

PFCC Decision Report

Report reference number: 047-24

Classification: Official

Title of report: Amendment to the Financial and Procurement Regulations regarding the Consideration and Approval of Capital Expenditure up to £250,000

Area of county / stakeholders affected: Countywide

Report by: Janet Perry, Strategic Head of Performance & Resources

Chief Officer: As above

Date of report: 8 May 2024

Enquiries to: As above

1. Executive Summary

- 1.1 The purpose of this report is to propose and seek approval for an amendment to the Financial and Procurement Regulations regarding delegated limits for capital governance.

2. Recommendations

- 2.1 That the PFCC approves an amendment to the Financial and Procurement Regulations, removing the requirement for capital expenditure projects of up to £250,000 to be considered by the Strategic Board, for recommendation to the Chief Constable.

3. Background to the Proposal

- 3.1. It was agreed at the Formal Performance Meeting between the Chief Constable and the Commissioner on 25 January 2024 that, commencing with the financial year 2024/25, capital expenditure of up to £250k which, under the financial regulations, is delegated to the Chief Constable for approval will no longer require consideration by the Strategic Board.
- 3.2. This expenditure will be separately reported through the monthly Performance and Resources Board, as part of the regular finance report. The reporting will include comparisons to the total number and value of capital expenditure projects of £250,000 or less in the previous three years. The expenditure will also be scrutinised by the PFCC's Chief Financial Officer during the monthly

finance meeting with the force and reported quarterly to the PFCC Senior Management Team, raising any observations as appropriate.

4. Proposal and Associated Benefits

- 4.1. At present the Financial and Procurement Regulations state at paragraph G.4.1:

“G.4.1 Approval for capital expenditure and disposal

Unless it is an exceptional item, all proposals for capital expenditure are considered by the Strategic Board, which in turn makes a recommendation to the Chief Constable and PFCC. Any capital project, property disposal, or property lease renewal with a value in excess of the limit shown below shall be subject to the PFCC’s approval, subject to the requirement for prior notification to the PFCC’s Chief Finance Officer before the commitment is made in cases where the total value of proposed capital expenditure lies between £100,000 and £250,000.

£250,000 or any lease over 5 years in duration”

- 4.2. The proposed change to paragraph G.4.1 is:

“G.4.1 Approval for capital expenditure and disposal

Unless it is an exceptional item, any capital project, property disposal, or property lease renewal with a value in excess of the limit shown below shall be subject to consideration by the Strategic Board, which in turn makes a recommendation to the PFCC for their approval. In cases where the total value of proposed capital expenditure lies between £100,000 and £250,000, it is subject to the requirement for prior notification to the PFCC’s Chief Finance Officer before the commitment is made.

£250,000 or any lease over 5 years in duration”

- 4.3. This amendment will allow the Chief Constable to exercise their delegated authority without prior reference to the Strategic Board.

5. Options Analysis

- 5.1 The Chief Constable could continue to exercise their delegated authority only after consideration by the Strategic Board, however this effectively removes their delegated authority and is therefore not recommended.

6. Consultation and Engagement

- 6.1 There has been no consultation with staff or representative bodies, as this is not required. The PFCC has engaged with the Chief Constable in relation to this change to the Financial and Procurement Regulations and the PFCC’s Chief Financial Officer has engaged with the Chief Constable’s Chief Financial Officer and the Essex Police Corporate Finance Team.

7. Strategic Links

- 7.1 The Financial and Procurement Regulations cover the governance of the financial resources used to support the performance required to meet the priorities and objectives within the Police and Crime Plan.

8. Police operational implications

- 8.1 There are no direct operational policing implications arising from this report.

9. Financial implications

- 9.1 The approval of this report does not have a direct financial impact. There is no expectation that capital expenditure will increase because of this decision, as the capital expenditure programme forms part of the budget approved by the PFCC.

10. Legal implications

- 10.1 The Financial and Procurement Regulations form part of the PFCC's Constitution.

11. Staffing implications

- 11.1 There are no direct staffing implications arising from this amendment.

12. Equality, Diversity and Inclusion implications

- 12.1 This change to the Financial and Procurement Regulations is not expected to have any inequitable impacts relating to the protected characteristics of any individual.

13. Risks and Mitigations

- 13.1 There is the risk that this change to the Financial and Procurement Regulations could result in Essex Police developing more capital expenditure projects of £250,000 or less. However, this risk is mitigated by the monthly reporting requirements and the comparisons with previous years, which will be scrutinised by the PFCC's Chief Finance Officer and at the Performance and Resources Board.

14. Governance Boards

- 14.1 Chief Officers Group on 10 January 2024
- 14.2 Formal Performance Meeting between the Chief Constable and the Commissioner on 25 January 2024

15. Links to Future Plans

15.1 The Financial and Procurement Regulations specify the financial governance required to deliver our long-term plans, however this amendment will not change those long term-plans.

16. Background Papers and Appendices

Revised Financial Regulations

Report Approval

The report will be signed off by the PFCC's Chief Executive and Chief Finance Officer prior to review and sign off by the PFCC / DPFCC.



Chief Executive / M.O.

Sign:

Print: P. Brent-Isherwood

Date: 31 May 2024



Chief Finance Officer

Sign:

Print: Janet Perry.....

Date: 09 May 2024.....

Publication

Is the report for publication?

YES

NO

If 'NO', please give reasons for non-publication (Where relevant, cite the security classification of the document(s). State 'None' if applicable)

None

If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

Redaction

If the report is for publication, is redaction required:

1. Of Decision Sheet? YES

2. Of Appendix? YES

NO

NO

If 'YES', please provide details of required redaction:

N/A

Date redaction carried out:

Chief Finance Officer / Chief Executive Sign Off – for Redactions only

If redaction is required, the Chief Finance Officer or Chief Executive is to sign off that redaction has been completed.

Sign:

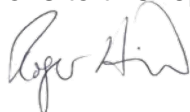
Print:

Chief Executive / Chief Finance Officer

Date signed:

Decision and Final Sign Off

I agree the recommendations to this report:

Sign: 

Print: Roger Hirst

PFCC

Date signed: 03/06/2024

I do not agree the recommendations to this report because:

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.....
.....

Sign:

Print:

PFCC/Deputy PFCC

Date signed: