

Report to: Audit Committee

Agenda: 7

Date: 4 December 2012

Subject: Code of Governance – Scheme of
Delegation

Sponsor: Authority Finance Director and BTP Head
of Finance

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1. Purpose of paper

- 1.1 The purpose of this paper is to gain approval from the Audit Committee for the revised scheme of delegation and to propose recommendations for changes to the Governance Code to ensure alignment with those revisions.

2. Background

- 2.1 The existing scheme of delegation was approved by the Authority in January 2011 and the Corporate Governance code is reviewed by the Authority Executive on an annual basis. The DfT and Cabinet Office have issued a more rigorous level of scrutiny which must be incorporated into the existing scheme of delegation. It is therefore timely to review and present recommendations for change in the delegation levels where necessary.
- 2.2 A number of changes have occurred in the Corporate Governance business environment building from the Cadbury code through the Financial Reporting Council (FRC) impacting commercial businesses and the public sector. This together with some high profile incidents and the tighter financial environment. Some examples of this are the banking crisis which saw an independent review of corporate governance in the UK banking industry, West Coast Main Line franchise where the DfT commissioned a report from Sam Laidlaw who said it was a flawed process caused by a number of factors including weak governance and quality assurance. The Charity Commission who said poor governance features in some 85% of their investigations closed in the year 2011/12.

- 2.3 This has led to an increased focus on Corporate Governance and it is a natural time to review the Scheme of Delegation as the current version was introduced in January 2011 right at the commencement of the principal Accounting Officer status being assigned to the Chief Executive, whereas previously it had lain with the Chief Constable. Consequently, now that the operation of the Principal and Additional Accounting Officer roles have had time to settle into place now is the opportunity to re-consider whether any aspects of the current Scheme of Delegation needs to be changed..
- 2.4 Finally it will be necessary to ensure that BTPs new Board and meeting structure meets the governance requirements of the Authority.
- 2.5 To meet these requirements a Governance Working Group was set up to review the code and specifically the Scheme of Delegation. The work has been undertaken by an external independent advisor with a background in both commercial and public sector bodies.

3. Issues encountered

- 3.1 The existing Scheme of Delegation was reviewed and in some areas it did not meet the new DfT rules and needed to be streamlined to be more efficient and more easily understood.
- 3.2 The Governance Working Group having reviewed the Scheme of Delegation have proposed a revised structure which tries to reduce the current numerous levels of delegation ensuring it meets the necessary controls and the additional level of compliance now required by DfT and the Cabinet Office. The overarching principles of the review is to improve where appropriate the clarity of the Scheme of Delegation.
- 3.3 The key proposed changes to the Scheme of Delegation are set out below
- There are now two schemes of delegation tables for the Authority and BTP. This is to reduce confusion between the Force and Authority Delegation.
 - For Capital Projects there is now one Approval delegation structure whether a Project is in the Capital budget (or plan) or not. This recognizes that the approval to be in the Plan is still not authority to spend.

- Project Increases - every Project cost increase must be approved by the relevant authorising body (the relevant authorising body being determined by whether the Project is in the Authority or Force capital budget) unless the increase takes the project spend above Authorising body's authority limit, then the Project will go to next level for approval. It should be noted that each Project now has a contingency amount included within their approved budget this means that every increase is only after the Project has committed its contingency.
 - Revenue expenditure virement is more clearly defined and is subject to the following:
 - it not resulting in a significant change of policy;
 - it, does not exceed £500k and
 - it does not increase the revenue or capital budgets.
 - The payroll approval requirement has been removed as it duplicates the control as inputs to the payroll are already approved by other delegated controls.
 - The process around the contracts for sale of redundant fixed assets has been simplified to one process.
 - The delegated Procurement Authority has been rationalised so that each item covers revenue and capital expenditure rather than duplicate the list with delegations for capital then one for revenue. It is also proposed to give contract signing authority matching the level of Tender approval. This is because if the tender is approved BTP/BTPA is already committed to expenditure and therefore signing of contracts needs to be available to the initial tender authoriser.
 - There are a number of DfT and Cabinet Office specific requirements which need to be reference and have been included as an Annex to ensure awareness of requirements and this will also allow greater flexibility to meet Government requirements without changing the whole Scheme of Delegation.
- 3.4 There are no proposed changes to the Authority's Scheme of Financial Delegation although reformatted to just cover Authority spend and is attached as Appendix 1.
- 3.5 The proposed Force Scheme of Delegation is attached as Appendix 2.
- 3.6 In order to remove potential ambiguity it will be necessary to make some changes to the Financial Framework and Financial

Regulations sections of the Code. The proposed changes to the Financial Framework and Financial Regulations are attached at Appendix 3 and Appendix 4. These will be considered by the Authority Executive in the annual review of the Authority Code of Governance which will take place in January 2013.

