

PART C
METROPOLITAN POLICE AUTHORITY

CONTRACT REGULATIONS

<u>CR No.</u>	<u>Subject</u>	<u>Page</u>
	Definitions and Interpretations	2
	A Brief Guide to Contract Regulations	4
	<u>Section 1 – Scope of Contract Regulations</u>	
1	Introduction	5
2	Application of the Regulations	6
3	Ethics and Interests – Members and Employees	6
	<u>Section 2 – Conducting a Purchase and Disposal</u>	
4	Contract Planning	7
5	Invitation to Tender/Quotation Documentation and Instructions	9
6	Requirements for Tenders and Quotations	12
7	Exceptions from Tender or Quotation	12
8	Select and Standing Lists and Framework Arrangements	12
9	Advertising Tenders	13
10	Receipt and Opening of Tenders and Quotations	13
11	Tender Evaluation	14
12	Award of Contract	17
13	Contract Documentation	18
14	Supporting Documentation	19
15	Post Contract Monitoring and Evaluation	19
16	Corrupt Practices	20
17	Disposal of Surplus or Obsolete Goods	21
18	Common Seal of the Authority	21
19	Construction Contracts	20
20	Facilities Management Contracts	21
	Annexe to Section 2 – Key Stages of Contract Approval	22
	<u>Section 3 – Land and Property</u>	
21	Purchase and Disposal of Land or Property	26
	Appendix A - MPA Anti Fraud and Corruption Policy	28
	Appendix B - MPA Equalities and Diversity Statement	35

These regulations have been prepared in accordance with section 135 of the Local Government Act 1972 and the requirements of the Code of Practice on Financial Management, which is made by the Home Secretary under section 39 of the Police Act 1996.

Further Advice:

MPS : Corporate Procurement – Director of Procurement Services – Steve Atherton xtn 69145

MPS : Property – Director of Property Services – Alan Cronev xtn 68370

MPA: Deputy Treasurer – Ken Hunt xtn57209

MPA: Deputy Director Internal Auditor – Julie Norgrove xtn57104

DEFINITIONS AND INTERPRETATIONS

In these regulations,

- (a) The expression “the Authority” shall be deemed to include reference to a committee, sub-committee or board or person acting in accordance with delegated authority on behalf of the Authority.
- (b) The expression “Authorised Representative” shall mean the MPS’ Director of Property Services (all property, land, buildings, works and property leases), Director of Procurement Services (all goods and services contracts), and the Director of Human Resources (employment contracts) together with any Employee who is duly authorised in writing by the Clerk, Treasurer or Commissioner.
- (c) The expression “contract” shall unless otherwise specified, relate to a contract for the supply or disposal of goods or materials or for the execution of works or the provision of services or the purchase and disposal of property or land.
- (d) Reference to the contract sum in relation to a contract to be performed over a specified period shall be to the aggregated estimate for the whole of that period. Any transaction for the supply or disposal of goods or materials, the provision of services, or for the execution of works which forms part of a larger transaction, shall not be regarded as a separate contract in the calculation of the contract sum.
- (e) Reference to any statute, enactment, regulation or other similar instrument shall be construed as a reference to the statute, enactment, order, regulation or instruments as amended by any subsequent legislation.
- (f) These contract regulations shall be interpreted in accordance with the Standing Orders of the Authority and the financial regulations issued by the Authority
- (g) Reference to the “Authority” or “Police Authority” shall mean Metropolitan Police Authority, reference to Chair shall mean the Chairman of the Authority or, as the case may be, of a Committee, Sub-Committee or Board of the Authority, reference to the Deputy Chair shall mean the member/s appointed to act as the chair in the absence of the Chair, reference to the “Clerk” shall mean the Clerk to the Authority, and reference to the “Treasurer” shall mean the Treasurer to the Authority.
- (h) Reference to “Employee” shall include both police officers and civil staff. Reference to Employee shall mean where appropriate the person designated by the Authorised Representative to deal with the contract in question.

- (i) Reference to “Shadow Grades” shall mean that MPS and MPA pay grades other than A, B and C shall apply in substitution where alternative grades have remuneration levels of at least an equivalent amount.
- (j) Reference to “Assistant Directors” PSD, PS and HR shall mean employees two reporting tiers below the relevant Director level.
- (k) Reference to Total Value shall mean:
 - The whole of the value or estimated value (in money or equivalent value) for a single purchase or disposal.
 - Whether or not it comprises several lots or stages.
 - To be paid or received by the Authority or a discrete Business Unit within the Authority.

The Total Value shall be calculated as follows:

- i. Where the contract is for a fixed period, by taking the total price to be paid or which might be paid during the whole of the period.
 - ii. Where the purchase involves recurrent transactions for the same type of item, by aggregating the value of those items in the coming 12 months.
 - iii. Where the contract is for an uncertain duration, by multiplying the monthly payment by 48.
 - iv. For nominated suppliers or sub-contractors, the Total Value shall be that part of the main contract to be fulfilled by the nominated supplier or sub-contractor.
 - v. Where an in-house service provider is involved, by taking into account redundancy and similar/associated costs.
 - vi. Where the purchase or acquisition is for leasehold property on normal commercial terms the starting rent calculated to an annualised basis, multiplied by the number of years in the lease.
 - vii. Where the purchase is for a new lease without a premium the total value shall be the total consideration payable over the term of the lease.
- l) Reference to a Bond shall mean an insurance policy. If a contractor does not do what it has promised to under a contract with the Authority, the Authority can claim from the insurer the sum of money specified in the bond. A bond is intended to protect the Authority against a level of cost arising from the contractor’s failure.
 - m) Reference to a Parent Company Guarantee shall mean a contract which binds the parent of a subsidiary company as follows: If the subsidiary company fails to do what it has promised under a contract with the Authority, they can require the parent company to do so instead.
 - n) Reference to Property shall mean purchase or acquisition of an interest in land or buildings.

A BRIEF GUIDE TO THESE CONTRACT REGULATIONS

Contract Regulations promote good purchasing practice and public accountability and deter corruption. Staff responsible for purchasing or disposal must comply with these regulations which lay down the **minimum** requirements for purchasing goods or services or ordering building work or purchasing or disposing of land and property.

In summary staff must:

- Apply these rules and regulations to all procurement undertaken by any officer of the MPS and MPA
- Ensure the appropriate level of authority is obtained at each stage of the contract process.
- Take full formal contract action for all procurements above £40,000.
- Take all necessary legal, financial and professional advice.
- Declare any personal financial interest in a contract - corruption is a criminal offence.
- Conduct any best value review and appraise and document the purchasing need.
- Normally allow at least four weeks for submission of bids. Bids are not to be submitted by fax or e—mail unless specifically agreed by Procurement Services
- Keep bids confidential.
- Complete a written contract or official order before the supply or works begin.
- Keep records of all dealings with suppliers.
- Assess each contract afterwards to see how well it met the purchasing need and best value requirement.

SECTION 1- SCOPE OF CONTRACT REGULATIONS

1. Introduction

1. The purpose of these contract regulations is to set clear rules for the procurement of all goods, supplies and services, works and buildings, acquisition and disposal of property and land on behalf of the Authority. In delivering these objectives it is important that due weight be given to issues of value for money and quality so that the Authority can demonstrate it is fulfilling its fiduciary duty and overarching responsibilities to demonstrate best value.
2. These regulations set down the rules for achieving the Authority's procurement objectives. The regulations must be followed before any commitment is entered into. The main aims of these regulations are to outline:
 - (a) the manner in which contracts are handled and managed within the Authority to ensure compliance with all relevant legislation including EC Directives; and
 - (b) the relative responsibilities of the Authority, its officers and the Commissioner in this process.
3. The Authority is the legal contracting entity for contracts. It is the aim of these regulations to delegate responsibility for the day to day management and control of contracts through the Commissioner to his duly Authorised Representative, subject to the provisions of these regulations, and provided that the Authority is satisfied that the Commissioner has adequate systems, procedures, personnel and expertise to discharge these responsibilities.
4. The Commissioner, through his duly Authorised Representative, shall manage the procurement process in accordance with these regulations, and is authorised to make, develop and issue policies and procedures that govern the management of the procurement process. These regulations are supplemented by the Financial Regulations and the Authority's Procurement Strategy, and should be read in conjunction with these documents.
5. Only duly authorised individuals may enter into commercial and contractual dialogue with suppliers and make commitments on behalf of the MPA. There is to be a clear separation of duties between MPS business groups (responsible for financial commitment, specifications and day to day service delivery) and the Authorised Representative of the Commissioner to be held responsible for all commercial and contractual aspects of the procurement process. The regulations are to be read in conjunction with the Scheme of Delegation.
6. These regulations, including financial values will be kept under review by the Clerk, Treasurer and Commissioner to ensure that the working arrangements for both the Authority and the Service are conducted in accordance with the relevant legislation and current best practice. They can only be varied with the approval of the Authority.

2. Application of the Regulations

1. All contracts for goods, services, works, acquisition and disposal of property and land shall be made in accordance with these regulations, the Authority's Financial Regulations, approved Procurement Strategy and with all supplementary codes of practice issued by the Service. The Commissioner shall maintain effective systems of internal control including the separation of main functions, the application of operational controls and effective monitoring and management review. These systems shall include provision for the maintenance of proper records throughout the procurement processes and for the retention and safe custody of documents and records.
2. Approval of any exception provided in these provisions can only be given by the duly Authorised Representative and a record of all exceptions shall be reported to the Clerk as soon as practicable.
3. Any failure to comply with any of the requirements of these regulations shall be reported to the Clerk as soon as such failure is discovered. The Clerk shall consult the Treasurer and the Commissioner before determining such action, as she or he may deem necessary in the circumstances.
4. The Commissioner shall arrange for the preparation and circulation of corporate practice notes applicable to the provisions of the regulations to ensure that (a) the provisions of the regulations and their spirit and intent are brought to the attention of employees and other persons responsible for contracts, and (b) to ensure that the relevant provisions of national and EU procurement law, government guidance and locally approved procedures are brought to the attention of employees and other persons responsible for contracts.
5. These regulations shall apply in conjunction with the delegation of powers by the Authority to its committees in accordance with Standing Orders and the delegation of functions to officers in accordance with the Scheme of Delegation.

3. Ethics and Interests - Members and Employees

1. The Authority is committed to a culture of honesty, integrity and propriety in the use of public funds. The Authority has agreed an Anti-fraud and Corruption Policy which is applicable to Members of the Authority, police officers of all ranks, civil staff, MPA employees reporting directly to the Clerk or Treasurer and external persons with whom the Authority conducts business.
2. The Anti-fraud and Corruption Policy is reproduced at **Appendix A** and other policies that should be read in conjunction with this include the Code of Conduct for Members of the MPA, the MPS Professional Standards Strategy and the Code of Practice for acceptance of gifts and hospitality. Members and all employees shall abide by these policies when undertaking procurement activities.

SECTION 2 – CONDUCTING A PURCHASE AND DISPOSAL

4. **Contract Planning**

1. **Fair and Open Competition**

The Commissioner through the Appointed Representative shall instigate all contract action which shall be designed to promote open and fair competition. Contract planning will be aimed at enabling the Authority to procure the required works, supplies and services, purchase and disposal of property or land to the required quality at the right time and at the best price.

