

## **OFFICE OF POLICE AND CRIME COMMISSIONER**

**TITLE:** Amendment to the Manual of Corporate Governance

**DATE:** 1<sup>st</sup> September 2022

**TIMING:** Routine

**PURPOSE:** To approve in principle

<b>1.</b>	<b><u>RECOMMENDATION</u></b>
1.1	That the Police and Crime Commissioner (PCC) and Chief Constable consider and approve the proposed amendment to the Manual of Corporate Governance (MoCG), subject to feedback from the Joint Audit Committee (JAC).
<b>2.</b>	<b><u>INTRODUCTION &amp; BACKGROUND</u></b>
2.1	<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"><li>• the lower value thresholds have remained unchanged for many years and are agreed locally.</li><li>• The force will need to become used to considering VAT in all calculations for these purposes.</li><li>• VAT should continue to be excluded in the publishing of contract notices and award notices.</li></ul>
<b>3.</b>	<b><u>ISSUES FOR CONSIDERATION</u></b>
3.1	<p>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.</p> <p>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:</p>

		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	It must be noted that any changes to the MoCG are usually provide to the JAC in the first instance, in order for them to recommend approval to the PCC and Chief Constable. Due to timings of meetings, this has not been possible on this occasion. The next JAC takes place on 8 <sup>th</sup> September 2022 where the amendments detailed above will be discussed. If the PCC and Chief Constable are satisfied with the amendment, it will need to be approved in principle, subject to feedback from the JAC.			
4.	<b><u>NEXT STEPS</u></b>			
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.	<b><u>FINANCIAL CONSIDERATIONS</u></b>			
5.1	There are no financial considerations as a result of this report.			

<b>6.</b>	<b><u>PERSONNEL CONSIDERATIONS</u></b>
6.1	There are no personnel considerations as a result of this report.
<b>7.</b>	<b><u>LEGAL IMPLICATIONS</u></b>
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.
<b>8.</b>	<b><u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u></b>
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.
<b>9.</b>	<b><u>RISK</u></b>
9.1	No risks have been identified as a result of the proposed amendment to the MoCG.
<b>10.</b>	<b><u>PUBLIC INTEREST</u></b>
10.1	This document can be made available to the public.
<b>11.</b>	<b><u>CONTACT OFFICER</u></b>
11.1	Joanne Regan, Head of Assurance and Compliance.
<b>12.</b>	<b><u>ANNEXES</u></b>
12.1	None