police and Crime Commissioner for Lincolnshire	Authorisation of option	No limit above £100k
Information Required		
Virement Schedule and justification		

Debtor Invoices

G4S staff	Preparation of sales ledger invoice request	No limit
G4S staff	Authorisation of sales ledger invoice request. [Where the customer is G4S or a related party the invoice request should	No limit

	be countersigned by the commercial partnership team]	
G4S staff	Invoice raising following Authorisation	In accordance with Authorisation
Information Required		
Sales ledger invoice request		

Credit Notes

G4S staff	Preparation of credit note request	No limit
G4S staff	Undertaking raising of credit note following Authorisation	In accordance with Authorisation
G4S staff	Authorisation of credit note request	Up to £5k
Commissioner's Chief Finance Officer (CFO)	Authorisation of credit note request	No limit
Force Chief Finance Officer (FCFO)	Authorisation of credit note request	No limit
Force Accountant	Authorisation of credit note request	No limit
Chief Executive	Authorisation of credit note request	No limit
Deputy Chief Executive	Authorisation of credit note request	No limit
Information Required		
Request to raise credit note, corresponding sales invoice and justification		

Debtor Write Off

G4S staff	Preparation of proposals	No limit
G4S staff	Undertaking write off following Authorisation	In accordance with Authorisation
Force Chief Finance Officer (FCFO)	Authorisation of write off	Up to £1k
Chief Constable	Authorisation of write off	Up to £5k
Chief Constable & Commissioner's Chief Finance Officer (CFO)	Authorisation of write off	Between £5k to £25k
The Police and Crime Commissioner for Lincolnshire	Authorisation of write off	above £25k
Information Required		
Write off Schedule and justification		

Stock Write Off

G4S staff	Preparation of proposals	No limit
G4S staff	Undertaking write off following Authorisation	In accordance with Authorisation
Chief Constable	Authorisation of write off	Up to £5k
The Police and Crime Commissioner for Lincolnshire	Authorisation of write off	above £5k
Information Required		
Write off Schedule and justification		

SECTION ELEVEN

CONTRACT AND PROCUREMENT REGULATIONS

EXECUTIVE SUMMARY

CP1 THE NEED FOR THESE REGULATIONS:

CP1.1 The purpose of Contract and Procurement Regulations is to set clear regulations for the procurement of goods, works and services for the Commissioner and the Force which must be followed. These regulations promote good purchasing practice and ensure a system of openness, integrity and accountability where the probity and transparency of the process will be beyond reproach. In turn this leads to better value for money and gives confidence to all concerned that the Commissioner and Chief Constable are fulfilling their fiduciary responsibilities.

CP1.2 These regulations cover all procurement undertaken by the Commissioner or Chief Constable and within any partnership arrangements regardless of the source of funding. These lay down the minimum requirements particular contracts may require more stringent requirements.

CP1.3 Officers responsible for purchasing must comply with these Contract and Procurement Regulations, the Financial Regulations and all UK and European Union (EU) legal requirements.

CP2 GENERAL REQUIREMENTS

CP2.1 Requisitioning Officers must follow the regulations set out in these Contract and Procurement Regulations when they procure goods, services or the carrying out of works.

CP2.2 Requisitioning Officers must take all necessary professional procurement, legal and financial advice.

CP2.3 Requisitioning Officers must declare to the Force CFO any personal financial interest in a Contract. Corruption is a criminal offence.

CP2.4 Requisitioning Officers must conduct any value for money review and appraise the purchasing need.

CP2.5 Requisitioning Officers must check whether there is any existing relevant Corporate Contract or Framework Agreements they can make use of before undergoing a competitive process.

CP2.6 Requisitioning Officers must keep bids confidential.

CP2.7 Requisitioning Officers must not negotiate with Suppliers except where authorised to do so by the Commissioner's CFO or the Force CFO, as appropriate.

CP2.8 Requisitioning Officers must complete a written Contract or Official Purchase Order before the supply of goods, services or carrying out of works begins.

CP2.9 Requisitioning Officers must where appropriate identify an officer with responsibility for ensuring the Contract delivers as intended.

CP2.10 Requisitioning Officers must keep records of dealings with Suppliers in accordance with the Force and Commissioner's document retention policies.

CP2.11 Requisitioning Officers must assess each Contract throughout its terms and afterwards to see how well it meets/met the purchasing need and Value for Money requirements.

CP2.12 The SPU shall keep records relating to this regulation CP2 for all contracts above £25,000 and Requisitioning Officers shall facilitate this by providing copies of relevant documentation to the SPU. For all contracts below £25,000 the Requisitioning Officer shall keep all records.

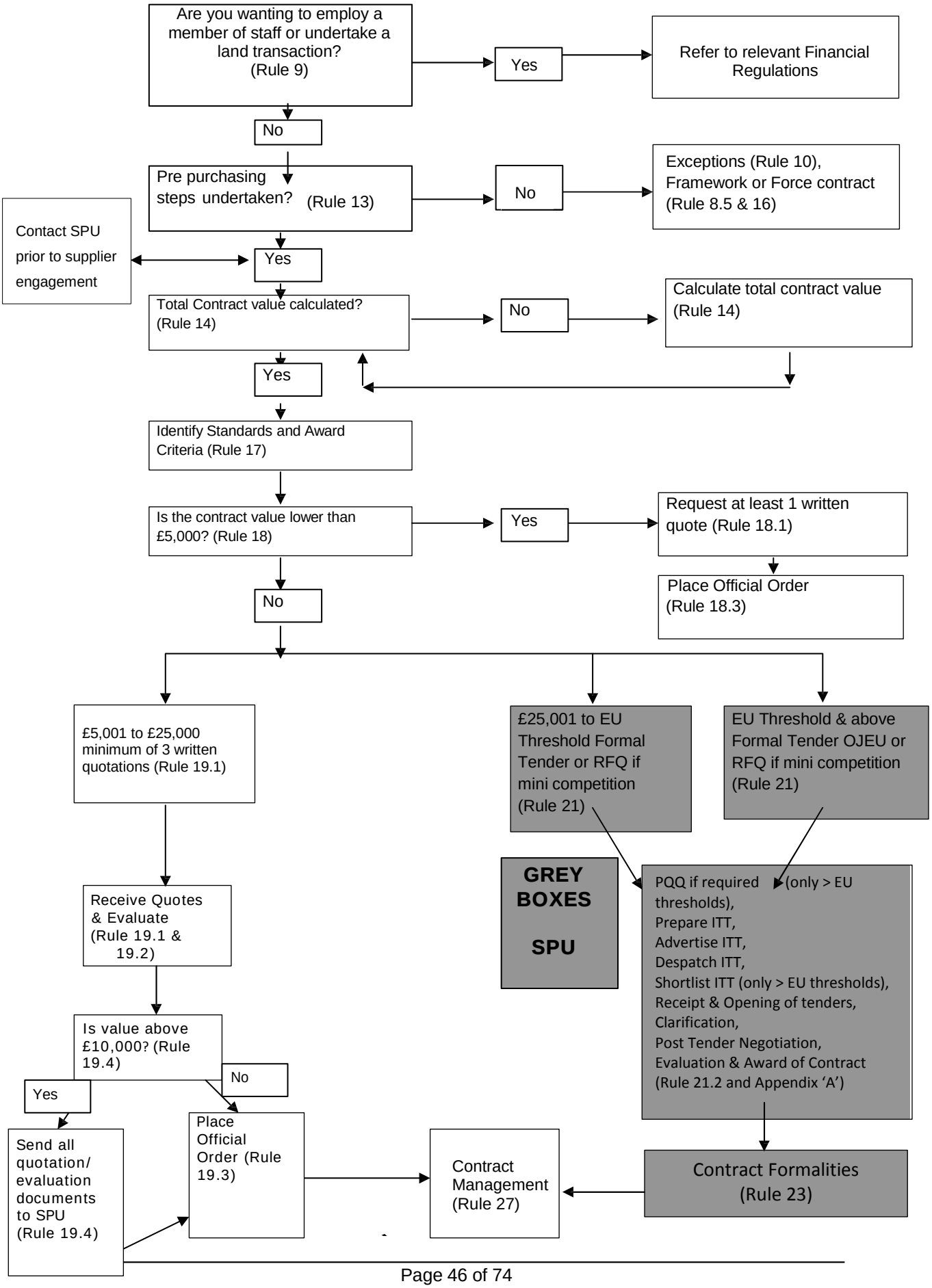
All Contracts must be subject to competition, unless there is an exception, as follows:

