

ORIGINATOR: CHIEF EXECUTIVE

DECISION NUMBER: 49 - 2016

REASON FOR SUBMISSION: FOR DECISION

SUBMITTED TO: POLICE AND CRIME COMMISSIONER

SUBJECT: CORPORATE GOVERNANCE

SUMMARY:

1. During 2016 The Chartered Institute for Public Finance and Accountancy published "Delivering Good Governance" Guidance Notes for Policing Bodies in England and Wales. This has necessitated a review of the PCC's Code of Corporate Governance.
2. During the course of that review the opportunity has been taken to produce a Statement of Corporate Governance, a revised Code of Corporate Governance for the PCC and to review the Scheme of Governance and Consent. The Contract Standing Orders and Financial Regulations which form part of the Scheme are still subject to review and it is anticipated that revised Orders and Regulations will be brought forward for adoption in due course.

RECOMMENDATION:

The PCC is invited to adopt:

- (1) The Statement of Corporate Governance (Appendix A);
- (2) The revised Code of Corporate Governance (Appendix B);
- (3) The revised Scheme of Governance and Consent (with the exception of the Contract Standing Orders and Financial Regulations (Appendix C);

And note:

- (4) The ongoing review of the Contract Standing Orders and Financial Regulations.

APPROVAL BY: PCC

The recommendation set out is agreed.

Signature *Tim Pannone*

Date *16th December
2016*

1. INTRODUCTION

- 1.1 The Police and Crime Commissioner (PCC) has adopted a number of key corporate governance documents that help contribute to the good governance of the two corporations sole that operate in policing locally, namely the PCC and the Chief Constable. These corporate governance documents include a Code of Corporate Governance and a Scheme of Governance and Consent.

Code of Corporate Governance

- 1.2 The Code was adopted in March 2013. The Code describes how the PCC discharges his responsibilities to put in place proper arrangements for the conduct of his business. It was drawn in accordance with the CIPFA¹ Framework "Delivering Good Governance in Local Government" Guidance Notes for Police which sets out the six principles of good governance on which effective governance should be built. The Chief Constable also adopted his own Code of Corporate Governance at about the same time.
- 1.3 Each year the PCC and the Chief Constable publish an Annual Governance Statement which shows how they have each demonstrated compliance with their own Code of Corporate Governance.

Scheme of Governance and Consent

- 1.4 The Scheme of Governance and Consent was adopted by the PCC in April 2014 and has been amended on two occasions since, in August 2014 and February 2015. The Scheme governs the interrelationship between the PCC and Chief Constable. It is expected that the Scheme should be regularly reviewed to ensure it adapts to the ongoing needs and governance requirements of the corporations sole.

2. NEW GOVERNANCE GUIDANCE

- 2.1 In the summer of 2016 CIPFA published "Delivering Good Governance", Guidance Notes for Policing Bodies in England and Wales (2016) Edition. The recommended Good Governance Framework set out in this latest guidance provides for seven principles of good governance.
- 2.2 The new Guidance Notes have necessitated a review of the local framework of corporate governance. The Notes state that there is a substantial element of common ground between the six core principles in the earlier guidance and the seven core principles in the new Guidance Notes. Whilst the PCC (and the Chief Constable) will apply the new principles from 2016/17, it should not mean major changes to the local structures and processes established under the earlier guidance.

3. LOCAL FRAMEWORK OF CORPORATE GOVERNANCE

- 3.1 The latest Guidance Notes recommend that the Local Framework should comprise four levels:
- a statement of corporate governance, making reference to the statutory framework and local policy;
 - a code of corporate governance setting out how the core principles will be implemented;

¹ Chartered Institute of Public Finance and Accountancy
NOT PROTECTIVELY MARKED

- a scheme of corporate governance setting out how the two corporations sole conduct their business;
- protocols or policy and procedure statements for each corporation sole, and the two corporations sole acting jointly.

4. STATEMENT OF CORPORATE GOVERNANCE

4.1 Hitherto the PCC has not, in terms, adopted such a statement. A Statement of Corporate Governance has now been drafted for consideration of adoption by the PCC (see Appendix A). It is a short and straightforward document describing the statutory and local governance framework for the PCC and Chief Constable.

5. CODE OF CORPORATE GOVERNANCE

5.1 The Code of Corporate Governance adopted in 2013 has now been reviewed to accommodate the seven governance principles. A revised code was presented to the Audit Committee 9 December 2016 for consideration and comment before presentation to the PCC for consideration of adoption.

5.2 The Audit Committee suggested a couple of minor alterations which have been accommodated in the Code.

5.3 Following consideration by the Audit Committee the revised Code is now presented to the PCC for consideration of adoption (see Appendix B).

5.4 In due course the Chief Constable will need to revise his existing Code to accord with the changes wrought by the new Guidance.

6. SCHEME OF GOVERNANCE AND CONSENT

6.1 The Scheme of Governance and Consent which encompasses what is required under the 3rd and 4th bullets of paragraph 3.1 above has either been reviewed in part or is undergoing review.

6.2 The Scheme has a number of constituent parts:

- Introduction, Outline of Legislative Background and General Principles;
- Key Roles of the Police and Crime Commissioner and Chief Constable;
- Delegations by the Police and Crime Commissioner;
- Financial Regulations;
- Contract Standing Orders;
- Decision-Making and Accountability Framework;
- Arrangements between Police and Crime Commissioner and Chief Constable;
- Appendices.

6.3 All of these constituent parts of the Scheme have been reviewed apart from the Financial Regulations and the Contract Standing Orders. The Reviewed Scheme (with the exception of the Financial Regulations and Contract Standing Orders) is now, following discussion with both the Chief Constable and the PCC's and Chief Constable's Chief Finance Officer, presented for consideration and adoption (see Appendix C).

6.4 The Financial Regulations and Contract Standing Orders are in the process of being reviewed. As they are joint documents between the PCCs and Chief Constables of both Norfolk and Suffolk their review will take longer to achieve in view of the number of parties than the other elements of the Scheme.

7. FINANCIAL IMPLICATIONS

7.1 There are no direct financial implications arising from consideration of this paper.

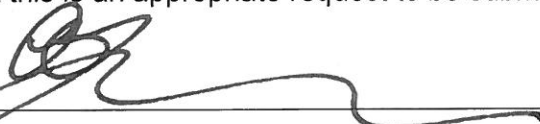
8. OTHER IMPLICATIONS AND RISKS:

8.1 There are no other material implications or risks associated with consideration of this paper.

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	Yes – Originator is a solicitor and the PCC's monitoring officer.
Has the PCC's Chief Finance Officer been consulted?	Yes.
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	Yes, although not directly applicable.
Have human resource implications been considered?	Yes, although not directly applicable.
Is the recommendation consistent with the objectives in the Police and Crime Plan?	Yes.
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	Yes - The Chief Constable, Chief Finance Officer for the PCC and Chief Constable and Audit Committee have been variously consulted upon aspects of the paper.
Has communications advice been sought on areas of likely media interest and how they might be managed?	No – Media interest not anticipated.
Have all relevant ethical factors been taken into consideration in developing this submission?	Yes.

In relation to the above, please ensure that all relevant issues have been highlighted in the 'other implications and risks' section of the submission.

APPROVAL TO SUBMIT TO THE DECISION-MAKER (this approval is required only for submissions to the PCC).

<p>Chief Executive</p> <p>I am satisfied that relevant advice has been taken into account in the preparation of the report and that this is an appropriate request to be submitted to the PCC.</p> <p>Signature:  Date <i>13 December 2016</i></p>
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