2. **Equalities and Diversity Statement**

The Authority has affirmed an Equalities and Diversity Statement in relation to contract and procurement strategies and this is shown at **Appendix B**. Due regard should be given to this statement in a timely manner when planning all contract action.

3. **Environmental Issues**

Where appropriate there should be due regard to the Authority's Environmental strategy and targets and monitoring requirements. The Authority recognises that relevant environmental issues may be developed as part of award criteria for Invitation to Tender and may be included in the contract specification. This requirement must result from a careful definition of the objectives of the purchase. In the tender evaluation it may be appropriate to consider contract award under the 'most economically advantageous offer' criteria, where considerations other than purchase price also apply (regulation 11.6 below).

4. **Health and Safety**

Where appropriate there should be due regard to Health and Safety Legislation, in particular when drawing up contract specifications and award criteria.

5. **Packaging**

Unrelated activities shall not be packaged together; neither should specialist activities be included where this would unreasonably restrict competition. A range of separate elements may be specified but with firms invited to tender for any or all of the elements and with options for discounts if awarded more than one of the tendered elements. Works, supplies or services shall not be artificially packaged into two or more separate contracts with the intention of avoiding the spirit of these regulations, UK law or EU procurement rules.

6. **Contract Period**

The Commissioner through the Appointed Representative shall ensure that all contracts shall be time limited to be determined by legislation and/or influenced by the nature of individual goods and service requirements. Contracts including any an option to extend/renew with a Total Value estimated to be £5 million or more shall be reviewed by the Authority in sufficient time to allow a full retendering exercise, if required; below £5 million Total Value the approval requirements identified in the Annex to Section 2 shall apply.

7. **Approval of the Authority**

The level of authority required for each stage of the contract process is summarised at the ANNEX on page 22.

8. **The approval of the Authority must be sought (normally by preparation of a business case) in advance, in sufficient time for due consideration, for all commencement of contract action (Invitation to Tender) and thereafter for award of contracts above the Commissioner's delegated authority (£5 million Total Value), and for any proposed expenditure below the delegated authority, which is of special significance because:**

- a) it raises questions of principle or financial policy;
- b) it possesses unusual features or involves particular difficulty;
- c) it might arouse particular public interest or publicity;
- d) it concerns a matter of particular importance or sensitivity, or
- e) it concerns proposals for outsourcing contracts or is connected with a public/private partnership or a private finance initiative.

Contracts that fall within the definitions set out above, will be determined between the Treasurer and the Director of Resources. Such liaison will also establish the roles to be played by the Authority's officers and the Commissioner's Authorised Representative and the reporting arrangements in respect of specific contracts/procurements. Normal contract management arrangements following award of tender (to specifically include contract variation management for PFI/PPP schemes) are to be excluded from the requirements of 8e) above.

9. **Steps Prior to Commencement of Contract Action**

In a manner commensurate with the complexity and value of the purchase the Employee responsible must produce a business case which:

- take into account the requirements of any relevant Best Value Review
- consult with the Director of Procurement Services to ensure that a contractual arrangement is not already in place
- appraise the need for the expenditure and its priority
- define the objectives of the purchase
- assess the risks associated with the purchase and how to manage them
- consider what procurement method is likely to achieve the purchasing objectives, including internal or external sourcing or sourcing through the corporate procurement unit, packaging strategy and collaboration with other purchasers, partnering and long-term relationships
- consult users as appropriate about the proposed procurement method, contract standards and also performance and user satisfaction monitoring
- select the most appropriate procurement method, and set these matters out in writing if the Total Value of the purchase exceed £15,000;

And confirm that:

- There is delegated approval for the expenditure i.e. the budget is available
- There is committee approval for significant new proposals as required by Financial Regulations, and
- Prior information notices, if required in accordance with EC Procedures, have been sent.

10. **Pre-Tender Market Research and Consultation**

The Employee responsible for the purchase:

- May consult potential suppliers prior to the issue of the Invitation to Tender in general terms about the nature, level and standard of the supply, contract packaging and other relevant matters provided this does not prejudice any potential tenderer, but
- Must not seek or accept technical advice on the preparation of an Invitation to Tender or Quotation from anyone who may have a commercial interest in them, if this may prejudice the equal treatment of all potential tenderers, and
- Must not have any discussions of a commercial or contractual nature prior to formal action and
- Should seek advice from Procurement Services

5. **Invitation to Tender/Quotation Documentation and Instructions**

1. **Invitation to Tender/Quotation**

All Invitation to Tender shall include the following:

- a) A specification (see regulation 5.5 below)
- b) A requirement for tenderers to declare that the tender content, price or any other figure or particulars concerning the tender have not been disclosed by the tenderer to any other party (except where such a disclosure is made in confidence for a necessary purpose)
- c) A requirement for tenderers to complete fully and sign all tender documents including a form of tender and certificates relating to canvassing and non-collusion
- d) Notification that tenders are submitted to the Authority on the basis that they are compiled at the tenderers expense
- e) A description of the award procedure and, unless defined in a prior advertisement, a definition of the award criteria in objective terms including any weighting that may be applied
- f) A stipulation that any tenders submitted by fax or other electronic means shall not be considered unless specifically agreed by Procurement Services
- g) The method by which any arithmetical errors discovered in the submitted tenders is to be dealt with. In particular, whether the overall price prevails over the rates in the tender or vice versa.

2. All Invitations to Tender or Quotation must specify the goods, services or works that are required, together with the terms and conditions of contract that will apply (see Regulation 13.1).

3. All suppliers invited to tender or quote must be issued with the same information at the same time and subject to the same conditions. Any supplementary information must be given on the same basis.
4. All suppliers must be given an adequate period in which to prepare and submit a proper tender or quotation, consistent with the urgency of the contract requirements. Normally at least four weeks should be allowed for submission of tenders.
5. **Specification**

Specifications shall be explicit, accurate and comprehensive and shall specify the required works, supplies or services, including the required quality standards and the measurable levels of output/targets to be achieved. Output or outcome based specifications shall be used except where it is necessary to specify processes or standards in order to obtain the Authority's requirements in a particular way. The specification and contract conditions shall incorporate arrangements for securing continuous improvement, performance management and payment details in the contract. Where appropriate, specifications or descriptions of materials in tender or quotation documents shall require as a minimum, compliance with British and EU standards and relevant codes of practice current at the date of tender or quotation.
6. The specification of works, supplies or services shall not provide that they shall be of proprietary type or supplied by a particular firm or that the work shall be executed by a particular firm except where:
 - (a) there is no acceptable alternative: there is only one source of supply;
 - (b) advertising would not be in the best interest of the Authority;
 - (c) the prices or rates are fixed pursuant to national legislation, trade organisation, government department or by a regulatory body; and
 - (d) a genuine unforeseeable operational need arises and competition is impracticable where the urgency of need is such that it does not permit the full procurement process to be carried out. This should only be used to fulfil immediate operational requirements.

Any of the above exceptions shall require the approval of the Commissioner through the Authorised Representative and shall be fully documented. They shall be notified to the Clerk as under regulation 2.2.

7. **Instructions for Tendering**

Instructions to prospective tenderers for tendering or quoting shall be in accordance with the relevant corporate practice note. Instructions shall include details of the contract award criteria.
8. **Approval of Procurement Programme and Tender Documents**
 - (a) The selection and packaging of work, the tender documents including the method of pricing, the award criteria and the competition programme shall be subject to Authority approval prior to issue of the Invitation to Tender for all contracts with an estimated Total Value of £5 million and above. The Commissioner shall submit a detailed business case to the Authority seeking such approval. The business case shall also contain a

summary of the main functions covered by the contract and shall state arrangements for public inspection.

- (b) The selection and packaging of work, the tender documents including the method of pricing, the award criteria and the competition programme shall be subject to approval prior to issue of the Invitation to Tender for all contracts with an estimated Total Value of between £1 million and up to £5 million by the MPS Resource Allocation Committee. The Resource Allocation Committee shall receive a detailed business case before considering such approval. The business case shall also contain a summary of the main functions covered by the contract and shall state arrangements for public inspection.
- (c) The selection and packaging of work, the tender documents including the method of pricing, the award criteria and the competition programme shall be subject to approval prior to issue of the Invitation to Tender for all contracts with an estimated Total Value of up to £1 million by the appropriate Employee. Key stages of contract approval are shown at the ANNEX to this section on page 22. A detailed business case appropriate to the scope, complexity and cost shall be prepared before considering such approval. The business case shall, where considered appropriate by the Employee, also contain a summary of the main functions covered by the contract and shall state arrangements for public inspection.
- (d) All procurement action for capital works will have been based on previously approved schemes included in the Authority's capital estimates. Exceptions to this will need prior approval by the Authority. Appropriate business cases must be prepared.

9. **Issue of OJEC Notices**

The Commissioner shall submit to the Authority on an annual basis, following approval by the Authority of the forthcoming year's capital and revenue budgets, a routine contracts programme showing a 12 month rolling programme of known contracts that need retendering, or reviewing to take up an extension offer. Subject to approval by the Authority this routine contracts programme will give authority for the Commissioner to place OJEC advertisement. However, the Commissioner and the Authorised Representative shall at all times be mindful to observe the need for prior approval of the Invitation to Tender for contracts with an estimated Total Value of £5 million and above and of the need to apply regulation 4.8 for contracts of specific significance. Procurement requirements that occur outside the annual routine contracts programme shall be presented to the Authority prior to placing OJEC advertisement.

- 10. The Commissioner shall submit to the authority on an annual basis a report on the contracts let during the preceding financial year. The report shall identify the estimated Total Value of the contract and the awarded contract price.

6. **Requirements for Tenders and Quotations**

1. **Estimate of Cost**

The Commissioner through the Authorised Representative shall prepare a properly calculated written estimate of the cost as part of the business case prior to inviting tenders and quotations for goods, supplies and services, works and buildings, disposal of property or land and shall calculate, where appropriate, the estimated aggregate value in accordance with EU procurement aggregation rules. The Authorised Representative shall make secure arrangements for recording this written estimate and the supporting data, assumptions, and calculations. The Authorised Representative's estimate shall form the basis of determining the appropriate procedures for competitive tenders and quotations.

2. **Thresholds and Number of Tenders and Quotations to be Invited**

The following ideal minimum number of Invitations to Tender or quotation shall apply before any contract or order for goods, supplies and services, and works and buildings is placed:

- £500,000 and above - full tender action to include at least four tenderers
- £40,000 up to £500,000 – full tender action to include at least three tenderers
- £5,000 up to £40,000 – written quotations from not less than three suppliers
- Below £5,000 order placed with selected supplier without competition subject to price being established as fair and reasonable.

7. **Exceptions from Tender or Quotation**

1. The Commissioner through the Authorised Representative may place orders of less than £40,000 without obtaining quotations where the works, supplies or services are urgent and necessary for the protection of life or property, or to maintain the functioning of the service for which the Authority is responsible. In exceptional circumstances, purchase may be justified without competition although this shall be reported to the Treasurer or Clerk and the Authority's approval sought, by Urgency procedure if necessary. The invitation of a single tender may be considered when one or more of the conditions in regulation 5.3 apply.
2. In emergency situations supplies, services or building works may be necessary for the protection of life or property and orders greater than £40,000 may be placed as above. With building works where the delay would be life threatening or involve inordinate loss or cost then the purchase may be completed within available budgetary provision subject to the approval of the Director of Property Services who shall report the matter to the Treasurer or Clerk within 2 working days.

8. **Select and Standing Lists and Framework Arrangements**

1. Where the Commissioner or Authorised Representative considers it necessary, tenders may be invited from either a select or standing list of approved contractors or suppliers in a particular category of works, supply or

service as long as compliant with EC Directives. Select or standing lists of approved contractors or suppliers may be created and received under procedures approved by the Commissioner or Authorised Representative in consultation with the Treasurer.

2. Approved lists of contractors shall be reviewed and re-registered by the Authorised Representative not less than once in every three years.
3. Where the Commissioner or the Authorised Representative considers it necessary, tenders may be invited from a previously approved Framework Arrangement. This Framework Arrangement of lists of contractors, suppliers or consultants shall previously have been complied in a manner compliant with EC Directives and any subsequent procurement action from the Framework Arrangement shall comply with these regulations.

9. Advertising Tenders

Tenders shall be invited by placing advertisements in appropriate and relevant publications in compliance with Advertising Guidelines drawn up by the Director of Resources, in consultation with the Directors of Procurement Services and Director of Property Services.

10. Receipt and Opening of Tenders and Quotations

Official Stationery and Instructions

1. Standard forms of envelope shall be used for the return of all tenders. All envelopes shall bear the word "Tender" followed by the subject to which it relates. The envelope shall not be marked in any way to identify the tenderer. In addition, the envelope shall bear the latest date and time for submission of the tender and shall be addressed to an officer nominated by the Authorised Representative. Security and confidentiality of the tender material shall be as specified in the relevant corporate practice note.

Opening Tenders and Quotations

2. All tenders shall be opened together in the presence of two employees duly authorised to open tenders by the Authorised Representative, and who shall not be involved in the direct management, evaluation or supervision of the contract.
3. At the time appointed for the receipt of tenders, or as soon as practicable thereafter, they shall be opened, numbered and marked with the date of opening. All pages that contain financial information or a signature of the tenderer, or any accompanying letter, shall be initialled by the person opening the tender.

4. Recording and Custody of Tenders and Quotations

The Authorised Representative shall ensure that records are kept of all tenders received, for each contract by the stipulated time, This shall include the name of each tenderer, the number assigned to that tender, and the amount of the tender except where then tender comprises a schedule of

rates only. The words “and last” shall be inserted against the last numbered tender. The employees in whose presence the tenders are opened shall sign the record. Arrangements shall be made for all successful tenders to be retained for the life of the contract plus 3 years or a minimum of 7 years although the period may be increased for certain contracts at the discretion of the Authorised Representative. Unsuccessful tenders and expressions of Interest shall be retained for at least 18 months after award of contract. Land and property contracts (under seal) shall be retained for 12 years.

5. **Rejection and Non-Consideration of Tenders and Quotations**

Any tenders or quotations submitted by any tenderer shall be rejected by the Authority where the tenderer:

- (a) fails to meet the specified deadline. However, in exceptional circumstances the Commissioner or Authorised Representative, may accept a late tender notifying the Clerk and Treasurer in every case, or
- (b) fails to meet the specification or seeks to qualify the MPA standard terms and conditions of contract except where such a variation or alteration is expressly invited or permitted by the Authority. All decisions are to be fully documented.

11. **Tender Evaluation**

1. **Evaluation Process**

The evaluation process for goods, supplies and services, works and buildings, land and property contracts valued above £40,000 Total Value shall normally be undertaken by a nominated officer or panel. All tenders and quotations are to be evaluated against notified award criteria. Effective separation of duties shall ensure that different panels evaluate the commercial and technical responses. It shall be allowable to bring together commercial and technical marking with a pre-agreed weighting to result in a single recommendation. All clarifications with suppliers are to be via the Employee. Tenders and quotations shall be scrutinised in order to evaluate the available evidence against the stated award criteria. All communications with tenders and referees shall be confidential and properly recorded in the appropriate contract file and tenderers shall be required to provide any necessary confirmations or explanations in writing.

2. **Amendment of Tenders or Quotations Submitted in Competition**

- (i) Obvious and straightforward errors on the submitted tender or quotation documents in calculations, extensions or totalling, whether found by the supplier concerned or by the Authority, shall be dealt with as follows:
 - a) in the case of tenders or quotations based on schedules of items or provisional quantities, obvious errors in totalling, extensions or calculations may be corrected; and
 - b) in the case of tenders or quotations based on priced bills of quantities where obvious errors in totalling, extensions or calculations are in such bills of quantities they may be corrected:

- (ii) If the supplier concerned wishes to adjust its tender or quotation prior to the closure date such adjustment shall be regarded as valid provided that the Authorised Representative is satisfied that it was a bona fide mistake and that the adjustment is for the full amount of the error(s).

When a supplier seeks to amend its tender or quotation after formal closure date for receipt of tenders, for reasons other than in paragraphs (a) and (b) above the following rules shall apply:

- a) If a supplier seeks to amend its prices upwards within the period of validity of the tender or quotation it shall be told that it must stand by its original offer.
 - b) If a supplier seeks to reduce its prices the decision on the award of the contract shall be made on the original prices tendered or quoted, but if a contract is thereby awarded to the firm which amended its tender or quotation the amended price shall be accepted.
- (iii) For construction contracts: the procedure for amendment of tenders/quotations or post tender negotiations, the extant Code of Procedure for Single Stage Selective Tendering as issued by the National Joint Consultative Committee, or any replacement guidance considered appropriate by the Authorised Officer, shall apply.

3. Post-Tender Negotiations

Post tender negotiation means negotiations with any tenderer after submission of a tender and before the award of the contract with a view to obtaining adjustments in both price and content, within, where appropriate the guidelines laid down in EC procedures. The lowest submitted tender which meets the required specification, will normally be accepted. If the lowest tender or quotation is unacceptably high the supplier which submitted the lowest tender or quotation may, at the discretion of the Authorised Representative who issued the invitation to tender or quote and in compliance with legislative requirements, be asked whether it will reduce its tender or quotation without varying the specification. If it agrees to do so, its tender or quotation shall be amended by the suppliers accordingly. Employees appointed to carry out post tender negotiations should ensure there are recorded minutes of all negotiation meetings and that both parties agree actions in writing.

4. Alternative proposals from Tenderers - Specifications and Conditions of Contract

No changes to the required specification or conditions of contract notified in the Invitation to Tender are allowable unless alternative proposals have been specifically requested by the Authority. Alternative proposals will normally only be sought to meet the following conditions:

- i) It is not feasible to formulate detailed specifications for the goods or, in the case of services, to identify their characteristics and in order to obtain the most satisfactory solution to the procurement needs, it is necessary to seek proposals as to various possible means of meeting the needs;

- ii) Because of the technical character of the goods, or because of the nature of the services, it is necessary to negotiate with suppliers;
- iii) When the contract is for the purpose of research, experiment or study; or
- iv) When bids have been competitively sought but no bids were submitted or all bids were rejected and re-soliciting bids anew would be unlikely to produce satisfactory results to make the award. The availability of time must always be a critical consideration.

5. **Results of Tender Evaluation**

The contract documents shall dictate the required quality and levels of provision and therefore the lowest tender or quotation from a firm that has not been excluded under other elements of the award criteria shall normally be accepted. However, other factors within the award criteria may make it more economically advantageous for a higher tender or quotation to be accepted and the economic weight and justification for including such factors shall be documented as part of the evaluation. In particular, the optimum combination of whole life costs and quality shall be considered. The decision to recommend award of contract to a particular supplier shall be made jointly by the technical and commercial panels. The decision shall be fully documented. Where there is a failure to agree on the award, the matter should in the first instance be referred to the Director of Procurement Services or the Director of Property Services, as appropriate, for a decision. All failures to agree shall be notified to the Authority.

6. **Award Criteria**

The Authorised Representative must define and document award criteria that are appropriate to the purchase, before tenders are sought. Award criteria must be designed to secure an outcome giving best value for money to the Authority. The basic criteria shall be:

- 'lowest price' where payment is to be made by the Authority
- 'highest price' if payment is to be received, or
- 'most economically advantageous' offer (where considerations other than purchase price also apply).

If the last criterion is adopted, it must be further defined by reference to sub-criteria. Sub-criteria may refer only to relevant considerations. These may include price, service, quality of goods, running costs, whole life cycle costs, technical merit, previous experience, delivery date, cost effectiveness, quality, relevant environmental or equality considerations, aesthetic and functional characteristics (including security and control features), safety, after-sales services, technical assistance, partnering, long-term relationships, and any other relevant matters.

Award criteria must not include:

- non commercial considerations
- matters which discriminate against suppliers
- matters which are anti-competitive within the meaning of the Local Government Act 1988.

7. **Appointment of Consultants**

The engagement of Consultants shall normally be from a previously agreed Framework Arrangement. Exceptionally when an urgent need as agreed by the Authorised Representative occurs, Counsel, professional witnesses and professional consultants may need to be engaged by sole tender process. This shall be subject to completion of a formal letter, contract of appointment or brief.

8. Consultants shall be required to provide evidence of and maintain professional indemnity policies to the satisfaction of the Appointed Representative for the period of the specified agreement. The excess for any one claim shall be no more than £250,000.

9. **Bonds and Parent Company Guarantees**

The Authorised Representative shall decide, consulting as necessary with the MPS Director of Finance:

About whether a Parent Company Guarantee is necessary when a tenderer is a subsidiary of a parent company and:

- Total Value exceeds £250,000, or
- Award is based on evaluation of the parent company, or
- There is some concern about the stability of the tenderer, and

About whether a Bond is needed:

- Where the Total Value exceeds £1,000,000, or
- Where it is proposed to make stage or other payments in advance of receiving the whole of the subject matter of the contract and there is concern about the stability of the tenderer.

12. **Award of Contract**

1. The Commissioner, or the Authorised Representative holding the relevant delegated authority to enter into contracts on behalf of the Authority, shall award the contract to the successful tenderer(s), provided she or he is satisfied in respect of the provisions of these regulations. The Commissioner or Authorised Representative is not bound to accept any tender.
2. The Commissioner or the Authorised Representative may accept variations in tendered price greater than the estimated Total Value where the estimated Total Value is less than £1 million, subject to budget provision. For all contracts greater than £1 million Total Value, where the variance is greater than 10% of the original estimated Total Value, the Authorised Representative shall notify the Clerk before agreement of the contract.
3. The Commissioner or the Authorised Representative may accept variations in tendered price lower than the estimated Total Value where the estimated Total Value is less than £1 million, subject to budget provision. For all contracts greater than £1 million Total Value, where the variance is lower than 25% of the original estimated Total Value, the Authorised Representative shall notify

the Clerk but may accept the tender following confirmation that the specification requirements will be met.

4. The Authorised Representative shall notify the Clerk of any contract not awarded to the lowest bidder. This shall be reported to the Finance Committee as required by section 25 of the Home Office Financial Management Code of Practice.

13. Contract Documentation

1. Content of Contract

- (i) The Commissioner shall use standard terms of conditions of contract, in consultation with the Clerk and Treasurer to the Authority.
- (ii) A contract shall be in writing and:
 - (a) signed by the Commissioner or Authorised Representative on behalf of the Authority, or
 - (b) in the case of acquiring or disposing of real property be sealed with the Common Seal of the Authority by the Clerk
- (iii) All contracts shall include:
 - (a) the work to be done, the goods to be supplied or the services to be carried out, details of the property or land for disposal or purchase;
 - (b) the price to be paid with a statement of discounts available or other deductions;
 - (c) the time or times within which the contract is to be carried out; and
 - (d) the acceptable standard required or the minimum compliance required.
- (iv) All contracts greater than £40,000 Total Value shall provide, if appropriate, for liquidated and ascertained damages to be paid by the contractor in a case where the terms of the contract are not fulfilled. Then conditions of contract should safeguard the interests of the Authority and minimise exposure of the Authority to risk.
- (v) All contracts greater than £40,000 Total Value must state clearly:
 - Any insurance requirements
 - Dispute resolutions
 - Data protection requirements, if relevant
 - Race relation requirements
 - (Where agents are used to let contracts) that agents must comply with the Authority's Contract Regulations
 - A right of access to relevant documentation and records of the contractor for monitoring and audit purposes if relevant
 - That they are enforceable in English law
 - Relevant Health and Safety requirements

2. **Assignment**

Each contract greater than £40,000 Total Value shall state that the contractor will not be allowed to transfer or assign directly or indirectly any portion of the contract without the prior written consent of the Authority.

14. **Supporting Documentation**

1. Where the Total Value is less than £40,000, the following documents must be kept:

- Invitations to quote and quotations received
- A written record of any exemptions and reasons for it; of the reason if the lowest price is not accepted; written records of communications with the successful contractor.

2. Where the Total Value exceeds £40,000, the Employee must record:

- The method for obtaining bids (see regulation 6.2)
- The decision and the reasons for it
- Any exemption under regulation 2.2/2.3 or 7.1/7.2 together with the reasons for it
- The award criteria
- Tender documents sent to and received from tenderers
- Pre-tender market research
- Clarification and post-tender negotiation
- The contract documents
- Post contract evaluation and monitoring
- Written records of communication with tenderers and with the successful contractor throughout the period of the contract

15. **Post-Contract Monitoring and Evaluation**

1. The Commissioner through his Authorised Representative shall put in place an effective contract management framework to ensure that the required level of service/goods is delivered and best value achieved throughout the life of the contract.

2. During the life of the contract the Employee must monitor in respect of:

- Performance
- Compliance with specification and contract
- Cost
- Any Best Value requirements
- User satisfaction and risk management

3. Any significant increase in real terms (i.e. excluding inflationary increases) contract costs during the life of the contract shall be notified by the Authorised Representative to the Clerk or Treasurer at the earliest opportunity. For all contracts with a contract award price greater than £1 million where the real terms increase is greater than 10% of the original price such a report shall be made.

4. Where the Total Value of the contract exceed £40,000 the employee must make a written report evaluating the extent to which the purchasing need and

the contract objectives were met by the contract. This should normally be done when the contract is **completed**. Where the contract is to be re-let, a provisional report should also be available early enough to inform the approach of reletting the subsequent contract. The Commissioner through the Appointed Representative may, in consultation with the Clerk or Treasurer wish these reports to be made available to the Authority.

16. Corrupt Practices

The Commissioner or Authorised Representative may cancel the contract and recover any loss from cancellation if the contractor or any person employed by or acting on the contractor's behalf has:

- (a) offered, given, agreed to give to any person any gift or consideration of any kind as an inducement or reward for having done or not done any action in relation to any contract with the Authority;
- (b) given any fee or reward, the receipt of which is a criminal offence, or
- (c) committed any offence under the Prevention of Corruption Acts 1889-1916.

17. Disposal of Surplus or Obsolete Goods

The Commissioner through the Authorised Representative is authorised to:

- a) determine what goods are surplus or obsolete
- b) dispose of surplus or obsolete goods either by:
 - destruction or disposal as appropriate (e.g. for charitable or educational purposes) where there is no residual value
 - by auction or competition where the estimated value is less than £10,000, or
 - by competition where the estimated value is more than £10,000.

18. Common Seal of the Authority

The Common Seal of the Authority will be kept in a safe place in the custody of the Clerk. A decision of the Authority, or any part of it, will be sufficient authority for the sealing of any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Clerk should be sealed. The affixing of the Common Seal will be attested by the Clerk or some other person authorised by her/him.

19. Construction Contracts

The Treasurer shall agree with the Director of Property services a “Code of Practice” to be subsequently reported for Authority approval to ensure efficient management of construction contracts.

20. Facilities Management (FM) Contracts

The Authorised representative is authorised to commit and exercise powers within overall budgetary provision in respect of FM subject to:

- a. Notification to the Treasurer as soon as practicable of any contractual or statutory compliance expenditure that may or does create the potential for budgetary provision to be exceeded.
- b. Submission of an FM budget report to the Authority prior to the commencement of the financial year and a year-end report detailing the expenditure in summary form and listing any single expenditure exceeding £1 million. The summary form report to be in a format agreed with the Treasurer.
- c. The Authorised Representative is authorised to respond to emergencies and service exigencies provided they are reported to the Treasurer within 5 working days.

ANNEX TO SECTION 2 – KEY STAGES OF CONTRACT APPROVAL

Contract Total Value	Approval to Instigate Contract Action*	Approval of Contract Award*	Delegation Level for Signing Contracts**
£5m and over	Approval by the Authority supported by: <ul style="list-style-type: none"> • MPS Resource Allocation Committee review and approval of the business case • MPS Resource Allocation Committee approval of budget availability • Full formal tender action to include at least four tenderers 	Approval by the Authority	<ul style="list-style-type: none"> • Director of Procurement Services for goods and services • Director of Property Services for works and buildings • Director of Human Resources for HR employment contracts
£1m up to £5m	Approval by MPS Resource Allocation Committee supported by: <ul style="list-style-type: none"> • MPS Resource Allocation Committee approval of the business case • MPS Resource Allocation Committee approval of budget availability • Full formal tender action to include at least four tenderers 	<ul style="list-style-type: none"> • Director of Procurement Services for goods and services • Director of Property Services for works and buildings • Director of Human Resources for HR employment contracts 	<ul style="list-style-type: none"> • Director of Procurement Services for goods and services • Director of Property Services for works and buildings • Director of Human Resources for HR employment contracts
£500,000 up to £1m	Approval by: <ul style="list-style-type: none"> - Director of Procurement Services for goods and services - Director of Property Services for works and buildings - Director of Human Resources for HR employment contracts Plus direct reports supported by: <ul style="list-style-type: none"> • Budget holder approval of budget availability • Approval of the business 	<ul style="list-style-type: none"> • Director of Procurement Services for goods and services • Director of Property Services for works and buildings • Director of Human Resources for HR employment contracts Plus direct reports to the above	<ul style="list-style-type: none"> • Director of Procurement Services for goods and services • Director of Property Services for works and buildings • Director of Human Resources for HR employment contracts Plus direct reports to the above

	<p>case</p> <ul style="list-style-type: none"> • Full formal tender action to include at least four tenderers 	Directors	Directors
£150,000 up to £500,000	<p>Approval by direct reports to:</p> <ul style="list-style-type: none"> - Director of Procurement Services for goods and services - Director of Property Services for works and buildings - Director of Human Resources for HR employment contracts <p>Plus nominated staff at a minimum of MPS pay scale Band A</p> <p>supported by:</p> <ul style="list-style-type: none"> • Budget holder approval of budget availability • Approval of the business case • Full formal tender action to include at least three tenderers 	<ul style="list-style-type: none"> • Director of Procurement Services for goods and services • Director of Property Services for works and buildings • Director of Human Resources for HR employment contracts <p>Plus nominated staff at a minimum of MPS pay scale Band A</p>	<ul style="list-style-type: none"> • Director of Procurement Services for goods and services • Director of Property Services for works and buildings • Director of Human Resources for HR employment contracts <p>Plus nominated staff at a minimum of MPS pay scale Band A</p>
£40,000 up to £150,000	<p>Approval by Assistant Directors to:</p> <ul style="list-style-type: none"> - Director of Procurement Services for goods and services - Director of Property Services for works and buildings - Director of Human Resources for HR employment contracts <p>Plus nominated staff at a minimum of MPS pay scale Bands A and B</p> <p>supported by:</p> <ul style="list-style-type: none"> • Budget holder approval of budget availability • Approval of the business case • Full formal tender action 	<ul style="list-style-type: none"> • Director of Procurement Services for goods and services • Director of Property Services for works and buildings • Director of Human Resources for HR employment contracts <p>Plus nominated staff at a minimum of MPS pay scale Bands A and B</p>	<ul style="list-style-type: none"> • Director of Procurement Services for goods and services • Director of Property Services for works and buildings • Director of Human Resources for HR employment contracts <p>Plus nominated staff at a minimum of MPS pay scale Bands A and B</p>

	to include at least three tenderers		
£15,000 up to £40,000	<p>Approval by Assistant Directors to:</p> <ul style="list-style-type: none"> - Director of Procurement Services for goods and services - Director of Property Services for works and buildings - Director of Human Resources for HR employment contracts <p>Plus nominated staff at a minimum of MPS pay scale Band A, B and C supported by:</p> <ul style="list-style-type: none"> • Budget holder approval of budget availability • Approval of the business case • Written quotations from not less than 3 suppliers 	<ul style="list-style-type: none"> • Director of Procurement Services for goods and services • Director of Property Services for works and buildings • Director of Human Resources for HR employment contracts <p>Plus nominated staff at a minimum of MPS pay scale Bands A, B and C</p>	<ul style="list-style-type: none"> • Director of Procurement Services for goods and services • Director of Property Services for works and buildings • Director of Human Resources for HR employment contracts <p>Plus nominated staff at a minimum of MPS pay scale Bands A, B and C</p>
£5,000 up to £15,000	<p>Approval by Assistant Directors to:</p> <ul style="list-style-type: none"> - Director of Procurement Services for goods and services - Director of Property Services for works and buildings - Director of Human Resources for HR employment contracts <p>Plus nominated staff at a minimum of MPS pay scale Band A, B and C supported by:</p> <ul style="list-style-type: none"> • Budget holder approval of budget availability • Written quotations from not less than 3 suppliers 	<ul style="list-style-type: none"> • Director of Procurement Services for goods and services • Director of Property Services for works and buildings • Director of Human Resources for HR employment contracts <p>Plus nominated staff at a minimum of MPS pay scale Bands A, B and C</p>	<ul style="list-style-type: none"> • Director of Procurement Services for goods and services • Director of Property Services for works and buildings • Director of Human Resources for HR employment contracts <p>Plus nominated staff at a minimum of MPS pay scale Bands A, B and C</p>
Under £5,000	<p>Approval by Assistant Directors to:</p> <ul style="list-style-type: none"> - Director of 	<ul style="list-style-type: none"> • Director of Procurement Services for 	<ul style="list-style-type: none"> • Director of Procurement Services for

	<p>Procurement Services for goods and services</p> <ul style="list-style-type: none"> - Director of Property Services for works and buildings - Director of Human Resources for HR employment contracts <p>Plus nominated staff at MPS pay scale Band A B and C</p> <p>supported by:</p> <ul style="list-style-type: none"> • Budget holder approval of budget availability • Order placed with a selected supplier without competition, subject to the price being established as fair and reasonable. 	<p>goods and services</p> <ul style="list-style-type: none"> • Director of Property Services for works and buildings • Director of Human Resources for HR employment contracts <p>Plus nominated staff at a minimum of MPS pay scale Bands A, B and C</p>	<p>goods and services</p> <ul style="list-style-type: none"> • Director of Property Services for works and buildings • Director of Human Resources for HR employment contracts <p>Plus nominated staff at a minimum of MPS pay scale Bands A, B and C</p>
--	---	--	--

***Note: The approval of the authority must be sought (normally by preparation of a business case) in advance, in sufficient time for due consideration, for all commencement of contract action (Invitation to Tender) and thereafter for award of contracts above the Commissioner’s delegated authority (£5m total value) and for any proposed expenditure below the delegated authority which is of special significance because:**

- a) it raises questions of principle or financial policy
- b) it possess unusual features or involves particular difficulty
- c) it might arouse particular public interest or publicity
- d) it concerns a matter of particular importance or sensitivity, or
- e) it concerns proposals for outsourcing contracts or is connected with a public/private partnership or private finance initiative

Contracts that fall within the definitions set out above, will be determined between the Treasurer and the Director of Resources. Such liaison will also establish the roles to be played by the Authority’s officers and the Commissioner’s Authorised Representative and the reporting arrangements in respect of specific contracts/procurements. Normal contract management arrangements following award of tender (to specifically include contract variation management for PFI/PPP schemes) are to be excluded from the requirements of e) above.