Total Contract Value		Process	Award Procedure Based On	Contract Publication	Documentation
From	**To**				
£0	£5,000	Written Quotation/Web	One Written/Web Quotation		Budget Holder to record details
£5,001	£25,000	Written Quotation	Minimum of 3 Written / Web Quotations		Budget Holder to record details

S P U only

Total Contract value is the value/estimated value over the life of the Contract and not just the annual amount. For any EU contracts Procuring Officers must seek advice from the Strategic Procurement Unit. As a minimum these contracts can take at least 6 months in addition to the Contract lead-in time – adequate planning is therefore imperative.

PROCUREMENT FLOW CHART



CP3 BASIC PRINCIPLES

CP3.1 All purchasing procedures must:

CP3.1.1 Follow the EU procurement principles by being open, fair, transparent and proportional;

CP3.1.2 Achieve value for money;

CP3.1.3 Be consistent with the highest standards of integrity;

CP3.1.4 Ensure fairness in allocating public contracts;

CP3.1.5 Comply with all legal requirements;

CP3.1.6 Ensure that non-commercial considerations do not influence any contracting decision;

CP3.1.7 Comply with the Commissioner's policies; CP3.1.8 Comply with the Police and Crime Plan;

CP3.2 Further, all purchasing procedures must ensure that:

CP3.2.1 Grant money received is spent in line with these Contract and Procurement Regulations unless the grant conditions state otherwise;

CP3.2.2 the procurement is legitimate, lawful and within the budget and policy framework;

CP3.2.3 all goods, services and the carrying out of works are ordered in accordance with Contract and Procurement Regulations, Financial Regulations and with all UK and EU binding legal requirements;

CP3.2.4 The procurement is authorised by the appropriate person and correctly recorded;

CP3.2.5 Goods, services and the carrying out of works received meet the requirements of the authorised order;

CP3.2.6 Payments are only made for goods, services and the carrying out of works received at the correct price, quantity and quality standards;

CP3.2.7 Self-authorisation of payments is restricted in line with schemes of authorisation;

CP3.2.8 Processes are in place to maintain the security and integrity of data for transacting business electronically.

CP3.3 Contract and Procurement Regulations must be strictly complied with. They are minimum requirements. A more thorough procedure may be appropriate for a particular contract and the Strategic Procurement Unit will advise if this is the case.

CP4 INTERPRETATION

CP4.1 In these Contract and Procurement Regulations the words and phrases shall be interpreted as stated in the Definitions commencing on page 9, unless the context requires otherwise.

CP4.2 All limits within these Contract and Procurement Regulations exclude any Value Added Tax (VAT) which may be payable.

CP5 APPLICATION

CP5.1 Every Contract made relating to the execution of goods, works, or services shall comply with these Contract and Procurement Regulations and the Commissioner's Financial Regulations. This includes Chief Constable's contract for agency staff.

CP5.2 All police officers, police staff, companies and individuals engaged to act in any capacity to manage or supervise a Contract, must comply with these Contract and Procurement Regulations and the Financial Regulations, and the Chief Constable must ensure such compliance.

CP5.3 All police officers, police staff, companies and individuals engaged on the Commissioner's or Chief Constable's behalf, must ensure that any conflicts of interest are avoided. The Chief Executive should be notified in writing of any potential conflicts of interest immediately.

CP5.4 In entering into any Contract on behalf of the Commissioner, the relevant officer or member of staff must obtain value for money by ensuring that the market has been explored and where possible, tested competitively either by the Commissioner or by a consortium on their behalf.

CP5.5 For all procurement exercises the weightings applied between quality and price will be between 60:40 and 70:30. Approval to set a quality weighting outside these criteria will be required from either the Force CFO or the Commissioner's CFO prior to commencement of the procurement process.

CP5.6 Collaborative Arrangements: - In order to secure value for money the Commissioner may enter into collaborative procurement arrangements with a range of organisations including other police commissioners and police forces or commission services on a regional basis.

CP5.7 Any contracts entered into through collaboration with other police and crime commissioners or forces or other public bodies, where a competitive process has been followed that complies with the equivalent to these Contract and Procurement Regulations of the leading purchasing organisation (but does not necessarily comply with these Regulations), will be deemed to comply with these Contract and

Procurement Regulations and no exception is required. However, advice may be sought from the SPU.

CP5.8 Subject to CP9 and CP10, no exception to these Contract and Procurement Regulations can be made unless authorised by or approved by the Chief Constable in consultation with the Chief Executive or Commissioner's CFO and subsequently reported to the Commissioner. The Chief Constable shall maintain a register of all such exceptions.

CP5.9 Any police officer, staff member, strategic partner or agent of the Commissioner, whilst acting on the Commissioner's behalf in relation to any contractual matter directly or indirectly concerning the Commissioner, shall conduct themselves in such a manner that the independence and integrity of the Commissioner's procedures are at all times maintained and are seen to be maintained.

CP5.10 The engagement of consultants and other professional advisors must be in accordance with these Contract and Procurement Regulations.

CP5.11 These Contract and Procurement Regulations apply to Framework Arrangements so far as is practicable and the Chief Constable must organise Framework Arrangements accordingly to reflect value for money.

CP5.12 These Contract and Procurement Regulations do not apply to internal business where one part of the office of the Commissioner or the Force provides a service to another. Nevertheless, such internal arrangements should achieve value for money.

CP5.13 Award of Contracts for the purchase of goods, works or services must be in writing. The written format will be appropriate to the Contract and will be on the Commissioner's official purchase order forms or Contract Award Letter signed in accordance with devolved limits (or other arrangements/documents agreed by the Chief Executive or Commissioner's CFO).

CP5.14 **CONTRACT APPROVAL AND AWARD LEVELS OF AUTHORITY**

Contract value	**Approval to award contract**	**Contract signature**
Note: Once the required quotations have been obtained, segregation of duties requires that more than one person is involved in the T-police process in addition to the Finance function. Separate roles have been identified within t-Police for Requisitioner; Requisition Approver; receipt of goods. At least two staff should complete the different roles in respect of requisition and receipting.		
Up to £10,000	As specified in t-Police	Head of Department or Delegated Representative or G4S staff **Note:** the approval and signature cannot be done by the same person

Contract value	Approval to award contract	Contract signature
Up to £100,000	IS Contract Manager, ICT Contract Manager, Operational Contract Manager, Retained Head of Department Deputy Chief Executive	Force CFO, Force Accountant or Commissioner's CFO
Above £100,000	Chief Constable / Deputy Chief Constable / Assistant Chief Constable / Force Chief Finance Officer in respect of retained functions; Deputy Chief Executive; Commercial partnership manager, commercial delivery manager in relation to the Strategic partnership Contract	Assistant Chief Officer, Chief Executive or Deputy Chief Constable

CP5.15 The Commissioner is the contracting party for all Contracts.

RESPONSIBILITIES

CP6 CHIEF CONSTABLE

CP6.1 The Chief Constable is responsible for ensuring that procedures for procurement are sound and properly administered and for ensuring all income and expenditure is lawful.

CP6.2 The Force CFO, in consultation with the Commissioner's CFO, shall prepare relevant guidance that will supplement these Contract and Procurement Regulations and shall apply to all Departments, units and establishments of the Commissioner and the Force.

CP6.3 Ahead of each financial year, as part of the budget process, the Chief Constable will submit a Procurement Plan to the Commissioner for approval. The Procurement Plan shall outline the key Procurements due to take place during the financial year including contracts due for renewal from the Contracts Register. This plan will also state the proposed procurement route that is to be used.

CP7 HEADS OF DEPARTMENT

CP7.1 Both Retained and G4S Heads of Department are responsible for

CP7.1.1 ensuring that staff are aware of their responsibilities under these procedures, receive adequate training and guidance and comply fully with these regulations.

CP7.1.2 establishing the Scheme of Authorisation for their Directorate which details where decision making has been delegated to members of staff and the financial parameters of that delegation.

CP7.1.3 ensuring their staff only undertake procurements up to a value of £25,000. Any procurement in excess of this

value must be referred to the SPU.

CP7.1.4 If items below this limit are purchased regularly then this should be notified to the SPU for incorporation into a Force Contract/Framework.

CP8 OFFICER RESPONSIBILITIES:

CP8.1 Any procurement carried out on behalf of the Commissioner may only be undertaken by police officers, police staff or a strategic partner, with the appropriate delegated authority to carry out such tasks as set out in the Chief Constable's scheme of delegation. Officers or staff with delegated authority may only delegate to other officers or staff who have the skills and knowledge appropriate to the task

CP8.2 Requisitioning Officers must comply with these Contract and Procurement Regulations, Financial Regulations, and with all UK and EU binding legal requirements.

CP8.3 Requisitioning Officers must have regard to any supplementary guidance issued.

CP8.4 Requisitioning Officers must check whether a suitable Corporate Contract or Framework Agreement, exists before seeking to let a new contract.

CP8.5 Where a suitable Corporate Contract or Framework Agreement exists, it must be used unless the Requisitioning Officer has express permission from the Force CFO.

CP8.6 The SPU shall record in the Contract database all approved exceptions and Contracts with a total contract value above £25,000 (including any changes over the Contract life e.g. extensions)

CP8.7 Tender procedures must be conducted in accordance with procedures set out in the Invitation to Tender.

CP8.8 Requisitioning Officers must also ensure that agents acting on their behalf also comply with these Regulations, Financial Regulations, and with all UK and EU binding legal requirements.

CP8.9 Officers must take all necessary professional procurement, legal and financial advice when required. Failure to do so can expose the Commissioner to unnecessary risks.

CP8.10 If a contract requires "novating", or if a contract may lead to the potential transfer of staff under the Transfer of Undertaking (Protection of Employment) (TUPE) regulations then the Requisitioning Officer must consult with Commercial Partnership Team and SPU who, if appropriate, will obtain legal advice before proceeding.

EXCLUSIONS AND EXCEPTIONS

CP9 EXCLUSIONS

CP9.1 These Regulations do not apply to the following:

CP9.1.1 Contracts for the employment of individual employees.

CP9.1.2 Contracts for goods or materials to be purchased at an auction.

CP9.1.3 Contracts for goods or materials to be purchased through any joint arrangement or association of which the Commissioner is a member and is not the lead commissioner.

CP9.1.4 Where compliance with Contract and Procurement Regulations would have security implications. Any such exclusion should be authorised by the Chief Constable.

CP9.1.5 Contracts relating solely to the disposal or acquisition of an interest in land.

CP9.1.6 Contracts for the lending or borrowing of money.

CP9.1.7 Contracts subject to a 'Competitive Dialogue' process (see CP11).

CP9.1.8 Any procurement of goods or services which is required by government mandate to be made from a specified supplier or by a specified method.

CP10 EXCEPTIONS

CP10.1 Exceptions are provided for where normal tendering procedures cannot be followed because of an unforeseen emergency involving immediate risk to persons, property, and serious disruption to police services. It is not a substitute for instances where procurement planning has not been exercised and Requisitioning Officers find themselves with insufficient time to undertake a competitive process.

CP10.2 Such circumstances may include:

CP10.2.1 Where goods, works or services can only be obtained from one source;

CP10.2.2 Where it is deemed an extreme urgency;

CP10.2.3 Where the marketplace is limited and/or restricted (e.g. by quality standards);

CP10.3 An exception under this Procedure Rule allows a contract to be placed by direct negotiation with one or more suppliers. No exceptions can be used if the EU Procurement Directive applies except acting upon legal advice.

CP10.4 All exceptions for Contracts valued above £25,000, and the reasons for them, must be recorded on the Exceptional Purchase Action form

and approved by the Chief Constable in consultation with the Chief Executive or Commissioner's CFO. Any exceptions below £25,000 must be recorded in writing, authorised by the Force CFO (or nominee) and retained with the purchase order.

CP10.5 All Exceptional Purchase Actions above £25,000 will be reported to the Commissioner as part of the Financial Governance Report submitted by the Force CFO. This report will also be supplied to the Audit Committee.

PROCUREMENT PROCEDURE

CP11 COMPETITIVE DIALOGUE

CP11.1 Procurement via the Competitive Dialogue procedure is not governed by these Regulations

CP11.2 Where a Requisitioning Officer proposes to undertake a procurement using the Competitive Dialogue procedure they should, in consultation with the Force CFO and SPU, seek the approval of the Commissioner. The report to the Commissioner seeking such approval shall set out the proposed procurement timetable and governance arrangements and the Commissioner may approve them unchanged or may impose alternative arrangements.

CP12 E-PROCUREMENT

CP12.1 Electronic tendering is the preferred method of carrying out a Tender exercise. All electronic tendering will be undertaken by the SPU.

CP12.2 The procedures provided by the electronic facility/vault must be followed and the key principles of tendering must still be applied (e.g. security of and limited access to submissions, key stages witnessed by second person, etc).

CP13 PRE-PROCUREMENT PROCEDURE

CP13.1 Before beginning a procurement, the Requisitioning Officer responsible for it must appraise the procurement and consider (where appropriate):

CP13.1.1 Taking into account the requirements from any relevant service reviews;

CP13.1.2 Appraising the need for the expenditure and its priority e.g. has a business case been developed which sets out the service objectives, the criteria for evaluation and the options for delivery;

CP13.1.3 Defining the objectives of the procurement;

CP13.1.4 Consider the risks associated with the Procurement over its life and how to manage them;

CP13.1.5 Considering what procurement method is most likely to achieve the procurement objectives, including internal or external sourcing and collaboration with other commissioners, forces or partners;

CP13.1.6 Consulting users as appropriate about the proposed procurement method, contract standards, and also performance and user satisfaction monitoring;

CP13.1.7 Selecting the most appropriate procurement method;

CP13.1.8 Considering the maturity of the market (local, regional and national) and whether the procurement approach is likely to yield enough competition.

CP13.2 The Requisitioning Officer must confirm that:

CP13.2.1 The proposed expenditure is in accordance with the approved budget and policy framework or there is a specific approval for the expenditure;

CP13.2.2 Prior Information Notices, where required under the EU Procurement Directive, have been placed in the Official Journal of the European Union (OJEU) by the SPU.

CP13.2.3 Advice has been sought on whether parent company guarantees or bonds are likely to apply to the Contract (see rule CP15).

CP13.3 The Requisitioning Officer's approach to the appraisal tasks should be proportionate to the complexity, risks and value of the procurement and take into account any supplementary guidance issued.

