

OFFICE OF POLICE AND CRIME COMMISSIONER

OFFICE OF CHIEF CONSTABLE

TITLE: Amendment to the Manual of Corporate Governance

DATE: 8th September 2022

TIMING: Routine

PURPOSE: To recommend approval

1.	<u>RECOMMENDATION</u>
1.1	That the Joint Audit Committee (JAC) considers and recommends approval of the proposed amendment to the Manual of Corporate Governance (MoCG) and provides any comments as appropriate
2.	<u>INTRODUCTION & BACKGROUND</u>
2.1	The Manual of Corporate Governance is the key document in the governance framework between the Police and Crime Commissioner (PCC) and the Chief Constable. It is the JAC's role to have oversight of governance matters, with their Terms of Reference setting out that they should provide comment on any changes that are made to existing, relevant policies.
3.	<u>ISSUES FOR CONSIDERATION</u>
3.1	<p>Procurement Policy Note (PPN) 10/21 states that VAT now needs to be included in the calculation for contract value estimates. Consideration has been given as to how this is applied to the lower thresholds with agreement reached at the Finance Joint Advisory Group (JAG) in May 2022, that a slight increase to the threshold values to include VAT would be made and that the values would be round up in order to remain practical for the Force to work to and to retain consistency.</p> <p>It was noted that:</p> <ul style="list-style-type: none">• the lower value thresholds have remained unchanged for many years and are agreed locally.• The force will need to become used to considering VAT in all calculations for these purposes.• VAT should continue to be excluded in the publishing of contract notices and award notices.
3.2	Changing the thresholds has implications for advertising tender opportunities, single tender requests and approval of purchase order lines, but should not affect the thresholds for signature by the Chief Finance Officer/Chief

Executive. Therefore, we will be amending the table in the MoCG to state the levels, both inclusive and exclusive of VAT, with the exception of Threshold 4 which exceeds the public procurement thresholds and therefore has no implication for advertising.

As such the 'Total' column within the current threshold table that can be found on page 142 of the MoCG will be amended as follows:

	Current level	Proposed level	
Threshold Level	Total Contract Value (or Annual Value with Supplier)	Total Contract Value (or Annual Value with Supplier) <i>inclusive of VAT*</i>	Total Contract Value (or Annual Value with Supplier) <i>exclusive of VAT</i>
1	Up to £10,000	Up to £15,000	Up to £12,500
2	£10,001 - £40,000	£15,000 - £50,000	£12,500 - £41,667
3	Above £40,000 and up to £500,000	Above £50,000 and up to £500,000	Above £41,668 and up to £416,667
4	Over £500,000	n/a	Over £500,000

*VAT is based on current standard rate of 20% although a reduced rate may apply

3.3 Due to timings of meetings this amendment will be considered at the Strategy and Performance Board prior to consideration and feedback from the JAC. If the PCC and Chief Constable are satisfied with the amendment, it will be approved in principle, subject to feedback from the JAC. A verbal update on the outcome from the SPB will be provided at the JAC meeting.

4. NEXT STEPS

4.1 If the change is agreed then both the decision report and the amended MoCG, will be published to the OPCC's website.

4.2	A link to the updated MoCG will also be circulated to members and appropriate senior officers.
5.	<u>FINANCIAL CONSIDERATIONS</u>
5.1	There are no financial considerations as a result of this report.
6.	<u>PERSONNEL CONSIDERATIONS</u>
6.1	There are no personnel considerations as a result of this report.
7.	<u>LEGAL IMPLICATIONS</u>
7.1	The amendment to the MoCG is required due to changes in estimating contract values to be inclusive of VAT. This was included in PPN 10/21. The amendment will ensure we are compliant with this requirement.
8.	<u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u>
8.1	This report has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group.
8.2	Consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998 in preparing this report.
9.	<u>RISK</u>
9.1	No risks have been identified as a result of the proposed amendment to the MoCG.
10.	<u>PUBLIC INTEREST</u>
10.1	This document can be made available to the public.
11.	<u>CONTACT OFFICER</u>
11.1	Joanne Regan, Head of Assurance and Compliance.
12.	<u>ANNEXES</u>
12.1	None