

**POLICE AND CRIME COMMISSIONER FOR
WEST MERCIA**



RECORD OF DECISION

TITLE: PROPOSED PRECEPT FOR 1 APRIL 2014 TO 31 MARCH 2015
Ref: PCC/D/2014/01

EXECUTIVE SUMMARY

To consider the setting of a proposed precept for the financial year 1 April 2014 to 31 March 2015.

The Commissioner is required to present a proposed precept to the Police & Crime Panel by no later than 1 February 2013. The Commissioner is required to act in conformity with the Police & Crime Panels (Precept and Chief Constable Appointments) Regulations 2012.

When setting a budget requirement, the Commissioner must have regard to representations received from business interest consultees and any reports of the Police and Crime Panel.

The final precept must be determined by 1 March 2014.

This decision report is accompanied by a Part 1 report. There is no Part 2 report.

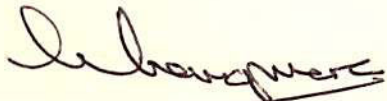
PROPOSAL

1. The Commissioner is recommended to set a proposed precept increase of 1.99% for 2014/15 provided such amount does not trigger a referendum requirement under the Localism Act 2011 for the said period in which event the precept shall be set as close as possible to a 1.99% increase as is permissible without triggering a referendum requirement.

APPROVAL OF

West Mercia Commissioner

I hereby approve the above proposal.

Signed  Date 29TH Jan 2014.

PART 1 – NON-CONFIDENTIAL REPORT

SUPPORTING PART 1 REPORT

1. INTRODUCTION

- 1.1 The Commissioner is required to issue a proposed precept to the Police & Crime Panel by no later than 1 February 2014. The Commissioner is required to act in conformity with the Police & Crime Panels (Precept and Chief Constable Appointments) Regulations 2012.
- 1.2 In setting a budget requirement, the Commissioner must have regard to views expressed by relevant ratepayers representatives and any reports of the Police and Crime Panel.
- 1.3 The final precept must be determined by 1 March 2014.

2. BACKGROUND

- 2.1 To assist the West Mercia Commissioner determine a proposed precept level, the Commissioner's Chief Financial Officer has prepared the accompanying Budget report (Appendix 1).
- 2.2 In setting the proposed precept the Commissioner has had regard to public responses and those of ratepayer representatives. These have been summarised (Appendix 2).

3. FINANCIAL COMMENTS

- 3.1 The issue of a proposed precept is a necessary stage in finalising the precept for 2014/15 required to support the Commissioner's budget for the period 1 April 2014 - 31 March 2015.

4. LEGAL CONSIDERATIONS

The process and timetable is governed by statutory requirements and the proposed action is in compliance with those requirements.

PUBLIC ACCESS TO INFORMATION

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the West Mercia Commissioner's website. Any facts and advice that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. (A Part 2 form is not required in this case).

OFFICER APPROVAL

Chief Executive Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the West Mercia Commissioner.

Signature *Sarah Riley* Date *29 January 2014*

RECORD OF DECISION

TITLE: SETTING THE 2014/15 PRECEPT

Ref: PCC/D/2014/02

EXECUTIVE SUMMARY

To consider setting a precept for the financial year 1 April 2014 to 31 March 2015.

The West Mercia Commissioner must set an annual precept in compliance with the Police Reform and Social Responsibility Act 2011 and the Police and Crime Panel (Precept and Chief Constable Appointments) Regulations 2013 made thereunder.

The Commissioner has proposed a 1.99% increase in the precept to be set for 2014/15 (previous Decision Record PCC/D/2014/01) which has been considered by the West Mercia Police and Crime Panel and supported by them (response to proposal attached marked 'A').

The Commissioner has had regard to the Budget Report of the Chief Finance Officer (attached marked 'B').

The Commissioner has responded to the Panel by letter dated 11 February (attached marked 'C').

This decision record is accompanied by a Part 1 report. There is no Part 2 report.

RECOMMENDATION

1. The Commissioner is recommended to set a 1.99% precept increase for the 2014/15 precept.
2. The Commissioner is recommended to approve:
 - a) A Net Revenue Budget after savings of £205.015m
 - b) £2.762m of budget reserve is used within year to manage reductions
 - c) A PCC reserve of £5.0m is created to support initiatives to tackle business, rural and cyber crime, and a reserve of £6.9m for invest to save projects.
 - d) A net budget requirement of £202.253m

- e) A Council Tax for a Band D property at £182.28, an increase of 1.99%
- f) The Chief Executive be authorised to issue precept notices on West Mercia billing authorities as follows: A Council Tax for a Band D property calculated as follows:

	£m
Budget Requirement	202.253
Less Formula Grant	71.079
Less Revenue Support Grant	45.230
Less Council Tax Support Grant	9.200
Less Council Tax freeze grant	
2011/12	1.976
2013/14	0.799
Sub Total	73.969
Less: Collection Fund Surplus	0.649
Amount to be raised by Council Tax	73.320
Divided by Aggregate Council Tax Base	402,244.45
Basic Amount of Council Tax at Band D	£182.28

- g) The consequential Council Tax for each property band will be as follows:

Band A(6/9 th)	£121.518037
Band B (7/9 th)	£141.771043
Band C (8/9 th)	£162.024050
Band D	£182.277056
Band E (11/9 th)	£222.783068
Band F (13/9 th)	£263.289081
Band G (15/9 th)	£303.795093
Band H (18/9 th)	£364.554112

- h) That the Chief Executive to the Office of the Police and Crime Commissioner for West Mercia be authorised to issue Precepts Notices on the West Mercia billing authorities as follows:

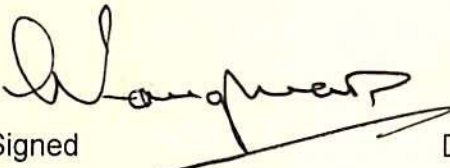
	£
Bromsgrove District Council	6,218,919.48

Herefordshire Council	11,837,452.97
Malvern Hills District Council	5,146,523.41
Redditch Borough Council	4,494,398.07
Shropshire Council	18,314,321.82
Telford and Wrekin Council	8,076,021.92
Worcester City Council	5,401,416.00
Wychavon District Council	8,193,051.08
Wye Forest District Council	5,637,829.34
TOTAL	73,319,934.09

APPROVAL OF

West Mercia Commissioner

I hereby approve the above proposal.

Signed  Date 11th Feb 2014.

PART 1 – NON-CONFIDENTIAL OR EXEMPT FACTS AND ADVICE

SUPPORTING PART 1 REPORT

1. INTRODUCTION

- 1.1 The Commissioner is required to set a precept for the West Mercia Police and Crime Commissioner to be levied in 2014/15.

2. BACKGROUND

- 2.1 By virtue of the Police Reform and Social Responsibility Act 2011 and the Police and Crime Panel (Precept and Chief Constable Appointments) Regulations 2013 the Commissioner is obliged to issue a Police and Crime Precept for the year commencing 1 April 2014.
- 2.2 The Commissioner recommended a 1.99% increase in precept to the Police and Crime Panel (Decision Record ref. PCC/D/2014/01).
- 2.3 On the 4 February 2014 the Police and Crime Panel met to consider the Commissioner's proposed precept.
- 2.4 On 7 February 2014 the Police and Crime Panel formally published their response to the Commissioner's proposed precept confirming their support for the proposal (attached marked 'A').
- 2.5 The Chief Finance Officer's Budget Report (attached marked 'B') has been considered by the Commissioner
- 2.6 On 11 February 2014 the Commissioner issued a response to the PCP as required by Schedule 5 to the 2011 Act (attached marked 'C')

3. FINANCIAL COMMENTS

- 3.1 *On the 5 February 2014 the Police Grant Settlement 2014/15 was announced identifying the following revenue allocations:*

	£m
Home Office Core	71.079
DCLG	45.230
Council Tax Freeze Grant	11.975

- 3.2 The Chief Finance Officer has presented to the Commissioner his Budget Report (copy attached marked 'B')

4. LEGAL CONSIDERATIONS

The recommendation and the supporting information comply with the statutory requirements attaching to the Police and Crime Commissioner in respect of his precept setting responsibilities.

PUBLIC ACCESS TO INFORMATION

Information in this document is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this Decision Record will be made available on the West Mercia Commissioner's website. Any facts and advice that should not be made automatically available on request should not be included in Part 1 but instead on a separate Part 2 report. (A Part 2 report is not required in this case).

OFFICER APPROVAL

Chief Executive Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the West Mercia Commissioner.

Signature *Anna Brivly* Date *11. February. 2014*



RECORD OF DECISION

TITLE: **SETTLEMENT OF CLAIM:** Ref. PCC/D/2014/03

EXECUTIVE SUMMARY

The Police Act 1996 imposes liability on the Chief Constable in respect of unlawful conduct by Constables under his direction and control and provides for the payment of compensation and legal costs to be paid out of the police fund. In settlement of a claim for compensation, the payment out of police funds has to be approved by the local policing body – the Police and Crime Commissioner for the Force in question.

The approval of the Police and Crime Commissioner for West Mercia Police is now sought in relation to the potential settlement of a civil claim against the Chief Constable.

This decision request is accompanied by supporting Part 1 and Part 2 reports.

RECOMMENDATION

To approve the proposed terms of settlement of a civil claim.

APPROVAL OF

West Mercia Commissioner

I hereby approve the above recommendation.

Signed

Date 18th Feb 2014.

PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND ADVICE

SUPPORTING REPORT

1. INTRODUCTION

Circumstances have arisen in respect of which the Chief Constable has a potential liability under Section 88 of the Police Act 1996. A claim has been made under the Human Rights Act 1998 and the Chief Constable has received legal advice to the effect that the claim would be expensive to defend and may be capable of settlement out of court on favourable terms.

2. LEGAL CONSIDERATIONS

Section 88 of the Police Act 1996 provides that there shall be paid out of the police fund any sum required in connection with the settlement of a claim made against the Chief Constable by reason of his liability in law in respect of the unlawful conduct of Constables under his direction and control. In order to be paid out of the police fund, the terms of the settlement require the approval of the Police and Crime Commissioner.

PUBLIC ACCESS TO INFORMATION

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OFFICER APPROVAL

Chief Executive Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the West Mercia Commissioner.

Signature

David Brigg

Date

18. February 2014

RECORD OF DECISION

TITLE: WEST MERCIA PCC SEAL: Ref. PCC/D/2014/04

EXECUTIVE SUMMARY

To authorise the use of the seal in accordance with authorised transactions.

This decision request is accompanied by supporting Part 1 report. There is no Part 2 supporting report.

RECOMMENDATION

To approve the authorisation of the Head of Legal Services of West Mercia Police to hold and keep safe the common seal of the Police and Crime Commissioner for West Mercia acting as a corporate entity and to apply the same in execution of documents of any nature whatsoever in pursuance of a decision or approval made or given by the Commissioner or by another person duly authorised thereto under any lawful delegation or consent.

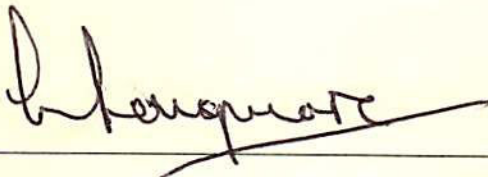
This authorisation shall supersede and replace any prior authority in respect of the keeping of and the use of the seal shall continue until such time as a variation or revocation of this authority may be issued by me.

APPROVAL OF

West Mercia Commissioner

I hereby approve the above recommendation.

Signed



Date

22nd Feb 2014

PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND ADVICE

SUPPORTING REPORT

1. INTRODUCTION

The Commissioner is invited to authorise of the Head of Legal Services of West Mercia Police to hold and keep safe the common seal of the Police and Crime Commissioner for West Mercia acting as a corporate entity and to apply the same in execution of documents of any nature whatsoever in pursuance of a decision or approval made or given by the Commissioner or by another person duly authorised thereto under any lawful delegation or consent.

This authorisation shall supersede and replace any prior authority in respect of the keeping of and use of the seal and shall continue until such time as a variation or revocation of this authority may be issued by me.

2. LEGAL CONSIDERATIONS

Authorisation of the use of the seal must comply with the requirements of the Police Reform and Social Responsibility Act 2011 and the Commissioner's Scheme of Governance .

3. FINANCIAL CONSIDERATIONS

There are no financial implications from the grant of this *delegation* and authorisation.

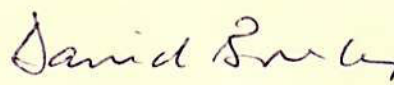
PUBLIC ACCESS TO INFORMATION

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OFFICER APPROVAL


Chief Executive Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the West Mercia Commissioner.

