

Police and Crime Commissioner for Surrey – Decision Making Record

Report Title: Review of the Scheme of Corporate Governance
Decision number: 100/2015
Author and Job Role: Ian Perkin, Treasurer & CFO
Protective Marking: Part One

Executive Summary:

The Police Reform and Social Responsibility Act 2011 established each Police & Crime Commissioner (PCC) and Chief Constable (CC) as separate legal entities or 'corporations sole'. After the PCC elections in November 2012, Police Authorities were abolished and a 'Stage 1' transfer saw all existing rights, assets and liabilities transfer automatically, by operation of statute, from Police Authorities to PCCs. This included the transfer of all police staff to the employment of the PCC.

The Act stipulated that a second 'Stage 2' transfer had to take place, which involved the movement of the majority of staff from the employment of PCC's to the employment of Chief Constable's. Implementation of these arrangements had to take place by the 1st April 2014 and required that a new set of revised governance documents be drawn up to reflect the new employment arrangements and expectations of the two corporations sole. Collectively, these documents are known as the 'Scheme of Corporate Governance' and were drawn up in jointly with the Sussex PCC and Sussex Police Force, with the proviso they would be reviewed annually. That review has recently taken place both in Surrey and Sussex and the recommendations for appropriate changes to the "Scheme of Corporate Governance" have been reviewed by the Joint Independent Audit Committees of both Surrey and Sussex, who have recommended that the "Scheme of Corporate Governance" should be amended by the PCC's of both Surrey and Sussex to reflect the proposed changes arising out of that review.

Changes to the Scheme of Corporate Governance

The Scheme comprises a number of different elements. These are:

- **Code of Corporate Governance**
This sets out how the PCC/CC will achieve the core principles of 'good governance'.
- **Framework of Decision-Making and Accountability**
This describes how the PCC will make/publish key decisions and fulfil his responsibilities to hold the CC to account. It also sets out the role of the Audit Committee.
- **Scheme of Delegation for the PCC and CC**
This sets out the key roles of the PCC/CC and those functions they delegate to others.

- **Memorandum of Understanding**

This new document sets out the cooperative arrangements between the PCC and CC for the provision of business support and administration. The CC has a requirement under section 2(5) of the PRSR Act 2011 to exercise her powers in such ways as are reasonable to assist the PCC in the exercise of his functions. The Office of the PCC will necessarily be reliant (as at present) on the Force for on-going support. However it is important to articulate the expectations of both parties in this regard.

The MOU attempts to describe how, in an arrangement where the CC employs the majority of the staff and the PCC owns all assets, the two parties will work together and ensure sufficient support in areas such as estates management, procurement, finance, HR, communications and corporate development.

- **Financial Regulations**

This sets out the framework for managing the PCC's financial affairs.

- **Contract Standing Orders**

This describes the rules for the procurement of goods, works and services. Contracts will continue to be issued in the name of the PCC and the CC will operate within the parameters of Contract Standing Orders. This avoids a potentially complex arrangement where contracts are procured and issued for multiple parties, operating to different rules for the different bodies, and increasing operating costs.

The review of the Governance Documents has proposed changes be made to the Schedule that attaches to the Memorandum of Understanding, Contract Standing Orders, Financial Regulations and the Schemes of Delegation. The changes that have been made to these documents have been about adding additional clarification to the existing text and do not result in any material change to the principles on which the original documents were based. The revised documents will be placed on our website for public inspection within ten days of the publication of this Decision Making Record.

Recommendation

- That the PCC accepts the recommendation of the Joint Independent Audit Committee and approves the changes to the Governance Documents arising from the 2015 review of the Scheme of Corporate Governance.

Police and Crime Commissioner Approval

I approve the recommendation(s):



Signature:

Date: 02/07/2015

All decisions must be added to the decision register.

Areas of consideration

Consultation

Surrey PCC and his senior officers

Surrey Police Chief Officers

Sussex PCC and her senior officers

Sussex Police Chief Officers

Joint Independent Audit Committees of Surrey and Sussex

Financial implications

None arising.

Legal

Legal advice has been sought on elements of the scheme where necessary.

Risks

None arising.

Equality and diversity

No issues.

Risks to human rights

None arising.