****Substitution of appropriate shadow grades within the MPS and the MPA will be allowable**

SECTION 3 – LAND AND PROPERTY

21. Purchase and Disposal of Land or Property

1. The Commissioner or Authorised Representative is authorised to purchase or dispose of land or property on behalf of the Authority, in accordance with the Estates Strategy or approved business case agreed by the Authority and/or by specific Authority decision.
2. Plans for the significant rationalisation or expansion of the estate and provision for its maintenance should be included in the relevant capital or revenue budget and the Policing and Performance Plan. The plans shall contain estimated receipts or costs.
3. Where a significant transaction is not included in the budget and the Policing Plan, the Commissioner shall:
 - (a) consult with the Treasurer;
 - (b) include the transaction in a report to the Authority.
4. Disposal of real property generally will either be by auction or by competition. When disposal is by negotiation:
 - there will be an independent evaluation of the property
 - the Commissioner shall consult with the Treasurer where disposal is less than the market value/best consideration
 - it will be included in a report to the Authority (but residential sales may be aggregated)
5. **Disposal of Land and Property - Process**

Disposal of land and property shall have due regard to:

 - Any appropriate extant professional advice
 - Appropriate professional and governmental circulars
 - The powers of the Authority and the requirement to achieve best consideration.
6. **Land and Property Disposal - Receipt of Bids and Award of Sale – Non-Auction Property Disposals**

The process set out in regulations 10(1) to 10(5) for receipt and opening of tenders and regulation 12(1) for award of contract shall apply, unless the Authority has expressly indicated otherwise. For property disposals all bids with an estimated receipt greater than £2 million Total Value shall be reported to the Authority for approval. The report shall indicate the bids received and the parties involved.

- 7. Property Disposal - Post Offer Negotiations for Non Auction Disposals**
In order to ensure timely and efficient disposal of property it may be necessary for post bid discussions/negotiations to take place following agreement of the bid by the Authority. The Commissioner's Authorised Representative will undertake such negotiations and notify the Treasurer of the outcome. Major variation in the disposal value from that notified to the Authority will need to be referred back to the Authority for approval, or if urgent for approval under Urgent Action procedures agreed by the Authority under provisions within Standing Orders. Smaller variations in terms and conditions and price will be agreed by the Commissioner's Authorised Representative. For clarity small variations are Total Value of £50,000 or less, or less than 10% of the original bid price, whichever sum is greater. Clear audit trails are to be maintained of all decisions reached. All uses of the Authority's seal shall be made by the Clerk to the Authority and shall be required for all property disposal.
- 8. Purchase of Freehold and Leasehold interests in Land and Property**
The Commissioner through his Authorised Representative shall report to the Authority for its approval all cases where it is proposed to enter into contract for the acquisition of freehold or leasehold interest in property with a Total Value greater than £2 million. All uses of the Authority's seal shall be by the Clerk to the Authority and shall be required for all property and land purchase. Subject to the purchase and acquisition of land and property being included in approved capital or revenue estimates the Authorised Representative shall have authority to enter into contract below £2 million Total Value.
- 9. Licences and Memorandum under Leases**
The Commissioner's Authorised Representative shall have authority to sign licences and memorandum under leases that do not change the underlying obligations and inherent contractual liabilities of the Authority. Any use of the Authority's seal shall be made by the Clerk.
- 10. Short-term Leases and Residential Lettings**
The Commissioner's Authorised Representative shall have authority to enter into short-term leases no more than 5 years, subject to available budget and prior consultation with the Treasurer on capital finance implications, and residential lettings in accordance with stated policy contained within the Authority's Estates Strategy or approved business case.



ANTI FRAUD AND
CORRUPTION POLICY
AND
FRAUD RESPONSE PLAN



Working for a safer London

Contents

<i>Paragraph</i>	<i>Subject</i>	<i>Page No.</i>
	Definitions	3
Introduction		
1.1	Introduction	4
1.2	Application of this Policy	4
1.3	Relationship to other Policies	4
Part A - Policy Statement		
2.1	Policy	4 and 5
Part B - Responsibilities under the Policy		
3.1	General Duty	5
3.2	Managers	5
Part C - Code of Practice		
4.1	Corporate Governance	6
4.2	MPA Staff reporting to the Clerk or Treasurer	6
4.3	Codes of Practice for specific groups	6
4.4	Reporting Fraud and wrongdoing	6
4.5	Public Interest Disclosure Act	7
Part D - Fraud Response Plan		
5.1	Reporting Fraud and wrongdoing	7
5.2	Detection and Investigation	7
5.3	Liaison between Directorate of Professional Standards and Internal Audit	7
5.4	Liaison between the Authority and others	8

Definitions

CORRUPTION	The offering, giving, soliciting or acceptance of an inducement or reward that may influence the action of any person to the detriment of the MPA.
FINANCIAL REGULATIONS	A document approved by the members of the Metropolitan Police Authority in accordance with legislation setting out the roles and responsibilities of officers and their levels of delegation to enter into financial commitment on behalf of the Authority.
FRAUD	A theft perpetrated or concealed by the distortion or manipulation of financial statements or records. It can range from the simple alteration of documents to complicated, sophisticated and technical manipulation. The aim is always to extract value illegally and improperly (such as cash, assets or information).
HRA	Human Rights Act 1998.
MPA or MPS	Metropolitan Police Authority or Service.
RIGHT LINE	A confidential telephone line operated by the MPS for police officers and civil staff to report wrongdoing and fraud by police officers, civil staff and contractors that comes to their attention.

1.1 Introduction

The Metropolitan Police Authority is committed to a culture that is one of honesty, integrity and propriety in the use of public funds and the holding of public office. The Authority will not tolerate fraud and corruption in the administration of its responsibilities from inside or outside the Authority.

1.2 Application of this Policy

This policy is applicable to Members of the MPA, police officers of all ranks, civil staff and all external persons with whom the MPA conduct business. It also applies to those MPA employees reporting to the Clerk or Treasurer.

1.3 Relationship with other Policies

A number of policies within the MPA and MPS interface with this policy. This is the highest level policy covering the MPA and MPS in relation to fraud and corruption. Other policies that should be read in conjunction with this document include: -

- Code of Conduct for Members' of the MPA¹
- MPA Financial Regulations²
- MPS Professional Standards Strategy³
- MPS Prevention and Detection of Fraud and Theft⁴
- MPS Code of Practice for acceptance of gifts and hospitality.⁵

Part A - Policy Statement

2.1 Policy

The policy of the Metropolitan Police Authority⁶ in relation to fraud and corruption has been endorsed by members and is set out below. The Authority requires that: -

- Members, police officers and civil staff at all levels will lead by example in ensuring compliance with legal requirements, rules, procedures and practices, including those relating to acceptance of gifts and hospitality and outside business interests. In the words of the MPS Professional Standards Strategy 'integrity is not negotiable'.
- Members will conduct themselves in accordance with the spirit and letter of the Code of Conduct for Members' of the MPA.
- Senior officers of the MPA and MPS are required to deal swiftly and firmly with those who defraud the Authority or are corrupt.
- Individuals and organisations such as suppliers, contractors, service providers that it conducts business with, will act towards the Authority with integrity and a total absence of fraudulent or corrupt practices.

¹ MPA Authority Minutes of 25 April 2002 and associated report (see MPA web site).

² MPA Authority Minutes of 27 June 2002 and associated report (see MPA web site)

³ MPS Special Notice 13/02 dated 13 September 2002 (see MPS Intranet site).

⁴ MPS Special Notice 5/00 dated 10 March 2000 (see MPS Intranet site).

⁵ MPS Special Notice 28/97 dated 29 August 1997 (see MPS Intranet site)

⁶ MPA Audit Panel Minutes of 20 June 2002 and associated report (see MPA web site).

- All police officers paid by the MPA and employees of the MPA, including MPS civil staff, have a duty to report any suspected fraudulent or corrupt practice affecting the MPA or the MPS to the appropriate line manager or senior officer at the earliest opportunity.
- Members have a duty to report any fraudulent or corrupt practice coming to their notice that may affect the MPA or the MPS to the Clerk at the earliest opportunity.
- All fraud and corruption affecting the MPA or the MPS, including suspected cases, will be reported immediately to the Director of Internal Audit on behalf of the Treasurer, irrespective of whether the matter is the subject of a criminal investigation. The Treasurer will bring to MPA member attention those cases he regards as sufficiently serious so to do.
- In those cases where sufficient evidence is available, criminal or disciplinary action will be taken.
- Civil recovery (including civil court action) of funds lost by fraud and corruption will be considered in all established cases.
- Managers at all levels will ensure that effective procedures, practices and controls are in operation in their areas of responsibility to minimise the opportunities for fraud and corruption.
- The memorandum of understanding that exists between MPA Internal Audit and the MPS Directorate of Professional Standards to facilitate effective action in responding to cases of suspected fraud and corruption is to be maintained.

Part B - Responsibilities under the Policy

3.1 General Duty

It is expected that every Member, police officer, member of the MPS civil staff and those MPA staff reporting to the Clerk or Treasurer will conduct themselves ethically at all times in respect of their duties and will act in accordance with the Authority's policy as set out in Part A of this document.

3.2 Managers

Managers at all levels, both police and civil, have duties laid to them in the policy, particularly: -

- To ensure that the areas for which they are responsible have effective controls in place to minimise the risk of fraud, deter fraudsters and detect fraud when it occurs. Advice on control is available from Internal Audit Directorate⁷.
- Taking action when fraud is detected in accordance with this fraud response plan.
- Taking decisions on the basis of the Authority's fraud policy set out in Part A of this document.

⁷ See Internal Audit Advice Note Number 1 - "Prevention and Detection of Fraud - Minimising the Risk (document available on MPS Intranet site).

Part C - Code of Practice

4.1 Corporate Governance

Good practice in corporate governance in public sector authorities requires that codes of practice be in place, this is particularly so in the area of law enforcement. The MPS has comprehensive codes of practice in place to cover other risk as well as fraud and corruption - see footnotes on page 4 of this document for details.

The published codes of practice are intended to provide practical advice on the standard of conduct that is expected. Failure to follow the guidance may result in disciplinary action being taken or in the case of Members, the matter being referred to the Standards Board for England for investigation.

4.2 MPA Staff Reporting to the Clerk or Treasurer

MPA staff reporting to the Clerk or Treasurer are required to conduct themselves to the same standard as staff under the control and direction of the Commissioner and as set in the codes of practice below.

4.3 Codes of Practice

Codes of practice for specific groups or issues can be found in the following documents, which are available on the MPS Intranet or MPA web site: -

- Members' Code of Conduct for the Metropolitan Police Authority
- Code of Conduct for Police Officers
- MPS Civil Staff Personnel Manual
- MPS Special Notice - Prevention and detection of fraud and theft.
- MPS Code of Practice for the Acceptance of Gifts and Hospitality.

4.4 Reporting Fraud and Wrongdoing

The above codes of practice and the MPS Professional Standards Strategy establish a telephone facility, the *Right Line*, for the confidential reporting of fraud and wrongdoing. Callers to the *Right Line* have an option of reporting fraud and wrongdoing⁸ to Directorate of Professional Standards for matters concerning police officers and Internal Audit Directorate in respect of civil staff or contractors. While the source of calls to the *Right Line* is in certain circumstances identifiable, all callers are treated on a confidential basis.

4.5 Public Interest Disclosure Act

In respect of fraud and wrongdoing that staff feel unable to report within the MPA and MPS, an external reporting arrangement will be established and details published.

⁸ MPS Special Notice 14-00 of 30 June 2000 - Policy for the reporting of wrongdoing in the MPS and Public Interest Disclosure Act 1998 (document available on MPS Intranet).

Part D - Fraud Response Plan

5.1 Reporting Fraud and wrongdoing

All fraud or wrongdoing will be reported and investigated in accordance with this plan. Fraud and wrongdoing may be reported either to a direct line-manager, an other manager, via the *Right Line* or to the external reporting point of contact.

Arrangements for reporting fraud or wrongdoing will be published within the MPS. All cases or suspected cases of fraud must be reported at the first opportunity to Internal Audit Directorate, whether or not there is a police investigation.

5.2 Detection and Investigation

5.2.1 Managers becoming aware of fraud will ensure that the matter is reported and investigated. Matters concerning police officers will be reported to Directorate of Professional Standards and matters involving civil staff to Internal Audit Directorate.

5.2.2 A memorandum of understanding will be maintained between the Directorate of Professional Standards and Internal Audit Directorate to ensure that all reported allegations of fraud are appropriately investigated.

5.2.3 When an allegation of fraud is made a senior manager will be appointed to oversee the proper conduct of the investigation and subsequent action.

5.2.4 The investigation and any managers involved will take account of the Authority's policy on fraud set out in this document when determining the action to take.

5.2.5 The investigation conducted into allegations of fraud or wrongdoing shall take account of the requirements of the criminal law, discipline arrangements set out in Police Regulations and the Civil Staff disciplinary procedures.

5.3 Liaison between Directorate of Professional Standards and Internal Audit Directorate

5.3.1 The MPS will consult with Internal Audit Directorate when revising their policies and procedures for dealing with fraud and wrongdoing; who will ensure that they comply with the Authority's Financial Regulations and the policy set out in this paper.

5.4 Liaison between the Authority and others

5.4.1 Serious cases of fraud or wrongdoing will be reported to the Treasurer, who will determine if the matter has to be drawn to the attention of the Authority. In the event that a Member is involved, the matter will be reported to the Clerk.

5.4.2 Internal Audit Directorate will maintain a link with District Audit in order to keep them apprised of developments in serious cases.

EQUALITIES AND DIVERSITY STATEMENT

The Metropolitan Police Authority has adopted and published an equal opportunity statement which states the Authority's values to treat everyone fairly, be open and honest, to work in partnership and change to improve. The statement specifies the Authority's commitment that it will not seek to discriminate on the grounds of race, gender, disability, sexual orientation, religion or belief. In addition to its own objectives, the Authority supports the objectives set out in Metropolitan Police Service's Diversity Strategy and the MPS' work towards these. The Authority also has to comply with legislative duties, national and European, to act in a non-discriminatory way, and to promote equal opportunities and good community relations. The Authority will therefore aim to ensure its contract strategies, regulations, policy statements and processes shall:

- promote open and fair competition
- ensure service delivery is accessible and responsive to the diversity of people living and working in or visiting London.
- encourages the provision of work, service and goods by businesses that support equal opportunity policies and help ensure the Authority complies with its statutory duties.
- enable London to become the safest world city, through taking account of the social, economic and environmental impacts of tenders, where relevant.

To achieve these objectives and fulfil its statutory duties with respect to equality matters, the Authority will particularly welcome tenders from businesses that:

- 1) promote equal opportunities in its workplace and in the delivery of services;
- 2) strive towards achieving a workforce that reflects the diverse population of London;
- 3) value consultation as a means for delivering responsive services.
- 4) have developed a complaints policy for dealing with complaints from members of the public in a timely and respectful way.
- 5) work with the police and its partner agencies in tackling the causes of crime and social exclusion as well as promote good community relations between persons of different race, religion and beliefs.
- 6) are prepared to maintain and supply employee-related data requested by the Authority in terms of, e.g. race and gender.
- 7) will promote accessibility in the workplace and for the Authority's service recipients.
- 8) can demonstrate positive action in favour of persons from the Authority's equality priority groups.

The Authority issues this statement to inform those interested in competing for contracts for the Authority that the above factors may be taken into account in identifying 'the most economically advantageous offer' in combination with that achieving 'best value'.

For its part, the Authority, through the Metropolitan Police Service, will aim to:

- 1) Identify works, services and goods that are particularly relevant to promoting equality and ensure due consideration is given to these in the procurement

process.

- 2) Advise the London Development Agency and other relevant organisations of the skills, technical knowledge, and capacity it requires, to enable such organisations to build local capacity and widen competition in London with regards to these requirements, especially amongst business owned/led by persons from under-represented groups.
- 3) Discuss with and hear from businesses new to providing work, services and goods to the Authority, in order to ensure they have maximum opportunity to compete for contracts.
- 4) Keep under review its tendering processes in the light of best practice, guidance and codes of practice as issued by organisations such as the Commission for Racial Equality.
- 5) Consult with service users to ensure contract specifications identify the needs of all users and potential users to their best ability.
- 6) Consider setting targets and developing systems to monitor diversity outcomes in the key stages of contract tendering.
- 7) Develop internal resource capacity and expertise to provide guidance to prospective tenderers/contractors as well as those purchasing works, services and goods, on the equality and diversity objectives above.

The Authority recognises the value of reducing inequalities and promoting diversity in terms of crime, service costs and achieving continuous improvement. It therefore expects the Metropolitan Police Service to ensure it helps fulfil the above stated objectives to the best of its ability.

PART C

MPA SCHEME OF DELEGATION OF POWERS TO THE OFFICERS

1. INTRODUCTION

- 1.1 The scheme sets out those functions and decisions for which the Authority has given the officers delegated authority to act. The scheme forms part of Standing Orders. It should be read in context of the terms of reference of the Authority and its committees, particularly in terms of those decisions that have been reserved to the Authority and committees.
- 1.2. In exercising delegated authority officers must abide by Standing Orders, Contract Regulations and Financial Regulations. This scheme should be read in conjunction with the Financial and Contract Regulations as these contain further detailed delegations.
- 1.3. The Clerk, Treasurer and Commissioner (jointly referred to in this scheme as the Chief Officers) may authorise officers in other named posts under their direction and control to act on their behalf in exercising any of their delegated powers. A Chief Officer must authorise an officer in writing to exercise specific delegated powers.
- 1.4. The MPA's Deputy Clerk and Deputy Treasurer may exercise delegated powers in the absence of the Clerk or Treasurer. In the absence of the Commissioner, the Deputy Commissioner is the Acting Commissioner.
- 1.5. This scheme of delegation, the financial regulations and the contract regulations will be reviewed at least every three years to ensure their continued effectiveness and relevance. As this scheme of delegation came into effect on 27 June 2003, the next review is due by 27 June 2006.

2. GENERAL DELEGATIONS

- 2.1. The Chief Officers (and any of their officers so authorised by them) are responsible for the general management of their respective organisations, including:
 - Management of staff resources
 - The effectiveness and efficiency of service delivery
 - Budget management
- 2.2. This general management responsibility is always subject to any policies agreed by the Authority or its committees. Chief Officers are responsible for ensuring that their officers and staff are aware of and

comply with Authority policies.

- 2.3 This scheme of delegation is intended to set out all significant decisions which are delegated to Chief Officers and which are of a statutory, financial or managerial nature. The scheme does not define how those decisions should be taken nor does it attempt to list all of the matters which are incidental to the exercise of those responsibilities and which are part of the everyday management functions of Chief Officers.
- 2.4 None of the delegations in this Scheme constrains the Authority's power to require the Commissioner to submit to the Authority "a report on such matters as may be specified in the requirement, being matters connected with the policing of the area for which the force is maintained", as provided by s.22 (3) of the Police Act 1996.

3. URGENCY POWERS

- 3.1 There is a presumption that all decisions not delegated to the officers will be made through the Authority's normal committee processes. Under the current arrangements the Co-ordination & Policing Committee exercises an urgency function and can deal with urgent matters that cannot wait for the next meeting of the Authority or the committee to which the power is reserved. Where these urgency committee arrangements cannot be invoked, and only in such circumstances, the Clerk and/or Treasurer may take the necessary decision provided he/she has first obtained the written support of the Chair of the Authority or the Chair of the committee with the appropriate delegated powers as appropriate. The Clerk/Treasurer may consult with the Deputy Chair (of the Authority or Committee as appropriate) in the absence of the Chair. Urgent decisions taken under delegated authority in this way must be reported to the next meeting of the Authority or the relevant committee for information.

4. POWERS DELEGATED TO THE CLERK

General

- 4.1 To institute, defend or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the Authority or in any case where the Clerk considers that such action is necessary to protect the Authority's interests.
- 4.2 Where any document is necessary to any legal procedure or proceedings on behalf of the Authority, it will be signed by the Clerk or other person authorised by the Clerk, unless any enactment otherwise authorises or requires, or the Authority has given requisite authority to some other person.
- 4.3 The Common Seal of the Authority will be kept in a safe place in the custody of the Clerk. A decision of the Authority, or any part of it, will

be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Clerk should be sealed. The affixing of the Common Seal will be attested by the Clerk or some other person authorised by the Clerk.