Signature  Date 19. Feb. 2014



RECORD OF DECISION

TITLE: WEST MERCIA SECOND TRANSFER SCHEME: Ref. PCC/D/2014/05
EXECUTIVE SUMMARY To authorise a second transfer scheme whereby all West Mercia police staff, other than those excepted by the Schedule to the Transfer Scheme, be transferred to the employment of the Chief Constable for West Mercia with effect from 1 April 2014. This decision record is accompanied by supporting Part 1 report. There is no Part 2 supporting report.
RECOMMENDATION To approve a second transfer scheme as requested by the Secretary of State by virtue of the Police Reform and Social Responsibility Act 2011.
APPROVAL OF West Mercia Commissioner I hereby approve the above recommendation. <div style="display: flex; justify-content: space-between;"><div> Signed</div><div>Date 5TH MARCH 2014</div></div>

PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND ADVICE

SUPPORTING REPORT

1. INTRODUCTION

The Commissioner is required to transfer police staff to the employment of the Chief Constable except such staff as are listed in the Schedule to the Transfer Scheme (copy attached marked 'Appendix A').

2. LEGAL CONSIDERATIONS

This Scheme complies with a direction of the Secretary of State made under the Police Reform and Social Responsibility Act 2011 .

3. FINANCIAL CONSIDERATIONS

There are no financial implications from the grant of this delegation and authorisation other than requirements to make administrative adjustments to reflect the transfer of employment.

PUBLIC ACCESS TO INFORMATION

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the West Mercia Commissioner's website. Any facts and advice that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form.

OFFICER APPROVAL

Chief Executive Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the West Mercia Commissioner.

Signature *Sarah Riley* Date *4th March 2014*



West Mercia Police Area Second Stage Staff Transfer Scheme 2014

Made this *Four* day of March 2014
Coming into force 1st April 2014

Whereas:

- (i) The Secretary of State may, under Part 3, Schedule 15 of the Police Reform and Social Responsibility Act 2011, direct a police and crime commissioner to make and submit a transfer scheme for approval.
- (ii) The Secretary of State on 27 March 2013 directed all police and crime commissioners to make and submit such transfer schemes for approval and to be effective from 1 April 2014.

The Police and Crime Commissioner for West Mercia

Now Hereby Makes this Transfer Scheme under the provisions of the Police Reform and Social Responsibility Act 2011 as follows:

1. All persons employed by the Police and Crime Commissioner for West Mercia will, with the exception of those listed at the Schedule to this transfer scheme, at midnight on 31 March 2014 transfer to and become members of the civilian staff of the West Mercia police force on 1 April 2014.
2. All those persons listed in the Schedule to this transfer scheme shall remain in the employment of the Police and Crime Commissioner for West Mercia.
3. The contracts of employment which persons transferring by virtue of paragraph 1 had before transferring by operation of paragraph 1 above will have effect (subject to modification where appropriate) as if originally made between such persons and the Chief Constable of the West Mercia Constabulary.
4. The rights, powers, duties and liabilities of the Police and Crime Commissioner for West Mercia under or in connection with the contracts of employment of the persons transferring by operation of paragraph 1 above will transfer to the Chief Constable of the West Mercia Police Force on 1 April 2014.
5. The periods of employment with the Police and Crime Commissioner for West Mercia (and any periods of employment with any former police authority) of a person who transfers to the employment of the Chief Constable of the West Mercia Police under paragraph 1 above will count as if such periods of employment were periods of employment by the Chief Constable, and further where such periods are continuous, will count as periods of continuous employment by the Chief Constable.

6. Any person who is employed by the Police and Crime Commissioner for West Mercia at midnight on 31 March 2014 and who would otherwise by operation of paragraph 1 above transfer to become a member of the civilian staff of the West Mercia Police and thereby under the employment of the Chief Constable of the West Mercia Police, may not become such a member of staff if the person gives notice to the Chief Executive of the Office of the Police and Crime Commissioner for West Mercia objecting to the operation of paragraph 1 and this transfer scheme in relation to them by noon on 28 March 2014.
7. Where an employee has given notice in accordance with paragraph 6 objecting to the operation of this Scheme to her or him -
 - (a) the contract of employment of that individual (and the rights, powers, duties and liabilities under or in connection with it) shall not transfer to the Chief Constable of the West Mercia Police;
 - (b) the contract of employment of that individual shall be terminated immediately before the transfer date; and
 - (c) that individual shall be treated as having resigned and shall not, for any purpose, be treated as having been dismissed by his or her employer.
8. The Secretary of State or any person nominated by the Police and Crime Commissioner for West Mercia may determine any matter requiring determination under or in consequence of this transfer scheme subject to such fees and expenses as determined by the Police and Crime Commissioner for West Mercia.



Bill Longmore
Police and Crime Commissioner for West Mercia

Date: 5TH MARCH 2014

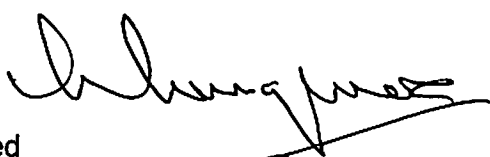
Transfer Schedule

By virtue of paragraph 1 of this transfer scheme the staff occupying the roles listed below will not transfer from the employment of the Police and Crime Commissioner for West Mercia to become members of the civilian staff of the West Mercia Police. They will remain employees of the Police and Crime Commissioner for West Mercia.

- Deputy Police and Crime Commissioner
- Chief Executive
- Deputy Chief Finance Officer
- Senior Policy Officer
- Policy Officer
- Policy Officer
- Policy Officer
- Assistant to Policy Officers
- Commissioning Manager
- Criminal Justice Manager
- PA to the Police and Crime Commissioner
- PA to Chief Executive
- Policy Assistant and Office Administrator
- Policy Assistant and Office Administrator (maternity cover)
- Communications Officer
- Community Ambassador Posts: -
 - Community Ambassador Co-ordinator
 - Community Ambassador (Shropshire)
 - Community Ambassador (Telford and Wrekin)
 - Community Ambassador (North Worcestershire)
 - Community Ambassador (South Worcestershire)
 - Community Ambassador (Herefordshire)
 - Community Ambassador (Media)



RECORD OF DECISION

TITLE:	SETTLEMENT OF CLAIM:	Ref. PCC/D/2014/06
EXECUTIVE SUMMARY <p>The Police Act 1996 imposes liability on the Chief Constable in respect of unlawful conduct by Constables under his direction and control and provides for the payment of compensation and legal costs to be paid out of the police fund. In settlement of a claim for compensation, the payment out of police funds has to be approved by the local policing body – the Police and Crime Commissioner for the Force in question.</p> <p>The approval of the Police and Crime Commissioner for West Mercia Police is now sought in relation to the potential settlement of a civil claim against the Chief Constable.</p> <p>This decision request is accompanied by supporting Part 1 and Part 2 (confidential) reports.</p>		
RECOMMENDATION <p>To approve the proposed terms of settlement of a civil claim.</p>		
APPROVAL OF West Mercia Commissioner <p>I hereby approve the above recommendation.</p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"><div>Signed </div><div>Date 11th March 2014</div></div>		

PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND ADVICE

SUPPORTING REPORT

1. INTRODUCTION

Circumstances have arisen in respect of which the Chief Constable has a potential liability under Section 88 of the Police Act 1996. A claim has been made at common law and under Article 8 of the European Convention on Human Rights Act and the Chief Constable has received legal advice to the effect that he has a potential liability on some aspects of the case and that it would be beneficial to seek a settlement out of court on favourable terms.

2. LEGAL CONSIDERATIONS

Section 88 of the Police Act 1996 provides that there shall be paid out of the police fund any sum required in connection with the settlement of a claim made against the Chief Constable by reason of his liability in law in respect of the conduct of Constables under his direction and control. In order to be paid out of the police fund, the terms of the settlement require the approval of the Police and Crime Commissioner.

PUBLIC ACCESS TO INFORMATION

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. This Part 1 report will be made available on the West Mercia Commissioner's website. Any facts and advice that should not be made automatically available on request should not be included in Part 1. A Part 2 (confidential) report is attached.

OFFICER APPROVAL

Chief Executive Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the West Mercia Commissioner.

Signature

David Bailey

Date

11. March 2014



RECORD OF DECISION

TITLE:	SUPPLEMENTAL COLLABORATION AGREEMENT – DESIGNATED
INVESTIGATING OFFICERS:	Ref. PCC/D/2014/07

EXECUTIVE SUMMARY

The Police Act 1996 provides for police forces and policing bodies to enter collaboration agreements which can include provision about the discharge of functions of the police force, support of the policing body for another policing body or support by a policing body for the police force which another policing body is responsible for maintaining.

On 13 March 2012 the Chief Constables of Warwickshire and West Mercia Police and their respective Police Authorities entered into a Strategic Alliance Collaboration Agreement in which they agreed there would be a single Local Policing Directorate providing joint local policing to the communities of Warwickshire and West Mercia. As a result of this arrangement there is now a need for the two policing bodies and their respective police forces to enter into a further collaboration agreement to provide for the exercise of their powers across the force boundaries by civilian employees who have been designated Investigating Officers under The Police Reform Act 2002.

In order to comply with the Police Act 1996 both the Chief Constable and the policing body for each force must be parties to the collaboration agreement.

The approval of the Police and Crime Commissioner for West Mercia Police force to the arrangements contained in the Collaboration Agreement is therefore sought pursuant to which the Commissioner will be a party to the Agreement.

This decision request is accompanied by a supporting Part 1 report, and the proposed Collaboration Agreement. There is no Part 2 report.

RECOMMENDATION

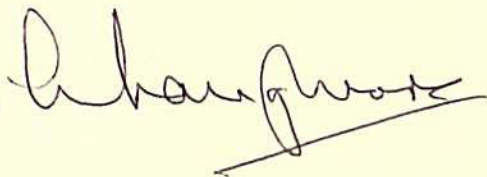
1. To approve and sign the attached Collaboration Agreement

APPROVAL OF

West Mercia Commissioner

I hereby approve the above recommendation.

Signed

A handwritten signature in black ink, appearing to read 'L. Hanford', written over a horizontal line.

Date 11th March 2014

PART 1 – NON-CONFIDENTIAL REPORT

SUPPORTING REPORT

1. INTRODUCTION

The Warwickshire and West Mercia Police forces have agreed to work in collaboration to deliver a common service across the area of both police forces. The legislation makes provision for such collaborative working providing that it is in the interests of the efficiency or effectiveness of one or more of the police forces.

2. ISSUES FOR CONSIDERATION

- 2.1 Section 38 of the Police Reform Act 2002 enables a chief officer to designate suitably trained members of police staff to exercise a number of statutory police powers. This report is concerned with the designation of police staff as Investigating Officers. A person designated as an Investigating Officer has the powers and duties conferred on him by the designation. The Police Reform Act provides for up to 11 powers to be potentially exercised by an Investigating Officer although it is not necessary for all the available powers to in fact be assigned to them. The individual designation will set out which powers an officer can exercise.
- 2.2 Once designated as an Investigating Officer the relevant employee will be able to exercise his or her powers within the geographic area of the forces in which he or she is a member, is maintained. In order for a designated Investigating Officer from one force to exercise their powers in the geographic area of another force, special provision needs to be made in collaboration agreement between the two chief officers and their policing bodies. (Section 38B of the Police Reform Act 2002 specifies that a chief officer of the assisted force may designate an Investigating Officer in the assisting force to act in the area of the assisted force, provided they are permitted to do so under the relevant police collaboration provision).
- 2.3 Section 23AA of the Police Act 1996 provides that the force collaboration provision for these purposes must specify the functions which the Investigating Officers are permitted to discharge for the purposes of the assisted force and any restrictions or conditions on that permission. Section 23AA further provides that an Investigating Officer cannot be designated to exercise functions in the area of an assisted force unless he or she is authorised to discharge those functions in the force they are a member of.
- 2.4 A supplemental collaboration agreement pursuant to Sections 22A, 23 and 23A of the Police Act 1996 is therefore required specifically to permit Warwickshire Police and West Mercia Police Investigating Officers to operate across force boundaries when discharging their functions.

2.5 As this agreement is supplemental to the agreement entered into on 13 March 2012 the provisions of that agreement with regard to direction and control and therefore legal liability for the actions of the Investigating Officers will rest with the Chief Constable in the area the Investigating Officer is operating at any given time. West Mercia Police insurers have approved this arrangement.

2.6 In accordance with the legislation this agreement, together with the agreement of the 13 March 2012, provides for governance and review of the arrangements to ensure that they meet the objective of operating in the interests of efficiency and effectiveness and in order that the respective policing bodies can hold to account the Chief Constables for the discharge of functions by anyone acting under their direction and control.

3. FINANCIAL COMMENTS

3.1 Under the terms of the Police Reform and Social Responsibility Act 2011, Police Crime Commissioners must secure an efficient and effective police force for their area.

3.2 The Financial Benefits available here relate to identifying those tasks which can be appropriately performed by non warranted employees, at specific times of the day and consequently at a lesser cost. The conditions of service and consequent rates of remuneration between Police Officers and Police Staff Investigators are quite different.

3.3 Subject to any operational deployment design constraints, hours/days of duty performed and overall resilience in the number of police officers across the Alliance, adopting a more efficient workforce mix of warranted officers and Police Staff Investigators gives the potential for either a reduction in overall costs or an uplift in the total operational workforce.

4. LEGAL CONSIDERATIONS

The West Mercia Commissioner has power to make this decision to enter into a collaboration agreement. This is a force collaboration agreement for the joint discharge of functions by members of both forces, and for members of both forces to discharge functions in each other's force areas. (Section 23). Section 22A of the Police Act 1996 requires the parties to a force collaboration agreement to include each Chief Constable and each policing body. The Agreement has been drawn up to comply with the provisions of the Police Act 1997 in respect of a collaboration agreement and the provisions of the Police Reform Act 2002 in respect of the provision it makes for the designation of Investigating Officers.

5. FORCE COLLABORATION AGREEMENT

This is attached as Appendix 1.

PUBLIC ACCESS TO INFORMATION

Information in this Part 1 Report is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation.

OFFICER APPROVAL

Chief Executive Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the West Mercia Commissioner.

Signature

David Briley

Date

11. March 2014

**SUPPLEMENTAL COLLABORATION AGREEMENT FOR THE
PROVISION OF SERVICES BY CIVILIAN EMPLOYEES UNDER THE
POLICE REFORM ACT 2002**

BETWEEN

THE CHIEF CONSTABLE OF WARWICKSHIRE POLICE

THE CHIEF CONSTABLE OF WEST MERCIA POLICE

THE POLICE AND CRIME COMMISSIONER FOR WARWICKSHIRE

THE POLICE AND CRIME COMMISSIONER FOR WEST MERCIA

AGREEMENT

THIS AGREEMENT is made on the

March 2014

BETWEEN:

1. The Chief Constable of Warwickshire Police
 2. The Chief Constable of West Mercia Police
 3. The Police and Crime Commissioner for Warwickshire
 4. The Police and Crime Commissioner for West Mercia
- ("the Parties")

AND IT IS AGREED as follows:

SECTION 1: LEGAL CONTEXT

- 1.1 This Agreement is supplemental to the Agreement dated 13 March 2012 between the Parties and any future variation of or substitution for that Agreement and is made pursuant to Section 23AA of the Police Act 1996 which provides for force collaboration provisions concerning civilian employees who are permitted by a Chief Officer's designation to exercise certain powers and duties under the Police Reform Act 2002.
- 1.2 Section 23AA of the Police Act provides that the functions which the Designated Civilian Employees are permitted by the Collaboration Agreement to discharge for the purposes of the Assisted Force and any restrictions or conditions on that permission for the Designated Civilian Employees to discharge those functions must be specified in the Force Collaboration Agreement.

SECTION 2 : DEFINITIONS

- 2.1 **Assisted Force** – is the Force receiving the services of a Designated Civilian Employee from the Assisting Force
- 2.2 **Assisting Force** – is the Force providing the services of a Designated Civilian Employee to the Assisted Force
- 2.3 **Designated Civilian Employee** – means a civilian employee of a Police Force designated as an officer pursuant to Section 38(2) of the PRA 2002
- 2.4 **Investigating Officer** – is a person who has designated to them powers pursuant to Section 38(6)(b) of the PRA 2002
- 2.8 **PRA 2002** – is the Police Reform Act 2002
- 2.9 **Principal Collaboration Agreement** – is the Collaboration Agreement between the Parties entered into on 13 March 2012

SECTION 3 – SUPPLEMENTAL PROVISIONS

- 3.1 Where the context so permits all words and phrases not defined in Section 2 above have the meaning given to them in the Principal Collaboration Agreement.

SECTION 4 – STATEMENT OF INTENT

- 4.1 The Parties have agreed to work together in accordance with their relevant statutory powers and duties to implement, maintain and

monitor a collaborative arrangement for the exercise of designated powers by civilian employees who have been designated as Investigating Officers.

4.2 The Parties consider that the provision of policing for both Forces would be more efficiently and effectively discharged through a joint collaborative approach with a view to:

- (a) providing a more efficient and effective policing service in the geographical areas for which the Parties are responsible for policing;
- (b) enhancing capability and capacity;
- (c) giving greater resilience and flexibility in the use of skilled specialist staff;
- (d) reducing duplication of roles and resources;
- (e) increasing opportunities to maximise financial savings.

4.3 The Chief Constables have agreed to work together in accordance with their relevant statutory powers and duties to establish, monitor and conduct the Collaboration Agreement for the provision of assistance by Designated Civilian Employees to each other's Forces under the Police Act 1996 and the PRA 2002 as set out in Section 5 of this Agreement.

4.4 This Agreement is made by the Local Policing Bodies pursuant to Sections 22A and 23AA of the Police Act 1996 to secure co-

operation with other police forces where that is in the interests of efficiency and effectiveness.

- 4.5 The Chief Constables and the Local Policing Bodies agree to collaboration in the provision of services and facilities to oversee and support the police forces and to ensure compliance with their statutory duties in relation to policing and this Collaboration Agreement is entered into for this purpose.

SECTION 5 – SCOPE AND PURPOSE OF AGREEMENT

- 5.1 The Parties agree that Investigating Officers from Warwickshire Police can be designated by the Chief Constable of West Mercia to discharge the following powers and duties within the West Mercia Police Force Area:-

- a. Search warrants, pursuant to paragraph 16 of Schedule 4, Part 1 of the PRA 2002.
- b. Access to excluded and special procedure material, pursuant to paragraph 17 of Schedule 4, Part 1 of the PRA 2002.
- c. Entry and Search after arrest pursuant to paragraph 18 of Schedule 4, Part 1 of the PRA 2002.
- d. General power of seizure pursuant to paragraph 19 of Schedule 4, Part 1 of the PRA 2002.
- e. Access and copying in the case of things seized by constables pursuant to paragraph 20 of Schedule 4, Part 1 of the PRA 2002.
- f. Arrest at a police station for another offence pursuant to paragraph 21 of Schedule 4, Part 1 of the PRA 2002.

- g. Power to transfer persons into custody of investigating officers pursuant to paragraph 22 of Schedule 4, Part 1 of the PRA 2002.
- h. Powers in respect of detained persons pursuant to paragraph 22A of Schedule 4, Part 1 of the PRA 2002.
- i. Powers to require arrested person to account for certain matters pursuant to paragraph 23 of Schedule 4, Part 1 of the PRA 2002.
- j. Extended powers of seizure pursuant to paragraph 24 of Schedule 4, Part 1 of the PRA 2002.
- k. Persons accompanying investigating officers pursuant to paragraph 24A of Schedule 4 Part 1 of the PRA 2002.

5.2 The Parties agree that Investigating Officers from West Mercia can be designated by the Chief Constable of Warwickshire to discharge the following powers and duties within the Warwickshire Police Area:-

- a. Search warrants, pursuant to paragraph 16 of Schedule 4, Part 1 of the PRA 2002.
- b. Access to excluded and special procedure material, pursuant to paragraph 17 of Schedule 4, Part 1 of the PRA 2002.
- c. Entry and Search after arrest pursuant to paragraph 18 of Schedule 4, Part 1 of the PRA 2002.
- d. General power of seizure pursuant to paragraph 19 of Schedule 4, Part 1 of the PRA 2002.
- e. Access and copying in the case of things seized by constables pursuant to paragraph 20 of Schedule 4, Part 1 of the PRA 2002.
- f. Arrest at a police station for another offence pursuant to paragraph 21 of Schedule 4, Part 1 of the PRA 2002.

- g. Power to transfer persons into custody of investigating officers pursuant to paragraph 22 of Schedule 4, Part 1 of the PRA 2002.
 - h. Powers in respect of detained persons pursuant to paragraph 22A of Schedule 4, Part 1 of the PRA 2002.
 - i. Powers to require arrested person to account for certain matters pursuant to paragraph 23 of Schedule 4, Part 1 of the PRA 2002.
 - j. Extended powers of seizure pursuant to paragraph 24 of Schedule 4, Part 1 of the PRA 2002.
 - k. Persons accompanying investigating officers pursuant to paragraph 24A of Schedule 4 Part 1 of the PRA 2002.
- 5.3 None of the powers and duties listed in clause 5.1 above can be conferred on an Officer from Warwickshire Police by the Chief Constable of West Mercia Police unless that Investigating Officer has previously been designated with that power or duty by the Chief Constable of Warwickshire Police.
- 5.4 None of the powers and duties listed in clause 5.2 above can be conferred on an Officer from West Mercia Police by the Chief Constable of Warwickshire Police unless that Investigating Officer has previously been designated with that power or duty by the Chief Constable of West Mercia Police.
- 5.5 None of the powers and duties referred to in clauses 5.1 and 5.2 above can be exercised by an Investigating Officer from Warwickshire Police or an Investigating Officer from West Mercia Police except in accordance with the following restrictions and conditions:-

SECTION 6 – EXTENT OF AGREEMENT

- 6.1 Where this Agreement does not deal with an issue pertinent to the conduct or management of the Agreement it shall be agreed in writing by the Parties.

SECTION 7 – COMMENCEMENT DATE

- 7.1 This Agreement shall come into force on March 2014 and shall continue in force unless terminated, varied or extended under the provisions of this Agreement or any amendment, variation or substitution of the Principal Collaboration Agreement.

SECTION 8 – REVIEW OF AGREEMENT

- 8.1 This Agreement shall be reviewed by 30 September 2014, being six months after the commencement date, and every two years thereafter or earlier by agreement between the Parties. The method and purpose of the review are as set out in Section 8 of the Principal Collaboration Agreement.

SIGNATORIES

IN WITNESS whereof the Parties have signed below on the date indicated:

Police Force	Chief officer	Signature	Date
The Chief Constable of Warwickshire			
The Chief Constable of West Mercia			
The Police & Crime Commissioner for Warwickshire			
The Police & Crime Commissioner for West Mercia			



RECORD OF DECISION

TITLE: PROPOSED SALE OF FORMER POLICE HOUSE: Ref. PCC/D/2014/08

EXECUTIVE SUMMARY

To approve the sale of a former Police House in Herefordshire.

This decision request is accompanied by supporting Part 1 and Part 2 reports.

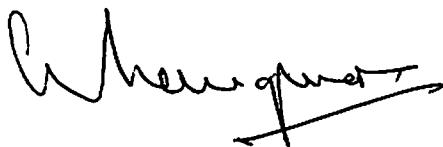
RECOMMENDATION

That subject to contract, an offer for a former police house in Herefordshire in the sum of £200,000 be accepted and the disposal take place on terms and conditions acceptable to the Head of Estates Services in accordance with the Procedure for the Disposal of Surplus Property within the Alliance Estate.

APPROVAL OF

West Mercia Commissioner

I hereby approve the above recommendation.

Signed 

Date 4th April 2014.

PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND ADVICE

SUPPORTING REPORT

1. INTRODUCTION

The ethos behind the rationalisation of the estate announced by the Police and Crime Commissioner in July 2013 was to dispose of surplus buildings that will not be required to deliver the new policing model. As a vacant police house, the property would be surplus to requirements.

2. LEGAL CONSIDERATIONS

The sale price achieves best value as required under Section 123 of the Local Government Act 1972.

3. FINANCIAL CONSIDERATIONS

The sale of the property provides a valuable capital receipt amounting to £200,000 towards the Force's future capital programme, thus reducing borrowing. The agreed price matches the independent market valuation. As an off market transaction there will be no disposal fees and the Force will not need to undertake remedial works to the property to make them ready for marketing. Legal costs are expected to be less than £750.

PUBLIC ACCESS TO INFORMATION


Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the West Mercia Commissioner's website. Any facts and advice that should not be made automatically available on request are not included in Part 1 but instead in the separate Part 2 report.

OFFICER APPROVAL

Chief Executive Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the West Mercia Commissioner.

Signature



Date

4.4.14

RECORD OF DECISION

TITLE: PROPOSED SALE OF FORMER POLICE STATION: Ref. PCC/D/2014/13

EXECUTIVE SUMMARY

To approve the sale of a former Police Station in Craven Arms

This decision request is accompanied by supporting Part 1 and Part 2 reports.

RECOMMENDATION

That subject to contract, an offer for a former police station in Craven Arms in the sum of £150,000 be accepted and the disposal take place on terms and conditions acceptable to the Head of Estates Services in accordance with the Procedure for the Disposal of Surplus Property within the Alliance Estate.

APPROVAL OF

West Mercia Commissioner

I hereby approve the above recommendation.

Signed



Date

9TH June 2014

PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND ADVICE

SUPPORTING REPORT

1. INTRODUCTION

The ethos behind the rationalisation of the estate announced by the Police and Crime Commissioner in July 2013 was to dispose of surplus buildings that will not be required to deliver the new policing model. As a vacant police house, the property would be surplus to requirements.

2. LEGAL CONSIDERATIONS

The sale price achieves best value as required under Section 123 of the Local Government Act 1972.

3. FINANCIAL CONSIDERATIONS

The sale of the property provides a valuable capital receipt amounting to £150,000 towards the Force's future capital programme, thus reducing borrowing. The agreed price matches the independent market valuation. As an off market transaction there will be no disposal fees and the Force will not need to undertake remedial works to the property to make them ready for marketing. Legal costs are expected to be less than £750.

PUBLIC ACCESS TO INFORMATION

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OFFICER APPROVAL

Chief Executive Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the West Mercia Commissioner.

Signature



Date

6.6.14



RECORD OF DECISION

TITLE: PROPOSED SALE OF FORMER POLICE HOUSE: Ref. PCC/D/2014/11

EXECUTIVE SUMMARY

To approve the sale of a former Police House in Redditch.

This decision request is accompanied by supporting Part 1 and Part 2 reports.

RECOMMENDATION

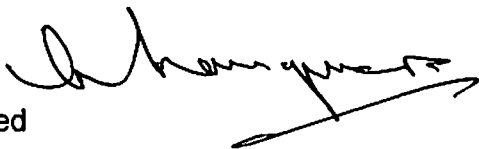
That subject to contract, an offer for a former police house in Redditch in the sum of £220,000 be accepted and the disposal take place on terms and conditions acceptable to the Head of Estates Services in accordance with the Procedure for the Disposal of Surplus Property within the Alliance Estate.

APPROVAL OF

West Mercia Commissioner

I hereby approve the above recommendation.

Signed



Date

28th April 2014

PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND ADVICE

SUPPORTING REPORT

1. INTRODUCTION

The ethos behind the rationalisation of the estate announced by the Police and Crime Commissioner in July 2013 was to dispose of surplus buildings that will not be required to deliver the new policing model. As a vacant police house, the property would be surplus to requirements.

2. LEGAL CONSIDERATIONS

The sale price achieves best value as required under Section 123 of the Local Government Act 1972.

3. FINANCIAL CONSIDERATIONS

The sale of the property provides a valuable capital receipt amounting to £220,000 towards the Force's future capital programme, thus reducing borrowing. The agreed price matches the independent market valuation. At 1% the expected fees for this transaction are expected to be £2,200 including advertising. Legal costs will be less than £750.

PUBLIC ACCESS TO INFORMATION

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OFFICER APPROVAL

Chief Executive Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the West Mercia Commissioner.

Signature

Ady Chambers

Date 28.4.14



RECORD OF DECISION

TITLE: PROPOSED SALE OF FORMER POLICE HOUSE: Ref. PCC/D/2014/12

EXECUTIVE SUMMARY

To approve the sale of a former Police House in Bromsgrove.

This decision request is accompanied by supporting Part 1 and Part 2 reports.

RECOMMENDATION

That subject to contract, an offer for a former police house in Redditch in the sum of £175,000 be accepted and the disposal take place on terms and conditions acceptable to the Head of Estates Services in accordance with the Procedure for the Disposal of Surplus Property within the Alliance Estate.

APPROVAL OF

West Mercia Commissioner

I hereby approve the above recommendation.

Signed

Date 28th April 2014

PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND ADVICE

SUPPORTING REPORT

1. INTRODUCTION

The ethos behind the rationalisation of the estate announced by the Police and Crime Commissioner in July 2013 was to dispose of surplus buildings that will not be required to deliver the new policing model. As a vacant police house, the property would be surplus to requirements.

2. LEGAL CONSIDERATIONS

The sale price achieves best value as required under Section 123 of the Local Government Act 1972.

3. FINANCIAL CONSIDERATIONS

The sale of the property provides a valuable capital receipt amounting to £175,000 towards the Force's future capital programme, thus reducing borrowing. The agreed price matches the independent market valuation. At 1% the expected fees for this transaction are expected to be £1,750 including advertising. Legal costs will be less than £750.

PUBLIC ACCESS TO INFORMATION

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OFFICER APPROVAL

Chief Executive Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the West Mercia Commissioner.

Signature



Date 28.4.14

**POLICE AND CRIME COMMISSIONER FOR
WEST MERCIA**



RECORD OF DECISION

TITLE: Treasury Management Strategy 2014/15
Ref: PCC/D/2014/09

EXECUTIVE SUMMARY

1.1 To agree a Treasury Management Strategy for 2014/5

1.2 In accordance with the requirements of the Local Government Act 2003, the Commissioner is required to agree a Treasury Management Strategy each year, which accords with the CIPFA Treasury Management Code of Practice. The strategy governs all borrowing and lending by the PCC over the course of the coming financial year.

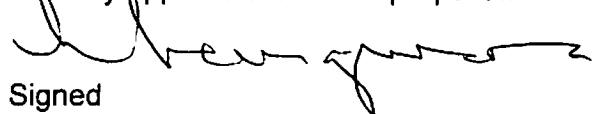
PROPOSAL

This proposal is

- a) to approve the Treasury Management strategy and Investment strategy for 2014/15
- b) to note the Prudential Indicators agreed as part of the budget setting
- c) that the Police and Crime Commissioner requires the Treasurer to ensure that net borrowing does not exceed the Prudential level as specified in Appendix A, taking into account current commitments, existing plans and the proposals agreed in the budget.
- d) That the Police and Crime Commissioner delegates authority to the Treasurer to undertake all of the activities outlines in Appendix E to the report.
- e) That the Treasurer implements the Minimum Revenue provision Policy as specified in Appendix F

**APPROVAL OF
West Mercia Police and Crime Commissioner**

I hereby approve the above proposal.


Signed

31st March
2014

PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND FIGURES

SUPPORTING REPORT

1. INTRODUCTION

- 1.1 By virtue of the Local Government Act 2003, the Police and Crime Commissioner is required to publish a Treasury Management Strategy, which accords with the requirements of the CIPFA Treasury Management Code of Practice, governing all borrowing and lending activity for his office each year.
- 1.2 The strategy is detailed in the attached report from the Treasurer. This is a joint strategy with the Police and Crime Commissioner for Warwickshire as both funds are being managed by the Force Finance Team.
- 1.3 In relation to lending activity, the strategy's principal objective is to ensure that the Police and Crime Commissioner's resources are secure by adopting a low risk approach to investment. Investment returns are secondary to ensuring security of capital and sufficient liquidity for day to day activity. As a consequence, lending is restricted to counterparties with very high credit ratings.
- 1.4 With regard to borrowing, all previous borrowing has been from the Public Works Loan Board (PWLb), a Government agency. Given the expected rates on offer from the PWLB, this is also likely to be the case for future borrowing in the foreseeable future. The extent of borrowing is governed by the size of the capital programme and the prudential indicators agreed as part of the budget report. For the sake of completeness, the prudential indicators are also included in the attached report.
- 1.5 In line with Financial Regulations this report has been presented to and agreed by the Joint Audit committee.

FINANCIAL COMMENTS

The report is a financial report by its nature, and there are no financial comments beyond the report itself.

LEGAL CONSIDERATIONS

The production and publication of a Treasury Management Strategy is a requirement of the CIPFA Treasury Management Code of Practice, compliance with which is a requirement of the Local Government Act 2003.

PUBLIC ACCESS TO INFORMATION

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the West Mercia Commissioner's website. Any facts and advice that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. (A Part 2 form is not required in this case).

OFFICER APPROVAL**Chief Executive Officer**

Signature *Adg. Cooper* Date ...31st March 2014

Draft Alliance Treasury Management Strategy 2014/15

Report of the Treasurer

Recommendations

That:

- a) the Treasury Management Strategy and Investment Strategy for 2014/15 be approved by the Police and Crime Commissioners for Warwickshire and West Mercia
- b) the Prudential Indicators agreed as part of the respective budget settings (see **Appendices A(i) and A(ii)**) are noted;
- c) the Commissioners require the Treasurer to ensure that net borrowing does not exceed the Prudential levels specified in **Appendix A**, taking into account current commitments, existing plans, and the proposals agreed in the budget reports;
- d) the Commissioners delegate authority to the Treasurer to undertake all the activities listed in **Appendix E** of the report;
- e) the Treasurer implements the Minimum Revenue Provision Policy as specified in **Appendix F**.

1 Introduction

Background

1.1 Treasury management is defined, in a local government context, as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.2 Each Commissioner is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with a low risk appetite, providing security of capital and sufficient liquidity initially before considering investment return.

- 1.3 The second main function of the treasury management service is the funding of the Commissioner's capital plans. These capital plans provide a guide to the borrowing need of the Commissioner, essentially the longer term cash flow planning to ensure that the Commissioner can meet his capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasions, debt previously drawn may be restructured to meet the Commissioner's risk or cost objectives.

Statutory Requirements

- 1.4 Each Commissioner has a statutory obligation to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Authority's capital investment plans are affordable, prudent and sustainable.
- 1.5 The Commissioners are required, therefore, to set out their treasury strategy for borrowing and to prepare an Annual Investment Strategy. This sets out the policies for managing their investments and for giving priority to the security and liquidity of those investments.

CIPFA Requirements

- 1.6 The Chartered Institute of Public Finance and Accountancy's (CIPFA) is responsible for publishing and maintaining the Code of Practice on Treasury Management with which the Commissioner is obliged to comply.
- 1.7 The primary requirements of the Code are as follows:
- a. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Authority's treasury management activities.
 - b. Creation and maintenance of Treasury Management Practices which set out the manner in which the Commissioner will seek to achieve those policies and objectives.
 - c. Receipt by the Commissioners of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.
 - d. Delegation by each Commissioner of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - e. Delegation by each Commissioner of the role of scrutiny of treasury management strategy and policies to a specific named body. In this respect the Commissioners have chosen to delegate this responsibility to the Joint Audit Committee

Treasury Management Strategy for 2014/15

- 1.7 The suggested strategy for 2014/15 in respect of the following aspects of the treasury management function is based upon the Treasurer's and the Force Treasury team (who undertake treasury management on behalf of the Commissioner) views on interest rates, supplemented with leading market forecasts provided by treasury advisers.
- 1.8 The strategy covers:
- Treasury limits for 2014/15 to 2016/17
 - Prudential indicators (previously agreed in setting the budgets)
 - Prospects for interest rates
 - Borrowing strategy
 - Debt rescheduling
 - Annual investment strategy
 - MRP strategy

2 Treasury Limits for 2014/15 to 2016/17

- 2.1 Each Commissioner is required to determine and keep under review how much he can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit". In England and Wales, the Authorised Limit represents the legislative limit specified in the Act.
- 2.2 The Commissioners must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires them to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon future council tax levels is 'acceptable'.
- 2.3 Whilst termed an "Affordable Borrowing Limit", the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years. Details of the Authorised Limit can be found in **Appendix A** of this report. Explanations of the terminology employed in the Appendix can be found in **Appendix B**.
- 2.4 The Commissioners' current treasury portfolios are as follows:

Warwickshire

Treasury Portfolio at 31 December 2013	Principal £m	Average Rate %
Fixed Rate Funding Public Works Loans Board	17.7	4.07
Investments		
In house	(33.4)	0.30
Externally managed	0.00	0.00
Net Debt	(15.7)	

West Mercia

Treasury Portfolio at 31 December 2013	Principal £m	Average Rate %
Fixed Rate Funding Public Works Loans Board	10.0	4.44
Investments		
In house	(24.0)	0.39
Externally managed	0.0	0.00
Net Debt	(14.0)	

2.5 The Commissioners' joint borrowing requirement is as follows:

Borrowing Requirement across the Alliance	14/15 £m	15/16 £m	16/17 £m	Total £m
New borrowing	18.352	19.700	15.210	53.262
Total	18.352	19.700	15.210	53.262

3 Prudential Indicators for 2014/15 to 2016/17

- 3.1 Prudential and Treasury Indicators (**Appendix A** to this report) are relevant for the purposes of setting an integrated treasury management strategy.
- 3.2 The indicators are based on the currently agreed capital programme.

4 Prospects for Interest Rates

- 4.1 The prospects for interest rates are key to the Treasury Management Strategy. Set out in the table below are projections for the Bank Rate from Arlingclose.

Bank Rate Forecast

March 2013	0.50%
June 2013	0.50%
Sep 2013	0.50%
Dec 2013	0.50%
Mar 2014	0.50%
Jun 2014	0.50%
Sep 2014	0.50%
Dec 2014	0.50%
Mar 2015	0.75%
Jun 2015	1.00%

5 Borrowing Strategy

- 5.1 Both Commissioners are currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the Commissioner's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is high. Against this background and the risks within the economic forecast, caution will be adopted with the 2014/15 treasury operations. The Treasury Team will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. Any decisions will be reported to the Commissioner at the earliest available opportunity.
- 5.2 The Arlingclose forecasts for the PWLB new borrowing rate are as follows:

Annual Average %	PWLB Borrowing Rates (including certainty rate adjustment)			
	5 year	10 year	20 year	50 year
March 2014	1.84	2.97	3.62	3.73
June 2014	1.89	3.02	3.67	3.78
Sept 2014	2.00	3.13	3.73	3.83
Dec 2014	2.11	3.19	3.83	3.89
March 2015	2.16	3.24	3.89	3.94
June 2015	2.16	3.35	3.89	4.00
Sept 2015	2.21	3.46	3.94	4.05
Dec 2015	2.27	3.56	4.00	4.10
March 2016	2.38	3.67	4.05	4.16
June 2016	2.54	3.78	4.10	4.27
Sept 2016	2.70	3.89	4.16	4.32
Dec 2016	2.86	4.00	4.21	4.37
March 2017	3.02	4.10	4.27	4.43

5.3 In view of the above forecast, the Commissioners' borrowing strategy will be based upon the following:

- The cheapest borrowing will be internal borrowing by running down cash balances and foregoing interest earned at historically low rates.
- Internal borrowing will be weighed against potential long term costs that will be incurred if market loans at long term rates are higher in future years.
- Long term fixed rate market loans at rates significantly below PWLB rates for the equivalent maturity period (where available) and to maintaining an appropriate balance between PWLB and market debt in the debt portfolio.
- PWLB borrowing for periods under ten years where rates are expected to be significantly lower than rates for longer periods. This offers a range of options for new borrowing, which will spread debt maturities away from a current concentration in longer dated debt.