CP13.4 The SPU shall ensure that where proposed contracts, irrespective of their total contract value, may be of interest to potential applicants located in other member states of the EU appropriate accessible advertising takes place. Generally, the greater the interest of the contract to such potential applicants the wider should be the coverage of the advertisement. Advertisements must always be placed on a suitable web-based publication and may also be placed in:

CP13.4.1 National official journals; and/or

CP13.4.2 OJEU (even if there is no requirement under the EU Procurement Directive).

CP13.5 Where a suitable Corporate Contract or Framework Agreement exists, it must be used unless more favourable terms or price can be achieved and these reasons must be recorded. Prior approval is required as per CP8.5.

CP14 ESTIMATING THE CONTRACT VALUE

CP14.1 Contract values should be calculated in order to determine the overall Estimated Value of the Contract, for the period of the Contract prior to the procurement process. "Whole life costs" relating to the Contract must be taken into account for the period of the Contract; this could include some or all of the following; quantity costs, labour costs,

carriage/package costs, all installation costs, training costs maintenance/support costs, and disposal costs.

CP14.2 The subdivision of procurement to reduce the Estimated Value of the Contract is not permissible.

CP15 BONDS AND PARENT COMPANY GUARANTEES

CP15.1 The Requisitioning Officer must consult the Force CFO before the tender process commences about whether a bond (or similar) is needed:

CP15.1.1 Where the total Contract value exceeds £500,000.

CP15.1.2 Where it is proposed to make staged or other payments in advance of receiving the whole of the subject matter of the Contract.

CP15.2 The Requisitioning Officer should also consult the Force CFO regarding the financial vetting of prospective tenderers as part of the pre-qualification questionnaire (PQQ) process.

CP15.3 The Officer must further consult the Force CFO when an applicant is a subsidiary of a parent company, and:

CP15.3.1 The total Contract value exceeds £250,000, or

CP15.3.2 Award is based on evaluation of the parent company, or

CP15.3.3 There is some concern about the financial stability of the applicant.

CP16 FRAMEWORK ARRANGEMENTS AND FORCE CONTRACTS (including National Mandated Contracts)

CP16.1 Instructions and guidance on the use of Framework Arrangements, National Mandated Contracts and Force Contracts will be issued by SPU on behalf of the Commissioner. Such instructions and guidance must be followed. Failure to follow this regulation could expose the Commissioner to legal risk.

CP16.2 For all Contracts above £25,000 awarded under a Framework Arrangement, a Contract Award notice will be issued on Contracts Finder.

CP17 STANDARDS AND AWARD CRITERIA

CP17.1 Where appropriate the Requisitioning Officer must ascertain what are the relevant British, European or International Standards which apply to the subject matter of the contract. The Officer must include those standards which are necessary and describe the required quality. Legal advice must be sought if the Requisitioning Officer proposes to use standards other than European standards.

CP17.2 The Requisitioning Officer must define Award Criteria appropriate to the procurement. Award Criteria must be designed to secure a sustainable outcome which represents Value for Money for the

Commission. For Contracts below EU thresholds, the options are to award the Contract to:

CP17.2.1 The “most economically advantageous” offer (where considerations other than price also apply) or;

CP17.2.2 The “lowest price” offer.

For Contracts above EU thresholds, the Contract should be awarded to the “most economically advantageous” offer.

CP17.3 If the first criterion is adopted, it must be further defined by reference to sub-criteria. Award criteria and sub-criteria may refer only to relevant considerations. These may include price; service; quality of goods; running costs; technical merit; previous experience; delivery date; cost effectiveness; quality; relevant environmental; social and economic considerations; aesthetic and functional characteristics (including security and control features); safety; after-sales services; technical assistance; and any other relevant matters.

CP17.4 All award criteria, and if used sub-criteria, must be weighted.

CP17.5 Award criteria must not include:

CP17.5.1 Non-commercial considerations;

CP17.5.2 Matters which discriminate against suppliers from the European Economic Area or signatories to the Government Procurement Agreement.

CP17.6 For all procurement exercises the weightings applied between quality and price will be between 60:40 and 70:30. Approval to set a quality weighting outside these criteria will be required from either the Force CFO or Commissioner’s CFO prior to commencement of the procurement process.

PROCUREMENT PROCEDURE UP TO £100,000

CP18 ORDERS/CONTRACTS LESS THAN £5,000

CP18.1 Competitive Quotations for Procurement with an estimated value of below £5,000 are not mandatory. Quotation(s) shall be obtained from at least one supplier. Quotations received by post, facsimile or electronically (including via web sites) are acceptable. Whilst only one Quotation is required, three Quotations should be obtained where possible and practical.

CP18.2 The details of the Quotations should be recorded and retained within the department.

CP18.3 Contracts up to and including £5,000 will be awarded by means of the current purchase order form. Orders can be communicated by facsimile, post or electronically.

CP19 ORDERS/CONTRACTSFROM £5,001 TO £25,000

CP19.1 For Contracts with an estimated value from £5,001 up to and including £25,000, a minimum of three written Quotations for each purchase will be sought. Quotations received by post, facsimile or electronically (including web sites) are acceptable.

CP19.2 The details of the Quotations should be recorded and retained within the department in accordance with sections P022 to P025 of the Retention of Documents Held For Non Policing Purposes Policy (PD156 (2)). Unsuccessful quotes are to be kept for 2 years and successful ones for 7 years after the end of the contract.

CP19.3 Contracts up to and including £25,000 will be awarded by means of the current purchase order form. Orders can be communicated by facsimile, post or electronically. See CP5.14 for Contract signature levels.

CP19.4 For Contracts with a value between £10,001 and £25,000, all Quotation and evaluation paperwork should be sent to the SPU to be checked and the SPU shall give approval for the purchase order form to be raised by the Central Purchasing Unit (CPU).

CP20 ORDERS/CONTRACTS ABOVE £25,000

CP20.1 SPU will decide the appropriate procurement process for any procurement exceeding £25,000 and the procurement process must be managed by the SPU.

CP20.2 Prior to the commencement of the procurement process SPU shall develop the procurement approach. A written specification must be provided to potential suppliers including the evaluation criteria to be applied in conjunction with the user department.

CP20.3 Where a tender process is being completed these must be advertised on Contracts Finder. The number of Quotations or Tenders sought for purchases subject to EU/UK Regulations will be in accordance therewith.

CP20.4 Quotations received by post, facsimile or electronically (including web sites) are acceptable. Tenders to be received electronically or, where appropriate, via post if a postal process is being conducted by the SPU.

CP20.5 The Quotations or Tenders will be evaluated against the agreed criteria and an award be made by either an official order, offer letter or a formal form of contract. Contractor's/supplier's terms of business are also an acceptable form of contract. Legal advice may have to be sought for any specific issues that arise before being signed.

CP20.6 For all Contracts awarded above £25,000, a Contract award Notice will be published on Contracts Finder in accordance with The Public Procurement Regulations 2015, SI 2015 No 102.

PROCUREMENT PROCEDURE ABOVE £100,000

CP21 FORMAL TENDER PROCESS

CP21.1 Guidance in respect of the formal Tender Process is set out in detail in Appendix A. Tenders, or a mini competition under a framework, must be undertaken for all contracts above £100,000 unless an alternative process is authorised by the Chief Constable.

CP21.2 The key stages are summarised below:

CP21.2.1 Pre-tender

CP21.2.2 Deciding the evaluation criteria

CP21.2.3 Invitations to tender/quotations

CP21.2.4 Shortlisting (For above EU Thresholds only)

CP21.2.5 Submission, receipt and opening of tenders

CP21.2.6 Clarification procedures & post-tender negotiation

CP21.2.7 Evaluation and award of contract

FORM OF CONTRACT

CP22 CONTRACT DOCUMENTS

CP22.1 All contracts will be recorded in the register of contracts maintained by the SPU.

