

# Joint Corporate Governance Framework – contract Standing Orders

Subject matter	Name of Proposer (eg Chief Executive, Chief Constable, Director of Finance)	Date of Request	Previous related decisions
Joint Corporate Governance Framework (JCGF) – Contract Standing Orders element only	Chief Finance and Commissioning Officer, OPCC	8.11.23	29/11/2012 002 14/01/2013 004 Joint Corporate Governance Framework  022 024 Changes to financial regulations

Private / Exemption - Yes / No If Yes Reason Why (eg Schedule 12A Local Government Act 1972, Freedom of Information Act 2000)	Urgent (if Yes, Why and by When?)
No.	<b>Early attention would be appreciated. This is the final document to be revised as part of the JCGF update, all other sections being previously agreed.</b>

Decision Requested				
<p><b>The PCC is asked to agree the content of the newly updated Standing Orders relating to Contracts, attached at Appendix A.</b></p>				
Executive Summary of Request	Supporting Report attached?	No.		
<p>The JCGF describes how the PCC and CC conduct business within the requirements of the statutory framework.</p> <p>Each element of the JCGF was updated during 2022/2023 to ensure it accurately captures how the PCC and CC conduct business. The Contract Standing Orders (CSOs) remained outstanding and these have now been updated in consultation with Force and Regional Procurement colleagues.</p> <p>In summary:</p> <ol style="list-style-type: none"> <li>1. The CSOs provide a regional framework agreed by all four PCCs and Chief Constables shortly after PCC roles were created.</li> <li>2. Difficulties have arisen as the financial thresholds have not increased for some considerable time, the tender threshold currently being £50k. This figure is an aggregated figure for four years expenditure, and as such anything over £12,500 p.a. (for four years), or £50k in one year, needs to go out to tender.</li> <li>3. This is no longer practical for a number of reasons: <ul style="list-style-type: none"> <li>• Inflation has risen considerably in the period since the last threshold review many years ago, and therefore relative purchasing power has been considerably reduced.</li> </ul> </li> </ol>				

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- Home Office and Ministry of Justice grants usually have to be spent by the 31<sup>st</sup> March in year, otherwise they have to be returned. Given the time taken for a tender exercise, it is difficult to procure and deliver any service within the timescales allowed. This creates a financial risk.
  - Regional Procurement does not have the capacity to support all procurements over £50k, and therefore work is being prioritised. Given the significant experience of the Partnerships and Commissioning Team (P&C) work is already being undertaken within the OPCC to ensure that P&C and VRU commissioning is being progressed within appropriate timescales.
  - Due to the above, there are increased numbers of exceptions papers being put forward to Regional Procurement.
4. Discussions have taken place with the Force and Regional Procurement, and the matter has been raised regionally. There is a split amongst regional colleagues as to what the most appropriate thresholds should be, but it is felt that local CSOs may now be more appropriate to ensure that local circumstances and governance models are catered for, especially in the light of the ongoing review of Regional Procurement. The Head of Regional Procurement has been supportive of the approach taken in South Yorkshire.
  5. The Force currently has an ‘under £50k team’ which is tasked with assessing whether savings could be made in this area. As such, the Force would like to retain the £50k threshold at least until this work has been completed and the new Oracle Cloud system has been implemented. Discussions have taken place and it has been determined that even if the contract standing order threshold is increased, the Chief Constable or Force CFO could determine, through Force Financial Instructions, that the £50k threshold will remain for the Force. It is on this basis that the attached revision to CSOs has been made.
  6. There is an increased risk if the threshold is increased, as staff are responsible for a greater amount of expenditure. This is offset however to some extent against the risk of losing government funding, and by Regional Procurement sharing template documents and offering assistance if needed.
  7. The suggested tender limit increase to £100k is below the UK government’s revised procurement thresholds, and the EU procurement regulations.

Considerations	Evidence of information or advice gathered or discussion / consultation conducted	How has all this evidence impacted on overall proposal?
Public and / or Partners	n/a	A number of senior staff within the Force and OPCC have been consulted on the content of the CSOs. These comments have been collated and where appropriate, changes made.
Impact on Service	Provides clarity on how the two organisations work to maintain and deliver efficient and effective policing.	
Financial	Circulation and discussion with PCC’s and CC’s Chief Finance Officers and ACO	
Legal	No issues raised by specialists in Regional Procurement.	

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HR	n/a	
T/Unions / Staff Assoc.	n/a	
Equality & Diversity (Public Sector Equality Duty)	Addressed within the Local Code but nothing specific to CSOs	
Risks / Opportunities	Addressed within the summary above.	
Sustainability	Addressed within the Local Code, but nothing specific to CSOs.	
Data Protection Impact Assessment (DPIA)	N/A	
Other (specify)		

<b>Views of PCC's Chief Finance Officer</b>			
I have been actively involved in the update to the JCGF.			
<b>Signature:</b>		<b>Date:</b>	

<b>Views of PCC's Chief Executive &amp; Solicitor</b>			
I've been fully sighted on this work and support the proposal for your approval.			
<b>Signature:</b>		<b>Date:</b>	09/11/23

<b>PCC Decision and Rationale</b>			
Happy to approve.			
<b>Signature:</b>		<b>Date:</b>	09/11/23

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**OPCC GATEKEEPER (Information Officer)**

Decision Ref. No	PAB Minute No: (where applicable)	Date Proposer notified of Decision	Date Published