In addition, it is important to note that the both Commissioners will seek to minimize their future borrowings by using revenue budget underspendings to defray borrowing where this is feasible and prudent.

5.4 In normal circumstances, the main sensitivities of the forecast are likely to be the two scenarios noted below. The Treasurer, in conjunction with the Director of Finance and the treasury advisors, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- If it were felt that there was a significant risk of a sharp fall in long and short term rates, e.g., due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- If it were felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be reappraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.

Policy on borrowing in advance of need

5.5 The Commissioners will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Commissioners can ensure the security of such funds.

5.6 In determining whether borrowing will be undertaken in advance of need, the Commissioners will:

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need;
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered;
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
- consider the merits and demerits of alternative forms of funding;
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use;
- consider the impact of borrowing in advance of temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, and the level of such risks given the controls in place to minimise them.

6 Debt Rescheduling

- 6.1 PWLB debt restructuring is now much less financially attractive than it used to be. Consideration is given to the large premiums incurred by prematurely repaying existing PWLB loans. It is very unlikely that these could be justified on value for money grounds if using replacement PWLB refinancing, although other market loans may be available as the source of replacement financing.
- 6.3 As short term borrowing rates will be considerably cheaper than longer term rates, there could be significant opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of their short term nature and the likely cost of refinancing those short term loans, once they mature, compared with the current rates of longer term debt in the existing debt portfolio.
- 6.4 The reasons for any rescheduling to take place will include:
- the generation of cash savings and discounted cash flow savings;
 - helping to fulfil the strategy outlined in Section 5 above; and
 - enhancing the balance of the portfolio (amending the maturity profile and/or the balance of volatility).
- 6.5 Consideration will also be given to identify if there is any residual potential left for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

7 Annual Investment Strategy

Investment Policy

- 7.1 The Commissioners will have regard to the DCLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA

Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").

- 7.2 The Commissioners' investment priorities are the security of capital and the liquidity of investments.
- 7.3 The Commissioners will also aim to achieve the optimum return on his investments, commensurate with proper levels of security and liquidity. The risk appetites of the Commissioners are extremely low in order to give overriding and absolute priority to the security of their investments.
- 7.4 In accordance with the above, and in order to minimise the risk to investments, the Commissioners have below stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list takes account of the ratings and watches published by all three ratings agencies, with a full understanding of what the ratings represent. Using information from Arlingclose, service banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.
- 7.5 Furthermore, the Commissioners' officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which the institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Commissioners' officers will engage with the advisors, Arlingclose, to monitor market pricing and overlay that information on top of the credit ratings.
- 7.6 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties. The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk. The intention of the strategy is to provide security of investment and minimisation of risk.
- 7.7 Investment instruments identified for use in the financial year are listed in **Appendix C** under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set and documented in discussion between the Treasury team and the Treasurer.

Creditworthiness Policy

- 7.8 The Commissioners have access, through the Force Treasury Team, to the creditworthiness service provided by Arlingclose. This service uses credit ratings from all three rating agencies, Fitch, Moodys and Standard and Poors.

- 7.9 Treasury officers do not rely solely on the current credit ratings of counterparties but also use the following as overlays:
- credit watches and credit outlooks from credit rating agencies;
 - credit default swap spreads giving warning of changes in credit ratings;
 - sovereign ratings to select counterparties from only the most creditworthy countries.
- 7.10 In line with last year's approved strategies, the Commissioners will not use the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy counterparties as, at any point in time, one of the agencies may be very much more aggressive in giving low ratings than the other two agencies, as happened in 2012/13 with Moodys. This would therefore be unworkable and leave the Commissioner with few banks on his approved lending list.
- 7.11 All credit ratings will be monitored continuously. Through its use of services from Arlingclose, the Treasury team receives monthly credit ratings, supplemented by daily alerts of changes to ratings of all three agencies. If a downgrade results in the counterparty/investment scheme no longer meeting the Commissioner's minimum criteria, its further use as a new investment will be withdrawn immediately.
- 7.12 Some nationalised banks in the UK have credit ratings which do not conform to the credit criteria stated on the Commissioner's list of minimum requirements. Some are no longer separate institutions in their own right. It is in some cases impossible for Fitch to assign them an individual rating for their stand alone financial strength. However, these institutions are now recipients of an F1+ short term rating as they effectively take on the creditworthiness of the Government itself, i.e., deposits made with them are effectively being made to the Government. They also have the highest support rating of 1. On both counts, they have the highest ratings possible. These nationalised institutions are included within the lending list under the minimum criteria: Nationalised banks, Short-term F1+, Support 1.
- 7.13 Sole reliance will not be placed on the use of this external service. In addition the Commissioner will also use market data, broker intelligence/advice, the financial press and all other relevant information.

Investment Counterparty Selection Criteria

- 7.14 The Commissioners' investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Commissioner's investment priorities will be security first, liquidity second, then lastly return. Investment instruments identified for use in the financial year are listed in **Appendix C** under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set and documented in discussion between the Treasury team and the Treasurer.

- 7.15 The Commissioners will ensure that they maintain a policy covering both the categories of investment types in which to invest, criteria for choosing investment counterparties with adequate security, and monitoring their security. Moreover, they will ensure they have sufficient liquidity in their investments. For this purpose they will follow procedures for determining the maximum periods for which funds may prudently be committed according to future cash flow requirements. The Treasurer will maintain a counterparty list in compliance with the stated criteria, providing an overall pool of counterparties considered to be very high quality which the Commissioner may use.
- 7.16 Credit rating information is supplied by Arlingclose, our treasury consultants, on all active counterparties that comply with the stated criteria. Any counterparty failing to meet the criteria will be deleted from the counterparty lending list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing.

Country Limits

- 7.17 The Commissioners have determined that they will only use approved counterparties from countries with a minimum sovereign credit rating of AA from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using this credit criteria as at the date of this report are shown in **Appendix D**. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

Investment Strategy

- 7.18 The Commissioners have in-house managed funds that are mainly cash-flow derived and a core balance available for investment over a maximum one-year period. Accordingly, investments will be made with reference to the core balance and cash requirements, and the outlook for short-term interest rates, (i.e., rates for investments up to twelve months).
- 7.19 There is downside risk to the Arlingclose interest rate forecasts if recovery from the recession proves to be weaker and slower than currently expected. The Commissioner will avoid locking into longer term deals while investment rates are down at historically low levels, unless exceptionally attractive rates are available which make longer term deals worthwhile.
- 7.20 For its cash flow generated balances, the Commissioners will seek to utilise their business reserve accounts and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

End of Year Investment Report

- 7.21 At the end of the financial year, the Commissioners will report on their investment activity as part of an Annual Treasury Report.

Policy on the Use of External Service Providers

- 7.22 The Commissioners uses Arlingclose as their external treasury management advisers via the Force's Treasury team. The Commissioners recognise that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

Role of the Section 151 Officer

- 7.23 Please see **Appendix E**.

8 Minimum Revenue Provision

- 8.1 The Authority's policy on Minimum Revenue Provision (MRP) is shown in **Appendix F**.

Report of the Treasurer	Dave Clarke
Date	18 th March 2013

APPENDICES

- A. Prudential and Treasury Indicators
- B. Prudential Term Explanations
- C. Schedule of Specified and Non Specified Investments
- D. Approved Countries for Investments
- E. The Treasury Management Role of the S151 (Responsible) Officer: Head of Finance
- F. Minimum Revenue Provision

Warwickshire Prudential and Treasury Indicators

1. AFFORDABILITY PRUDENTIAL INDICATORS	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
	£'000	£'000	£'000	£'000
Capital Expenditure	1,970	12,209	10,485	7,107
	%	%	%	%
Ratio of financing costs to net revenue stream	2.60	2.61	3.56	4.68
	£'000	£'000	£'000	£'000
In Year borrowing requirement				
- in year borrowing requirement	-1,034	10,629	7,967	4,257
	£'000	£'000	£'000	£'000
In year Capital Financing Requirement	-1,650	5,168	7,373	3,020
	£'000	£'000	£'000	£'000
Capital Financing Requirement 31 March	24,738	29,906	37,279	40,299
	£	£	£	£
Affordable Borrowing Limit				
Increase per council tax payer				
- Position as agreed at February 2013 by the PCC	£1.02	£0.69	£1.60	N/A
- Updated position of the current Capital Programme	£0.37	£0.03	£1.25	£2.32
2. TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
	£'000	£'000	£'000	£'000
Authorised limit for external debt				
- Borrowing	50,000	40,000	50,000	50,000
	£'000	£'000	£'000	£'000
Operational boundary for external debt				
- Borrowing	40,000	30,000	40,000	40,000
Upper limit for fixed rate interest exposure				
- net principal re fixed rate borrowing / investments	£50m	£40m	£50m	£50m
Upper limit for variable rate exposure				
- net principal re variable rate borrowing / investments	£5m	£5m	£5m	£5m

Maturity structure of new fixed rate borrowing during 2013/14	Upper Limit	Lower Limit
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

West Mercia Prudential and Treasury Indicators

1. AFFORDABILITY PRUDENTIAL INDICATORS	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
	£'000	£'000	£'000	£'000
Capital Expenditure	11,333	17,791	15,301	10,769
	%	%	%	%
Ratio of financing costs to net revenue stream	1.28	1.81	2.51	3.16
	£'000	£'000	£'000	£'000
In Year borrowing requirement				
- in year borrowing requirement	0	21,104	9,131	7,633
	£'000	£'000	£'000	£'000
In year Capital Financing Requirement	5,825	8,810	6,359	4,248
	£'000	£'000	£'000	£'000
Capital Financing Requirement 31 March	42,447	51,257	57,616	61,864
	£	£	£	£
Affordable Borrowing Limit				
Increase per council tax payer				
- Position as agreed at March 2013 by the PCC	£0.20	£1.19	£0.89	N/A
- Updated position of the current Capital Programme	£0.29	£0.91	£1.20	£1.09
2. TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
	£'000	£'000	£'000	£'000
Authorised limit for external debt				
- Borrowing	50,000	40,000	50,000	60,000
	£'000	£'000	£'000	£'000
Operational boundary for external debt				
- Borrowing	40,000	30,000	40,000	50,000
Upper limit for fixed rate interest exposure				
- net principal re fixed rate borrowing / investments	£50m	£40m	£50m	£60m
Upper limit for variable rate exposure				
- net principal re variable rate borrowing / investments	£5m	£5m	£5m	£5m

Maturity structure of new fixed rate borrowing during 2013/14	Upper Limit	Lower Limit
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

PRUDENTIAL INDICATORS

Ratio of financing costs to net revenue stream

The ratio of financing costs to net revenue stream shows the estimated annual revenue costs of borrowing, less net interest receivable on investments, plus repayments of capital, as a proportion of annual income from council taxpayers and central government. The estimates of financing costs include current and future commitments based on the capital programme.

Net Borrowing

Net borrowing refers to the Authority's total external borrowing.

Actual and Estimated Capital Expenditure

Actual and estimates of capital expenditure for the current and future years.

Capital Financing Requirement

The Capital Financing Requirement (CFR) represents capital expenditure financed by external debt and not by capital receipts, revenue contributions, capital grants or third party contributions at the time of spending. The CFR measures the Authority's underlying need to borrow externally for a capital purpose. The Authority has a treasury management strategy which accords with the CIPFA Code of Practice for Treasury Management in the Public Services.

Authorised Limit

In respect of its external debt, the Authority approves authorised limits for its total external debt gross of investments. These limits separately identify borrowing from other long-term liabilities such as finance leases. Authorised limits are consistent with the Authority's current commitments, service plans, proposals for capital expenditure and associated financing, cashflow and accord with the approved treasury management policy statement and practices. The Authorised limit is based on the estimate of most likely prudent, but not necessarily the worst-case scenario and provides sufficient additional headroom over and above the Operational Boundary.

Operational Boundary

The operational boundary for external debt is based on the same estimates as the authorised limit but reflects the Head of Finance's estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in-year monitoring. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified.

Limits on Interest Rate Exposures

This means that the Authority will manage fixed interest rate exposures within the ranges and variable interest rate exposures within the ranges. This provides flexibility to take advantage of any favourable movements in interest rates.

Specified Investments

All such investments will be sterling denominated, with maturities up to maximum of one year, meeting the minimum 'high' rating criteria where applicable.