4. Conclusions

- 4.1 That following the review there are a number of improvements which are proposed in a revised Scheme of Delegation. This covers ensuring the appropriate delegation levels are in place and also greater clarity in presentation.
- 4.2 The critical next step once the Scheme of Delegation and Code of Governance changes have been approved is to create a strong communications and training plan (in conjunction with Learning and Development) that embeds the changes into BTP. This needs to be non-technical training for all relevant staff using practical examples and scenarios to re-enforce the need for strong governance and ensure the culture change is achieved across BTP.
- 4.3 The Force will further delegate authority through the Chief Constable's Letter of Delegation. This will be the third annual Letter of Delegation which sets out to clarify to the appropriate Senior Officers, Budget holders and procurement agents their budgets and approval levels.

5. Diversity issues

- 5.1 There are no significant diversity issues involved in this paper.

6. Recommendations

- 6.1 It is recommended that the Audit Committee approve the revised Scheme of Delegation for implementation with effect from 1 April 2013. In respect of the specific DfT requirements these will take effect immediately.
- 6.2 It is also recommended that the proposed revised wording to the Code of Governance be considered by the Authority Chief Executive in the 2013 annual review of the overall Authority Code of Governance.

Appendix 1

Financial Approval		
Area of Expenditure	Authority	Authority
Approved By	Authority	Chief Exec
Capital Projects		
All Projects Business Cases must be whole life costs including VAT		
Final Approval for Projects in the Capital programme (which is within the agreed DEL)	Over £50k	Up to £50k
Projects exceeding project budget will need to gain approval by the original authorising body except where this breaches their level of authority and does not exceed the Budget. *	Over £50k	Up to £50k
Revenue Expenditure		
Revenue spend in the approved Revenue budget		
Emergency spend or Virement (defined as where funds will be used for a different purpose than originally budgeted) but still within overall approved Budget spend (Budget transfer defined as funds used for same purpose but moved to another cost centre)	Over £50k	Up to £50k
Pay Awards		
Implementation of pay awards for police officers and staff and ACPO officers in excess of the approved budgeted amount.	Over £25k	Up to £25k
Banking Arrangements		
Invest cash in accordance with an Authority approved policy (except interest on bank balances)	Over £1m	Up to £1m

Note

*Funding must be available before a Project is authorised to increase its authority level. Virement limits are cumulative for each project (e.g. if a project has a number of increases to costs it is the total of those increases)

Area of Expenditure	Authority	Authority
Approved By	Authority	Chief Exec
Banking Arrangements		
Invest cash in accordance with an Authority approved policy (except interest on bank balances)	Over £1m	Up to £1m
Individual Redundancy Payments*		
Within approved scheme (ACPO)	All	N/A
Within approved scheme	Over £50k	Up to £50k
Outside approved scheme	All	N/A
Ex-gratia payments #		
Ex-gratia payments to staff or former members of staff only (subject to DfT approval)	Over £5k	Up to £5k
Ex-gratia payments and special payments to third parties	Over £100k	Up to £100k
Contracts for sale of redundant fixed assets		
Acceptance of highest bid after competitive tender	Over £5k	Up to £5k
Write-offs α		
Tangible & Non Tangible Assets with a book value	Over £5k	Up to £5k
PSA accounts	Over £50k	Up to £50k
EPSA accounts	Over £50k	N/A
Debtor and creditor accounts	Over £5k	Up to £5k
Payroll & Pensions Accounts	Over £50k	Up to £50k

Notes

* Due to tighter restrictions now in place from Cabinet Office/DfT all Redundancy payments must gain Cabinet Office agreement BEFORE any redundancy is offered to staff and must be approved by DfT. Sign off by the appropriate BTPA/BTP authoriser is required prior to submission to Cabinet Office or DfT.

Due to tighter restrictions now in place from DfT all Ex-gratia payments must now be approved by DfT.

α Write offs can be for one off items but must be aggregated if a number are to be written off together. Do not avoid higher authorisation by doing numerous one off write offs.

Area of Expenditure	Authority	Authority
Approved By	Authority	Chief Exec
Procurement Authority * # (All limits are for total Contract Value)		
Acceptance of lowest tender after competitive tender for revenue and capital contracts	Over £100k	Up to £100k
Acceptance of a bid for any contract other than the lowest for revenue and capital contracts	Over £50k	Up to £50k
Acceptance of a bid for a revenue or capital project contract without competitive tendering	Over £50k	Up to £50k
Signing of contracts	Over £500k	Up to £500k

Notes

Where a contract needs to increase its value by more than 15%, approval needs to be sought from the original authorising body except where the new contract value breaches their level of authority then it will go to the next level of approval. It is also important that any changes must be in accordance with the relevant contract clause and the resulting new purchase order cross references the original order.

* Contracts including Framework Agreements

Authorisation of Procurement Contracts and Purchases for goods and services after expenditure has been included in the revenue budget or capital programme (subject to E.U. procurement legislation and thresholds)

Appendix 2

Financial Approval			
Area of Expenditure	Force	Force	Force
Approved By	Authority	Chief Exec	Chief Constable
Capital Projects All Project Business Cases must be whole life costs including VAT			
Final Approval for Projects in the Capital programme (which is within the agreed DEL)	Over £1m	Up to a £1m	Up to 500k
Projects exceeding project budget will need to gain approval by the original authorising body except where this breaches their level of authority and does not exceed the budget.	All Projects where expenditure was or is increased above £1m	Up to a £1m	Up to 500k
Revenue Expenditure			
Revenue spend in the approved Revenue budget			Total of approved Revenue Spend
Emergency spend or Virement (defined as where funds will be used for a different purpose than originally budgeted) but still within overall approved Budget spend this does not include Budget Transfers defined as funds used for same purpose but moved in budget terms and reported 4 weekly	Over £500k	Up to 500k	Up to 250k
Pay Awards #			
Implementation of pay awards for police officers and staff and ACPO officers in excess of the approved budgeted level.	Over £500k	Up to 500k	Up to 250k

Notes

* Funding must be available before a Project is authorised to increase its authority level. Virement limits are cumulative for each project (e.g. if a project has a number of increases to its costs it is the total of those increases)

Any above agreed wage award payments must be approved by the Authority

Area of Expenditure	Force	Force	Force
Approved By	Authority	Chief Exec	Chief Constable
Banking Arrangements			
Invest cash in accordance with an Authority approved policy (except interest on bank balances)	Over £1m	Up to £1m	Up to 500k
Individual Redundancy Payments*			
Within approved scheme (ACPO)	Over £100k	Up to 100k	N/A
Within approved scheme	Over £100k	Up to £100k	Up to £50k
Outside approved scheme	Over £100k	Up to 100k	N/A
Ex-gratia payments *			
Ex-gratia payments to staff or former members of staff only (subject to DfT approval)	Over £50k	Up to £50k	Up to £5k
Ex-gratia payments and special payments to third parties	Over £100k	Up to 100k	Up to £50k
Contracts for sale of redundant fixed assets			
Acceptance of highest bid after competitive tender	Over £250k	Up to 250k	Up to 100k

Notes

* Due to tighter restrictions now in place from Cabinet Office/DfT all Redundancy payments must gain Cabinet Office agreement BEFORE any redundancy is offered to staff and must be approved by DfT. Sign off by the appropriate BTP/BTPA authoriser prior to Cabinet Office or DfT approval.

Area of Expenditure	Force	Force	Force
Approved By	Authority	Chief Exec	Chief Constable
Write-offs			
Tangible & Non Tangible Assets with a book value	Over £50k	Up to £50k	Up to £5k
EPSA accounts	Over £50k	Up to £50k	Up to £25k
Debtor and creditor Accounts	Over £50k	Up to £50k	Up to £5k
Payroll & Pensions Accounts	Over £50k	Up to £50k	Up to £5k
Procurement Authority * (All limits are for total contract Value)			
Acceptance of lowest tender and signing of contracts after competitive tender for revenue and capital contracts	Over £2m	Up to £2m	Up to £1m
Acceptance of a bid and signing of contracts for any contract other than the lowest for revenue and capital contracts	Over £1m	Up to £1m	Up to 500k
Acceptance of a bid and signing of contracts for a revenue or capital project contract without competitive Tendering	Over £250k	Up to 250k	Up to 100k

Notes

Write offs can be for one off items but must be aggregated if a number are to be written off together. Do not avoid higher authorisation by doing numerous one off write offs.