CP22.2 Every Contract with a total Contract value of above £25,000 must be recorded by the SPU in the Contracts Register. Any changes made over the contract life e.g. extensions must also be recorded by the SPU in the Contracts Register. This covers all Contracts including the appointment of consultants.

CP22.3 Every Contract must be recorded either in writing or stored electronically. Where an order is placed using an electronic system, e.g. an E-Marketplace, it must state clearly:

- What is to be supplied (description and quality);
- Payment provisions (amount and timing).

CP22.4 Every Contract over £25,000 will be accompanied by Standard Terms and Conditions plus any relevant additional conditions which may include;

- When the Commissioner will have the right to terminate the Contract;
- That the Contract is subject to the law as to prevention of corruption (Procedure Rule CP26);
- That the supplier may not assign or subcontract without prior written consent from the Commissioner;

- Any Insurance requirements;
- Health and Safety requirements;
- Ombudsman requirements;
- Data Protection requirements if relevant;
- That Charter Standards are to be met if relevant;
- Race Relations requirements;
- Disability Discrimination Act requirements;
- Freedom of Information Act requirements;
- Bribery Act 2010 requirements;
- That agents must comply with the Commissioner's Contract and Procurement Regulations relating to contracts (where agents are used to let contracts);
- A right of access to relevant documentation and records of the Supplier for monitoring and audit purposes if relevant;
- Price mechanism, including inflation provisions where appropriate;
- Future service performance measures and efficiency targets;
- Any other relevant legislation;
- Business continuity requirements.

CP22.5 The SPU shall seek further advice from the relevant departments for the following contracts:

CP22.5.1 Where the total Contract value exceeds £100,000; and

CP22.5.2 Contracts involving leasing arrangements, or which may incorporate embedded leases, must receive the approval of the Force CFO; and/or

CP22.5.3 Where a contract has price increases built into it that are linked to an index such as RPI, then the Force CFO must be consulted concerning the implications for the presence of Embedded Derivatives; and/or

CP22.5.4 Where a contract is entered into that involves a service concession arrangement (i.e. assets are utilised as part of the service which it may be interpreted the Commissioner has an interest in) then the Force CFO must be consulted and/or

CP22.5.5 Where it is proposed to use the Supplier's own terms of business; and/or

CP22.5.6 Those which are complex in any other way.

CP23 CONTRACT FORMALITIES

CP23.1 All Contracts must be concluded formally in writing (either official order, contract, letter of acceptance, etc) before the supply, service or construction work begins, except in unforeseen emergencies, and only then with the written consent of the Chief Constable.

CP23.2 **Signature** - The Officer responsible for securing signature of the Contract must ensure that the person signing for the other contracting party has authority to do so.

CP23.3 **Sealing** - Where Contracts are completed by each party adding their formal seal, the fixing of the Commissioner's seal must be undertaken by the Chief Executive.

CP23.4 The Regional Legal team will advise on those Contracts that will be subject to formal sealing.

CP23.5 Every sealing will be consecutively numbered, recorded and signed by the person witnessing the seal. The seal must not be affixed without the appropriate authority.

CP23.6 Archiving and Lodgement of Records - The original sealed Contract must be retained in accordance with the document retention policy.

VARIATIONS AND EXTENSIONS

CP24 CONTRACT VARIATIONS

CP24.1 Every variation to a Contract shall be specifically authorised in writing by the Officer having charge of the work, and shall be notified in writing to the contractor.

CP24.2 No variation to a contract resulting in additional expenditure in excess of 5% of the original contract price shall be made without the approval of the Chief Constable.

CP25 CONTRACT EXTENSIONS

CP25.1 Approval to proceed with the extension of existing Contracts for goods and/or services where the extension value is in excess of £100,000 must be obtained from the Chief Constable prior to commencement of any extension period and reported to the Commissioner's CFO.

CONDUCT

CP26 PREVENTION OF CORRUPTION

CP26.1 Requisitioning Officers and all other officers, staff and partner staff involved in a procurement must comply with the Code of Conduct and must not invite or accept any gift or reward in respect of the award or performance of any contract. In particular:

CP26.1.1 It will be for the Requisitioning Officer or other officer, staff or partner staff to prove that anything received from an applicant or Contractor was not received corruptly;

CP26.1.2 High standards of conduct are obligatory. Corrupt behaviour will lead to dismissal and is a crime under the statutes referred to below

CP26.2 The Commissioner may terminate any contract and recover all its loss if the Contractor, its employees or anyone acting on the Contractor's behalf do any of the following things:

CP26.2.1 Offer, give or agree to give to anyone inducement or reward in respect of this or any other Commissioner contract (even if the Contractor does not know what has been done); or

CP26.2.2 Commit an offence under the Prevention of Corruption Acts 1889 to 1916 or Section 117(2) of the Local Government Act 1972; or

CP26.2.3 Commit any fraud in connection with this or any other Commissioner contract whether alone or in conjunction with officers, staff, contractors or others.

CP26.3 Any Contract clause limiting the Contractor's liability shall not apply to this clause (CP26) in its entirety.

CP27 CONTRACT MANAGEMENT & PAYMENTS

CP27.1 The Chief Constable shall keep a Register of Contracts and payments made thereunder in a form agreed with the Commissioner's CFO.

CP27.2 Where a Contract is awarded on the basis of cost/quality criteria, the management processes and procedures accepted through the quality submission must be adhered to for all material/services procured under that Contract.

CP27.3 During the life of the Contract the Contract Manager must monitor in respect of:

- Performance;
- Compliance with specification and contract;
- Cost;
- Any value for money requirements;
- Working practices where appropriate e.g Health and Safety;
- Changes in legislative requirements;
- User satisfaction and risk management; and
- Any additional factors in accordance with any guidance in the Delegated Procurement Guide.

CP27.4 The Chief Constable shall ensure that, in line with current accepted practice, insurance and bonds are entered into by the contractor/supplier (see rule CP15).

CP27.5 The Chief Constable may at their discretion withhold payment of any sums purporting to be due under a Contract until the terms of the Contract have been complied with and may set off any sums due from a contractor/supplier to the Commissioner against any sum due from the Commissioner to the contractor/supplier.

CP27.6 Payments on account to a contractor/supplier shall be authorised only on a certificate signed by the Contract Manager authorised for such purpose by the Chief Constable and shall be in a format agreed by the Commissioner's CFO. Except with the prior written approval of the Commissioner's CFO no certificate shall be issued certifying a total value of work to date in excess of the Contract figure.

CP27.7 The final certificate for payment in respect of any Contract shall not be issued until the Commissioner's CFO or his/her nominated representative has been issued with a detailed statement of account and all relevant documents for his examination.

CP27.8 Claims from a contractor/supplier in respect of matters not clearly within the terms of any existing Contract, which exceed £25,000, shall be referred to the Regional Legal team for consideration of the Commissioner's and/or the Chief Constable's legal liability and to the Commissioner's CFO for financial consideration before a settlement is reached.

CP28 CONTRACT TERMINATION

CP28.1 Where completion of a Contract is delayed, it shall be the duty of the Contract Manager to initiate appropriate action in respect of any claim by the Commissioner for liquidated damages and to report the matter to the Commissioner's CFO.

CP28.2 Contracts below £100,000 may be terminated on the authority of the Chief Constable in accordance with the termination provisions set out in the Contract. The Chief Constable must seek prior agreement with the Commissioner's CFO and take legal advice before terminating any contract with a value in excess of £50,000.