	Minimum 'High' Credit Criteria
DMA Deposit Facility	--
Term deposits: Local Authorities	--
Fully Nationalised Banks	Short-term F1, Support 1
Term deposits: UK Banks and Building Societies	Short-term F1, Long-term A, Viability a, Support 3
Term deposits: Overseas Banks	Short-term F1+, Long-term AA, Viability aa, Support 1
Certificates of deposits issued by UK banks and building societies	Short-term F1, Long-term A, Viability a, Support 3
Money Market Funds	AAA

Non-Specified Investments

	* Minimum Credit Criteria
Term deposits: UK banks and building societies with maturities in excess of one year with a maximum of three years allowed for in-house deposits	Short-term F1, Long-term A, Viability a, Support 3
Fixed Term Deposit with Variable Rates and Variable Maturities	Short-term F1, Long-term A, Viability a+, Support 3

Approved Countries for Investments (All AAA or AA+)

- Australia
- Canada
- Denmark
- Finland
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland
- UK
- France
- Hong Kong
- USA

The Treasury Management Role of the S151 (Responsible) Officer

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance.
- Submitting regular treasury management policy reports.
- Submitting budgets and budget variations.
- Receiving and reviewing management information reports.
- Reviewing the performance of the treasury management function.
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
- Ensuring the adequacy of internal audit, and liaising with external audit.
- Recommending the appointment of external service providers.

Minimum Revenue Provision

1. What is a Minimum Revenue Provision?

Capital expenditure is generally expenditure on assets, which have a life expectancy of more than one year, e.g., buildings, vehicles, machinery, etc. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred and so such expenditure is spread over several years so as to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision (MRP).

2. Statutory Duty

Statutory Instrument 2008 no. 414 s4 lays down that:

"A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent."

There is no requirement to charge MRP where the Capital Financing Requirement is nil or negative at the end of the preceding financial year.

3. Government Guidance

Along with the above duty, the Government issued guidance in February 2008, which requires that a Statement on the Commissioner's policy for its annual MRP should be agreed before the start of the financial year to which the provision will relate.

The Commissioner is legally obliged to "have regard" to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was required under the previous statutory requirements. The guidance offers four main options under which MRP could be made with an overriding recommendation that the Commissioner should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to "have regard" to the guidance therefore means that:

- a. Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which the Commissioner may consider his MRP to be prudent.
- b. It is the responsibility of each Commissioner to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

4. PCC Policy

The Minimum Revenue Provision will be based on the Asset Life Method (Equal Installment Method).

For budget purposes the MRP will be linked to the expected life cycle of each capital project.



RECORD OF DECISION

TITLE: Police and Crime Commissioners and Chief Constables for West Mercia and Warwickshire: Joint Corporate Governance Framework Ref. PCC/D/2014/10

EXECUTIVE SUMMARY

To establish a Joint Corporate Governance Framework to give clarity to the way the two organisations, Police and Crime Commissioner and Chief Constable, will be governed both jointly and separately, to do business in the right way, for the right reason at the right time.

This decision request is accompanied by supporting Part 1 report. There is no Part 2 supporting report.

RECOMMENDATION

To approve the Joint Corporate Governance Framework.

APPROVAL OF

West Mercia Commissioner

I hereby approve the above recommendation.

Signed



Date 11TH April 2014

PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND ADVICE

SUPPORTING REPORT

1. INTRODUCTION

The corporate governance framework by which the Office of the Police and Crime Commissioner and Police will be governed, both jointly and separately consists of:

Statement of corporate governance – a statutory framework and local policy,
Code of corporate governance – which sets out how the core principles will be implemented,

Scheme of corporate governance – which defines the parameters within which the organisations will conduct their business,

Separate policy and procedures for each corporation sole, with protocols where they operate jointly.

2. LEGAL CONSIDERATIONS

The Joint Corporate Governance Framework complies with the requirements of the Police Reform and Social Responsibility Act 2011 and other applicable legislation.

3. FINANCIAL CONSIDERATIONS

There are no financial implications from the approval of this Framework. The Framework complies with the Financial Management Code of Practice.

PUBLIC ACCESS TO INFORMATION

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the West Mercia Commissioner's website.

OFFICER APPROVAL

Chief Executive Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the West Mercia Commissioner.

Signature

Andy Campbell

Date 11 4 14

**Police and Crime Commissioners
and
Chief Constables
for West Mercia and Warwickshire**

**JOINT
CORPORATE GOVERNANCE
FRAMEWORK**

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1. Statement of Corporate Governance for the Police and Crime Commissioner and Chief Constable

1.1 Introduction

- 1.1.1 The purpose of this statement is to give clarity to the way the two organisations, Police and Crime Commissioner and Chief Constable, will be governed both jointly and separately, to do business in the right way, for the right reason at the right time.

1.2 Context

- 1.2.1 The principle statutory framework within which the organisations will operate is:

- Police Reform and Social Responsibility Act 2011 (PRSRA11, the Act)
- Policing Protocol Order 2011 (the Protocol)
- Financial Management Code of Practice
- Strategic Policing Requirement

- 1.2.2 This framework creates a public sector relationship, based upon a commissioner - provider arrangement but with unique elements such as the single elected commissioner and the operational independence of the police service. It is therefore not appropriate to import corporate governance arrangements into this environment but to build upon existing good governance principles and experience.

1.3 Principles

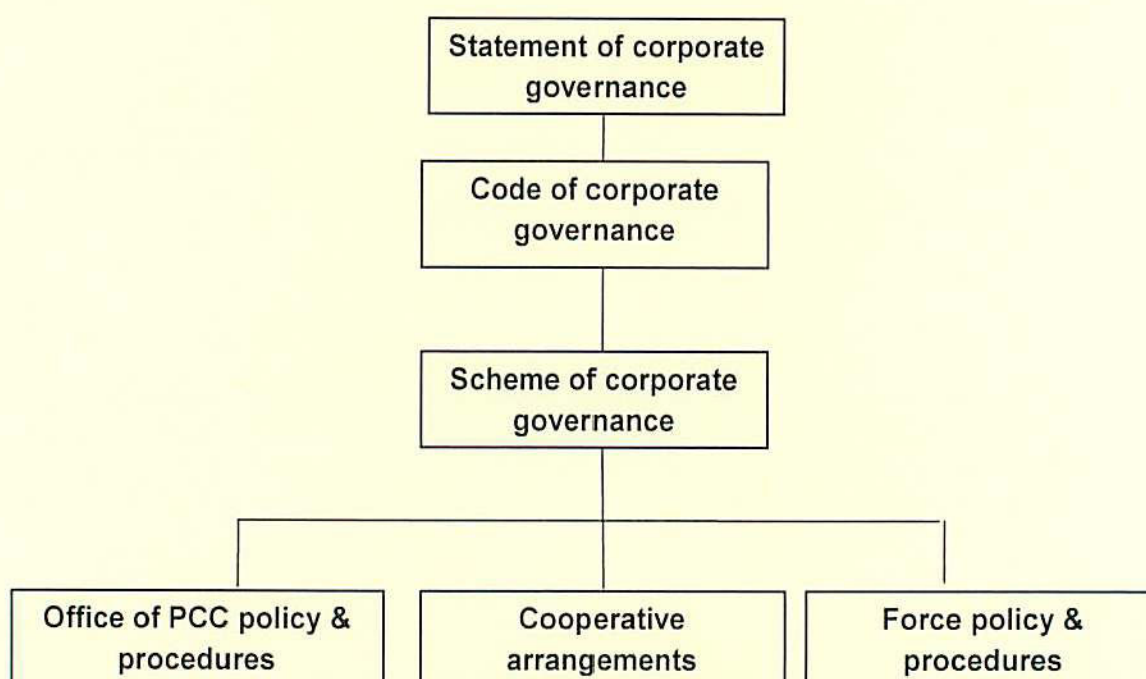
- 1.3.1 The core principles adopted by both organisations are those highlighted by the good governance standard for public services:

- Focus on outcomes for local people,
- Clarity of roles and functions,
- Promotion of values and demonstrating these through behaviour,
- Informed, transparent decisions & managing risk,
- Developing capacity and capability
- Engaging with local people to ensure robust accountability.

1.4 Instruments of governance

- 1.4.1 The corporate governance framework by which both organisations will be governed, both jointly and separately will consist of:

- Statement of corporate governance – statutory framework and local policy,
- Code of corporate governance – sets out how the core principles will be implemented,
- Scheme of corporate governance – defines the parameters within which the organisations will conduct their business,
- Separate policy and procedures for each corporation sole, with protocols where they operate jointly.



1.5 Leadership

- 1.5.1 The Police and Crime Commissioner and Chief Constable will review the framework on an annual basis and ensure compliance.

1.6 Record of Decisions

- 1.6.1 Any decision of the Police and Crime Commissioner or of the Deputy Police and Crime Commissioner shall be set out in a Decision Record and shall be published on the Police and Crime Commissioner's website in accordance with the decision making protocol.
- 1.6.2 The Police and Crime Commissioner shall also publish a Scheme of Delegation which sets out any delegations of the Police and Crime Commissioner's powers. The scheme may permit the sub-delegation of powers but any such sub-delegation shall be notified to the Police and Crime Commissioner. The Police and Crime Commissioner may prohibit, vary or make any sub-delegation subject to conditions and limitations.

2. Code of Corporate Governance for the Police and Crime Commissioner and Chief Constable

2.1 Introduction

- 2.1.1 This code of corporate governance sets out how the Police and Crime Commissioner and the Chief Constable conduct their organisations both jointly and separately in accordance with policy contained within the statement of corporate governance. It will do this by highlighting the key enablers for ensuring good governance.

2.2 Context

- 2.2.1 This code sets out how the organisations are conducted, using the six good governance core principles¹ as the structure for setting out the statutory framework and local arrangements.

2.3 Code of corporate governance

- 2.3.1 ***Focusing upon the purpose of the Police and Crime Commissioner and the Chief Constable, and on outcomes for local people, and creating a vision for the local area.***

The Police and Crime Commissioner has issued a ***Police and Crime Plan***. It outlines the police and crime objectives (outcomes) and the strategic direction for the policing of the Force area.

Collaboration agreements set out those areas of business to be undertaken jointly with other Forces and Local Policing Bodies, whether to reduce cost, increase efficiency or increase capability to protect local people.

A ***Medium Term Financial Plan (MTFP)*** has been developed to support delivery of the Police and Crime Plan.

A ***grants framework*** has been developed by the Police and Crime Commissioner.

The ***decision making protocol*** sets out the principles behind how decisions will be taken by the Police and Crime Commissioner and Chief Constable and the standards to be adopted

- 2.3.2 ***Working together to achieve a common purpose with clearly defined functions and roles***

The Act² sets out ***the functions of the Police and Crime Commissioner and Chief Constable*** and the protocol³ sets out how these functions will be undertaken to achieve the outcomes of the police and crime plan.

The Act requires the Police and Crime Commissioner to have a ***Chief Executive and Chief Finance Officer⁴ (the Treasurer)***. The Chief Executive will be the head of paid service and undertake the responsibilities of monitoring officer⁵.

¹ Good Governance Standard For Public Services, 2005

² PRSRA11, s5 – 8.

³ Policing Protocol Order 2011

The Act requires the Chief Constable to appoint a **Chief Finance Officer⁶ (the Director of Finance)**.

The **financial management code of practice** and **statements of roles⁷** set out the responsibilities of Chief Finance Officers for both the Police and Crime Commissioner and the Chief Constable, and of the Chief Executive.

The **scheme of corporate governance** highlights the parameters for key roles in the organisations including delegations or consents from the Police and Crime Commissioner and Chief Constable, financial regulations and contracts.

Officers, police support staff and staff of the Office of Police and Crime Commissioner will operate within:

- Office of the Police and Crime Commissioner and Police Force policy and procedures,
- corporate governance framework,
- conduct regulations and codes of conduct.

A joint independent **audit committee** will operate in line with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and within the guidance of the Financial Management Code of Practice⁸.

2.3.3 Promoting the values of the Office of the Police and Crime Commissioner and Police Force and demonstrating the values of good governance through upholding high standards of conduct and behaviour

The Policing Protocol 2011 requires all parties to abide by the seven **principles of public life⁹** and these will be central to the conduct and behaviour of all. Those principles are:

Selflessness Holders of public office should act solely in terms of the public interest.

Integrity Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

⁴ PRSR Act, sch 1, p6,

⁵ Local Government and Housing Act, s5,

⁶ PRSR Act 2011, sch 2 p4.

⁷ Financial Management Code of Practice for the Police, s4, CIPFA Statement on the Role of Chief Finance Officers, APACE Statement on the Role of the Chief Executive

⁸ Financial Management Code of Practice for the Police, s11.1.3

⁹ Standards in Public Life, 2005 as amended by the 14th report of the Committee on Standards in Public Life

3. Scheme of Corporate Governance for the Police and Crime Commissioner and Chief Constable

3.1 Introduction

This Statement of Corporate Governance details the key roles of the Police and Crime Commissioner, Chief Executive, the Treasurer, Chief Constable and the Director of Finance.

The Code of Corporate Governance describes the strategies, arrangements, instruments and controls adopted to ensure good governance in the two organisations.

This Scheme of Corporate Governance provides a framework which ensures the business is carried out efficiently, ensuring that decisions are not unnecessarily delayed. It forms part of the overall corporate governance framework of the two organisations. It should be read in the context of the Statement and Code.