Due to tighter restrictions now in place from DfT all Ex-gratia payments must now be approved by DfT.

Where a contract needs to increase its value by more than 15%, approval needs to be sought from the original authorising body except where the new contract value breaches their level of authority then it will go to the next level of approval. It is also important that any changes must be in accordance with the relevant contract clause and the resulting new purchase order cross references the original order.

* Contracts including Framework Agreements

Authorisation of Procurement Contracts and Purchases for goods and services after expenditure has been included in the revenue budget or capital programme (subject to E.U. procurement legislation and thresholds)

Annex 1 (to Scheme of Delegation for BTPA and BTP) Finance & Procurement DfT Specific Requirements

DfT Specific Requirements for both Financial & Procurement Authority		
		DfT & Cabinet Office
Advertising & Marketing	Up To £10k	DfT above £10k Cabinet Office Above £100k
Consultancy expenditure <i>(See definition of Consultancy and note especially prior to any continuous improvement 6Sigma etc consultancy this must be notified to the cabinet office first)</i>	Up to £20k or contract not longer than 9 months or extended less than 3 times.	Over £20k or where the contracts are expected to last longer than 9 months or existing contracts extended taking their total life over 9 months or extended more than 3 times
Non operational Property costs <i>(Including lease changes, sale & new leases).</i>	Up to £100k	BTP Operational premises exempt except for BTPA Offices and PSD York which needs DfT approval over £100k
	DfT /Cabinet Office Authority	
ICT	Over £5m or Over £1m (per system for supporting administration functions)	DfT / Cabinet Office DfT
Recruitment	All recruitment above agreed budgeted establishment. All temporary Contingent labour recruitment	DfT
Procurement of learning, development or training		This is included in the DfT Letter of Delegation, but because BTPA is a non crown NDPB it is not applicable. Confirm on email from Andy Nicholas on 29 June 2012.
Redundancy		Cabinet Office agreement must be secured BEFORE any redundancy is offered to staff.
Procurement		Central Government Departments, including their Arms Length Bodies (ALBs), must commit volume spend and buy from centrally sourced contracts and approved frameworks for all common goods and service categories covered by central

		procurement strategies
Operational excellence - Shared Services		<p>Once the Shared Services strategic operating model and plan is published, Departments and ALBs will be asked to</p> <ul style="list-style-type: none"> • Develop a strategy for future delivery of their back office services in line with the cross government model and agree this with their HMT spending teams and Cabinet Office Operational Excellence Team. <p>Departments will also be asked to spend in a way that is consistent with this Shared Services strategies, across all levels of spend.</p>
Moving Services online		Digital by Default approach to all public information and services sets out standards for digital delivery across Government. This will be assured through the new Government Digital Service (GDS), with the authority to agree, commission, and quality to assure all government digital services. This approach to be implemented alongside the Government's ICT strategy and transparency agenda.
Identity Assurance		DfT and its ALBs must agree their alignment plan to the Identity Assurance Strategy with Cabinet Office when developing any on-line or digitally based transactional service; to include the technical design, the service architecture and the standard and certifications requirements.
Major Projects		The Major Projects Authority (MPA) has been set up to oversee the direction of major projects i.e. project that require HMT approval, and projects within delegated limits that are of special interest to the government.
Strategic Supplier Management		Approval by the relevant Crown Representative (CR) is needed for certain proposed spend, e.g. Crown

NOT PROTECTIVELY MARKED

DfT and Cabinet Office Definitions

Advertising and Marketing

What is in scope of this control?

This control applies to the following:

- advertising including: TV; radio; digital advertising; outdoor; print; advertorials; recruitment; costs of media; fees and commission for media buying; media planning; creative development and production;
- marketing activities including: design and branding; direct and relationship marketing; customer relationship management programmes; telemarketing; campaign help lines; partnership marketing; sponsorship marketing; field or experiential marketing; merchandising; advertiser-funded programming; audio-visual activity; storage and distribution of marketing materials;
- consultation activities including: associated publicity, events, resources and materials, research, analysis and evaluation;
- communication strategy, planning, concept and proposition testing and development;
- market research that informs marketing and advertising activity and evaluation of marketing and advertising activity;
- printing and publications;
- events, conferences and exhibitions;
- public relations (PR) activity; and
 - digital activity including: website and application development; search engine marketing, including pay-per-click; digital display advertising; content partnerships; email marketing; mobile and SMS marketing; interactive online

Consultancy

Policy summary

In May 2010 Cabinet Office introduced a control on the use of consultants within central government to reduce spending and to challenge departments to only use consultants when absolutely necessary.

What is in scope of this control?

The provision to management of objective advice relating to strategy, structure, management or operations of an organisation in pursuit of its purposes and objectives. Such advice will be provided outside the 'business-as usual' environment when in-house skills are not available and will be time limited. Consultancy may include the identification of options with recommendations, or assistance with (but not the delivery of) the implementation of solutions.

The Cabinet Office must be contacted prior to engaging with ANY consultancy firms on continuous initiatives (e.g. LEAN, Six Sigma and BPR)

A Statement of Value to be delivered must be published on Contracts Finder for contracts over £20k and on completion of the contract, to update this with a statement of actual value delivered.

What is not in scope of this control?

Certain types of legal consultancy are not in scope, namely:

- legal advisory services provided by counsel (barristers)
- legal services relating to civil or criminal litigation
- legal disputes (including disciplinary, regulatory or tribunal matters), inquiries or any matter of a contentious nature.

ICT

Scope

This applies to all contracts and projects where ICT is a key element to deliver the scope and service or outcome.

New ICT spend includes any new ICT contracts, contract amendments, contract extensions, feasibility and/or proof of concept studies, pilots, projects and programmes.

It also covers using existing framework contracts to purchase ICT.

No new OJEU notices should be issued to imply that ICT based contracts will be started without the express permission of the Efficiency and Reform Group (ERG) in the Cabinet Office.

NDPBs must move to adopt the Government's ICT Strategy, and comply with the strategy's solutions and standards for all ICT spend as they update/renew their existing systems.

Additionally, all spend with Oracle and all spend within the scope of PSN (Public Services Network) requires ICT Spend Approval.

Learning and Development

- . All *new* generic training should be sourced through CSL. The definition of generic training being all L&D on leadership, management development, PSG core skills and other L&D needs which are common across the Civil Service, e.g. first aid, pre-retirement training etc
- . Procurement of any learning, development or training of £10k or higher, whether for courses or other learning activities, must go through the CSL gateway process.
- . CSL is available to provide advice to Professions and to offer advice on the procurement process
- . BTP/A must present a case to DfT setting out why CSL has not been used to provide generic training

Appendix 3

Proposed Changes to the Code of Governance to align with the revised Scheme of Delegation

Within the Managerial and Financial Framework

FIRST PROPOSED AMENDMENT **ORIGINAL WORDING**

4.4 Virement

The Chief Executive and Chief Constable may authorise the transfer of resources between budget headings within the revenue budget for the service, provided that:

- the revenue budget and capital budget net totals are not increased;
- the future commitments falling to the Authority are not increased by more than £100k (including VAT)
- the transfer does not result in a significant change of policy;
- the amount does not exceed £500k (including VAT); and
- the Authority Finance Director has been consulted and gives approval.

Virement will not be possible in respect of expenditure for which specific government funding has been granted.

Any proposed virement in excess of £500k (including VAT) will be submitted to the Authority for approval.

PROPOSED WORDING

4.4 Virement

Virement is defined as where funds will be used for a different purpose than originally budgeted this excludes budget transfers.