CP28.3 Contracts with a value of £100,000 or more shall only be terminated with the approval of the Commissioner.

CP29 RISK ASSESSMENT & CONTINGENCY PLANNING

CP29.1 A risk assessment must be prepared for all procurements with a potential value over the EU threshold. Provision for resources for the management of the contract, for its entirety, must also be identified.

CP29.2 For all contracts with a value of over £100,000, Contract Managers must:

CP29.2.1 Maintain a risk register (generic register acceptable) during the contract period and review it at least every three months;

CP29.2.2 Undertake appropriate risk assessments;

CP29.2.3 For identified risks, ensure contingency measures are in place;

CP29.2.4 Ensure critical support and maintenance arrangements are documented in the Specification in order to avoid costly post-tender negotiation.

CP29.3 Risks will be escalated to the force Risk Management Board where management of contingency measures is not possible within the remit of the Contract Manager.

CP30 PECUNIARY INTERESTS

CP30.1 If it comes to the knowledge of any police officer, member of police staff, G4S employee or office-holder that a Contract in which they have any pecuniary interest, whether directly or indirectly (not being a Contract to which he himself is a party) has been or is proposing to be entered into by the Commissioner, they shall as soon as is practicable, inform the Chief Constable and Chief Executive (or nominee) in writing. The Chief Executive (or nominee) shall record the particulars in a book to be kept for that purpose which shall be open during office hours for the inspection of any member of the public.

CP31 REPORTS TO THE POLICE AND CRIME COMMISSIONER

CP31.1 Contracts awarded with a value in excess of £25,000 must be reported to the Commissioner as part of the Financial Governance Report submitted by the Force CFO. This report will also be supplied to the Audit Committee**.**

CP31.2 At the conclusion of any approved capital scheme for building, constructional or engineering work a report shall, after agreement of the final account, be submitted to the Commissioner. Where the final account exceeds the approved capital scheme by more than 5%; this report shall detail the reasons for any variance from the Contract price.

CP32 REVIEW AND AMENDMENT OF CONTRACT AND PROCUREMENT REGULATIONS

CP32.1 These Contract and Procurement Regulations shall be reviewed and updated on a regular basis, and at least triennially, by the Chief Executive, in consultation with the Chief Constable and Commissioner's CFO.

CP32.2 Amended Contract and Procurement Regulations shall be agreed and adopted by the Commissioner.

APPENDIX 'A'

FORMAL TENDER PROCESS GUIDANCE

THE STRATEGIC PROCUREMENT UNIT (SPU) WILL UNDERTAKE ALL TENDER EXERCISES OVER £25,000.

TEND1 PRE-TENDER

TEND1.1 The SPU in conjunction with the user department will determine the correct Tender process to follow i.e. open/advertisement, select list or EC/UK Regulations and shall undertake the Tender process. Where the Contract estimated value exceeds the current EC threshold then the Contract must be tendered in accordance with the current Regulations.

TEND1.2 All tenders need to be advertised on Contracts Finder in accordance with Chapter 8 of the Public Contracts Regulations 2015 SI 2015 No 102.

TEND2 DECIDING THE EVALUATION CRITERIA

TEND2.1 Before any Tender is sought the evaluation criteria to be used when Tenders are received should be decided and recorded. The evaluation criteria, dependent upon the complexity of the product/service being purchased, should consider in addition to price, service, quality of the goods, running costs, technical merit, previous experience of the contractors/suppliers under evaluation, delivery dates, cost effectiveness, relevant environmental considerations, aesthetic and personal characteristics, safety, after sales service, technical assistance and any other relevant matters. CP5.5 - quality/price weightings applies.

TEND3 INVITATIONS TO TENDERS

TEND3.1 Electronic tendering is the preferred method to be used. The Invitation to Tender must include a specification. The specification must describe clearly the Commissioner's requirements in sufficient detail to enable the submission of competitive offers. In preparing specifications the Officer must have regard to any guidance in the Procurement Guide.

TEND3.2 The Invitation to Tender must state that the Commissioner is not bound to accept any Tender.

TEND3.3 Except where the Open Procedure applies, all Applicants invited to Tender must be issued with the same information at the same time and subject to the same conditions. Evidence should be retained in respect of despatch of documents (e.g. recorded delivery/acknowledgement slip for non-electronic Tenders). Any supplementary information must be given on the same basis.

TEND3.4 The Invitation to Tender must specify the Award Procedure and forbid submission of Tenders by fax or email (unless submitted to a secure email

box).

TEND3.5 Where any prior advertisement has not defined the Award Criteria, Invitations to Tender must state the Award Criteria in weighted terms and if possible in descending order of importance.

TEND3.6 The Invitation to Tender must include a form of Tender, Tendering Certificate and instructions to applicants.

TEND3.7 The Invitation to Tender shall state that no Tender will be considered unless received via a secure electronic tendering system or contained in a securely sealed envelope (when undertaking a postal procedure only) on which shall be indicated the name and address of the sender and the word “Tender” followed by the subject to which it relates, such envelope to be enclosed in a second plain securely sealed envelope bearing the word “Tender” followed by the subject to which it relates but not bearing any distinguishing mark or mark to indicate the identity of the sender. The second envelope should be addressed impersonally to the agreed recipient department.

TEND3.8 Applicants must be informed that if a private courier firm is to be engaged to deliver a Tender package the outer packaging must comply with the regulations above. It is acknowledged that this may not be achievable in the case of Tenders received from abroad.

TEND3.9 The instructions should be clear on the closing date and time for receipt of Tenders.

TEND3.10 Employees of the Commissioner, Chief Constable or G4S and consultants engaged by the Commissioner who have a direct or indirect interest in the Contract shall not be supplied with or given access to any Tender documents, Contracts or other information relating thereto without the authority of the relevant Chief Officer.

TEND3.11 If post-tender negotiations or presentations are anticipated, the Tender documents should provide advance notice of this likelihood.

TEND3.12 Any Tender amendments or changes to instructions should be issued to all Applicants on a formal basis.

TEND3.13 The Invitation to Tender should normally include the Contract terms.

TEND3.14 The Tender Control Document for non-electronic Tenders should be completed with the names of the Applicants invited.

TEND4 SHORTLISTING (For above EU Thresholds only)

TEND4.1 Any Shortlisting must have regard to financial and technical standards relevant to the Contract. Special rules apply in respect of the EC Procurement Directives. Officers may decide not to Shortlist but to send Invitations to Tender and to evaluate all possible Applicants.

TEND5 SUBMISSION, RECEIPT AND OPENING OF TENDERS

TEND5.1 Electronic tendering is the preferred method of carrying out a Tender exercise. This includes submission, receipt and opening of Tenders (usually via a 'vault' mechanism).

TEND5.2 Tenders by fax must not be accepted.

TEND5.3 Period for Applicants' responses: Applicants invited to respond must be given an adequate period in which to prepare and submit a proper Tender, consistent with the urgency of the Contract requirement. Usually a minimum of at least two to four weeks should be allowed for submission of Tenders. The EC Procurement Directive lays down specific time periods.