This Scheme of Corporate Governance sets out the delegations by the Police and Crime Commissioner to the Chief Executive and other members of staff. It sets out the delegations by the Chief Constable to their officers and staff. It includes other instruments such as the financial regulations.

This Scheme of Corporate Governance aims to clarify those powers which, for the benefit of good business practice, are given to the statutory officers. The Police and Crime Commissioner **may limit these powers and/or withdraw delegation**, as may the Chief Constable in relation to their delegations.

The Police and Crime Commissioner may impose reporting arrangements on any authorised powers.

Powers are given to the Chief Constable by laws, orders, rules or regulations. Also, national conditions of employment give powers to the Police and Crime Commissioner, the Chief Constable and, in the case of police regulations, the Secretary of State for the Home Office.

The powers given to officers and staff should be exercised in line with these delegations, the law, financial regulations, and also policies, procedures, plans, strategies and budgets.

Whilst the Chief Constable has the statutory power to enter into contracts for goods and services with the consent of the Police and Crime Commissioner, in order to simplify systems of internal control, contracts will continue to be issued in the name of the Police and Crime Commissioner. Consequently no consent framework is required.

This Scheme of Corporate Governance does not identify all the statutory duties which are contained in specific laws and regulations.

3.2 Key Role of the Police and Crime Commissioner

- 3.2.1 The Police and Crime Commissioner is the legal contracting body who owns all the assets and liabilities, and with responsibility for the financial administration of their office and the Police Fund, including all borrowing.

- 3.2.2 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. By law all funding for the Police Force must come via the Police and Crime Commissioner. How this money is allocated is for the Police and Crime Commissioner to decide in consultation with the Chief Constable, or in accordance with any grant terms.
- 3.2.3 The Police and Crime Panel is a check and balance on the Police and Crime Commissioner through reviewing or scrutinising their decisions, but not those of the Chief Constable.
- 3.2.4 The Police and Crime Commissioner will be responsible for handling complaints and conduct matters in relation to the Chief Constable and staff of the Office of the Police and Crime Commissioner and monitoring complaints against officers and staff of the Police Force. Both organisations are responsible for complying with the legitimate requirements of the Independent Police Complaints Commission.

3.3 General principles of delegation/authorisation

- 3.3.1 The Police and Crime Commissioner and Chief Constable expect anyone proposing to exercise a delegation or an authorisation under this scheme to draw to the attention of the Police and Crime Commissioner any issue which is likely to be regarded by the Police and Crime Commissioner as novel, contentious, repercussive or likely to be politically sensitive before exercising such powers. In assessing whether any issue is likely to fall within those descriptions, the public facing impact of such issues should be taken into account.
- 3.3.2 In addition, the Police and Crime Commissioner is ultimately accountable for the Police Fund. Before any financial liability affecting the Police Fund that the Police and Crime Commissioner might reasonably regard as novel, contentious, repercussive or politically sensitive is incurred, prior written approval must be obtained from the Police and Crime Commissioner.
- 3.3.3 The Police and Crime Commissioner must not restrict the operational independence of the police force and the Chief Constable who leads it¹². In exercising their functions the Chief Constable must have regard to the Police and Crime Plan issued by the Police and Crime Commissioner.¹³
- 3.3.4 To enable the Police and Crime Commissioner to exercise the functions of their office effectively they will need access to information, and officers and staff within their force area. This access must not be unreasonably withheld or obstructed by the Chief Constable, or restrict the Chief Constable's direction and control of the force¹⁴.
- 3.3.5 The Police and Crime Commissioner has wider responsibilities than those solely relating to the police force and these are referred to in the Code of Corporate Governance.
- 3.3.6 Delegations are set out in this scheme. The Police and Crime Commissioner and Chief Constable may require at any time that a specific matter is referred to them for a decision and not dealt with under powers of delegation.
- 3.3.7 Delegations may only be exercised subject to:-

¹² Protocol, art18

¹³ S8(2)PRSA'11

¹⁴ PRSRA11 ss2(5) and 36

Openness Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty Holders of public office should be truthful.

Leadership Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

The Protocol also highlights the expectation that the relationship between all parties will be based upon the principles of goodwill, professionalism, openness and trust.

The **Code of Ethics** combines these values with others espoused in policing, and will set and provide a framework for upholding high standards of conduct and behaviour.

The Financial Management Code of Practice requires the Police and Crime Commissioner and Chief Constable to ensure that the **good governance principles** are embedded in the way the organisations operate.

2.3.4 Taking informed and transparent decisions, which are subject to scrutiny and managing risk

The national decision model¹⁰ is applied to spontaneous incidents or planned operations, by officers and staff within the Force as individuals or teams, and to both operational and non-operational situations.

The **scheme of governance** highlights the parameters for decision making, including the delegations, consents, financial limits for specific matters and for contracts.

The **risk management strategy** establishes how risk is managed throughout the various elements of corporate governance of the organisations, whether operating solely or jointly.

The **communication and community engagement strategies** set out how the Police and Crime Commissioner will ensure that local people are involved in decision making.

The **publication scheme** establishes the means by which information relating to decisions will be made available to local people, with those of greater public interest receiving the highest level of prominence, except where operational and legal constraints exist.

2.3.5 Developing the capacity and capability of all to be effective in their roles

The organisations' **training strategies** set the climate for continued development of individuals. The respective performance development review processes will ensure that these strategies are turned into reality for officers and members of staff.

¹⁰ Single National Decision Model (NDM) for the Police Service. ACPO July 2011

2.3.6 *Engaging with local people and other stakeholders to ensure robust public accountability*

The protocol¹¹ highlights that the Police and Crime Commissioner is **accountable to local people** and draws on this mandate to set and shape the strategic objectives for the force area in consultation with the Chief Constable.

The **Police and Crime Plan** sets out what the strategic direction and priorities are and how it will be delivered.

To complement this the **communication and community engagement strategies** set out how local people will be involved with the Police and Crime Commissioner and the Chief Constable to ensure they are part of decision making, accountability and future direction.

The Police and Crime Commissioner and Chief Constable will develop arrangements for effective engagement with key **stakeholders**, ensuring that where appropriate they remain closely involved in decision making, accountability and future direction.

¹¹ Policing Protocol Order 2011, art14

- a) compliance with the corporate governance framework.
 - b) provision for any relevant expenditure being included in the approved budget.
- 3.3.8 These arrangements delegate powers and duties within broad functional descriptions and include powers and duties under all legislation present and future within those descriptions and all powers and duties incidental to that legislation. The scheme does not attempt to list all matters which form part of everyday management responsibilities.
- 3.3.9 Giving delegation under this scheme does not prevent an officer or member of staff from referring the matter to the Police and Crime Commissioner or Chief Constable for a decision or guidance if the officer or member of staff thinks this is appropriate (for example, because of sensitive issues or any matter which may have a significant financial implication – see paragraph 3.3.1).
- 3.3.10 When a statutory officer is considering a matter that also falls within another statutory officer's area of responsibility, they should consult the other statutory officer before authorising the action.
- 3.3.11 All decisions statutory officers make under powers given to them by the Police and Crime Commissioner or Chief Constable must be recorded and be available for inspection.
- 3.3.12 In this document, references made to the statutory officers include officers authorised by them to act on their behalf.
- 3.3.13 The statutory officers are responsible for making sure that members of staff they supervise know about the provisions and obligations of this Scheme of Governance.
- 3.3.14 The persons appointed as the Chief Executive (who will also be the Monitoring Officer) and the Chief Finance Officers (section 127 officers) have statutory powers and duties relating to their positions, and therefore do not rely on matters being delegated to them to carry these out.
- 3.3.15 The Scheme of Delegation provides a member of staff with the legal power to carry out functions of the Police and Crime Commissioner and Chief Constable. In carrying out these functions the member of staff must comply with all other statutory and regulatory requirements and relevant professional guidance including:
- Police Reform and Social Responsibility Act 2011 and other relevant legislation issued under the Act.
 - Policing Protocol Order 2011
 - Financial Regulations
 - Financial Management Code of Practice
 - CIPFA Statement on the role of the Chief Finance Officer in public service organisations
 - APACE Statement on the role of the Chief Executive
 - Contract Regulations

- The Police and Crime Commissioner's Corporate Governance framework
- The Police and Crime Commissioner's and Police Force employment policies and procedures.
- The Data Protection Act 1998 and the Freedom of Information Act 2000
- Health and safety at work legislation and codes.

3.3.16 When carrying out any functions, the Police and Crime Commissioner, Chief Constable and staff must have regard to the following:

- The views of the people in their policing area
- Any report or recommendation made by the Police and Crime Panel on the annual report for the previous financial year.
- The Police and Crime Plan and any guidance issued by the Secretary of State.
- Where they are relevant, the views of the other Commissioners or Chief Constables in the West Mercia - Warwickshire Alliance

This list is not exhaustive.

3.3.17 The corporate governance framework, including this Scheme of Governance, will be reviewed periodically. The scheme allows any person, with appropriate authority, to delegate that power further (subject to any statutory limitations) but before doing so they must inform the Police and Crime Commissioner and comply with any limitation conditions or prohibition issued by the Police and Crime Commissioner and notification of any sub-delegation shall be given to the Chief Executive.

3.3.18 These arrangements do not delegate any matter which by law cannot be delegated to a member of staff nor do they affect the constitutional relationship between the Police and Crime Commissioner and the Chief Constable

Delegations by the Police and Crime Commissioner

3.4. Functions delegated to the Chief Executive, Office of the Police and Crime Commissioner

3.4.1. The Code of Corporate Governance identifies the role of the Chief Executive as the head of the Police and Crime Commissioner's staff, and the Monitoring Officer. The formal delegations, listed below, are those given to the Chief Executive, which are in effect at the time of the publication of the scheme.

3.4.2. As the monitoring officer of the Police and Crime Commissioner there is a statutory responsibility to manage their legal affairs as set out in section 5 Local Government and Housing Act 1989 (as amended).

3.4.3. In their absence the Police and Crime Commissioner may delegate to the Chief Executive to carry out any of his functions, except those prohibited by law.

General

- 3.4.4. To prepare the Police and Crime Plan for submission to the Police and Crime Commissioner.
- 3.4.5. To provide information to the Police and Crime Panel, as reasonably required to enable the panel to carry out its functions.
- 3.4.6. To sign all contracts on behalf of the Police and Crime Commissioner which are required to be executed under the common seal of the Police and Crime Commissioner.
- 3.4.7. To consider whether, in consultation with the Treasurer, to provide indemnity to the Police and Crime Commissioner and to deal with or make provision to deal with other matters arising from any proceedings relating to them.
- 3.4.8. To consider and approve, in consultation with the Treasurer, provision of indemnity and/or insurance to individual staff of the Police and Crime Commissioner.

Financial

- 3.4.9. The financial management responsibilities of the Chief Executive are set out in the financial regulations.
- 3.4.10. To manage the budget of the Police and Crime Commissioner's office, along with the Treasurer, particularly to:
- order goods and services and other items provided for in the revenue budget.
 - ask for and accept quotations and tenders for goods and services provided for in the revenue budget

Staff employed by the Police and Crime Commissioner

- 3.4.11. To appoint and dismiss staff employed by the Police and Crime Commissioner, in consultation with the Police and Crime Commissioner.
- 3.4.12. Paragraph 3.4.11 shall not apply to the appointment or dismissal of, or disciplinary action against the Chief Executive or Treasurer.
- 3.4.13. No disciplinary action in respect of the Chief Executive or Treasurer, except suspension of the officer for the purpose of investigating the alleged misconduct occasioning the action, may be taken by the Police and Crime Commissioner without having due regard to a recommendation in a report made by a designated independent person under regulation 7 of the Local Authorities (Standing Orders) (England) Regulations 2001 (investigation of alleged misconduct). Any such suspension must be on full pay and terminate no later than the expiry of two months beginning on the day on which the suspension takes effect.
- 3.4.14. "disciplinary action" means any action occasioned by alleged misconduct which, if proved, would, according to the usual practice of the Police and Crime Commissioner, be recorded on the member of staff's personal file, and includes any proposal for dismissal of a member of staff for any reason other than redundancy, permanent ill-health or infirmity of mind or body, but does not include failure to renew a contract of employment for a fixed term unless the authority has undertaken to

renew such a contract; and "designated independent person" must be such person as may be agreed between the Police and Crime Commissioner and the relevant officer

- 3.4.15. To make recommendations to the Police and Crime Commissioner with regard to staff terms and conditions of service, in consultation with the Treasurer.
- 3.4.16. To undertake the management of staff employed by the Police and Crime Commissioner in line with agreed policies and procedures.
- 3.4.17. To authorise, in line with staff conditions of service, the suspension of any member of staff employed by the Police and Crime Commissioner.
- 3.4.18. To bring national agreements on salaries, wages and conditions into effect, providing that any issues which are sensitive or have major financial implications will be referred to the Police and Crime Commissioner for a decision.
- 3.4.19. To approve payments under any bonus or performance-related payment schemes for staff approved by the Police and Crime Commissioner, honoraria payments made for taking on extra duties and responsibilities, or similar special payments.
- 3.4.20. To negotiate with, and reach agreements with, recognised trade unions and staff associations on any matters that can be decided locally. All agreements reached must be reported to the Police and Crime Commissioner.
- 3.4.21. To grant essential or casual car-user allowances.
- 3.4.22. To issue exemption certificates to staff whose posts would otherwise be politically restricted under the Local Government and Housing Act 1989.
- 3.4.23. To approve the retirement of staff on the grounds of ill health, and the payment of ordinary and ill-health pensions and other payments, as appropriate, following advice from a medical practitioner. All ill-health retirements must be reported to the Police and Crime Commissioner before implementation.
- 3.4.24. Settlement of employment tribunal cases and grievances of staff employed by the Police and Crime Commissioner with the exception of those cases felt to be exceptional because:
 - they involve a high profile claimant
 - there is a particular public interest in the case
 - there is a real risk that the Police and Crime Commissioner or Chief Constable will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures will be revealed.
- 3.4.25. To settle appeals against decisions of the Senior Administrator of the Local Government Pension Scheme, in line with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996.
- 3.4.26. To appoint Independent Custody Visitors and terminate appointments if necessary.