A Budget transfer will only require to be noted in 4 weekly reports and is defined as funds used for the same purpose but moved in budget terms subject to it not meaning a significant change of policy which:

4.4.1 results in activities which are outside the objectives of the Force Strategy or Policing Plan;

4.4.2 prejudices to a material degree the achievement of any of the objectives of the Force Strategy or Policing Plan;

4.4.3 does not conform to BTPA policy resolutions; or alters a specific approval by the BTPA

The Chief Executive and Chief Constable may authorise the transfer of resources between budget headings within the revenue budget for the Authority and Force respectively provided that:

- the revenue budget and capital budget net totals are not increased;

- the future commitments falling to the Authority are not increased
 - the transfer does not result in a significant change of policy;
 - Any proposed virement is subject to the approval levels set out in the Scheme of Delegation.
- and
- the Authority Finance Director has been informed where the Scheme of Delegation means it does not need Authority approval.

Virement will not be possible in respect of expenditure for which specific government funding has been granted.

SECOND PROPOSED AMENDMENT

Within the Financial Regulations under FR3 Capital and Major Revenue Schemes paragraph 3.3 to be amended for clarity

Original Wording

3.3 For all Schemes with an estimated cost above that set out in the Scheme of Financial Delegation or above, the evaluation and business case must be accompanied by a joint report from the Authority Finance Director and Director of Corporate Resources. Schemes that are related or phased shall be treated as a single scheme for these purposes. For the purpose of the application of the thresholds, the capital and additional revenue costs will be aggregated.

Proposed Wording

3.3 For all Schemes requiring approval by BTPA there must be, in addition to a business case and appraisal, a joint report from the Authority Finance Director and Director of Corporate Resources. This report should confirm that all resource aspects of the business cases are accurate and achievable. Schemes that are related shall be treated as a single scheme for these purposes. For clarity these approval levels need to have the capital and additional revenue costs aggregated.

THIRD PROPOSED AMENDMENT **ORIGINAL WORDING**

Annex 3: Financial management

A similar change is required in the Financial Management Section to align the Code of Governance with the Scheme of delegation

4. FR4 Virement (all financial limits include VAT)

4.1 The Chief Constable may authorise the transfer of resources between budget headings within the revenue budget for the service, provided that:

- 4.1.1 the revenue budget and capital budget net totals are not increased;
- 4.1.2 the future commitments in budgets not yet approved falling to the BTPF are not increased by more than the financial limits set out in the scheme of delegations;
- 4.1.3 the transfer does not result in a significant change of policy;
- 4.1.4 the amount does not exceed the value set out in the Scheme of Financial Delegation.

4.2 Where the amount exceeds the financial limits sets out in the scheme of delegation, virement requires the approval of the BTPA.

4.3 Virement will not be possible in respect of expenditure which is specifically government funded.

4.4 The approval of the BTPA is required when the virement proposals imply significant changes of major policy or involve additional revenue commitments in future years.

4.5 For the purpose of these Regulations, a significant change of policy is one which:

- 4.5.1 results in activities which are outside the objectives of the Force Strategy or Policing Plan;
- 4.5.2 prejudices to a material degree the achievement of any of the objectives of the Force Strategy or Policing Plan;
- 4.5.3 does not conform to BTPA policy resolutions; or alters a specific approval by the BTPA.

4.6 The Chief Constable shall be empowered to incur expenditure within the approved estimates but no expenditure, capital or revenue, shall be incurred in connection with the adoption of any new policy or extension of existing policy without the prior approval of the BTPA following consideration of a report.

PROPOSED WORDING

4. FR4 Virement (all financial limits include VAT)

Virement is defined as where funds will be used for a different purpose than originally budgeted excluding budget transfers.

A Budget transfer will only require to be noted in 4 weekly reports and is defined as funds used for the same purpose but moved to in budget terms subject to it not meaning a significant change of policy as defined below.

4.1 The Chief Constable may authorise the transfer of resources between budget headings within the revenue budget for the Force, provided that:

- 4.1.1 the revenue budget and capital budget net totals are not increased;
- 4.1.2 the future commitments in budgets not yet approved falling to the BTPF are not increased by more than the financial limits set out in the scheme of delegations;
- 4.1.3 the transfer does not result in a significant change of policy;
- 4.1.4 the amount does not exceed the value set out in the Scheme of Financial Delegation.

4.2 Where the amount exceeds the financial limits sets out in the scheme of delegation, virement requires the approval of the BTPA.

4.3 Virement will not be possible in respect of expenditure which is specifically government funded.

4.4 The approval of the BTPA is required when the virement proposals imply significant changes of major policy or involve additional revenue commitments in future years.