Tender Action	Electronic	Manual/Non-electronic
Advertise Contract Opportunity	Advertise on e-tendering system, Contracts Finder, appropriate/relevant publications/journals	Advertise on Contracts Finder and in appropriate/relevant publications/journals
Issue Tender Documentation	Upload and publish to e-tendering system, automatically despatched to tenderers. Audit log evidences receipt and views by tenderers.	Send Tender documentation to tenderers and include document for tenderers to acknowledge receipt.
Closing Date and Time	Included within e-tendering system and tender documents. The e-tendering system will send an automated reminder of the closing date and time to all suppliers invited to tender.	Included within tender documents
Tender Schedule	The e-tendering system generates this automatically	Prepare Tender control document and send to a nominated Officer
Tender Queries	Queries, questions and additional information is published and stored within the e-tendering system. Responses will be sent to all tenderers unless of a minor administrative nature	Queries, questions and additional information must be submitted in writing. Responses will be sent to all tenderers unless of a minor administrative nature affecting only the

Tender Action	Electronic	Manual/Non-electronic
	affecting only the enquiring tenderer.	enquiring tenderer.
Tender Validity	A Tender shall not be valid unless it has been submitted in accordance with the instructions given in the invitation to tender An invalid Tender shall not be accepted	A Tender shall not be valid unless it has been submitted in accordance with the instructions given in the invitation to tender An invalid Tender shall not be accepted
Receipt of Tenders	Tender submissions are date/time stamped when received by the e-tendering system. The system holds them securely until the opening date/time. Tenderers should not be contacted to establish whether a Tender is to be submitted. It is, however acceptable to request Tenderers, as part of the invitation, to “Opt out” of tendering on the e-tendering system.	On receipt, manual Tender submissions are endorsed with the date, time and place of receipt and initialled by mail room/reception staff. Receipts must be issued to any person hand-delivering a manual tender. All manual tenders are passed to the nominated Officer for safe custody until the opening date/time. Tenderers should not be contacted to establish whether a Tender is to be submitted. It is, however acceptable to request Tenderers, as part of the invitation, to inform the Commissioner if they do not intend to Tender for a particular Contract.
Opening of Tenders	Tenders will only be opened after the date and time deadline for receipt of tenders has passed	Tenders will only be opened after the date and time deadline for receipt of Tenders has passed
Tender Opening Process	Tenders are locked by the system until the deadline has passed.	The SPU will oversee and manage the tender opening process. Manual

Tender Action	Electronic	Manual/Non-electronic
	Tenders are verified by a member of the SPU who is not directly involved in the tender process. Once Tenders have been verified they are released for opening. Tenders are checked on opening/download to ensure that all the required documentation is included. The e-tendering system creates a full audit history of the verification process, documents/prices submitted and details of tenderers who have "opted out" of bidding and those that have not made any submission.	Tenders must be opened in the presence of two witnesses. Witnesses will be a member of the SPU and/or other departmental staff who are not directly involved in the tender process. Representatives of the Department originating the requirement will not be permitted to open the tenders. Tenders must be checked on opening to ensure that all the required documentation is included. Tender submission pricing details and any amendments (including the use of any correction fluid) must be initialled by the two witnesses and then entered on to the Tender control document, which must also be initialled, signed and dated by the two witnesses. Where no Tender is received or a tenderer has declined this must also be recorded and initialled on the Tender control document. The Tender control document must then be signed by both witnesses and forwarded with the Tenders to the SPU.

Tender Action	Electronic	Manual/Non-electronic
Late tenders	Late Tenders may be considered if there is clear evidence and proof of a malfunction with the e-tendering system, or the Commissioner has agreed special arrangements with a tenderer(s) who are experiencing technical difficulties with uploading/publishing their tender submission to the e-tendering system and have contacted the SPU without delay and before the deadline has passed.	Late Tenders may be considered if the Tender panel are satisfied that there is evidence of posting or proof of delivery prior to the time and closing date for receipt of Tenders. If necessary guidance should be sought from the SPU. A note "Late Tender" must be recorded and initialled on the Tender control document. Only the outer envelope should be opened to establish the identity of the sender. The SPU will promptly return rejected Tenders, to the tenderer(s) endorsed with the date, time and place of receipt, and reasons why the Tender was rejected. Outer Tender envelopes must be retained in respect of late tenders as evidence to support acceptance or rejection of a late Tender.

TEND6 ALTERATION OF OPENED TENDERS

TEND6.1 Tenderers are not allowed to alter their final submission or Best and Final Offer after the date set for the receipt of their submission. If arithmetical errors are found they should be identified and the tenderer(s) notified in writing. The tenderer(s) concerned should be asked to provide written confirmation that the corrected figures will stand as part of the overall bid or that they wish to correct or withdraw their submission.

TEND7 CLARIFICATION PROCEDURES AND POST-TENDER NEGOTIATIONS

TEND7.1 Providing clarification of an Invitation to Tender to potential or actual Applicants or seeking clarification of a Tender whether in writing or by way of a meeting is permitted. The SPU will oversee and advise on all clarifications, communications and meetings that form part of the tender process.

TEND7.2 If there appears to be an error in a bid or supporting information, the Tenderer must be invited to confirm, amend or withdraw the bid.

TEND7.3 Where examination of tenders reveals errors or discrepancies, other than those set out above, which would affect the Tender figure in an otherwise successful Tender, the Tenderer should be given the opportunity of confirming, correcting or withdrawing their offer. If the Tenderer withdraws, the next Tender in competitive order should be dealt with similarly.

TEND7.4 Post-tender negotiation means negotiations with any Tenderer after submission of a Tender/Best and Final Offer and before the award of the Contract with a view to changing the terms of the Tender in particular obtaining adjustments in price, delivery or content. When following EC Procurement Directives post-tender negotiation is not allowed. Care must be taken to ensure that clarification of issues does not turn into negotiation. For detailed advice contact the SPU.

TEND7.5 Where post-tender negotiation results in a fundamental change to the specification or Contract terms the Contract must not be awarded but re-tendered.

TEND7.6 Negotiations with Tenderers or Suppliers should only occur where permitted in the following circumstances:

- After adhering to normal competitive tendering procedures, with the prospective Supplier submitting the most economically advantageous tender/lowest price tender depending on the award criteria provided that it can be shown in the Commissioner's best interests;
- By direct invitation to a single, prospective supplier where exceptions to normal tendering procedures have been approved in line with these Contract and Procurement Regulations.

TEND7.7 Where the Contract value is above £25,000 the SPU must be consulted whenever it is proposed to enter into post-tender negotiations and about whether negotiation is to be with all Tenderers;

TEND7.8 Procedures for conducting negotiations should be as follows:

- At least two nominated officers must be present at all negotiations or any meetings;

- A written record of negotiations is kept. The record to include the date, time, place and persons present at any meetings, the points discussed and the conclusions reached and are signed as a true record by all officers present and the Tenderer;
- The Tenderer in advance of any Contract/order must confirm any alterations as a result of negotiations to their original submission in writing;
- Post-tender negotiation must only be conducted in accordance with the guidance in the Procurement Guide.

TEND8 EVALUATION AND AWARD OF CONTRACT

TEND8.1 Apart from the debriefing requirements:

- Confidentiality of Tenders and the identity of Applicants must be preserved at all times; and
- Information about one Applicant's response must not be given to another Applicant.

TEND8.2 Contracts must be evaluated, recorded and awarded in accordance with the Award Criteria.

TEND8.3 Tenders may be evaluated on the basis of most economically advantageous and include a mixture of price, technical and quality; or lowest price (for Contracts below EU Thresholds). The basis on which the Tender will be evaluated must be determined before Tenders are invited and should be included as part of the Tender information. This includes the Contract Award Criteria and any sub-criteria and their respective weightings. See CP5.5 regarding quality and price weightings applies.

TEND8.4 Longer-term partnership evaluations may include price, technical, quality as well as the need to demonstrate adding value to the Commissioner, acceptance of a portion of risk, and flexibility to meet changing circumstances. Key success factors may be identified and incorporated into the selection process and partnering agreement, where appropriate.

TEND8.5 All Tenderers should be notified in the tender that no work or services may be commenced or goods/materials ordered until a formal Contract has been signed and/or an official purchase order has been raised.

TEND8.6 The SPU will undertake all the appropriate notifications to all Tenderers of intentions to award the Contract and any debriefs required in accordance with EC/UK Regulations.