- 4.4 To agree any fees for copies of documents requested by the public under the provisions of the Local Government (Access to Information) Act 1985 and the Freedom of Information Act 2000.
- 4.5 To agree the annual cost of living increase to be applied to Members' Allowances, which shall be in line with the Police Support Staff Council award.
- 4.6 To agree the attendance of members at conferences, seminars and other events, provided that the total cost, including conference fee, accommodation and travel, does not exceed £500 per member. If the cost per member exceeds £500, or more than one member wishes to attend at a total cost exceeding £1,500, then approval must be sought from the Co-ordination and Policing Committee. The Treasurer may also exercise this delegated power.
- 4.7 As provided for in the Scheme of Members' Expenses:
 - a) to determine any individual request for a variation to the rule that air travel will be economy class
 - b) to determine any proposals to provide hospitality. The Treasurer may also exercise this delegated power.
- 4.8 To agree changes to scheduled Authority or committee dates. This power will be exercised in consultation with the Chair of the Authority or the relevant committee chair, as appropriate.
- 4.9 To appoint:
 - a) five members of the Professional Standards and Complaints Committee to form the ACPO Conduct Sub-Committee on any occasion;
 - b) three members of the Human Resources Committee to form the Police Pension Forfeiture Sub-Committee on any occasion; and
 - c) members to sit on Police Appeal Tribunals as necessary
- 4.10 To act as the Proper Officer for the following:

Local Government Act 1972

- 1. Section 100B – Determination of which reports or parts of reports should not be disclosed on the grounds that they include exempt information which is likely to be considered in private
- 2. Section 100C – Minuting of meetings and preparing where necessary written summary of such parts of meetings at which the public are not present

3. Section 100D – preparation of list of background papers for reports (as is the Treasurer and Commissioner)
4. Section 100F – Determination of which documents should not be disclosed to members on the grounds that they include confidential or exempt information
5. Section 229 (5) – Certification of photographic copies of documents
6. Section 231 (1) & (2) – Authentication of documents
7. Schedule 12 paragraph 4 (2) (b) – Signature of summonses to Authority meetings
8. Schedule 12 paragraph 4 (3) – Receipt of notices regarding address at which summonses to meetings are to be sent

Local Government (Miscellaneous Provisions) Act 1976

9. Section 41 (1) & (3) – Certification of resolutions and minutes etc. for evidential purposes

Local Government and Housing Act 1989

10. Section 19 (1) (a) – Receipt of notices of members' interest

Local Government Act 2000

11. Section 81 (1) – maintaining a register of interests of the members of the Authority.

Management / Human Resources

- 4.11 To approve minor restructurings of establishment of up to three posts in relation to the Authority's Secretariat, subject to:
 - a) confirmation that the proposals are unlikely to have any repercussions on or significance for other elements of the staffing structure
 - b) there being budget provision for the proposals
 - c) consultation with the trades union

- 4.12 For staff directly employed by the Authority, the management of staffing resources and the determination of general staffing issues, including:
 - a) the appointment and dismissal of staff
 - b) the management and implementation of disciplinary and grievance procedures
 - c) approving annual performance related pay awards (except those for the Clerk and Treasurer, which will be approved by the Remuneration Sub-Committee)
 - d) agreeing incremental changes to grades or pay bands
 - e) the extension of service for staff over normal retiring age
 - f) granting leave of absence without pay beyond that provided for
 - g) the payment of honoraria to officers who have undertaken additional duties over an extended period in the absence of a more senior officer

- h) the engagement of temporary or agency staff or consultants
- i) approving the attendance of officers at conferences
- j) determining applications for consent to undertake private work, employment or business (whether paid or unpaid) in accordance with the provisions of the Staff Handbook

4.13 Changes to the list of sensitive posts held under the Local Government and Housing Act 1989 and the issue of certificates of opinion on behalf of the Authority in respect of applications for exemptions to the Independent Adjudicator.

4.14 In cases of urgency and in consultation with members of the Remuneration Sub-Committee and the Treasurer, to agree any human resources issues in respect of individual appointments to ACPO ranks and senior MPS civil staff posts.

5. POWERS DELEGATED TO THE DEPUTY CLERK

5.1 To carry out the duties of Monitoring Officer under Section 5 of the Local Government and Housing Act 1989.

6. POWERS DELEGATED TO THE TREASURER

Financial management

6.1 The statutory responsibilities of a “Chief Finance Officer” are set out in Sections 112 and 114 of the Local Government Finance Act 1988 and the Accounts and Audit Regulations. The Home Office Financial Management Code of Practice recommends that, wherever possible, the financial management of the force takes place within that force.

6.2 The Treasurer (and the Commissioner) will arrange for the financial management of the service in accordance with the details and delegations set out in financial regulations (Part D of Standing Orders). The following delegations apply:

6.3 The Treasurer shall be responsible for the administration of the Authority’s financial affairs as set out in Sections 112 and 114 of the Local Government Finance Act 1988 and the Accounts and Audit Regulations. His/her responsibilities are to:

- provide financial advice to the Authority on all aspects of its activity, including the strategic planning and policy making process;
- advise the Authority on the content and implications of the budget and medium term financial plans;
- support the Authority in presenting budget proposals to the Mayor for approval through the Greater London Assembly;
- assist the Authority in seeking to obtain value for money especially through the Best Value process;
- ensure that accurate, complete and timely financial management information is provided to the Authority and the Commissioner;

- advise the Authority on financial propriety;
- provide, under delegation from the Authority, an adequate and effective internal audit and assistance in securing safe and efficient financial arrangements;
- secure the preparation of statutory and other accounts;
- secure appropriate banking arrangements and treasury management including loans and investments;
- advise on risk management and insurance;
- work with the Clerk to the Authority to ensure effective corporate management of the Authority's resources.

6.4 To determine whether to write off debts considered irrecoverable in cases where write-off action results from theft or fraud, up to an individual maximum amount of £10,000. Above this limit Authority or Finance Committee approval is required.

Management / Human Resources

6.5 To approve minor restructurings of establishment of up to three posts in relation to the Authority's Internal Audit service, subject to:

- a) confirmation that the proposals are unlikely to have any repercussions on or significance for other elements of the staffing structure
- b) there being budget provision for the proposals
- c) consultation with the trades union

6.6 For staff directly employed by the Authority in the Internal Audit service, the management of staffing resources and the determination of general staffing issues, including:

- a) the appointment and dismissal of staff
- b) the management and implementation of disciplinary and grievance procedures
- c) approving annual performance related pay awards
- d) agreeing incremental changes to grades or pay bands
- e) the extension of service for staff over normal retiring age
- f) granting leave of absence without pay beyond that provided for
- g) the payment of honoraria to officers who have undertaken additional duties over an extended period in the absence of a more senior officer
- h) the engagement of temporary or agency staff or consultants
- i) approving the attendance of officers at conferences
- j) determining applications for consent to undertake private work, employment or business (whether paid or unpaid) in accordance with the provisions of the Staff Handbook

General

6.7 To agree the attendance of members at conferences, seminars and other events, provided that the total cost, including conference fee, accommodation and travel, does not exceed £500 per member. If the cost per member exceeds £500, or more than one member wishes to attend at a total cost exceeding £1,500, then approval must be sought

from the Co-ordination and Policing Committee. The Clerk may also exercise this delegated power.

- 6.8 As provided for in the Scheme of Members' Expenses, to determine any proposals to provide hospitality. The Clerk may also exercise this delegated power.

Proper Officer functions

- 6.9 To act as the Proper Officer in accordance with the following provisions of the Local Government Act 1972:
1. Section 100D – preparation of list of background papers for reports (as is the Clerk and the Commissioner)
 2. Section 115 (2) – Receipt of monies due from officers
 3. Section 228 (3) – Inspection of accounts

7. POWERS DELEGATED TO THE COMMISSIONER

Financial management

- 7.1 The statutory responsibilities of a "Chief Finance Officer" are set out in Sections 112 and 114 of the Local Government Finance Act 1988 and the Accounts and Audit Regulations. The Home Office Financial Management Code of Practice recommends that, wherever possible, the financial management of the force takes place within that force.
- 7.2 The Commissioner (and Treasurer) will arrange for the financial management of the service in accordance with the details and delegations set out in financial regulations (Part D of Standing Orders). The following delegations apply:
- 7.3 The Commissioner shall undertake the day to day financial management of the MPS and should devolve financial management responsibility within the Service in accordance with the devolved budget scheme agreed with the Treasurer.
- 7.4 The Commissioner shall appoint a Director of Resources with a professional qualification to take responsibility for the finance function and for ensuring appropriate financial policies and procedures.
- 7.5 The Director of Resources shall :
- provide the strategic financial perspective on the main management board of the MPS;
 - provide financial expertise, advice and information directly to the Commissioner to enable him to fulfil his/her delegated responsibility from the MPA for the financial management of the MPS;
 - provide professional leadership of the finance function within the MPS, ensuring that high standards of financial management are maintained; that financial systems and procedures promote the effective conduct of business; and that financial considerations are fully taken into account in all policy decisions;
 - take the key role in identifying and leading implementation of

strategic, practical and cultural changes in the finance function to enable the MPS to make a successful transition from a central to a local government environment;

- work closely with the Treasurer of the MPA to make proposals for and agree the framework for delegation of financial authority within which the MPS will operate. To ensure that managers at all levels are aware of their responsibilities within the framework and that they adhere to them;
- support the Treasurer of the MPA in his/her statutory responsibilities for the financial affairs of the MPS by ensuring probity, legality and appropriate standards in all financial dealings;
- act as the main point of contact with the Treasurer in providing, receiving and interpreting information on the financial affairs of the MPS;
- ensure effective control of financial planning, budgeting and monitoring in respect of all MPS expenditure;
- ensure that the Authority's intellectual property rights are not compromised by commercial agreements, and shall report any significant issues in this respect to the Clerk
- take the lead in developing, refining and implementing the strategy for the provision of financial services in the MPS.
- be authorised by the Treasurer to operate bank accounts on behalf of the Authority.
- provide the Commissioner with expertise, advice and information to enable him to fulfil his delegated responsibility in respect of procurement, transport, property and commercial services

7.6 The Commissioner shall consult the Clerk and/or Treasurer, who will determine whether the Authority's approval should be sought, for all expenditure proposals of an exceptional nature because of particular difficulty, potential public interest or sensitivity.

7.7 In relation to 7.6 above, there is a specific protocol in relation to compensation cases. This protocol is set out in Appendix 1 to this scheme of delegation. 'Significant' compensation cases (as defined in the protocol) must be notified to the Authority. Where the Clerk or the MPS decides that a case is 'exceptional' (as defined in the protocol) the Authority's approval must be obtained to any proposed settlement. In other cases, the Commissioner has delegated authority to settle a claim, subject to the extent of the Commissioner's general delegated financial authority,

7.8 The Commissioner may commit expenditure or vire between budget headings within the overall approved budget to meet the policies and objectives agreed with the Authority and reflected in the Policing and Performance Plan. Budget virements over £1 million must be approved by the Finance Committee. Virements below £1 million will be reported to Authority members through the budget monitoring mechanism. Budget virements should only be made when permanent shifts of priorities or resources are planned.

- 7.9 The Commissioner may write off debts considered to be irrecoverable up to an individual maximum amount of £20,000. Any individual write-off above £20,000 must be referred to the Authority or the Finance Committee, as appropriate, for approval. All cases where write-off action results from theft or fraud shall be referred to the Treasurer for approval up to an individual maximum amount of £10,000 and to the Authority or Finance Committee as appropriate above £10,000.