4.5 For the purpose of these Regulations, a significant change of policy is one which:

- 4.5.1 results in activities which are outside the objectives of the Force Strategy or Policing Plan;
- 4.5.2 prejudices to a material degree the achievement of any of the objectives of the Force Strategy or Policing Plan;
- 4.5.3 does not conform to BTPA policy resolutions; or alters a specific approval by the BTPA.

4.6 The Chief Constable shall be empowered to incur expenditure within the approved estimates but no expenditure, capital or revenue, shall be incurred in connection with the adoption of any new policy or extension of existing policy without the prior approval of the BTPA following consideration of a report.

FIFTH PROPOSED AMENDMENT

ORIGINAL WORDING

Within the Managerial and Financial Framework

4.5 Capital and Major Revenue Schemes

All proposals for capital expenditure and for any significant new revenue expenditures shall be the subject of a formal investment appraisal and business case. In the case of proposals involving estimated expenditure of £1 million (including VAT) if included in the capital programme or 500k (including VAT) or more if not included in the capital programme, the appraisal and business case must be presented to the Authority for consideration and approval

PROPOSED WORDING

4.5 Capital and Major Revenue Schemes

All proposals for capital expenditure and for any significant new revenue expenditures shall be the subject of a formal investment appraisal and business case. In the case of proposals involving estimated expenditure of £1 million (including VAT) the appraisal and business case must be presented to the Authority for consideration and approval

SIXTH PROPOSED AMENDMENT **ORIGINAL WORDING**

4.6 Scheme Approval

Once a capital project is included within the three year capital programme, the details of each scheme shall be the subject of a further and final approval.

An evaluation, including a financial appraisal, shall be undertaken and reported in respect of all capital and major revenue schemes which shall include the business case for the scheme.

Thresholds as set down in the scheme of delegation shall apply to the approval of schemes and variations to schemes.

Post completion reports on all schemes costing more than £1 million (including VAT) will be submitted to the Finance Group who will report as necessary to the Authority

PROPOSED WORDING

4.6 Scheme Approval

It is vital that both Financial and Procurement Authority are obtained prior to a Project being started.

Financial Authority ensures the Project has a good business case and funds are available for the Project.

Procurement Authority ensures the best commercial terms and contracts are in place with suppliers.

Once a capital project is included within the three year capital programme, the details of each scheme shall be the subject to a further and final approval.

An evaluation, including a financial appraisal, shall be undertaken and reported in respect of all capital and major revenue schemes which shall include the business case for the scheme.

Thresholds as set down in the scheme of delegation shall apply to the approval of schemes and variations to schemes.

Post completion reports on all schemes submitted to the Finance on all completed projects originally approved by the Authority.

Appendix 4

Within the Roles and responsibilities

ORIGINAL WORDING

2.14 Finance Director to the Authority

The Authority also appoints a Finance Director who fulfils the role of Treasurer providing independent financial advice to the Authority in all aspects of its activity, including the strategic planning and policy making process, as well as on budgetary matters.

The Finance Director will work closely with the Force's Director of Corporate Resources and Head of Finance to ensure that the financial affairs of the Authority and the Force are properly administered and that the financial regulations are observed and kept up to date.

PROPOSED WORDING

2.14 Finance Director to the Authority

The Authority also appoints a Finance Director who fulfils the role of Treasurer providing independent financial advice to the Authority in all aspects of its activity, including the strategic planning and policy making process, as well as on budgetary matters.

The Finance Director will work closely with the Force's Director of Corporate Resources and Head of Finance to ensure that the financial affairs of the Authority and the Force are properly administered and that the financial regulations are observed and kept up to date.

When the Authority's Finance Director attends a meeting of a panel/board (or similar) constituted by the Force they will be in attendance, rather than a member, and will have no executive financial authority for approving any matters appertaining to the scheme of financial delegation. Furthermore, absence of formal comment is not to be construed to be approval of decisions taken at the panel/board.

The same principles will apply to the Force's Head of Finance when they attend a panel/board meeting constituted by the Authority. The Authority's Chief Executive and the Force's Chief Constable will jointly agree in writing when it is deemed appropriate for either the Finance Director or the Head of Finance to have executive financial delegation to agree matters under the scheme of financial delegation for a specific panel/board constituted by the Force or Authority respectively or the DfT.