Other

3.4.27. To affix or authorise the affixing of the common seal of the Police and Crime Commissioner to:

- all contracts, agreements or transactions in respect of which there is no consideration
- all deeds which grant or convey an interest in land
- all documents where it is determined by the Police and Crime Commissioner there is a particular need for the seal to be attached.

3.4.28. To respond to consultations on proposals affecting the Police and Crime Commissioner, if necessary, after first taking the views of the Police and Crime Commissioner, the Treasurer or the Chief Constable, as appropriate.

3.4.29. To consider, with the Police and Crime Commissioner, any complaint made against the Chief Constable, and where appropriate, to make arrangements for appointing an officer to investigate the complaint.

3.4.30. At the request of the Chief Constable, to exercise the power of the Police and Crime Commissioner under the Police (Property) Regulations 1997 to approve the keeping of unclaimed property if it can be used for police purposes..

Legal

3.4.31. To approve the financial settlement of all claims or requests for compensation against the Police and Crime Commissioner in accordance with financial regulations and against the Chief Constable in accordance with paragraph 8 of Schedule 2 Police Reform and Social Responsibility Act 2011.

3.4.32. To approve all requests for financial assistance to officers and staff involved in legal proceedings or inquests except those felt to be significant because:-

- they involve a high profile claimant
- there is a particular public interest in the case
- there is a real risk that the Police and Crime Commissioner or Chief Constable will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures will be revealed.

3.4.33. To authorise, after consultation with the Chief Constable, the institution, defence, withdrawal or settlement of any claims or legal proceedings on the Police and Crime Commissioner's behalf, in consultation with the legal adviser (and Treasurer if there are significant financial implications).

3.4.34. To arrange for the provision of all legal or other expert advice and/or representation required for and on behalf of the Police and Crime Commissioner.

3.5 Functions delegated to both Treasurer and Director of Finance

3.5.1 The Code of Corporate Governance identifies the role of the Treasurer and Director of Finance. The detailed financial management responsibilities of the Treasurer and Director of Finance are set out in the financial regulations.

3.5.2 The Treasurer, as the financial adviser to the Police and Crime Commissioner has a statutory responsibility to manage the Commissioner's financial affairs as set out in

sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003 (as amended).

- 3.5.3 To sign contracts on behalf of the Police and Crime Commissioner, irrespective of value, once they have been properly approved, except those which are required to be executed under the common seal of the Police and Crime Commissioner or in such cases the Chief Executive is authorised to sign and affix the seal.

3.6 Functions delegated to the Director of Finance

Procurement

- 3.6.1 To undertake the day to day management of procurement in accordance with the contract regulations.

3.7 Functions delegated to the Director of Enabling Services

- 3.7.1 To undertake the day to day management of physical assets subject to the provision of financial regulations.

3.8 Urgent matters

- 3.8.1 If any matter which would normally be referred to the Police and Crime Commissioner for a decision arises where it is impractical to obtain the decision of the Police And Crime Commissioner and the matter is urgent the matter may be decided by the appropriate chief officer.
- 3.8.2 appropriate chief officers authorised to decide urgent matters are:
- the Chief Executive (all issues other than operational matters);
 - the Treasurer (financial and related issues)
- 3.8.3 Where possible the appropriate officer will consult the Deputy Police and Crime Commissioner before taking an urgent decision unless such consultation is impractical.
- 3.8.4 Urgent decisions taken must be reported to the Police and Crime Commissioner as soon as practicable and published.

Delegations by the Chief Constable

3.9 Functions delegated to the Deputy Chief Constable

- 3.9.1 The Deputy Chief Constable may exercise or perform any or all of the functions of the Chief Constable of the force during any period when the Chief Constable is unable to exercise functions, or otherwise with the consent of the Chief Constable¹⁵.
- 3.9.2 To appoint and dismiss staff employed by the Chief Constable.
- 3.9.3 To undertake the management of staff employed by the Chief Constable in line with agreed policies and procedures.
- 3.9.4 To approve the appointment or secondment of police officers for central services or overseas duty.
- 3.9.5 To be the appropriate authority for complaint and professional standards matters
- 3.9.6 To be the Senior Information Risk Owner

3.10 Functions delegated to the Director of Enabling Services

- 3.10.1 To make recommendations to the Chief Constable with regard to staff terms and conditions of service, in consultation with the Director of Finance.
- 3.10.2 To bring national agreements on salaries, wages and conditions into effect on the clear understanding that any issues which are sensitive or have major financial implications will be referred to the Chief Constable for a decision.
- 3.10.3 To negotiate with recognised trade unions and staff associations on any matters that can be decided locally, and to recommend agreements to the Chief Constable.
- 3.10.4 To recommend to the Chief Constable the retirement, in the interests of the efficiency of the service, of employees and to report on this issue each year.
- 3.10.5 In consultation with the Chief Executive, to issue exemption certificates to staff whose posts would otherwise be politically restricted under the Local Government and Housing Act 1989.
- 3.10.6 To recommend to the Chief Constable the retirement of police staff on the grounds of ill health, and the payment of ordinary and ill-health pensions and other payments, as appropriate, following advice from a medical practitioner.
- 3.10.7 To approve payments under any bonus or performance-related payment schemes for staff approved by the Chief Constable, honoraria payments made for taking on extra duties and responsibilities, or similar special payments.
- 3.10.8 To grant essential or casual car-user allowances.

¹⁵ PRSRA'11 s41

3.11 Functions delegated to the Director of Finance

Financial

- 3.11.1 The Director of Finance, as the financial adviser to the Chief Constable has a statutory responsibility to manage the Chief Constable's financial affairs as set out in sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003 (as amended).
- 3.11.2 The detailed financial management responsibilities of the Director of Finance and their staff are set out in the financial regulations.

Procurement

- 3.11.3 To undertake the day to day management of procurement in accordance with contract regulations.
- 3.11.4 To sign all contracts on behalf of the Chief Constable, irrespective of value, once they have been properly approved in accordance with financial regulations, except those which are required to be executed under the common seal of the Chief Constable. In such cases the Force Solicitor is authorised to sign and affix the seal.

3.12 Functions Delegated to the Head of Legal Services

- 3.12.1 To authorise the institution, defence or withdrawal of legal proceedings on the Chief Constable's behalf, in consultation with the Director of Finance if there are significant financial implications.
- 3.12.2 To arrange for the provision of all legal or other expert advice and/or representation required for and on behalf of the Chief Constable.

Legal

- 3.12.3 Where Legal Services are provided to a Police and Crime Commissioner in accordance with Section 2 (5) PRSA 2011 the matter or transaction will require specific authorisation by the Police and Crime Commissioner. The settlements of claims shall be subject to Paragraph 8 Schedule 2 PRSA 2011.

Property

- 3.12.4 Where Property Services are provided to a Police and Crime Commissioner in accordance with Section 2 (5) PRSA 2011 the matter or transaction will require specific or general authorisation by the Police and Crime Commissioner.

RECORD OF DECISION

**TITLE: ESTABLISHMENT OF A JOINT INDEPENDENT ETHICS
COMMITTEE FOR THE WEST MERCIA AND WARWICKSHIRE POLICE
AREAS** Ref. PCC/D/2014/14

EXECUTIVE SUMMARY

To establish an independent Ethics Committee for the Police and Crime Commissioners and Chief Constables, for both Warwickshire and West Mercia.

This decision record is accompanied by supporting Part 1 report. There is no Part 2 supporting report.

PROPOSAL

To approve the establishment of a Joint Independent Ethics Committee as follows:

- a) The Ethics Committee should be established as soon as possible.
- b) The Committee will comprise of the two Police and Crime Commissioners and five independent members with a quorum of four. Ideally three independent members will come from the West Mercia area and two from Warwickshire, but the Commissioners will have the option of varying this proportion to secure the best candidates.
- c) The period of office of independent members should be two years initially and four years thereafter. Independent members should be appointed on merit following open and transparent recruitment.
- d) Chairing arrangements will be determined by the Police and Crime Commissioners.
- e) The Committee purpose, terms of reference and frequency of meetings will be based on good practice identified from the pilot areas across the country, with detailed proposals included for consideration at appendix A to the report.
- f) Committee independent members will be paid an allowance of £1,500 per annum. Expenses will be reimbursed at the same rates as Police staff. Should the Chair be an independent member, allowance would be £1,800.

- g) Attendance (not membership) at the Committee will be dependent upon the agenda, but will normally include representatives of the Chief Constables and relevant Directorates from across the two Forces.
- h) The Committee, which will have an advisory role in relation to the ethical behaviour and culture of the Forces, will normally conduct its business in public, but may on occasion hold private sessions to deal with specific topics. This will also be at the discretion of the Committee as advised by the Chief Executives and Chief Constables on a risk basis taking into account operational sensitivity and public reassurance.
- i) That independent members be required to sign up to a Code of Conduct (to be drafted), undergo appropriate training, and be vetted.
- j) A referral mechanism and work programmes are developed.

APPROVAL OF

West Mercia Commissioner

I hereby approve the above recommendation.



Signed

Date 13.6.14

PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND ADVICE

SUPPORTING REPORT

1. INTRODUCTION

The Code of Ethics sets out the principles and standards of behaviour that will promote, reinforce and support the highest standards from everyone who works in policing in England and Wales. It is suggested that to have the right balance of independence, authority and oversight, the Commissioner should establish an independent Ethics Committee. For Warwickshire and West Mercia it is recommended that this be a combined body across both areas. This committee will advise the Commissioners and Chief Constables according to the principles set out in the Code in relation to questions of integrity, values and ethical behaviour.

2. LEGAL CONSIDERATIONS

This Scheme complies with a direction of the Secretary of State made under the Police Reform and Social Responsibility Act 2011 .

3. FINANCIAL CONSIDERATIONS

There are no financial implications from the grant of this delegation and authorisation other than requirements to make administrative adjustments to reflect the transfer of employment.


PUBLIC ACCESS TO INFORMATION

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the West Mercia Commissioner's website. Any facts and advice that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form.

OFFICER APPROVAL

Chief Executive Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the West Mercia Commissioner.

Signature 

Date 13.6.14

RECORD OF DECISION

**TITLE: TO ADOPT A MEMORANDUM OF UNDERSTANDING BETWEEN
POLICE AND CRIME COMMISSIONER AND CHIEF CONSTABLE FOR WEST
MERCIA Ref. PCC/D/2014/15**

EXECUTIVE SUMMARY

To adopt a Memorandum of Understanding between the Police and Crime Commissioner and the Chief Constable for the West Mercia.

This decision record is accompanied by supporting Part 1 report. There is no Part 2 supporting report.

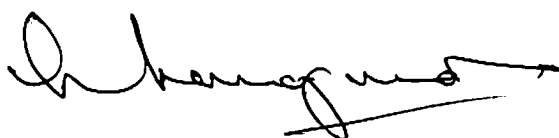
RECOMMENDATION

That a Memorandum of Understanding is adopted and signed by the Police and Crime Commissioner and Chief Constable.

APPROVAL OF

West Mercia Commissioner

I hereby approve the above recommendation.



Signed

Date 13.6.14

PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND ADVICE

SUPPORTING REPORT

1. INTRODUCTION

Under paragraph 2A of Schedule 1 to the Elected Local Policing Bodies (Specified Information) Order 2011 as amended, Police and Crime Commissioners have a duty to publish information as to any arrangements for use by them of the staff of the Chief Constable under the duty to provide assistance to the Commissioner under section 2(5) of the Police Reform and Social Responsibility Act 2011.

This report proposes a Memorandum of Understanding which sets out those arrangements.

2. LEGAL CONSIDERATIONS

This Scheme complies with a direction of the Secretary of State made under the Police Reform and Social Responsibility Act 2011 .

3. FINANCIAL CONSIDERATIONS

There are no financial implications from the grant of this delegation and authorisation other than requirements to make administrative adjustments to reflect the transfer of employment.

PUBLIC ACCESS TO INFORMATION

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the West Mercia Commissioner's website. Any facts and advice that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form.

OFFICER APPROVAL

Chief Executive Officer

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the West Mercia Commissioner.

Signature



Date

13.6.16