Tendering and contracts

- 7.10 The Commissioner and Treasurer have overall responsibility for the procurement of works, goods and services, and the acquisition, disposal and development of land and property in accordance with the Contract Regulations (Part E of Standing Orders).
- 7.11 Although the Authority remains the legal contracting party for contracts, responsibility for the day to day management and control of contracts is delegated to the Commissioner, subject to the provision of the Contract Regulations and provided that the Authority is satisfied that the Commissioner has in place adequate systems, procedures and expertise to discharge these responsibilities. A business case must be prepared before any procurement action is started, and all action must accord with the contract regulations. The delegations set out in this section may be exercised by the Commissioner or his authorised representative.

The Commissioner shall have delegated authority:

- 7.12 To invite tenders in accordance with the Contract Regulations, provided that a business case and a properly calculated written estimate of cost have been prepared prior to tender invitation and there is provision in approved estimates for the subject of tender action. The approval of the Authority must be sought where:
- a) The written estimate exceeds £5 million total value (see Contract Regulations for a definition of total value)
 - b) it raises questions of principle or financial policy;
 - c) it possesses unusual features or involves particular difficulty;
 - d) it might arouse particular public interest or publicity;
 - e) it concerns a matter of particular importance or sensitivity, or
 - f) it concerns proposals for outsourcing contracts or is connected with a public/private partnership or a private finance initiative
- 7.13 To open tenders, subject to the provisions of the Contract Regulations. In exceptional circumstances the Commissioner or his authorised representative may accept a late tender, notifying the Clerk and Treasurer in every case.
- 7.14 To accept tenders up to a value of £5 million total value, except where the recommended tender:
- a) is greater than £1 million total value and exceeds the written

- estimate by 10% or more;
- b) raises questions of principle or financial policy;
- c) possesses unusual features or involves particular difficulty;
- d) might arouse particular public interest or publicity;
- e) concerns a matter of particular importance or sensitivity, or
- f) concerns proposals for outsourcing contracts or is connected with a public/private partnership or a private finance initiative

In these cases the approval of the Authority must be sought.

- 7.15 If any contract is not awarded to the lowest bidder, the Clerk shall be informed and will arrange for this to be reported to the Finance Committee (as required by s.25 of the Home Office Financial Management Code of Practice).
- 7.16 To sign all contracts on behalf of the Authority, irrespective of value, once they have been properly approved, except for those which are required to be executed under the Common Seal of the Authority. In these cases the Clerk is authorised to affix the Seal (see delegation no. 4.3).
- 7.17 To declare goods surplus to requirements or obsolete and arrange for disposal.

Land and Property Issues

- 7.18 Subject to compliance with Section 3 (Land and Property) of the Contract Regulations, the Commissioner or his authorised representative may purchase or dispose of land or property on behalf of the Authority, in accordance with the Estates Strategy or approved business case agreed by the Authority or the Finance Committee and/or by specific Authority decision. Transactions of a total value in excess of £2 million must be approved by the Authority or its Finance Committee.

Human Resources issues

- 7.19 The Commissioner has delegated authority to exercise the Authority's powers and functions, as follows:
 - (i) the following provisions of the Police Act 1996:
 - s.15 (2) and (4) Direction and control of civil staff
 - s.28 Employment of Police Cadets
 - s.31 Grant of rewards for diligence
 - s.97 Police Officers engaged on service outside their force
 - (ii) the following Acts:
 - Police (Overseas Service) Act 1945
 - Overseas Development and Co-operation Act 1980
 - (iii) the following Regulations, including any subsequent or future amendments:

1987 Police Regulations (49) – Rent Allowance
1987 Police Pensions Regulations – All issues except retirement on grounds of ill health of ACPO officers and decisions under regulation K5
2003 Police Regulations (33) – Sick leave
2003 Police Regulations (34) – Recurring escort duty allowance
2003 Police Regulations (35) – Removal expenses

Proper Officer function

- 7.20 To act as Proper Officer (a function also given to the Clerk and Treasurer) in respect of Section 100D of the Local Government Act 1972 which relates to the preparation of the list of background papers for reports.

Appendix 1 to the Scheme of Delegation

MPA/MPS PROTOCOL ON COMPENSATION CASES

(Based on a report agreed by the full Authority on 25 October 2001)

1. Context

This protocol sets out arrangements agreed between the MPA and MPS for dealing with compensation cases, whether of an urgent nature or not. The types of compensation cases to which it applies are:

- ◆ Civil litigation cases.
- ◆ Cases before Employment Tribunals.
- ◆ Accident claims.
- ◆ Riot damage claims.
- ◆ Ex gratia payments to contractors.
- ◆ Other cases that may develop and are yet to be specified.

This protocol also covers situations where MPA approval for financial assistance to officers involved in legal proceedings is required.

The starting point for the protocol is paragraph 7.3 of the Scheme of Delegation. This provides for the Commissioner to undertake day to day financial management of the MPS and devolve financial management responsibility within the Service in accordance with the scheme agreed with the Treasurer. It goes on (in paragraph 7.6) to require the Commissioner to:

‘consult the Clerk and/or Treasurer, who will determine whether the Authority’s approval should be sought, for all expenditure proposals of an exceptional nature because of particular difficulty, potential public interest or sensitivity.’

2. Purpose of Protocol

The purpose of this protocol is threefold:

- a) to set out agreed arrangements for notifying the MPA on a regular basis as to the number and progress of ‘significant’ compensation cases;
- b) to set out agreed understandings between the MPA and MPS on the practical interpretation of paragraph 5 below in relation to settlement of compensation cases; and
- c) to set out agreed arrangements for the MPA to approve settlements of compensation cases requiring reference to the Authority.

The protocol will act as a guide for MPA members and officers and MPS staff involved in overseeing, managing or handling compensation claims.

3. Notification of significant compensation cases to the Authority

The Authority shall be informed of all individual cases that are ‘significant’ in

terms of quantum or sensitivity. Annex 1 sets out guidance as to what is to be classed as a 'significant' case

This includes quantum i.e. the fact that a case has a real potential to attract an award of £50,000 or more (£200,000 in the case of accident claims). However, significant cases of all values will need to be notified to the Authority if they fall within the terms of Annex 1.

Most compensation claims will fall outside the definition of 'significant' and do not therefore need to be notified to the MPA. It is recognised, however, that individual cases may become significant at short notice through the sudden interest of the media or other events. Such cases will then be notified to the Clerk of the Authority.

A quarterly report will be forwarded to the Clerk of the Authority, with information on all identified significant cases. All types of claim/case will appear on the same report. Where necessary for legal or operational reasons, information to the MPA will be depersonalised in individual cases. All information must be treated as confidential and any discussion about the reports at Authority meetings must take place under Part II of the agenda, without the press and public present.

The summary information provided within the quarterly report of significant cases will enable the Authority, if they so wish, to seek fuller information on specific claims and to identify those cases which will require their authority as an 'expenditure proposal of an exceptional nature'

4. Approval to settle

The notification of significant cases, normally by means of the quarterly report, will allow the Authority, through the Clerk, to identify those few cases which will require Authority approval to settle or otherwise make a payment as 'exceptional' cases. The working definition of an 'exceptional' case in this context is:

'any case with the potential to cause **real damage** to the Authority or to the Service'.

The MPS will have a responsibility to identify exceptional cases even if the Authority has not specified that its settlement authority is required. Such cases will be individually notified to the Clerk, in the first instance.

5. Arrangements for MPA approval of settlements or other payments

The Commissioner will make every effort to ensure that proposals for the settlement for compensation cases are presented to the Authority at the earliest opportunity. An adequate summary of the issues involved, including a summary of the legal advice will be provided to the Clerk, who will then arrange for the case to be considered. Submissions will be in an agreed format, specifying a recommended course of action and level of funding

sought, together with an assessment of alternative options, where appropriate. Written confirmation of the Authority's approval is required by the MPS in every case.

6. Financial assistance to officers involved in legal proceedings

Home Office Circular 43/2001, dated 21/9/01 describes the role of Police Authorities in respect of financial assistance to members of the MPS involved in legal proceedings. HOC 43/2001, states:

'In summary, police officers must be confident that Police Authorities will provide financial support for officers in legal proceedings where they have acted in good faith and have exercised their judgement reasonably. Police Authorities will need to decide each case on its own merits, but subject to that there should be a strong presumption in favour of payment where these criteria are met.'

Notice 33/99 currently provides an internal guide to the provision of such assistance, which is normally authorised on behalf of the MPS/MPA by a Detective Chief Superintendent within the Directorate of Professional Standards.

There are, however, cases where the Authority will be asked to determine whether such financial assistance should be allowed. Such situations would include cases involving 'significant' factors as described at Annex 1. Although unusual, such applications will proceed in the same way as 'approval cases' for civil claims and Tribunals.

7. Timescales

Any application for approved funding will be made at the earliest opportunity to the Clerk, who will then arrange for the case to be considered. There are occasionally cases where a very urgent response is required due to sudden developments in the case, including immediately before or during a trial or hearing. In such cases, any oral reports to the Clerk or nominee will be followed by a faxed copy of a written application.

Section 3 of the Scheme of Delegation makes provision for the Clerk or Treasurer to take urgent decisions that would otherwise be taken by the Authority or one of its committees.

In relation to compensation cases, this provision should only be used as a last resort. Every effort will be made to ensure that decisions requiring Authority approval are dealt with through the appropriate committee processes of the Authority. Careful planning, underpinned by the timely receipt of appropriate information should minimise the need to invoke the urgency procedure.

8. Out of hours contact

Where the Commissioner requires an 'out of hours' approval, he will make every effort to contact the Clerk or nominee. The MPS will not approach the

Chair or one of the Deputy Chairs of the Authority direct, unless attempts to contact the statutory officers have failed.

To facilitate the process and eliminate potential difficulties with other methods of communication, the MPA will be responsible for maintaining an MPA/MPS priority contact list for all issues relating to this protocol.

Annex 1

Significant Cases

Guidance on which cases should be notified to the MPA

A significant case is a case where one or more of the following criteria are met:

1. It has real potential to attract an award of £50,000 or more (to include multiple claims/claimants), except in the case of Accident Claims when the level would be £200,000.
2. It involves any issues of principle and/or financial policy (e.g. medical / ill-health retirements)
3. It is in nature a test case
4. It is likely to attract publicity; examples are:
 - (i) it involves a well known claimant
 - (ii) it involves well known witness(es)
 - (iii) it involves a high ranking police officer(s) and/or civil staff
 - (iv) there is a particular public interest in the case(s) (e.g. claims of persistent police harassment and racism over a sustained period of time, or it arises from a targeted operation).
5. There is a risk that the MPS/MPA will be exposed to public criticism and/or weakness in, or lack of MPS policy, practices or procedures will be revealed.
6. It involves a death in custody – particularly following use of force by police officers.
7. It is likely the settlement will give rise to media comment (e.g. because it involves issues which are currently the subject of public debate).

Please note that the above criteria apply equally to threatened proceedings, inquests and disciplinary proceedings. The criteria are not exhaustive and there may be occasions where cases not falling within these categories may be referred.

It has been agreed that cases meeting the criteria will be referred as early as possible even if only brief details are known.

Significant claims may require funding approval from the MPA in 'exceptional' circumstances. An exceptional case is:

'any case with the potential to cause **real damage** to the Authority or to the Service'