TEND8.7 **No information should be given to Tenderers without taking the advice of the SPU**.

APPENDIX B

DELEGATED AUTHORITIES IN RESPECT OF VARIATIONS TO THE STRATEGIC PARTNERSHIP CONTRACT WITH G4S CARE AND JUSTICE SERVICES

APPB1 Introduction

APPB1.1 Contract variations are likely to occur throughout the life of the contract, for example, reprioritisation of services for operational reasons. The change process is formally set out in the contract with G4S, specifically in Schedule 3 Change Control Procedure and Clause 23. Schedule 3 outlines Scoped Changes, Unscoped changes, Fast-track changes and Emergency changes.

APPB1.2 Scoped change – a change that has no increase in contract price or adverse effect on Services including Reprioritisation Change (clause 23.1 – 23.1.3)

APPB1.3 Unscoped change – material adverse effect on the manner in which the Partner delivers the Services, or material impact on the costs (clause 23.2 – 4)

APPB1.4 Fast-track change – an unscoped change with shortened timescales

APPB1.5 Emergency change - an unscoped change with immediate implementation

APPB2 Change request forms and process flowchart

APPB2.1 The following forms are to be utilised as appropriate to the circumstances. Change Request Form 1 (for use with Scoped Changes), Change Request Form 2 (for use with Unscoped Changes) Change Request Form 3 (Impact Assessment Form). B7 below outlines the change process in flowchart form and should be read in conjunction with the delegation of authorities at B3 and B4.

APPB3 Scoped changes – delegation of authorities

APPB3.1 Provision of proposal – Commercial Partnership Manager

APPB3.2 Authorisation – Deputy Chief Constable

APPB3.3 Scoped changes shall be reported to the Chief Executive

APPB4 Un-scoped changes (Including any KPI/performance contract changes, any financial changes or changes which have cost implications) – delegation of authorities

APPB4.1 Provision of proposal – Commercial Partnership Manager

APPB4.2 Authorisation – Chief Executive/Commissioner's CFO

APPB4.3 Unscoped changes shall be reported to the Commissioner by the Chief Executive.

APPB5 Contract amendments resulting from the change process

APPB5.1 In relation to authorised scoped and unscoped changes which result in a change to the original contract, there is a requirement to ensure that the original contract is amended to reflect the changes. This shall be carried out annually and aligned with the original Service Commencement date of 1st April. Notwithstanding this requirement, either party (PCC or G4S) may request a formal update to the Contract at any time should the party believe the change is of such significance that it should be captured within the contract in advance of the annual review.

APPB6 Additional delegated authorities

APPB6.1 In addition to contract variations, there are a number of other contract business areas where delegated authorities are in place.

APPB7 Flag Reports

APPB7.1 On a day to day routine basis there may be queries or agreements between department heads and G4S that refine processes without impacting in any way upon the contract or require a change control process. The Commercial Partnership Team shall capture any such routine issues in the form of a flag report. These reports provide a means for department heads to raise areas of concern, suggest improvements in service provision or report positive results. There may be occasions where such reports require escalation into change control procedure but it is expected that in the majority of cases, the flag report will identify and address the query raised.

APPB8 Invoices

APPB8.1 Invoices shall be authorised in line with FR45 of the Financial Regulations.

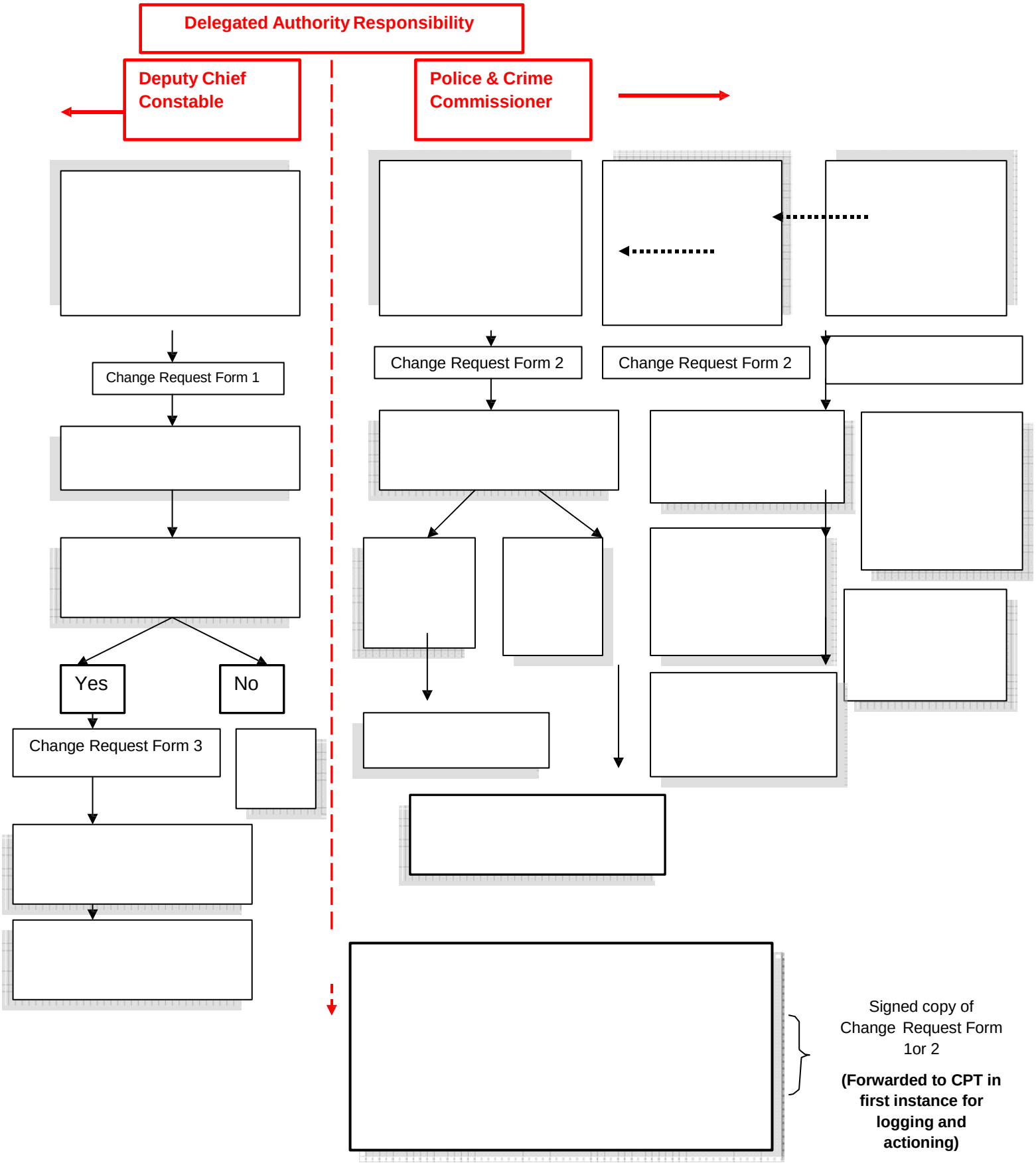
APPB9 Original costed/convincing/conceptual projects, new projects, business development opportunities

APPB9.1 Provision of proposal – Commercial Partnership Manager

APPB9.2 Consideration of proposal – Chief Executive/Commissioner's CFO

APPB9.3 Authorisation – the police and crime commissioner for Lincolnshire

APPB10 Novation of Third Party Contracts to G4S

APPB10.1 The novation of third party contracts to G4S shall be authorised by the Chief Executive, the Deputy Chief Executive or the Commissioner's Chief Finance Officer.

APPB11 Flowchart